

Regionalization of Government Services: Lessons Learned & Application for Public Health Service Delivery

Prepared for the Robert Wood Johnson Foundation by

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INTRODUCTION

Consolidation of government services is emerging across the country as a means to provide services more efficiently and to improve the quality and type of services that individual units of government may not be able to offer on their own. Innovative arrangements, from shared services to consolidation to regionalization, dot the landscape of our nation. They can be found in numerous types of government services—schools, public safety, economic development, land use planning, natural resources management, administration and public health, to name a few.

The economic downturn of the last few years stimulated renewed interest in these arrangements, primarily for the purpose of finding savings to stretch shrinking budgets without dismantling critical services. Yet, that is only one part of the story, and there are many reasons to consider these arrangements, chief among them being improvements in service delivery in increasingly complex environments and circumstances.

One of the challenges facing governmental public health agencies (local, county, regional and state) in an era of budget retrenchment is meeting the new standards for accreditation (at this time voluntary) beginning in 2011. The Robert Wood Johnson Foundation, interested in helping public health agencies prepare for accreditation, sought lessons learned and best practices from regionalization experiences of government agencies. This report describes the findings of a small study of non-health services. A companion report (Libbey & Miyahara, 2010) looks at the regionalization experiences of a small number of public health agencies that have experience consolidating.

BACKGROUND

Will the value for money mindset of today's weak economy triumph over the preferences for local autonomy deeply embedded in the American psyche? How will calls for consolidation fare in the "tea party" atmosphere of distrust in big government? State and local governments exploring regionalization as a way to preserve services in an era of diminishing budgets will once again put these values to the test.

The roots of regionalism in this country emerged in the early 1900's, when New York and Chicago initiated metropolitan planning, but the concept didn't progress until Cold War transportation planning decades later (Basolo, 2003). The recession of the early 1990's

prompted a new wave of consolidations and regionalization, fueled further by terrorism challenges to preparedness as the new century began, and pushed again to the forefront by the recent economic recession. Numerous examples of consolidation and regionalization exist, but most are limited-domain efforts.

We remain a country founded and governed by the desire to control our own destinies. Numerous polls of public opinion over time reveal hesitancy to establish regional governments that could take away too much local power (Basolo, 2003). Thus, today, we are a country of roughly 39,000 typical units of government (3,034 counties, 19,429 incorporated municipalities and 16,504 unincorporated townships) plus 13,506 school districts and 35,052 special purpose districts (U.S. Census Bureau, 2002). In addition, 562 federally recognized Indian Nations hold sovereign status (nations within our nation).

Despite these divisions, the federal government and many states find regional arrangements efficient for improving service delivery and using tax dollars wisely. The Kansas City metropolitan area illustrates why (Thurmaier & Wood, 2002). It straddles two states and contains more than 150 units of local government (114 cities, 8 counties, more than 30 school districts and numerous special districts). On the Missouri side, Kansas City itself flows across four counties.

Yet, merger into regions remains difficult to accomplish. Iowa is a case in point (Greenblatt, 2006). Iowa contains three times the units of government than is the average in other states. Of its 99 counties, 80 have fewer than 30,000 residents. In 2005, the governor devised an incentive plan to shrink the number of counties into 15 regions. The legislature dispatched it in three weeks. A few months earlier, voters had killed a proposed merger between Des Moines (the capital) and Polk County.

Despite the failures to regionalize in Iowa and other states, collaboration continues to blossom at the local level. A number of other forms of collaborating to provide government services exist as alternatives to regionalization.

Collaborating to Provide Government Services

Like many business innovations in government, shared services emanated from experiments in the commercial sector (Ulrich, 1995) with providing “back office” functions (purchasing, contracting, IT, HR) across organizations to achieve operating efficiencies. Along the way, local governments adapted these principles to also apply them to “front office” service delivery of critical government functions, such as water management, fire protection, recreation and

special education. By 2002, 17% of local government services were delivered through some type of collaborative arrangement (ICMA, 2002).

What factors affect the likelihood of initial collaboration? The public may be less supportive of government contracting for functions involving social control or coercion (Thompson & Elling, 2000). Yet, perceptions of increased vulnerability to threats from disasters increases acceptance of regionalization (Caruson & MacManus, 2008).

Government structure may play a role in promoting collaborative arrangements. Council-professional manager forms of government favor these agreements more (Wood, 2006; Thurmaier & Wood, 2002; Hirlinger & Morgan, 1991). Professional managers may have longer tenure than elected officials, build trust over time with colleagues in neighboring jurisdictions and have the long-view that completing agreements and waiting for outcomes requires.

Demographics may also play a role in appetite for collaboration. Poor, financially stressed communities that continue to lose population (and thus tax revenues) may be more willing to collaborate (Carr & LeRoux, 2005). Communities with large proportions of elderly residents may signal difficulty. The elderly generally use services more and are politically aware and active (Hirlinger & Morgan, 1991).

Forms of Collaboration

Shared services entail governments coming together to deliver services in a combined or collaborative operation (PricewaterhouseCoopers, 2005). Shared services take place under a broad variety of arrangements from informal verbal or “handshake” arrangements to interlocal joint powers agreements to formal consolidation (merger).

Mutual aid involves the sharing of supplies, equipment, personnel and information across political boundaries (Stier & Goodman, 2007). Mutual aid is a form of shared service, provided as needed and if possible. Mutual aid agreements (MAAs) allow local government agencies to provide assistance beyond their boundaries, and to receive reimbursement. They authorize employees from another jurisdiction to have the same powers, duties, rights, privileges and immunities as if they were performing duties inside their own jurisdictions (Andrew, 2009). Mutual aid agreements take many forms (non-binding and binding) and draw their authority from various instruments of law, such as state and federal laws and codes, interstate compacts and international treaties. The Emergency Management Assistance Compact is an example of mutual aid.

Compacts are legal agreements between two or more states, designed to resolve problems or concerns that transcend state lines (GAO 2007). Interstate compacts and their rules take

precedence over conflicting state laws. Over 200 interstate compacts exist (almost half address environmental and natural resources management concerns) and on average a state belongs to 25 of them. In addition to states, compacts may include the District of Columbia, Puerto Rico, U.S. Territories and Canadian provinces as signatories.

Interstate compacts predate the U.S. Constitution and were traditionally used to settle boundary disputes (Zimmermann & Wendell, 1952). Now, many address regional services—such as transportation, law enforcement, allocation of interstate waters, emergency management and environmental protection. Interstate compacts are administered by state agencies within each state or by an independent commission (a “third tier” of government). The New York-New Jersey Port Authority is an example of an interstate compact.

States negotiate compacts and then each state legislature enacts a law identical to the wording of the agreement. The U.S. Constitution, however, prohibits states from entering into an agreement that affects the balance of power between states and the federal government or affects a power constitutionally delegated to the federal government. In these cases, the states must obtain Congressional consent. Under the Stafford Act, consent is considered granted 60 days after transmission to both houses, but the Congress retains the right to disapprove or withdraw consent.

Compacts can be critical to shared or regionalized services, because numerous metropolitan areas, municipalities and unincorporated towns straddle state lines.

Interlocal agreements are another form of shared service. They allow local jurisdictions to provide services, equipment or facilities to or receive them from another local jurisdiction. Interlocal agreements are contracts that precisely specify the services, activities, terms and conditions of collaboration (State of Washington, 2009). They are based on the principles and concepts of contract law. State laws govern the processes by which local governments form interlocal agreements.

Functional consolidation, where separate entities are retained but one or more duties normally performed are assigned to employees of another entity by interlocal agreement, is an incomplete form of consolidation. The Milwaukee County parks department, serving the city’s and county’s separate governments, is an example of functional consolidation.

Consolidation is the act of combining to one government body or entity, also known as merger. It can occur through annexation, dissolution, referendum or formal written agreement. State laws govern consolidation of local governments. Denver, Colorado is an example of a consolidated city-county.

Regionalization is the consolidation of governments across county or state lines. The merger of Milton and Campbell counties into Fulton County, Georgia (1932) is an example of county regionalization.

What Makes Collaborations Successful?

Studies of collaboration among local governments point to factors that make them more successful (Baker Tilly, 2010; Chen & Thurmaier, 2009; Elsass, 2003; Faust & Dunning, 1998; Johnson et al, 2003). In particular, an equitable sharing of benefits and costs, a common vision on the desired outcomes and the selection of tangible ones, strong commitment and leadership, communication and goal achievement bode well for maintaining collaborations.

Factors inhibiting success include lack of support from upper management, weak leadership, soft commitment, wavering vision and goals, mistrust, weak financial support, insurmountable turf and resistance to change.

METHODS

Background literature was searched for studies and reports about regionalization, mergers, interlocal power agreements, compacts and other forms of government shared services. Informational interviews by telephone were conducted with 12 national and state organizations that represent local government constituencies having shared services experiences (e.g. National Association of Counties, National League of Cities, Council of State Governments, Association of Educational Service Agencies, International Association of Fire Chiefs, National School Boards Association, state departments of education in New York and North Dakota).

These interviews surfaced a significant number of reports, studies and manuals not published in the academic literature. In addition, these organizations were helpful in identifying examples of local government jurisdictions that had experience with shared services and in recommending consultants who had worked with them. Telephone interviews were conducted with organizations from five sectors with significant experiences sharing services: education, public safety, regional planning, economic development and water/waste management.

The second round of interviews produced additional cases that illustrate different forms and processes of shared services. Lessons learned gleaned from these interviews, documents unearthed during the interview process and a search of the Internet for additional materials, were synthesized with the lessons learned from the published literature.

As anticipated, the academic literature is primarily theoretic. The preponderance of useful information about how collaborations form, why they succeed and fail and how to go about them was found in reports, manuals, and other guidance from the organizations themselves, the interviews and from consulting agencies who work with local governments.

FINDINGS

1. Regionalization is a “hot button” term equivalent to “merger.” In many cases, it is a non-starter—effectively shutting down attempts to collaborate via sharing services.

In elementary and secondary education, consolidation/regionalization attempts peaked in the 70’s (Duncombe & Yinger, 2005), replaced by shared services arrangements. School districts declined from 117,000 in 1940 to 14,200 in 1945 (Duncombe, 2007). The number of states with ESAs doubled within the last two decades (Peters and Svedkauskiate, 2008).

The recent economic downturn renewed interest in school district consolidation; however, a major report on school savings (Deloitte Research, 2005) cautions based upon a significant body of research that consolidating into large districts can actually lead to higher administrative costs and poor outcomes. Conversely, small districts tend to have higher administrative costs. Mid-sized districts generally deliver quality education while keeping costs in check. Consolidation of schools has the potential to create “ghost towns,” when economic development, commerce and preference in housing shift to the towns where the consolidated schools are located.

2. Shared services achieves the best of both worlds—the benefits of mid-sizing and local control over the bulk of service decisions, while joining forces to take advantages of economies of scale in “back office” administrative functions, capital expenditures and direct services.
3. A new lexicon is needed. The term “regionalization” should be replaced by “shared services.” Shared services take place along a continuum from informal arrangements to interlocal agreements to formal consolidation/merger.
4. Accreditation was not a factor that stimulated consolidation. The prime movers are saving costs and improving the levels and quality of services per dollar expended

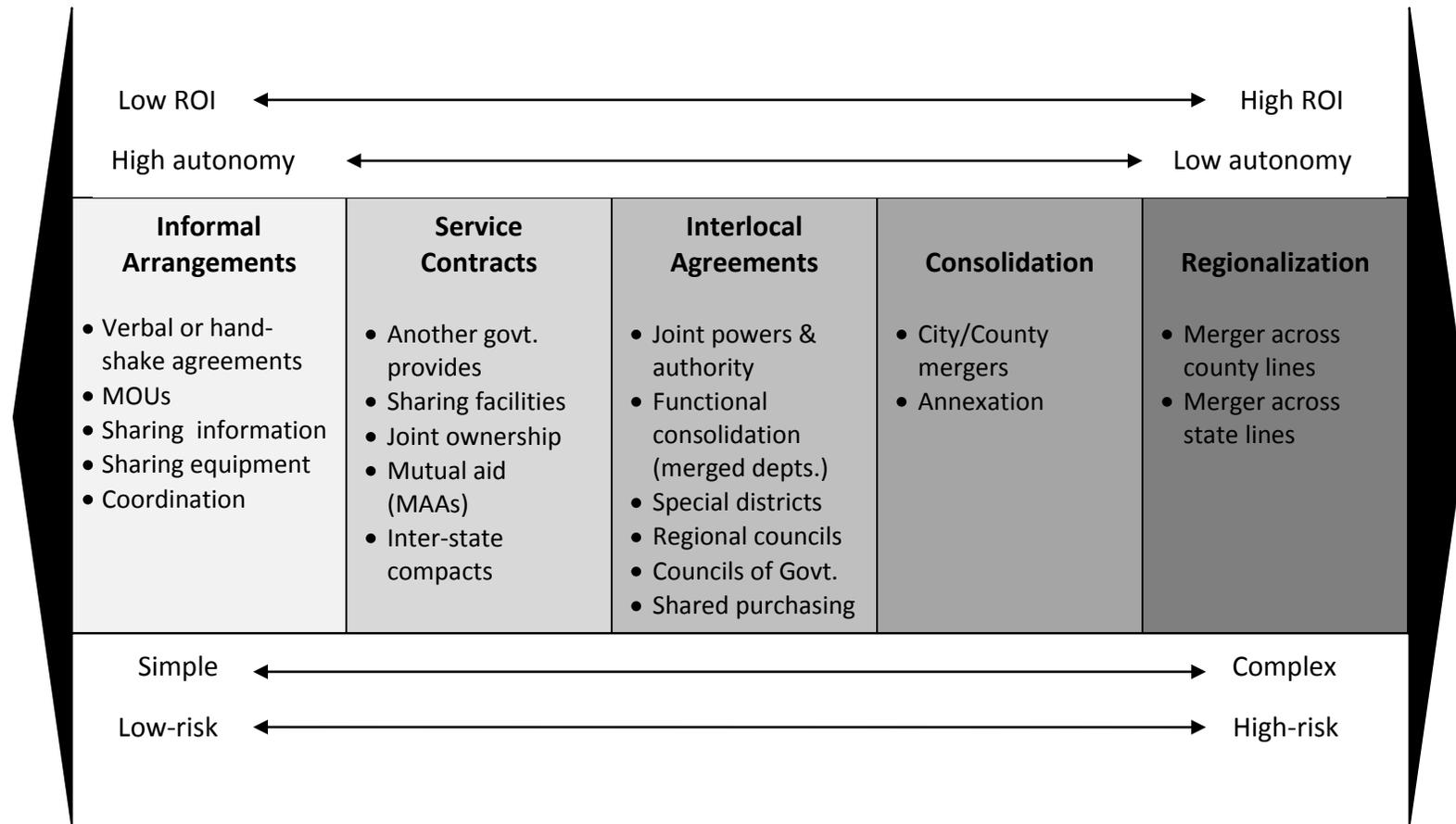
5. Sharing services may be more difficult for smaller communities due to their stronger ties to local identity, generations of tradition and the brand identity that inextricably links public employees to place
6. It takes time to successfully navigate more complex shared services arrangements, and more time still to measure financial and service improvement benefits. These timeframes may be beyond the window of interest for key decision-makers, such as elected officials
7. State legislation will be needed—either *de novo* or modifications of existing laws or regulations—to advance further innovations in sharing services within and among states. And in some cases, collaborating across state borders will require federal approval (e.g. inter-state compacts) or federal law or regulatory changes
8. Biggest is not necessarily better—economies of scale diminish in organizations too large and too small.

THE SHARED SERVICES CONTINUUM

The term “shared services” encompasses intergovernmental collaboration ranging from informal arrangements to service contracts, interlocal agreements to consolidation, to regionalization (See Exhibit 1: Government Shared Services Continuum). Most examples of governments working together to provide services fall somewhere on this continuum.

On the simpler end of the spectrum lie the informal arrangements where changes in operating structures are not needed. The more complex and difficult consolidations/mergers occupy the opposite end of the continuum. Interlocal agreements fall in between—the middle ground where powers are linked and a new service delivery entity may form, but separate government jurisdictions remain. Moving from the simple, low-risk models to the complex, higher-risk brings opportunity for a higher return on investment, accompanied however by lower autonomy.

Exhibit 1: Government Shared Services Continuum



Adapted from: Ruggini, J. (2006); Holdsworth, A. (2006)

BEST PRACTICES & LESSONS LEARNED

School districts, fire services and regional councils provide the most robust experiences with various forms of cross-agency collaboration. They and others generated lessons learned that should be useful to public health agencies considering sharing services:

- Working on collaborations and collaboration agreements is not a one-shot deal—they require ongoing guidance and time of key leaders
- Starting small and demonstrating success is better than over-reaching—as one leader put it, “needing to live together before you get married” or from another “start small, demonstrate success and others will seek you”
- Success has the potential to strain relationships with neighboring jurisdictions that are not part of the collaboration. Extra attention is needed to maintain these relationships, especially if in the future these neighbors might become part of the collaboration
- Change is constant—communities and political leaders change. Maintaining political contacts and managing contexts requires ongoing vigilance.

Key Barriers

- Overcoming mistrust, fears & the politics of place: among voters, employees, management, appointed & elected officials
- State & Federal laws & regulations: the authority for states and local governments to engage in collaborations
- Engagement & agreement of voters, executives & governing bodies: involvement & reasonable accommodation of concerns & differences
- Timing: choosing the right moment to act; taking enough time to work out details and build buy-in without missing the opportunity of short political windows
- Ignoring critical steps in achieving change: understanding cultures, planning key stages, engaging critical actors, exerting leadership & political will, and moving ahead.

Best Practices for Overcoming Barriers

- Create planning processes that take the devil out of the details:
 - ✓ Provide time & resources for engaging

- ✓ Create short-term service improvement indicators (3-5 years) & long-term cost improvement indicators (5+ years)
- ✓ Create a common set of definitions
- ✓ Build a business case for change
- ✓ Assess weaknesses & assets of potential partners, including organizational culture
- ✓ Create a budget for achieving service improvements at reasonable cost, design a fair-share method for financial participation
- ✓ Determine personnel issues, create opportunities for advancement & improvement of skills, negotiate changes
- ✓ Define participation requirements
- ✓ Establish management & oversight authority
- ✓ Designate fiscal agent
- Engage the public, employees & their representatives, management & elected officials from the beginning:
 - ✓ Create attractive opportunities for meaningful participation
 - ✓ Operate with transparency
 - ✓ Communicate frequently, listen & incorporate feedback
- Codify decisions, requirements & key common procedures & expectations in writing:
 - ✓ Keep records & documents
 - ✓ Create formal agreement, including dissolution process & “cooling off” period
 - ✓ Conduct legal review, execute the agreement
 - ✓ Review adequacy of provisions on a systematic basis & make adjustments promptly when needed
- Engage elected & appointed officials in revising laws & regulations:
 - ✓ Engage stakeholders in planning processes early
 - ✓ Involve legal counsel early & continuously throughout planning & implementation
 - ✓ Create communications to educate decision-makers on need for changes & prompt action
 - ✓ Use partnership stakeholders to advocate for changes
- Create opportunities for innovation, advancement & *esprit de corps*:
 - ✓ Reward innovative thinking
 - ✓ Create opportunities for leadership at all levels
 - ✓ Create symbols of change—new logos, branding, commemoratives & uniforms of office (where appropriate)
 - ✓ Experiment with innovations, take reasonable risks & evaluate results
 - ✓ Celebrate successes & failures, incorporating lessons learned into redesign

- Implement systematic evaluation of the collaboration:
 - ✓ Agree on processes & methods for reviewing indicators & health of the collaboration
 - ✓ Schedule regular & frequent reviews (quarterly updates & annual progress)
 - ✓ Communicate results transparently
 - ✓ Use results to make needed changes promptly

Benefits of Shared Services

Sharing services at some level along the collaboration continuum provides potential benefits in service delivery, financing and community perceptions of government (Deloitte, 2005; Holdsworth, 2006; Pricewaterhouse, 2005; Accenture, 2005; Peed & Wyant, 2007):

Service Delivery	Financing	Perceptions
<ul style="list-style-type: none"> • Customer focus • Increase access • Advanced skills • Standardized processes • Higher quality • Improve employee morale 	<ul style="list-style-type: none"> • Avoid duplication • Bargaining power • Economies of scale • Spread risk • Capital improvements • Reduce or stabilize costs 	<ul style="list-style-type: none"> • Increased productivity • Enhanced career opportunity— attract staff • Leveraging tax dollars • Improved equity • Attracts businesses • Expanded sense of community

Financial Incentives

A number of states experimented with providing financial incentives to encourage various from of collaboration—from shared services to consolidation or regionalization. In 1925, New York first offered incentive payments to schools that consolidated. The program changed over the years, but exists today with a \$14-15 million budget per year.

This generous program gives operating aid (40% of operating budget) for 5 years and then declining aid for 9 more. In addition, aid for new buildings is available. The number of school districts in New York has declined from 10,000 in 1900 to 697 in 2010. From 1981 to today, 33 school districts reorganized.

Since 1948, New York has also provided state aid for BOCES services (educational service agencies), making a partial reimbursement for BOCE services to a school district in the year following the expenditure (Deloitte, 2005).

Wisconsin legislation in 2001 provided for \$45 million in incentive payments (a one-time payment of 75% of the savings) to local government entities that demonstrated savings in the first year of a shared services agreement; but before the program's start date (2004), the provision was eliminated in the 2003 budget repair bill.

In Kansas, 19 school districts consolidated or dissolved since 2002. Kansas provided three years of state incentive funding (as if they were still separate) to stabilize funding for districts with low enrollments (Deloitte, 2005).

New Jersey has offered three forms of incentive payments—Regional Efficiency Development Incentives provided funds to local governments to pay for feasibility studies and start-up costs for shared services with neighboring school districts, towns or counties, and the Regional Efficiency Aid Program provided tax credits to homeowners whose local governments shared school or municipal services.

Later, New Jersey Sharing Available Resources Efficiently (NJ SHARE) Grants—commonly referred to as the “Shared Services Grant”—gave municipalities considering the consolidation, regionalization or otherwise sharing of municipal services financing to professionally study and implement the shared and consolidated services. For example, \$243,073 for 10 SHARE grants produced over \$7 million in savings.

With the economic downturn, states trimmed or eliminated a number of these programs: New Jersey's SHARE program was suspended midway through the 2010 state fiscal year, and the recently signed 2011 budget that took effect July 1, 2010 does not provide any funding for it.

MODELS FROM GOVERNMENT SERVICES

Educational Service Agencies

Educational service agencies are public entities created by state statute, to provide educational support programs and services to local schools and school districts within a given geographic area. Currently there are 620 educational service agencies in 42 states (AESA, 2010). Examples of ESA programs include professional staff and curriculum development, teacher certification, special education, special services (speech, language, hearing, occupational and physical therapy), adult literacy, gifted education, financial, personnel, transportation, food service, custodial, data processing, attendance officers, testing and assessment, printing, instructional media, purchasing, technology, alternative and charter schools, and other programs

traditionally associated with central office administration. By working cooperatively, districts can share costs and provide higher levels of service.

Educational service agencies have existed in some states for over 100 years. Delaware established the first in 1829. Names of ESAs vary by and within states, for example: Area Education Agency (AEA) in Iowa, Board of Cooperative Educational Services (BOCES) in New York and Colorado, Cooperative Education Service Agency (CESA) in Wisconsin, County Office of Education (COE) in California and New Jersey, Education Service Agency (ESA) in Arizona, Education Service Center/Cooperative (ESC) in New Jersey, Ohio and Minnesota, Education Service District (ESD) in Oregon and Washington, Education Service Unit (ESU) in Nebraska, Intermediate Unit (IU) in Pennsylvania, Intermediate School District (ISD) in Michigan, Regional Education Service Agency (RESA) in Georgia, Mississippi and Michigan, Regional Education Service Center (RESC) in New Hampshire and Texas, or Regional Office of Education (ROE) in Illinois. More than one form may exist in a state.

ESAs are generally funded by local property tax levy, state allocations and contract fees for services provided. Additionally, some ESAs receive funding from Federal/state grants and other awards.

Today's educational service agencies can be classified into two types (Stephens and Keane, 2005):

- *Special Districts*: a legally constituted unit of school government that provides programs and services to both local districts and the state. Found in at least 13 states, these special districts are usually established by the state and/or in conjunction with local districts
- *Cooperative Units*: two agencies that provide services primarily to member local school districts. These units, which exist to some degree in approximately 12 states, provide specific cooperative services, such as special education or purchasing, to a full array of joint services.

ESAs feature prominently in the Elementary and Secondary Education Act of 2001 (ESEA), the No Child Left Behind Act of 2001, and the 2006 reauthorization of the 1984 Carl D. Perkins Career and Technical Education Improvement Act, to help states raise expectations of students, reward schools for producing dramatic gains in student achievement and to build vocational education programs that expand the career options available to students, create opportunities in economically depressed communities and advance economic growth.

Results: Various studies and literature reviews have identified cost savings of anywhere from 15 to 40 percent from using shared services arrangements (Deloitte Research, 2005; Duncombe, 2007). Shifting just a quarter of non-instructional services to shared services nationally could potentially yield savings in the range of \$9 billion—the equivalent of 900 new schools or more than 150,000 additional school teachers.

Examples of ESAs

In some cases, an ESA within a state develops a service that is sought by other ESAs from the same or a neighboring state. For 40 years, the Washington School Information Processing Cooperative (WSIPC) has operated through collaboration of the state’s Educational Service Districts to provide data services, manage district finances, and support student data systems including special education reporting for 290 public school districts and private schools. In Michigan, the Wayne County RESA has developed a student services package (e.g. processing of grades, longitudinal achievement data, communications to parents) that is used by most of the districts in the state and some in neighboring states. Likewise, Minnesota provides cooperative purchasing services to North Dakota.

Wayne County Regional Educational Service Agency, Michigan (*See Case 1*)

The Wayne County Regional Education Service Agency (RESA) is a free-standing ESA organized in 1982, that provides special education, teacher training, student services and packaged consortium bidding for Detroit and 34 other school districts in the county. Wayne RESA is the Intermediate School District for Wayne County. It provides a broad continuum of programs and services that support student achievement for approximately 313,000 students in 34 local districts and 89 public school academies. Considerable cost savings have been achieved, along with generation of new revenue streams.

Michigan Association for Intermediate School Administrators (*See Case 2*)

The Michigan Association for Intermediate School Administrators (MAISA) is comprised of superintendents and administrators representing the 57 Intermediate School Districts (ISDs) in the State of Michigan. ISDs provide specialized services to students that would not be affordable or feasible otherwise. These services can include special education, vocational training, interdisciplinary subjects, language programs, early childhood education, parent services, community involvement, transportation, extracurricular activities, lifelong learning and adult education. MAISA also provides government relations, professional development and 13 regional educational media centers (cooperative bidding, data support & streaming). MAISA also manages dual superintendency agreements, where two districts operate separately but share a superintendent who reports to two school boards.

North Dakota (See Case 3)

Regional Education Agencies (REAs) began in 2003. While this is a relatively new effort in North Dakota as compared to states that have had such entities for decades, regional services are being put into place with lightening speed in response to fiscal conditions and state education and teacher certification requirements. North Dakota now has 8 REAs that provide services to 98% of all public school students. State statute permits REAs through Joint Powers Agreements (See Appendix C).

Mississippi (See Case 4)

Twenty years ago, sharing services in Mississippi began with three district clusters: Vicksburg/Warren County, Grenada city/county and Natchez/Adams counties. ESA's have done good professional development work but little else in shared services. High school consolidation is taking place due to sparse populations in rural areas and the lack of teachers to teach advanced courses. The Governor is renewing a push for consolidation for fiscal and performance reasons. He questions whether the state can afford 152 school districts and slashed \$172 million in education funding in 2009.

Lessons Learned & Best Practices from School Districts

Numerous **barriers** exist for school districts that attempt to share services:

- Loss of local control: all cite hesitancy on the part of citizens, political leaders and school boards to share services due to fears about losing control over budgets, services and decision-making
- Loss of local identity: hometown identity is a big issue and local sports teams give distinct identities to communities. Emotions run high over fears that their mascots, colors and individual teams will disappear
- Competitive nature: other communities may be viewed as competitors (in sports, economic development, and other rivalries) and sharing services and funding is culturally odd
- Political turf: communities and politicians identify strongly with their schools, and fear more bureaucracy or a stronger connection to state government
- Service delivery differences: education practices, curriculum, textbooks, IT platforms, school calendars, transportation and food services operate differently among districts
- Labor contracts, practices, fear of job loss: labor contracts, pension funds and retaining jobs play a major role in the success or failure of sharing services. In some states, fair labor laws make it difficult for schools to get services from another entity
- Geographic: long distances, rugged terrain and weather conditions may challenge collaboration, especially the sharing of instructional personnel

- Equity in paying for services: most fear inequitable distribution of services and disproportionate payment
- Lack of data to evaluate: measuring instructional outcomes is more difficult than documenting savings in administrative costs
- Racism or classism: more affluent suburbs or towns may fear mixing services, staff and students

Successful collaborations find ways to **overcome barriers**:

- Fostering goodwill: getting districts, citizens and politicians together to talk about improving education and finances
- Focusing on non-instructional issues first: they are less controversial
- Exerting leadership: using political will and capital of key leaders
- Taking time to develop trust: pushing too far too fast creates weak buy-in
- Devising a fair-share payment process: a formula that can be modified over time based on experience
- Keeping the focus on doing the right thing: for kids and taxpayers
- Educating the legislature: about the importance of improving student achievement and the benefits of shared services
- Demonstrating success: improving financial condition and outcomes for a small number of services, and then adding more after that
- Investing in shared technology: a money-saver and attractive to future partners
- Establishing common practices: school calendars and labor
- Trying innovative approaches that preserve local identity: dual superintendency, two sets of business cards (one ESA and one local district).

Public Safety: Fire Districts, Preparedness and Law Enforcement

Significant experience with various forms of consolidation comes from governmental units engaged in public safety—especially fire departments, who have more varied approaches than those used in education. From 1960-1966, the Johnson Foundation (SC Johnson a.k.a Johnson Wax in Racine, WI) studied the delivery of fire service in America, and held meetings with key fire service leaders. Its 1966 Wingspread Conference on Fire Service Administration, Education and Research questioned the traditional concept that fire protection is strictly a responsibility of local government (The Johnson Foundation, 1966):

It is economically unfeasible for any single governmental jurisdiction to equip and man itself with sufficient forces to cope with the maximum situation with which it may be faced. The lack of understanding of this principle has caused

many communities to be caught short of fire suppression resources. As a result, catastrophes have not been minimized as fully as possible.

Many local governmental jurisdictions find themselves, in too many cases, too small to be large and too large to be small. As a result, individual communities cannot do some of the things which can be done if the economic base for the service involved is enlarged.

In 2008, there were 30,170 fire departments in the U.S., a number basically unchanged since 1999 (FEMA, 2008). Although consolidations reduce the number of fire departments, urban growth in previously rural areas creates opportunity for establishing new municipalities and their services.

Sharing services has occurred in law enforcement, but not as a response to accreditation. Economics and staffing of advanced functions (central dispatch, CSI, SWAT, bomb squad) are the primary drivers. While consolidations have occurred, new agencies form; thus, the number of law enforcement agencies has not changed in decades.

Law enforcement mutual aid agreements were employed historically on a limited basis, such as sharing personnel and resources for multi-agency investigations and task forces (Bureau of Justice Assistance, 2005). 9-11 sparked new interest in mutual aid agreements (MAAs) and today, regional MAAs make available a broad range of existing resources to quickly address emergencies such as terrorism and natural disasters. MAAs are critical components of the National Incident Management System (NIMS). They tend to be comprehensive and formalized agreements that range from covering a neighboring jurisdiction to interstate compacts that manage the assistance governors can lend each other (e.g. Emergency Management Assistance Compact—EMAC).

Numerous studies of fire department consolidations exist. Combining forces began in the 40's but accelerated during the economic downturn of the 90's. Benefits cited include higher levels of service (uniform service delivery, advanced emergency services certification, reduced response times), savings through elimination of duplication of services (e.g. dispatch, vehicle and facility purchase and maintenance, logistical support, training, administrative services and fire prevention) and higher insurance accreditation ratings (resulting in lower insurance charges to property owners)(King, 1998; Seltzer, 2004).

Consolidating public safety functions may mean entanglement in the “politics of place” (Carr & LeRoux, 2005). Fire and police employees may occupy 25% of a local government's positions

and 40% of its payroll. They are highly visible to the public and symbolically represent value for taxes paid. The “Town of Mayberry” emblazoned on vehicles, shirts, buckles, hats and badges, creates brand identity for the local unit of government. Political leaders and employees hesitant to abandon these symbols may create obstacles to consolidation.

Results: By their very nature, public safety agencies keep detailed data on service use, outcomes and costs. Most fire departments, after initial start-up periods, demonstrate profound benefits of collaboration: improved response times (“right person, right tools, right time”), increased levels of service (higher skill emergency medical services, more front-line fire-fighters) and generated savings (capital equipment, administrative salaries, general purchasing, reduced fire insurance premiums for property owners).

Examples of Fire Departments

While local units of government traditionally hold responsibility for fire protection and prevention, many examples exist that demonstrate improved effectiveness (service improvement and savings) from inter-local collaboration.

Tualatin Valley Fire & Rescue (See Case 5)

Tualatin Valley Fire & Rescue (TVF&R) is located south of Portland, OR. TVF&R provides fire protection and emergency medical services to approximately 440,000 citizens in one of the fastest growing regions in Oregon. The district is a full-service fire and emergency medical operation. Citizens served by TVF&R benefit from the services of a large metropolitan fire department, while paying one of the lowest fire-protection tax rates in the region.

The TVF&R took shape between 1972 and 1996 as a number of small fire departments consolidated to increase efficiency, lower the cost of services, and eliminate duplication. It is governed by an elected five-member Board of Directors that includes four citizens and a fire service professional.

One of the district's hallmarks is a commitment to think and operate like a private business. Examples include: employing innovative emergency scene tactics, offering services to neighboring agencies to generate revenue and off-set business costs, and implementing non-traditional staffing based on incident data.

Poudre Fire Authority, Colorado (See Case 6)

Poudre County Fire Authority (PFA) is located in Fort Collins, CO and the 200 sq. mi surrounding it and serves a population of 180,000. It is a full-service fire prevention, fire protection and emergency service agency and also operates 3 volunteer fire departments. Service

improvement prompted consolidation. PFA is governed by a five-person board of directors appointed by the city and district board. Providing higher levels of fire and emergency response were possible only by creating efficiencies and economies of scale in staffing and facilities. Levels of service have improved, and eventually dollars were saved. PFA now is nationally recognized for its continuous quality improvement work.

North Shore Fire Department, Wisconsin (See Case 7)

The North Shore Fire Department (NSFD) is located in the seven northern suburbs of Milwaukee, WI and covers 25 sq. mi and 69,000 residents. NSFD was organized throughout the years 1992-1994 and began service in January, 1995 through an intergovernmental agreement.

An objective look at the fire service delivery systems in the North Shore showed that duplicative waste existed to an extreme. There were three career fire departments, two combination career/paid-on-call, and two volunteer departments serving a total area of less than 30 sq. mi. Fire department merger led the way for sharing of other municipal services among some municipalities—such as a partially merged library system and health department.

A seven-person board (village presidents or their designees) monitor the operations and budget, while a Fire Commission is appointed to handle personnel issues. NSFD demonstrated a higher level of service (decreased response times, upgraded insurance ratings) and controlled costs by preventing duplication (significantly reduced rate of increase in annual expenditures of 5 of 7 municipalities, capital equipment costs were lowered).

Central Pierce Fire & Rescue (County Fire District 6), Washington (See Case 8)

Central Pierce Fire & Rescue (CPF&R) is located southeast of Tacoma, WA. The District provides 24 hour emergency medical and fire suppression protection, fire prevention, hazardous materials response and technical rescue services to approximately 203,000 citizens and covers an 84 sq. mi area. CPF&R was organized in 1996 with the consolidation of six fire departments. In 2009, two additional cities joined the district.

Service improvement at no additional cost prompted consolidation. An elected board governs the fire district. They increased level of service, adding 100 service FTEs with no new administrators. Budget efficiencies were anticipated but it took a few years to realize savings. Economies of scale eventually lowered administrative costs (e.g. one central purchasing agent and a just-in-time inventory).

Santa Clara County Fire Department, California (See Case 9)

Santa Clara County Fire Department (SCCFD) is a California Fire Protection District serving Santa Clara County and 8 communities. First organized in 1947, SCCFD is a full service fire department which has evolved through fire consolidations and contracts. Personnel provide fire protection services to 246,000 residents and 106 sq. mi in one of the most diverse areas in the state. Challenges range from high rise buildings, downtown commercial areas, large retail malls, wild land-urban interface, hazardous materials and hi-tech systems, to large residential areas.

Service improvement prompted consolidation. The smaller departments faced a revolving door of personnel, as experienced firefighters left the small departments for advancement in larger departments. The department is governed by the Santa Clara County Board of Supervisors, who sit as the Board of Fire Commissioners.

Lessons Learned & Best Practices from Fire Departments

Public safety units also encounter **barriers** when devising collaboration agreements:

- Loss of local control: fear of losing decision-making over budgets & services
- Loss of local identity: losing the name of “their own” department was huge, as were concerns about whether the departments would continue to participate in big events, like the annual Santa parades. Truck logos generate considerable discussion
- Public skepticism: whether local government could succeed at improving services without increasing costs
- Political turf: public safety services are highly visible evidence of taxes paid and political leaders associate strongly with them. Politics of cities can be more complicated than that of smaller jurisdictions
- Labor contracts, practices, fear of job loss: different salary scales and pay and benefit equalization required negotiations. Some departments merged union and non-union shops. Uncertainties over how reductions in duplicative positions would be handled created fears
- Service delivery differences: operating procedures, incompatible equipment (e.g. different sized hoses and hydrants) and skill competency requirements
- Merging administrative staff: concerns over who the new leader would be and differences in command & control procedures
- Workforce culture differences: supervision & management practices varied, as did the levels of *esprit de corps*
- Equity in paying for services: fears over disproportionate payments & expenses increasing in a merged department
- Contracting as a method for consolidation creates risk: during tough economic times, the collaboration risks losing partners or payments needed to stay afloat and for economies of scale.

Finding ways to overcome barriers:

- Preserving local identity & connectedness: sub-branding fire engines with city names; appointing captains to serve local jurisdictions, to be the voice & presence of the district in the communities
- Establishing a new identity: creating a new logo, uniforms, website; improving visibility in the press & continuing to participate in community events
- Using planning processes to build agreement: providing the time & outside facilitation to come to decisions without one of the partners dominating; commissioning studies to recommend changes needed. Setting up committees to deal with key merger issues and active participation by the top elected officials built support. Including citizens on the committees and opening meetings to the public built trust.
- Taking time to make it work & develop trust: operating via contract to start and not pushing too far too fast. Holding a community forum and public hearing in each community, led by elected leaders, generated confidence. Building a realistic timetable to complete a consolidation, most likely a year or longer. Choosing the right moments to move. Using organizational change processes helps shift the culture
- Focusing on doing the right thing: let outcomes trump discussions of processes and keep the big picture front and center
- Changing governance structures: establishing new boards with broader & equitable representation
- Negotiating with unions & employees: focusing on the opportunities for enhanced services, learning new skills and opportunities for future advancement attracted support from employees and unions. Inviting unions to participate in planning and open sessions on personnel issues provided feedback and buy-in. In some cases, new union contracts will be needed. Establishing policies that no one will lose a job and that reductions will occur via attrition
- Devising a fair-share payment process: using combined methods formulas (including factors such as tax levy based on property value, population, type of structures, run experience) and special bond referenda, and revising them over time helps keep collaborations together. Using an independent appraiser to determine the value of assets each community brings to the collaboration enables fair compensation via reductions in future formula payments
- Fostering goodwill: holding joint meetings of city councils & their staffs, educating the voters
- Demonstrating success: setting service improvement indicators and then achieving service improvements for the same or lower costs generated confidence & attracted other partners

- Passing legislation: pension differences required legislation where a state retirement system did not cover fire service employees. Creating fire districts with separate taxing authority may require legislation or a referendum
- Establishing common procedures: creating new operations manuals and co-training early-on builds familiarity and trust
- Establishing procedures for exiting: defining a fixed term of total participation, cooling off periods and requirements for leaving or being expelled from the collaboration should be spelled out in the original agreement.

CALEA: Commission on Accreditation for Law Enforcement Agencies (*See Case 10*)

Accreditation for law enforcement agencies was controversial in the late 1970s when the four founding organizations began the process of establishing CALEA. It eventually produced over 900 professional standards; created a process of self-study, on-site assessment, annual reporting, and reaccreditation; and established an independent commission to oversee the standards and process.

The first law enforcement agency was accredited by CALEA in 1984. The 80's were the peak of the accreditation movement (accreditation being voluntary). Participation in CALEA has grown to over 1,000 agencies (roughly 5% of 18,000 police departments). About 50% of the largest agencies are accredited; yet most police agencies are small and the bulk of them do not participate.

Sharing services has occurred in law enforcement, but not as a response to accreditation. Economics and staffing of advanced functions (central dispatch, CSI, SWAT, bomb squad) are the primary drivers. While consolidations have occurred, new agencies form; thus, the number of law enforcement agencies has not changed in decades.

Results: Over the past several decades, accreditation has proven to add value to the law enforcement profession. Credibility is the signature benefit of CALEA accreditation, especially for smaller agencies. The public is often skeptical about the competence and professionalism of its government, including public safety agencies. External assessment and verification by a national/international accrediting body provides evidence that an agency is operating according to professional standards and best practices. Reduced risk and liability exposure and stronger defense against lawsuits are cited as benefits.

Lessons Learned & Best Practices from CALEA

Barriers to participation include:

- Cost: smaller agencies face annual costs of roughly \$3,500-4,500 to participate. Many law enforcement agencies struggle with competing budget priorities, especially during the economic turndown
- Staff time: significant staff time is needed to complete the process of accreditation, including paperwork and onsite reviews. Reductions in staff due to the recession make this less likely
- Inability to meet requirements: agencies must satisfy 463 standards to be accredited. Smaller agencies may lack budget and staff to fulfill the criteria.

CALEA has designed requirements and is considering modifying its practices to **overcome barriers**:

- Modifying requirements: smaller agencies are not required to comply with all 463 current standards in order to achieve accredited status. Agencies need only comply with 80% of standards not deemed essential law enforcement requirements
- Creating alternatives for fulfilling requirements: agencies can meet accreditation standards by contracting services from another provider, but that provider must demonstrate that it can meet the standards
- Reducing response burden: during 2010 CALEA is considering streamlining processes by using the Internet and shortening on-site visits, moving to a multi-tiered system with an entry level and enhancing opportunities to receive feedback about its processes.

Regional Councils

A regional council is a multi-service entity with state and locally-defined boundaries that delivers a variety of federal, state and local programs while continuing its function as a planning organization, technical assistance provider and “visionary” to its member local governments. Regional councils are accountable to local units of government and partner with state and federal governments.

A product of the 60’s, regional councils today are broad-based organizations adept at consensus-building, creating partnerships, providing services, problem solving and fiscal management. The role of the regional council has been shaped by the changing dynamics in federal, state and local government relations, and the growing recognition that the region is the arena in which local governments must work together to resolve social and environmental challenges (NARC, 2010).

Many regional councils operate independent of federal funding. They manage programs for comprehensive and transportation planning, economic development, workforce development, the environment, services for the elderly and clearinghouse functions. Some states have passed

legislation that creates a role for regional councils in delivering or assisting the state with planning, grant-making and service delivery programs. Of the 39,000 local, general purpose governments in the United States (counties, cities, townships, towns, villages, boroughs) a total of more than 35,000 are served by regional councils.

Results:

These organizations are experienced collaborators, adept at bringing people together and getting results. States are relying more on these organizations as vehicles for engaging local governments and delivery of programs. Their extensive organization, codification in state laws and experience make them a “plug and play” vehicle for sharing services.

Examples of Regional Councils

Texas Association of Regional Councils (*See Case 11*)

The Texas Association of Regional Councils (TARC) is a statewide association focused on strengthening the economic competitiveness, public services and quality of life within Texas through regional strategies, partnerships and solutions. TARC is a network of 24 multi-county Councils of Governments (COGs) that provides policy and program support for state and local leaders. Each COG, also known as a regional council, is comprised of city, county and special district members working together to implement cost-effective, results-oriented strategies that address statewide and local needs on a regional scale.

TARC serves as a major pass-through agency to deliver federal and state assistance funds to local governments. The councils may be involved in community and economic development, GIS and technology deployment, homeland security and emergency preparedness, 911 dispatch, services for the elderly (designated Area Agency on Aging), solid waste management planning, transportation, workforce development and criminal justice planning and training.

TARC partners with the Governor’s Division of Emergency Management and Homeland Security to coordinate and improve regional homeland security preparedness, planning and response activities. They are the primary planning and coordinating entities for emergency 9-1-1 communications in most of Texas.

National Association of Regional Councils (*See Case 12*)

The National Association of Regional Councils (NARC) serves as the national voice for regionalism by advocating for regional cooperation as the most effective way to address a variety of community planning and development opportunities and issues. NARC’s member organizations are composed of multiple local governments (including some tribal) that work

together to serve American communities: regional councils, councils of government (region-wide associations of local governments), regional planning & development agencies and metropolitan planning organizations (MPOs).

NARC members focus on core areas, such as transportation, community and economic development, environmental quality, homeland security and emergency preparedness, but also serve other roles depending on the state and regional circumstances. Today, there are more than 500 regional councils throughout the country. Regional councils and MPOs have learned to be entrepreneurial due to shifts in priorities for federal funds.

Lessons Learned & Best Practices from Regional Councils

Regional councils experienced **barriers** in regionalizing services:

- Loss of local control: fears about regions taking over
- Uncertain identity: difficulties in having a focused identity & brand with such a wide array of activities; mostly invisible to the public because they do not levy taxes
- Authority: state legislation was needed to establish

Overcoming barriers was accomplished by:

- Demonstrating results—economies of scale, ability to move quickly, bring more resources into the states, delivering on service to members
- Developing solid working relationships with the municipalities
- Positioning council executive directors as servant leaders to local government.

Water & Waste Management

Water pollution control has been a part of the federal regulatory system since 1972. The Clean Water Act of 1972 and the Safe Drinking Water Act of 1974 regulate discharges of point and nonpoint source pollution into water systems throughout the United States. These policies and regulations give the U.S. Environmental Protection Agency authority to implement and fund pollution control programs to rid surface and groundwater from waste and contaminants and to build proper wastewater treatments that provide clean drinking water to the public. Federal and state programs have increasingly required cities to consider water quality impact in their growth and economic development.

Rural and small communities may find it difficult to accomplish these and other programs, like waste management, as responsibilities for protecting the environment grow while federal and state support for them shrinks.

Federal investment in these programs has been reduced considerably in recent years. State and local governments are contributing more funds in order to meet federal water quality standards. Local governments use regional councils to classify polluted waters, create plans for waste treatment centers and implement other watershed management projects.

Results: States and local governments use regional councils because of their ability to bring together stakeholders and funding, access and experience to technical tools, and their proficiency in carrying out mandated sections of the Clean Water and Safe Drinking Water Acts. Regional councils play an important role in bridging the gap between the bureaucracies of state and federal agencies and the local community interests that frequently do not have the resources and expertise to adequately address the complexities of water quality issues.

Examples of Water& Waste Management

Indian Nations Council of Governments, Oklahoma (See Case 13)

Indian Nations Council of Governments (INCOG) in Tulsa, Oklahoma is the designated Water Quality Management Planning Agency for its regional planning area. INCOG is a voluntary association of local governments that provides planning and coordination services in such areas as land use, transportation, community and economic development, the environment and public safety. Its members include 19 cities and towns, 5 counties and the Muscogee (Creek) Nation.

INCOG provides many technical services, including public education materials and programs, a regional storm water website, assistance with mapping of storm drain systems, training of municipal staff, and assistance with storm water ordinances and data management. INCOG also conducts field sampling of streams to determine impairment status under Section 303(d) of the Clean Water Act. INCOG's water quality projects are funded by EPA grants under Section 104(b)(3) and 604(b) and from contracts with the Oklahoma Department of Environmental Quality and Oklahoma Conservation Commission.

INCOG also provides staff services to the Tulsa Metropolitan Area Planning Commission and to the City of Tulsa and the Tulsa County Boards of Adjustment. INCOG serves more than a dozen other local planning commissions and boards of adjustment in cities and counties in the Tulsa metropolitan area.

Atlanta Regional Commission (See Case 14)

The Atlanta Regional Commission (ARC) is a key player throughout the Atlanta region to more effectively manage water resources overburdened by rapid growth and loss of moisture-absorbing ground surface to impervious man-made surfaces. ARC staffs a special Regional

Water District, the Metropolitan North Georgia Water Planning District, manages consultants who are completing a district-wide watershed management plan, develops water task forces and manuals, handles source water assessment and manages the region's Clean Water Campaign. ARC serves the City of Atlanta and 10 counties (and 67 cities) surrounding it.

Local governments in the District are required to provide funding of at least \$500,000 per year. In addition, the state of Georgia also provides funding. The District receives roughly 70% of its funding from local governments and 30% from the state.

Land-of-Sky Regional Council, North Carolina (*See Case 15*)

Land-of-Sky Regional Council is a multi-county, local government planning and development organization, serving a 4-county region in western North Carolina. The center of the region is Asheville, and the region covers 1,867 sq. mi and almost 320,000 people. It is one of 17 such organizations in the state.

Member communities use intergovernmental agreements for solid waste management projects, including a feasibility study for improving the regional market for recyclable materials, a series of waste reduction workshops for industries, waste assessments at prominent local businesses and solid waste educational efforts (a conference and a manual on regional solid waste management projects). They also use the council to forge multi-county agreements for purchasing and sharing waste management equipment.

The Council and its member governments worked with federal agencies to help fund regional hospitals, libraries, community colleges, water and sewer projects, industrial parks and sites, and other ventures. The staff also includes two state employees: a professional engineer employed by the NC Division of Pollution Prevention and Environmental Assistance, and the Department of Environment and Natural Resources' Brownfields project manager.

Lessons Learned & Best Practices from Water & Waste Management

Barriers:

- Unstable federal funding: the recent decision by EPA to halt funding of 104(b)(3) cooperative agreement grants
- Access to water can be controversial: the Atlanta region has been enmeshed in legal proceedings, dubbed "the Tri-State water wars" with Alabama and Florida for 20 years
- Multi-state or multi-county programs face varying regulations: regions may straddle state or county boundaries
- Hauling waste across jurisdictions causes conflicts: shared facility efficiency may mean less to the public than becoming the "dumping ground" for a region

- Size and revenue of the partnering counties and communities varies significantly: can affect financing decisions

Overcoming barriers was accomplished by:

- Providing services that states and local governments are willing to pay for: has tempered reductions in federal funds
- Servings as staff to local and state government planning agencies: generates revenue & builds strong linkages
- Carefully designing open and public processes: with careful education of voters and elected officials
- Designing financing options to accommodate differences: innovative formulas and arrangements may be needed.

Economic Development

Economic development is a process, effort or undertaking to advance the competitiveness and quality of life of a community, area, or region through investments in people, physical infrastructure and technology that create the jobs and wealth, sustainable environments and workforce necessary in today's global market place.

Typically, economic development involves communities competing with one another to attract businesses and jobs. Collaborating for economic development evolved more recently, stimulated by federal and state legislation and the need to flow program dollars quickly, yet responsibly, to local communities. Regional economic development partnerships are more likely to form in areas that have a history of interlocal fiscal transfers among local governments and more extensive networks of individuals and organizations (Feiock et al 2005).

Results: Regional councils and development authorities provide structure and economies of scale for local jurisdictions to partner with state and federal programs and funding. They also serve as a primary link to the public and to the private sector, and have been successful in attracting private sector dollars to private and public ventures.

Examples of Economic Development Agencies

Buffalo Trace Area Development Agency, Kentucky (*See Case 16*)

Buffalo Trace Area Development District was created in 1969 as a regional planning and development organization and serves 5 counties in northern Kentucky. Area Development Districts (ADDs) serve as forums, clearinghouses, technical centers and conveners for the region. Unlike many other organizations structured along multi-jurisdictional lines, the ADDs have both federal and state statutory authority.

Buffalo Trace serves as program administrator for the 1985 Kentucky Multi County Mortgage Revenue Bond Program, involving 53 counties and the City of Louisville. The district makes loans to prospective homebuyers to purchase, build or buy manufactured homes in the five-county area through the Kentucky Housing Corporation, and monitors loans, handles collections and initiates foreclosure actions as needed. Additionally, the district operates the Economic Development Administration (EDA) business and infrastructure loan programs, SBA's microloan program and the rural development intermediary relending program. They also operate a ten-county workforce investment program.

Buffalo Trace Area Development District partnered with the St. Claire Regional Medical Center (SCRMC) to implement the Workforce Investment Act (WIA) Regional Advancement Mapping Project to assist rural health care entities retain quality employees, fill critical gaps through the development of career maps and retrain employees through skill upgrades. The ten counties served by the WIA program border urban communities, making it difficult for rural, local health care providers to compete with nearby facilities' urban wages. A staffing crisis in health care resulted in serious skill gaps. Industry representatives echoed a common theme: retaining quality employees is critical to the viability of the region's health care entities. Through this project, career maps were developed, skill gaps identified and employees were referred for retraining, resulting in higher wages and skills for employees. Employees were trained, with funds from SCRMC and WIA offsetting educational costs.

Mississippi Development Authority (*See Case 17*)

The Mississippi Development Authority (MDA) is the State of Mississippi's lead economic and community development agency. Its Economic Development Group focuses its efforts in traditional business recruitment and retention, community development, tourism development and export development.

The Mississippi Development Authority maintains seven regional offices, the goal of which is the effective and efficient delivery of all MDA programs and services to local communities, businesses and economic developers. The regional offices' programmatic activities are coordinated with and in support of the local economic development organizations. Regional economic development has existed for over 50 years. The districts administer grants and programs for the federal government and the state, and operate by sharing an administrator who works for all the counties in the district.

Lessons Learned & Best Practices from Economic Development

Barriers encountered developing regional agencies include:

- Political turf:

- How grant dollars would flow: from the federal and state governments down to the local communities
- Lack of statutory powers: to work across county lines and budgets

Strategies for **overcoming barriers** include:

- State legislation was passed establishing Certificates of Convenience that allow regional development councils to work across counties and budgets
- State economic development incentives were offered
- Education for elected officials

DISCUSSION

Lessons learned from other units of local government hold promise for sharing services in public health: for improving the level and quality of services, producing better value for dollars expended and for meeting the requirements of accreditation.

Wherever public health agencies begin on the sharing services continuum, there is room for gaining experience and progressing to the “right fit” over time. It is clear, however, that this work is not easy. Few potential collaborators can go it alone, without some form of outside assistance.

The Robert Wood Johnson Foundation should consider carefully what forms of assistance it could make available if it decides to move forward with encouraging collaboration and shared services approaches.

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GLOSSARY

Collaboration: people from different organizations (or units within one organization) producing something together through joint effort, resources, and decision making and sharing ownership of the final product or service

Consolidation: the act of combining to one body or entity

Functional consolidation: separate entities are retained, but one or more duties normally performed are assigned to employees of another entity

Contract: agreement to provide services for a set fee and term

District/Special District: organized entities, other than counties, municipalities, townships or school districts, authorized by state law to provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments (Reynolds, 2009). These entities have authority to raise funds for specific purposes via tax levy, assessments, issuing bonds or other means. Depending on state laws, they may also have the authority to impose regulations.

Fire district: a political subdivision chartered to provide fire protection services

Interlocal agreement: contracts that precisely specify the services, activities, terms and conditions of collaboration among local units of government. They allow local jurisdictions to provide services, equipment or facilities to or receive them from another local jurisdiction.

Interstate compact: legal agreements between two or more states, designed to resolve problems or concerns that transcend state lines (GAO 2007). In addition to states, they may include the District of Columbia, Puerto Rico, U.S. Territories and Canadian provinces as signatories.

Joint Powers Agreement: interlocal agreement to consolidate functions between two or more public bodies

Joint powers authority agreement: a joint power agreement that creates a separate organization to provide a service on behalf of the participating jurisdictions

Merger: the combining of two or more governmental agencies through a legal process with the output being a single entity

Mutual Aid Agreements: codified understanding between two or more entities to provide support in a given context (U.S. Department of Justice, 2005).

Automatic mutual aid: units from neighboring jurisdictions are automatically dispatched to the scene.

Mutual aid: agreements between neighboring jurisdictions involving a formal request for assistance to share supplies, equipment, personnel and information across political boundaries. Mutual aid is activated less often than automatic mutual aid but covers a larger geographic area.

Regional mutual aid: agreements between multiple jurisdictions that are often sponsored by a council of governments or similar regional body for the purpose of assisting local units that have been on the scene for an extended period.

Statewide mutual aid: agreements incorporating state and local assets in an attempt to increase preparedness statewide. These agreements are often coordinated by the state emergency management agency and increase the number of on-scene units.

Interstate agreements: out-of-state assistance. See **interstate compact**.

Region: multijurisdictional areas that unite public officials to address common problems, identify communities of interest, and improve the quality and delivery of public services (Council of State Governments, 2005).

Multi-state or metropolitan region: area encompassing local jurisdictions in more than one state

Regional Council: A regional council is a multi-service entity with state and locally-defined boundaries that delivers a variety of federal, state and local programs while continuing its function as a planning organization, technical assistance provider and “visionary” to its member local governments. Regional councils are accountable to local units of government and partner with state and federal governments (NARC, 2010).

Regionalization: consolidation of governments across county or state lines

Shared services: governments coming together to deliver services in a combined or collaborative operation

Shared service agreement: a reciprocal and voluntary agreement, by formal written contract or informal verbal agreement, between two or more distinct public sector agencies to deliver government services

APPENDIX A: CASE STUDIES

CASE 1: Wayne County Regional Educational Service Agency, Michigan

History

The Wayne County Regional Education Service Agency (RESA) is a free-standing ESA organized in 1982, that provides special education, teacher training, student services and packaged consortium bidding for Detroit and 34 other school districts in the county. The agency serves more than half of the state's districts. Wayne RESA is the Intermediate School District for Wayne County. Intermediate school districts were created in 1962 to provide support and services to local districts that would be cost prohibitive to purchase independently, as well as to provide monitoring functions of local districts including pupil accounting and special education. Wayne RESA provides a broad continuum of programs and services that support student achievement for approximately 313,000 students in 34 local districts and 89 public school academies.

Details

The 34 districts outside of Detroit participated early on, while Detroit joined the RESA recently. Continuing education requirements for teachers pushed uniform professional development and were the driving force in RESA formation. Funding for Wayne RESA operations comes primarily from state aid and \$4,679,300 from 1/10 of a tax mill levied in Wayne County. The 2009-10 budget for day-to-day operations is approximately \$22 million.

Wayne RESA also receives almost \$160 million from a 3.5 mill special education property tax levy. These funds, along with \$162 million in federal grants are distributed to local districts to educate children with disabilities. An additional \$6 million in federal and state grants is also distributed to local districts for other special programs and services. Services are paid for on a per pupil basis. Others can purchase services from the RESA, but RESA members receive a per pupil discount. Their student services package is being used by most districts in the state.

Governance: Wayne RESA is governed by a five member elected board, with each member serving alternating six-year terms. The board is elected by one vote from each of the 34 local Wayne County school district boards.

Lessons Learned

Barriers: Loss of local control—school boards were hesitant; loss of hometown identity was a big issue; differences in IT technology platforms proved challenging; transport & food service consolidation were difficult because of differences in union contracts; state fair labor laws made it difficult for schools to get services from another entity.

Overcoming barriers: Strategies used to overcome barriers include:

- Investing in technology in the 80's to use IT for accounting and payroll. School districts didn't have it and sought this service

- Demonstrating success and then moving into food service and special education; have now added student services (grades, longitudinal data, parent communications), group purchasing and transportation
- Establishing common school calendars and labor practices
- Improving financial conditions and service
- Focusing on non-instructional issues first because they are less controversial

Pushing too far too fast creates problems—they privatized special education transportation before there was consensus and since 20 participating schools have declined to 6.

Results: Considerable cost savings have been achieved, as have generation of new revenue streams, as these annual examples demonstrate:

- Wayne RESA coordinated a 108-district multicounty food service purchasing and commodity processing group that offered savings of potentially millions of dollars over traditional district purchasing options for participating districts
- Medicaid revenue in excess of \$6 million was returned to Wayne County school districts during 2009-10 through Wayne RESA's coordination of the submission of health related claims for each district's Medicaid-eligible special education student population. Over \$825,000 from Michigan's Administrative Outreach Medicaid Program was also reimbursed to Wayne County districts
- The Wayne County Schools Purchasing Council bid supply program saved member schools and school districts over \$1.5 million on purchases in the categories of art, classroom, office, first aid, and paper and card stock
- County-wide telecommunications agreements for voice and high speed data services save Wayne County school districts a combined \$800,000 annually
- Wayne County school districts saved over \$3.9 million, which represents a 31.5% cost savings, in purchases made through the Regional Educational Media Center (REMC) cooperative bid purchase program. REMC sponsors bids for office, instructional and audiovisual supplies, computer equipment, software and hardware, and network electronics
- More than \$312,000 in savings was distributed to Wayne County districts for the web-based centralized library system, through consortium pricing for software licensing.

CASE 2: Michigan Association for Intermediate School Administrators

History

The Michigan Association for Intermediate School Administrators (MAISA) is comprised of superintendents and administrators representing the 57 Intermediate School Districts (ISDs) in the State of Michigan. ISD administrators provide and coordinate essential services to their constituent school districts to facilitate teaching and learning. By coordinating efforts and resources, ISDs provide specialized services to students that would not be affordable or feasible otherwise.

These services can include special education, vocational training, interdisciplinary subjects, language programs, early childhood education, parent services, community involvement, transportation, extracurricular activities, lifelong learning and adult education. MAISA also provides government relations, professional development and 13 regional educational media centers (cooperative bidding, data support & streaming).

Details

There is no state mandate for shared services at this time, but the fiscal crisis in Michigan has prompted new discussions among the governor and legislature. The extensiveness of shared services varies in Michigan. Most have moved away from consolidation to sharing services in areas such as transportation and energy. Sharing of services has been pushed by the School Business Association as a way to reduce costs. Accreditation has not been a factor.

State statute permits varying forms of consolidation and shared services:

- Intergovernmental contracts (Act 35 of 1951 and Revised School Code 11a(4) and 601a(2) allows entering into cooperative arrangements
- Separate corporate entity (Urban Cooperation Act of 1967)
- Disorganization is a statutory process that allows a district to disband the school board, and then an ISA either creates a plan for a new district or disbands the district and redistributes it to other districts.

Various forms of cooperative agreements exist for purchasing goods and services, jointly owning assets (e.g. fiber optic networks, buildings), revenue pooling, selling services among school districts and staff sharing (e.g. dual superintendency agreements, shared administrative and support services). Federated school districts are another alternative to consolidation; whereby the governance and educational functions remain separate while the administrative and support functions merge.

Lessons Learned

Barriers: Loss of local control; political turf; labor contracts; loss of jobs; geographic distance issues; lack of data to measure instructional outcomes (non-instructional services are easier); equity in paying for services.

Overcoming barriers: Strategies used to overcome barriers include:

- Fostering goodwill
- Exerting leadership
- Keeping the focus on doing the right thing for kids
- Coming up with a fair-share payment process

Regionalization and consolidation is a non-starter and results in failures due to emotion, feelings about local ownership (football teams in particular). Consolidation occurred in the early 60's but is no longer common. It is recognized as too difficult a process to achieve, while shared services has blossomed.

Results:

In a report for the Michigan Government Finance Officers Association, Art Holdsworth (2006) identifies several benefits of service sharing agreements: more efficient use of personnel, improved quantity and quality of service, and the ability to hire and retain professional, well-educated, and highly qualified staff.

Future: MAISA is currently preparing a white paper on how to collaborate. Policy-makers may re-introduce a push for consolidation.

CASE 3: North Dakota Department of Public Instruction

History

Regional Education Agencies (REAs) began in 2003. While this is a relatively new effort in North Dakota as compared to states that have had such entities for decades, regional services are being put into place with lightening speed. North Dakota established 9 REAs, but 2 consolidated and now the state has 8. REAs now include 93% of all public school districts in the state, covering 92% of the land mass and improving services for over 98% of all public school students.

The joint powers agreements allow school districts to share human and material resources and provide administrative and student services that schools aren't able to offer on their own. Examples of shared services include supplemental instructional programs, staff development, distance learning, counseling, dual-credit courses, advanced placement courses and any other administrative functions or student services approved by the Superintendent of Public Instruction. North Dakota is now doing cooperative purchasing through the Minnesota ESA.

Details

North Dakota is primarily a rural frontier state. Student enrollment declines overall each year and the population migrates from rural areas to towns and urban areas. Many of its school districts are very small, and cannot offer enriched educational opportunities. Distance and winter weather challenge efforts to consolidate. The REA does not replace or compromise the use of other tools, including consolidation, annexation, reorganization and dissolution.

State education standard demands and teacher qualification requirements spurred efforts to share services through REAs. State statute permits REAs through joint powers agreements (Chapters 54-40.3 and 15.1-09.1). The associations receive funds from the state on a per-pupil basis.

Lessons Learned

Barriers: Loss of local control; loss of local identity was a big issue—sports teams are often the identity of the community and other communities are viewed as competitors (although there are sports cooperatives among small districts to enable them to field a team); citizens and legislature wary about adding another layer of bureaucracy; political turf—some districts did not want a connection to the state DPI; sharing of funding with rivals;

Overcoming barriers: Strategies used to overcome barriers include:

- Getting districts together to talk about education challenges
- Educating the legislature about the importance of improving student achievement
- Taking time to develop trust

- Working out agreements about which district or REA would hold the contract for a staff specialist who would serve a number of districts

The North Dakota insurance reserve fund had to be amended to allow liability coverage for REAs and joint powers authority was passed to allow REAs to hire staff to serve the districts. The state invested \$3 million to create REAs.

Results:

In a report for the North Dakota School Boards Association, outside consultants identified several benefits of REAs: improved professional development and student services, ability to seek and get grants has brought in new resources. The report also noted that REAs were very under-funded compared to the expectations for them.

Future: The legislature may consider a statute requiring all districts to participate in a REA.

CASE 4: Center for Educational Research & Evaluation, University of Mississippi

History

Center personnel have participated on state oversight committees in Mississippi and Idaho to evaluate school district consolidations. Twenty years ago, sharing services in MS began with three district clusters: Vicksburg/Warren County, Grenada city/county and Natchez/Adams counties.

Details

Newer federal academic performance standards have contributed to the need to share services in MS. High school consolidation is taking place due to sparse populations in rural areas and the lack of teachers to teach advanced courses.

Lessons Learned

Barriers: Administrative costs are only 5% of school budgets so savings in administration are meager; loss of local control; loss of identity—sports teams are the major issue. Level of opposition is significant, with reluctance to think about opportunities to improve services and decrease costs. In the South there is a racial component to the lack of interest in consolidation.

Overcoming barriers:

- Economic situation is driving change

Results: In Mississippi, ESA's have done good professional development work but little else in shared services

Future: The Governor is renewing a push for consolidation for fiscal and performance reasons. He questions whether the state can afford 152 school districts and slashed \$172 million in education funding in 2009.

CASE 5: Tualatin Valley Fire & Rescue, Oregon

History

The Tualatin Valley Fire & Rescue (TVF&R) is located south of Portland, OR. TVF&R provides fire protection and emergency medical services to approximately 440,000 citizens in one of the fastest growing regions in Oregon. Their 210 square mile service area includes nine cities (Beaverton, Durham, King City, Rivergrove, Sherwood, Tigard, Tualatin, West Linn, and Wilsonville) and unincorporated portions of Clackamas, Multnomah, and Washington Counties.

The district is a full-service fire and emergency medical operation. TVF&R also has specialty rescue teams that respond to incidents involving hazardous materials, rope and water rescue, and structural collapse. It has 23 fire stations (20 career and 3 volunteer), served by 319 FTEs and 76 volunteers.

The TVF&R took shape between 1972 and 1996 as a number of small fire departments consolidated to increase efficiency, lower the cost of services, and eliminate duplication.

Details

Pursuing consolidation: In 1972, three departments (Cedar Mill, West Slope & Beaverton) merged. In 1989, the TVF&R formed by consolidating with Tualatin Valley Rural Fire District. Multnomah County Fire District 20 merged in next in 1995, as did the City of Beaverton in 1996. The district provided services under contract to the City of West Linn from 1998-2004, when the voters chose to annex to TVF&R. Faced with potential insolvency of small town fire and rescue operations, increasing efficiency, improving service and lowering costs were the primary motivators. Accreditation was not a factor.

Governance: Tualatin Valley Fire & Rescue is governed by an elected five-member board of directors that includes four citizens and a fire service professional. One of the district's hallmarks is a commitment to think and operate like a private business. Examples include: employing innovative emergency scene tactics, offering services to neighboring agencies to generate revenue and off-set business costs, and implementing non-traditional staffing based on incident data.

TVF&R receives almost its entire funding from property taxes. This funding comes through a permanent tax rate and temporary funding sources such as local option levies and general obligation bonds.

Lessons Learned

Barriers: loss of local control and identity—"their" fire department participation in the Christmas Santa parade was a huge issue, as was the name; level of skepticism among the public; personnel concerns about who would be the leader; union contracts; concerns about tax

rates for a merged department; service delivery differences in operational procedures and merging administrative staff smoothly.

Overcoming barriers was accomplished by:

- Operating via contract to start--“need to live together before you get married”—taking time to make it work
- Bargaining with unions—resulted in one group not being eligible for pay increases
- Establishing a new board with broad representation
- Appointing captains to serve particular constituencies—they became the voice and presence of the district in these communities
- Sub-branding fire engines with city names
- Holding joint meetings of the city councils and their staffs
- Demonstrating service improvements and savings
- Creating a triad management team—fire chief, assistant chief and executive officer
- Creating a fair-share financing approach—tax levy based on property and a special bond referendum
- Educating the public and maintaining a highly visible presence in the communities

Results: Profound benefits. Increased level of service—improved response times; “right person, right tools, right time”. Economic savings: Citizens served by TVF&R benefit from the services of a large metropolitan fire department, while paying one of the lowest fire-protection tax rates in the region.

Future: Bigger is not necessarily better. If other municipalities want to join the district, care would be needed to make sure that inefficiencies did not occur. Success has the potential to strain relationships with neighboring jurisdictions that are not part of the district.

CASE 6: Poudre Fire Authority, Colorado

History

The Poudre County Fire Authority (PFA) is located in Fort Collins, CO and the 200 sq.mi. surrounding it and serves a population of 180,000. It is a full-service fire prevention, fire protection and emergency service agency with 168 FTEs, 10 fire stations, 10 engine companies and 2 trucks. It also operates 3 volunteer departments with 40 volunteers. The PFA was organized in 1981 with the consolidation of the City and Poudre Valley fire departments via intergovernmental contract. They now also share services with neighboring Wyoming and share training of personnel across several states.

Details

Pursuing consolidation: When the chief arrived from California in 1978, he was familiar with fire districts and joint powers agreements there. Sharing of services began almost immediately, while it took almost three years to complete consolidation. Service improvement prompted consolidation. Annexing changed boundaries and made it difficult to plan for fire stations.

Providing higher levels of fire and emergency response were possible only by creating efficiencies and economies of scale in staffing and facilities. Accreditation was not a factor (it is voluntary and run by the insurance industry).

Governance: five-person board of directors appointed by the city and district board; consists of two city council members, two district board members and one member chosen jointly—traditionally the City Manager. The Board appoints the Fire Chief.

Lessons Learned

Barriers: pension issues required legislation; political local control issues; trust and collaboration needed to be developed. Merging the cultures of the workforce was challenging at first. Board composition and planning were key to overcoming barriers.

Results: Levels of service have improved, and eventually dollars were saved. The public and their elected officials are pleased. PFA now is nationally recognized for its continuous quality improvement work.

Future: maintaining political contacts and managing contexts remains important, as is working on the cooperative agreement to maintain it.

CASE 7: North Shore Fire Department, Wisconsin

History

The North Shore Fire Department (NSFD) is located in the seven northern suburbs of Milwaukee, WI (Bayside, Brown Deer, Fox Point, Glendale, River Hills, Shorewood and Whitefish Bay). It covers 25 sq.mi. and 69,000 residents. NSFD provides fire prevention and protection services with 119 FTEs, 5 fire stations, 31 fire apparatus (versus the 41 from the prior departments). NSFD was organized throughout the years 1992-1994 and began service in January, 1995 through an intergovernmental agreement.

Details

In the 70's and 80's, Brown Deer, Glendale, Shorewood and Whitefish Bay proposed consolidating fire and EMS services twice, but neither was successful. In 1988-89, Glendale, Whitefish Bay and Shorewood formed a joint EMS dispatch service to meet new State requirements, but the other communities refused. In 1992, the City of Milwaukee Fire Department announced it would no longer provide mutual aid to surrounding communities. When the Whitefish Bay fire chief died in 1993, they decided to share a fire chief with Glendale, even though the two departments remained separate. This, the Milwaukee decision and interest in service delivery excellence prompted new joint fire service agreement talks that lead to the 1995 merger. Accreditation was not a factor.

An objective look at the fire service delivery systems in the North Shore showed that duplicative waste existed to an extreme. There were three career fire departments, two combination career/paid-on-call, and two volunteer departments serving a total area of less than 30 square miles. Five of the seven had paid union fire fighters; two operated under the public safety concept, i.e. the police, supplemented by on-call fire fighters. Many of these competing departments used equipment that was not consistent with one another, such as 4" hoses in one village and 5" hoses in another. Operating philosophies also were not consistent, such as level of training, use of accepted standards and general operations.

Governance: seven-person board (village presidents or their designees) monitor the operations and budget. A Fire Commission is appointed to handle personnel issues. Brown Deer was originally appointed fiscal agent, but in 2001 the board hired its own comptroller to manage fiscal duties. Other functions, such as human resources and vehicle maintenance are done via contract with outside firms or one of the villages.

Lessons Learned

Barriers: community identity and pride in "my fire department"—truck logos were an issue; political local control issues; fair-share mechanism for paying for the merged department; differences in benefits (some unionized).

Barriers were **overcome** through several mechanisms:

- A series of committees was set up to deal with key merger issues, the main committee being the village presidents; the committees included citizens and elected officials. All meetings were open to the public. Trust was built during these year-long deliberations
- Each municipality held a community forum and then a public hearing with elected leaders actively engaged
- Success with employees came more rapidly than expected. Many saw opportunities to provide enhanced services and learn new skills. Unions were invited to participate in the open sessions on personnel issues
- An outside facilitator presided at the meetings, assuring that one or another community did not dominate the discussions
- Set service improvement outcome measures
- An independent appraiser determined the value of fire department assets each village brought to the merger
- A financing formula was created (after 17 versions), based upon population, equalized valuation and average of prior 3-year usage (time spent on calls) to create a fair-share financing assessment
- To leave the merged department or be expelled requires 6 votes of the 7-person board
- A new union contract and operations manual were created
- A new logo and uniforms were established, along with charter commemorative badges and belt buckles
- The department has been able to demonstrate efficiencies
- It takes a long time to get such a merger completed and political will and perseverance are key

Results: Able to provide a higher level of service, unified the command structure, unified the fire codes and controlled costs by preventing duplication:

- Response time improved—average time for major emergencies from 6 minutes to 3 minutes, 45 seconds
- NSFD can respond immediately in the 7 communities without waiting for approval to cross village lines
- Administrative positions declined from 21 to 7, allowing for more direct service personnel
- Better response coverage to large events—from 7 responders and 2 pieces of equipment in the smaller communities to 30 responders and 7 pieces of equipment
- Higher level of paramedic certification (EMY-D)
- Insurance ratings upgraded, saving insurance costs for private building owners
- Significantly reduced rate of increase in annual expenditures of 5 of 7 municipalities (two had been volunteer-only departments). Capital equipment costs were lowered by eliminating duplicative equipment and facilities
- Fire department merger led the way for sharing of other municipal services among some municipalities—such as a merged library system and health department

Future: Staying involved at community events, continually educating taxpayers about the benefits and visibility in the press remain important. Should the NSFD want to create a fire taxing district, new state legislation will be required. 66.03 Wis. Stats. does not provide this authority.

CASE 8: Central Pierce Fire & Rescue (County Fire District 6), Washington

History

The Central Pierce Fire & Rescue (CPF&R) is located southeast of Tacoma, WA. The District provides 24 hour emergency medical and fire suppression protection, fire prevention, hazardous materials response and technical rescue services to approximately 203,000 citizens and covers an 84 square mile area encompassing the communities of Parkland, Midland, Spanaway, South Hill, Puyallup, Summit and Frederickson. Technical rescue involves any situation where life is in danger (drowning, climbing accident, building collapse).

CPF&R operates with 283 FTEs and 12 fire stations. The CPF&R was organized in 1996 with the consolidation of six fire departments. In 2009, the Cities of Puyallup and North Puyallup joined the district.

Details

Pursuing consolidation: In 1988 two departments (Parkland & Midland) merged and by 1991 were providing training for three departments. In 1994 administrative functions were merged, leading to the 1996 formal merger vote and consolidation to one board. Service improvement at no additional cost prompted consolidation. Budget efficiencies were anticipated but it took a few years to realize savings. Accreditation was not a factor.

Governance: The Board of Fire Commissioners is the oversight body of the fire district. The Board has the responsibility to: manage and conduct the business affairs of the fire district, make and execute all necessary contracts, employ any necessary services, and adopt reasonable rules to govern the district. The Board is comprised of five commissioners who are elected to six-year terms and represent the citizens of the district in at-large positions, and a City of Puyallup representative.

Lessons Learned

Barriers: fear of job loss; politically active unions; imposition of a fire district tax—citizen activists worried that their taxes would increase; organizational culture shifts take time; politics of cities are much more complicated than smaller units of government.

Overcoming barriers was accomplished by:

- Establishing a policy that no one would lose a job—reductions of unnecessary positions was accomplished through attrition
- Improving service levels and opportunities for advancement were attractive to the unions
- Creating a fair-share financing approach—tax levy based on property and a special assessment based on building structures
- Educating voters

- Using history—an unincorporated fire district existed since the 50's
- Having patience and taking time to make it work—choosing the right moments to move
- “Start small, demonstrate success and others will seek you”

Results: Increased level of service—have been able to add 100 service FTEs with no new administrators. Created economies of scale efficiencies that eventually lowered administrative costs, e.g. one central purchasing agent and a just-in-time inventory.

Future: If other municipalities want to join the district, care would be needed to manage the current partnership to accommodate changes, especially if cities requested inclusion.

CASE 9: Santa Clara County Fire Department, California

History

The Santa Clara County Fire Department (SCCFD) is a California Fire Protection District serving Santa Clara County and the communities of Campbell, Cupertino, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill and Saratoga. The SCCFD is a full service fire department which has evolved through fire consolidations and contracts. In 1947, two agencies - the Cottage Grove Fire District and the Oakmead farms Fire District- were consolidated to form the Santa Clara County Central Fire Protection District (now known as Santa Clara County Fire Department).

Personnel provide fire protection services to one of the most diverse areas in the state. Challenges range from high rise buildings, downtown commercial areas, large retail malls, wildland-urban interface, hazardous materials and hi-tech systems, to large residential areas. Services have evolved to include fire protection and education, hazardous materials response, and advanced life support for more than 246,000 residents and 106 square miles. The District operates 17 fire stations, and has a \$60 million budget with 283 FTEs.

Details

Pursuing consolidation: In 1970, the Department consolidated with the Burbank Fire District and the Alma Fire District, and contracted with the Town of Los Gatos for fire protection services. Prior to 1982, the Santa Clara County Fire Marshal's Office operated as a stand-alone county agency. Following Proposition 13 the agency was eliminated and County Fire began its own Fire Prevention Division.

In 1993, the City of Campbell, in 1995, the City of Morgan Hill, and in 1996 the City of Los Altos and the Los Altos Hills County Fire District contracted for fire services with the Department. Merging the Campbell, Morgan Hill and Los Altos personnel, facilities, and equipment into County Fire made the Department the second-largest fire agency in Santa Clara County. In 1997, the Department adopted the name Santa Clara County Fire Department and in 2008, the Saratoga Fire Department merged in.

Service improvement prompted consolidation. The smaller departments faced a revolving door of personnel, as experienced firefighters left the small departments for advancement in larger departments. Accreditation was not a factor.

Governance: governed by the Santa Clara County Board of Supervisors, who sit as the Board of Fire Commissioners for the SCCFD.

Lessons Learned

Barriers: labor contracts contained different provisions; contracting with municipalities as a mechanism for consolidation makes it more difficult to operate in tough economic times; over time, communities change politically and their staffs change; local control sentiments; politics can prevent the right thing from being done.

Overcoming barriers was accomplished by:

- Allowing studies that would recommend changes to be done
- Conducting ongoing educational processes for citizens, city staff and officials
- Keeping the big picture front and center
- Conducting co-training early on—built trust and familiarity among personnel, synchronized operating procedures
- Working through differences in labor contracts and offering opportunities for advancement
- Integrating employees into the new district as district employees
- Consolidating via county resolution

Results: Increased level of service, savings from efficiencies

Future: If the economy continues to decline, contracting may become more difficult and other revenue options may need to be explored.

CASE 10: CALEA (Commission on Accreditation for Law Enforcement Agencies)

History

The idea of accreditation for law enforcement agencies was controversial in the late 1970s when the International Association of Chiefs of Police (IACP), National Sheriff's Association (NSA), National Organization of Black Law Enforcement Executives (NOBLE), and the Police Executive Research Forum (PERF) began the process of establishing the Commission on Accreditation for Law Enforcement Agencies (CALEA).

The four founding organizations eventually produced over 900 professional standards; created a process of self-study, on-site assessment, annual reporting, and reaccreditation; and established an independent commission to oversee the standards and process. The first law enforcement agency was accredited by CALEA in 1984. The 80's were the peak of the accreditation movement (accreditation being voluntary).

Details

Participation in CALEA has grown to over 1,000 agencies (roughly 5% of 18,000 police departments). About 50% of the largest agencies are accredited. The standards have been condensed and revised through several editions and now number 463. The accreditation process has also been refined over the years in pursuit of three main objectives:

- Verifying that client agencies comply with applicable standards
- Focusing the process more on substance and less on paperwork
- Making the process as efficient and affordable as possible

Lessons Learned

Barriers: Making accreditation feasible and beneficial for smaller law enforcement agencies has always been an important objective and a major challenge. The predominant reasons for not participating are related to financial and human resource limitations. The annualized direct cost of initial CALEA accreditation for a smaller law enforcement agency is roughly \$4,385, and the annualized reaccreditation cost is approximately \$3,435. Although this is a comparatively small cost item, many law enforcement agencies struggle with competing budget priorities. An even more critical issue for smaller agencies is often the availability of staff to complete the work of accreditation.

Sharing services has occurred in law enforcement, but not as a response to accreditation. Economics and staffing of advanced functions (central dispatch, CSI, SWAT, bomb squad) are the primary drivers. While consolidations have occurred, new agencies form; thus, the number of law enforcement agencies has not changed in decades.

Overcoming barriers:

CALEA has several efforts underway to make accreditation even more realistic and valuable for smaller agencies. At its inception, CALEA incorporated three provisions intended to assist smaller agencies (those with 1 - 24 personnel): (1) if an agency is not responsible for a particular function, such as court security or detention, those standards are “N/A by function”; (2) some standards are coded “N/A” for smaller agencies, such as the requirement for a written directive governing the agency’s selective traffic enforcement activities; and (3) numerous other standards (ones not dealing with life, health, safety, or legal issues and not deemed essential law enforcement requirements) are coded as other than mandatory (“O”) – agencies need only comply with 80% of these, providing a measure of flexibility for smaller agencies. As a result of these provisions, smaller agencies are not required to comply with all 463 current standards in order to achieve accredited status, making accreditation more achievable.

Agencies can meet accreditation standards by contracting services from another provider, but that provider must demonstrate that it can meet the standards.

Results:

Over the past several decades, accreditation has proven to add value to the law enforcement profession. Credibility is the signature benefit of CALEA accreditation, especially for smaller agencies. The public is often skeptical about the competence and professionalism of its government, including public safety agencies. External assessment and verification by a national/international accrediting body provides the most convincing evidence that an agency is operating according to professional standards and best practices.

CALEA identifies the benefits of accreditation as:

- Greater accountability within the agency
- Reduced risk and liability exposure
- Stronger defense against civil lawsuits
- Staunch support from government officials
- Increased community advocacy

One analysis of accredited versus non-accredited agencies in Ohio came to the conclusion that CALEA accreditation actually saves money – the average 25-member accredited agency paid thousands less per year in insurance claims and civil litigation than comparable non-accredited agencies.

Future:

There are 17,000 U.S. law enforcement agencies *not* engaged with CALEA, most of them smaller agencies. During 2010, several adjustments to CALEA to reduce response burden are being considered:

- Enhancing feedback to CALEA on its processes
- Streamlining processes by using the Internet and shortening on-site visits
- Moving to a multi-tiered system with entry level being more achievable for smaller agencies.

CASE 11: Texas Association of Regional Councils

History

The Texas Association of Regional Councils (TARC) is a statewide association focused on strengthening the economic competitiveness, public services and quality of life within Texas through regional strategies, partnerships and solutions.

TARC is a network of 24 multi-county Councils of Governments (COGs) that provides policy and program support for state and local leaders. Each COG, also known as a regional council, is comprised of city, county and special district members working together to implement cost-effective, results-oriented strategies that address statewide and local needs on a regional scale.

Details

For nearly four decades, TARC has helped COGs develop the expertise, forums and networks necessary to tackle a broad portfolio of regional planning and development issues. Depending on regional priorities and needs, COGs may be involved in community and economic development, GIS and technology deployment, homeland security and emergency preparedness, 911 dispatch, services for the elderly (designated Area Agency on Aging), solid waste management planning, transportation and workforce development and criminal justice planning and training. TARC serves as a major pass-through agency to deliver federal and state assistance funds to local governments.

TARC is governed by a policy board of local elected officials, including county judges and commissioners, mayors and city council members from across the state's 24 COG regions. Each COG executive director, along with senior professional staff, also participates in TARC through various advisory committees, program affiliates and working groups.

Working in partnership with state and local officials, COGs have been tapped as the primary planning and coordinating entities for emergency 9-1-1 communications in most of Texas. The COGs working with the Commission on State Emergency Communications have fully deployed advanced 9-1-1 services for wireless callers and are among the nation's leaders in planning for Next Generation 9-1-1. Many COGs with 9-1-1 responsibilities have also developed sophisticated data and mapping programs, which has allowed for the deployment of more advanced regional and local emergency notification systems.

TARC partners with the Governor's Division of Emergency Management and Homeland Security to coordinate and improve regional homeland security preparedness, planning and response activities. The 24 regional councils plan and implement regional homeland security programs, integrate regional strategies and priorities with state activities, and foster enhanced communications and program implementation among state, COG and local officials. Each COG plays a key role in preparedness, prevention, response and recovery activities at the regional level.

Regionalization was pursued and adopted quickly over a few years in the late 60's due to the vast geography of Texas, with its 252 counties and 1400 municipalities (most are larger than a New England state). Much of the state is rural with vast expanses of land, low population density and a limited tax base with which to provide services.

Lessons Learned

Barriers: Fears about regions taking over, diminishing local control; difficulties in having a focused identity & brand with such a wide array of activities; mostly invisible to the public because they do not levy taxes

Overcoming barriers was accomplished by:

- Demonstrating results—economies of scale, ability to move quickly, bring more resources into the state
- Developing solid working relationships with the municipalities
- Positioning council executive directors as servant leaders to local government

Results: Increased level of service, savings from efficiencies. The councils are viewed as efficient and can move quickly to respond to local needs and state and federal programs.

CASE 12: National Association of Regional Councils

History

The National Association of Regional Councils (NARC) serves as the national voice for regionalism by advocating for regional cooperation as the most effective way to address a variety of community planning and development opportunities and issues. NARC's member organizations are composed of multiple local governments (including some tribal) that work together to serve American communities: regional councils, councils of government (region-wide associations of local governments), regional planning & development agencies and metropolitan planning organizations.

NARC members focus on core areas, such as transportation, community and economic development, environmental quality, homeland security and emergency preparedness, but also serve other roles depending on the state and regional circumstances.

Details

NARC, then called the National Service to Regional Councils (NSRC), was created in 1965 by the National League of Cities and the National Association of Counties to respond to the professional and legislative needs of America's emerging, multi-purpose, multi-jurisdictional sub-state organizations of local governments. By 1967, the more than 350 regional councils in the country were forging regional alliances for the purpose of addressing common, multi-jurisdictional challenges. These organizations were known as regional planning agencies, development districts and councils of governments. It was in 1967 that NARC became an independent entity for regions.

Today, regional councils have retained their identity but their role has changed dramatically. Of the more than 500 regional councils throughout the country, some include metropolitan planning organizations (MPOs). At least 350 MPOs have been established to serve as urban regional transportation entities in areas with a population of 50,000 or more. Some MPOs are extensions of regional councils, and slightly more than half are stand-alone organizations responsible for fulfilling federal and state metropolitan transportation planning requirements. A board of elected officials and other community leaders typically governs each regional council and MPO.

Of the 39,000 local, general purpose governments in the United States (counties, cities, townships, towns, villages, boroughs) a total of more than 35,000 are served by regional councils. The function of the regional council and the MPO has been shaped by changing dynamics in federal, state and local government relations, and the recognition that the region is the arena in which local governments must work together to address challenges -- social, economic, workforce, transportation, emergency preparedness, environmental and others. Additionally, regional councils and MPOs are often called upon to deliver various federal, state

programs that require a regional approach, such as, transportation or comprehensive planning, services for the elderly, and clearinghouse functions.

Regional councils and MPOs have learned to be entrepreneurial due to shifts in priorities for federal funds. These organizations are experienced collaborators, adept at bringing people together and getting results. States are relying more on these organizations as vehicles for engaging local governments and delivery of programs.

NARC operates affinity groups of regional councils with particular interests, such as economic development, environment (including water, air, waste, hazards), homeland security and transportation.

NARC is governed by a board of 19 policy officials from the governing boards of its membership, representatives of the National League of Cities, National Association of Counties and Association of Metropolitan Planning Organizations, and officers (executive directors of member organizations).

CASE 13: Indian Nations Council of Governments, Oklahoma

History

The Indian Nations Council of Governments (INCOG) in Tulsa, Oklahoma is the designated Water Quality Management Planning Agency for its regional planning area. INCOG is a voluntary association of local governments that provides planning and coordination services in such areas as land use, transportation, community and economic development, the environment and public safety. Its members include 19 cities and towns, 5 counties and the Muscogee (Creek) Nation.

INCOG provides many technical services, including public education materials and programs, a regional storm water website, assistance with mapping of storm drain systems, training of municipal staff, and assistance with storm water ordinances and data management. INCOG also conducts field sampling of streams to determine impairment status under Section 303(d) of the Clean Water Act. INCOG's water quality projects are funded by EPA grants under Section 104(b)(3) and 604(b) and from contracts with the Oklahoma Department of Environmental Quality and Oklahoma Conservation Commission.

Details

Many of the cities and counties of northeastern Oklahoma have been cooperating for over 30 years through INCOG. INCOG is one of a few councils of government in the nation that also staffs local and metropolitan planning commissions. It provides staff services to the Tulsa Metropolitan Area Planning Commission (TMAPC) and to the City of Tulsa and the Tulsa County Boards of Adjustment. INCOG also serves more than a dozen other local planning commissions and boards of adjustment in cities and counties in the Tulsa metropolitan area.

The Environmental and Engineering Services Division helps local governments manage clean air and clean water programs. It offers engineering assistance to member governments by reviewing engineering plans and specifications, preparing bid specifications for public works projects, reviewing subdivision designs, and preparing studies on issues such as waste load allocations, stream modeling, utility rates, water distribution systems and sludge management as requested by member governments.

Governance: INCOG is governed by a General Assembly and a Board of Directors. The General Assembly, composed of one elected official from each member government, reviews and adopts plans, programs and budgets recommended by the Board of Directors. The Board sets policy for the conduct of day-to-day activities of the council. Membership on the Board is based on population and includes elected officials and appointed citizens.

Lessons Learned

Barriers: unstable federal funding (the recent decision by EPA to halt funding of 104(b)(3) cooperative agreement grants)

Overcoming barriers was accomplished by:

- Providing services that states and local governments are willing to pay for has tempered reductions in federal funds
- Servings as staff to local and state government planning agencies

Results: Increased level of service, savings from efficiencies

Future: If the economy continues to decline, contracting may become more difficult and other revenue options may need to be explored. Without continued financial support of regional planning services and water quality studies under the Clean Water Act, INCOG.s water quality projects would have to be supported entirely by local funds.

CASE 14: Atlanta Regional Commission, Georgia

History

The Atlanta Regional Commission (ARC) is a key player throughout the Atlanta region to more effectively manage water resources overburdened by rapid growth and loss of moisture-absorbing ground surface to impervious man-made surfaces. ARC staffs a special Regional

Water District, the Metropolitan North Georgia Water Planning District, manages consultants who are completing a district-wide watershed management plan, develops water task forces and manuals, handles source water assessment and manages the region's Clean Water Campaign. ARC serves the City of Atlanta and 10 counties (and 67 cities) surrounding it.

Details

The Georgia General Assembly created the Metropolitan North Georgia Water Planning District in 2001 and mandated that the District develop regional water management plans in the areas of storm water, wastewater and water supply and conservation. Local governments in the District are required to provide funding of at least \$500,000 per year. In addition, the state of Georgia also provides funding. The District receives roughly 70% of its funding from local governments and 30% from the state. All jurisdictions within the 15-county district (including Atlanta and 90 cities in the region) are required to participate and implement the regional water management plans and model ordinances as appropriate.

Governance: ARC is governed by a 39-member board—23 local elected officials, 15 private citizens and one representative of the Georgia Department of Community Affairs. The Water District board is comprised of: the county commission chairs of counties with 200,000 or more population (Cobb, Clayton, DeKalb, Fulton and Gwinnett), the mayor of the District's most populous city (Atlanta), the remaining counties (represented by either the county commission chair or a mayor whose city has a water or sewer system) and ten citizen members.

Lessons Learned

Barriers: access to water can be controversial, and the region has been enmeshed in legal proceedings, dubbed “the Tri-State water wars” with Alabama and Florida for 20 years.

Results: Increased level of service, savings from efficiencies

CASE 15: Land-of-Sky Regional Council, North Carolina

History

Land-of-Sky Regional Council is a multi-county, local government planning and development organization in North Carolina, serving a 4-county region in western North Carolina. The center of the region is Asheville, and the region covers 1,867 sq. mi and almost 320,000 people. It is one of 17 such organizations in the state.

Member communities use intergovernmental agreements for solid waste management projects, including a feasibility study for improving the regional market for recyclable materials, a series of waste reduction workshops for industries, waste assessments at prominent local businesses and solid waste educational efforts (a conference and a manual on regional solid waste management projects). They also use the council to forge multi-county agreements for purchasing and sharing waste management equipment.

Details

The Council began in 1966. The Council and its member governments worked with federal agencies to help fund regional hospitals, libraries, community colleges, water and sewer projects, industrial parks and sites, and other ventures.

Staff specializes in environmental issues (water and air quality, solid waste management and recycling, land care, clean vehicles, energy efficiency), transportation (urban and rural transit, bike and pedestrian, greenways, roads and rail), land use (Brownfield's redevelopment, farmland preservation, ridge and steep slope protection), housing (rehabilitation, affordable, green built), infrastructure (water, sewer, clean energy, broadband) and geographic information systems.

The staff also includes two state employees: a professional engineer employed by the NC Division of Pollution Prevention and Environmental Assistance, and the DENR Brownfields project manager. The Council also operates the Area Agency on Aging.

The Council's annual budget contains federal, state and local government funds and some foundation and private funds. Municipal and county governments pay fees for specific services.

Governance: The Council is governed by chief elected officials (mayors and county commission chairpersons and alternates) from member governments, one private representative of economic development interests in each county and two at-large members.

Lessons Learned

Barriers: size and revenue of the partnering counties and communities varies significantly and can affect financing decisions.

Overcoming barriers:

- Design financing options to accommodate differences: unique formulas for shared purchasing were devised; in one case involving two disparate communities purchasing an expensive piece of equipment, one paid 95% and became owner while the other paid 5% and had a written agreement to be able to use and store the equipment as needed.

Results: Increased level of service, savings from efficiencies

CASE 16: Buffalo Trace Area Development District, Kentucky

History

Buffalo Trace Area Development District was created in 1969 as a regional planning and development organization and serves 5 counties in northern Kentucky. Area Development Districts serve as forums, clearinghouses, technical centers and conveners for the region. Unlike many other organizations structured along multi-jurisdictional lines, the ADDs have both federal and state statutory authority.

Details

The district assists city and county government in establishing sound purchasing procedures, providing assistance with uniform financial reporting, providing technical assistance in personnel and management administration, providing training programs for local officials, assistance in cash investment management, and assisting with ordinance preparation.

Buffalo Sky serves as program administrator for the 1985 Kentucky Multi County Mortgage Revenue Bond Program, involving 53 counties and the City of Louisville. The district makes loans to prospective homebuyers to purchase, build or buy manufactured homes in the five-county area through the Kentucky Housing Corporation, and monitors loans, handles collections and initiates foreclosure actions as needed. Additionally, the district operates the Economic Development Administration (EDA) business and infrastructure loan programs, SBA's microloan program and the rural development intermediary relending program. They also operate a ten-county workforce investment program.

Buffalo Trace Area Development District partnered with the St. Claire Regional Medical Center (SCRMC) to implement the Workforce Investment Act (WIA) Regional Advancement Mapping Project to assist rural health care entities retain quality employees, fill critical gaps through the development of career maps and retrain employees through skill upgrades. The ten counties served by the WIA program border urban communities, making it difficult for rural, local health care providers to compete with nearby facilities' urban wages. A staffing crisis in health care resulted in serious skill gaps. Industry representatives echoed a common theme: retaining quality employees is critical to the viability of the region's health care entities. Through this project, career maps were developed, skill gaps identified and employees were referred for retraining, resulting in higher wages and skills for employees. Employees were trained, with funds from SCRMC and WIA offsetting educational costs.

Governance: The board consists of 27 members, including a judge, mayors and citizens from each county served.

CASE 17: Mississippi Development Authority

History

The Mississippi Development Authority (MDA) is the State of Mississippi's lead economic and community development agency. Its Economic Development Group focuses its efforts in traditional business recruitment and retention, community development, tourism development and export development. The Mississippi Development Authority maintains seven regional offices, the goal of which is the effective and efficient delivery of all MDA programs and services to local communities, businesses and economic developers.

The regional office's programmatic activities are coordinated with and in support of the local economic development organizations. Regional economic development has existed for over 50 years. The districts administer grants and programs for the federal government and the state, and operate by sharing an administrator who works for all the counties in the district.

Details

The seven MDA regional offices partner with their regional development organizations to market their respective regions as a site for out-of-state business investors. The regional development organizations also work to address common issues related to economic development within their regions.

Budget considerations prompted the formation of regional economic development councils to serve groups of counties more efficiently. These developed over time and took varying lengths of time to function, depending on local politics and turf.

Lessons Learned

Barriers: turf; how grant dollars would flow from the federal and state governments down to the local communities; statutory power to work across county lines and budgets.

Strategies for **overcoming barriers:**

- State legislation was passed establishing Certificates of Convenience that allow regional development councils to work across counties and budgets
- State economic development incentives were offered
- Education for elected officials

APPENDIX B: INTERVIEW INSTRUMENTS

Informational Interview Questions—Regionalization & Shared Services

Organization: _____ Name: _____

Contact: _____

The Robert Wood Johnson Foundation is studying whether regionalized or shared services might be possible for public health departments in order to make them eligible for accreditation. To do so, we are looking for examples of other government services that have experience with regionalization. We appreciate your willingness to help us by answering a few questions.

1. Do you have a few examples of local governments that have regionalized/shared services that we might call to create a case study? (We are looking for examples where there is evidence of success or failure)

Safety School Utility Transportation Emergency Response
 Recreation
 Human Services Other _____

Example:

Contacts:

Example:

Contacts:

Example:

Contacts:

2. Do you have any written materials, reports, publications or data that would help us understand the successes or failures of regional/shared services approaches?
3. Are you aware of any legal impediments to regionalization/shared services?
4. What other organizations or individuals should we contact for advice and information?

Case Interview Questions—Regionalization & Shared Services

Organization: _____ Name: _____

Contact: _____

The Robert Wood Johnson Foundation is studying whether regionalized or shared services might be possible for public health departments in order to make them eligible for accreditation. To do so, we are looking for examples of other government services that have experience with regionalization. We appreciate your willingness to help us by answering a few questions.

- 1. Could you describe your regionalized/shared services? (We are looking for examples where there is evidence of success or failure)**

Safety School Utility Transportation Emergency Response
 Recreation
 Human Services Other _____

- 2. When did regionalization or shared services occur?**
- 3. Why did you pursue regionalization or sharing of services? Was accreditation a factor?**
- 4. What is the history & timeline for the process—from first interest to implementation?**
- 5. What were the barriers you faced?**
- 6. How did you overcome these barriers?**
- 7. Did you face any legal impediments to regionalization/shared services? If so, what were they & how did you resolve them?**
- 8. What have been the successes of this approach? The difficulties?**
- 9. Is there evidence that regionalization/shared services has worked?**
- 10. Do you have any written materials, reports, publications or data that would help us understand the successes or failures of your regional/shared services approaches?**
- 11. What was your biggest surprise in working to regionalize/share services?**
- 12. What other organizations or individuals should we contact for advice and information?**

APPENDIX C: School District Joint Powers Agreement Example

APPENDIX D: Texas Statute Regional Planning

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C. PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO MORE
THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 391. REGIONAL PLANNING COMMISSIONS

Sec. 391.001. PURPOSE. (a) The purpose of this chapter is to encourage and permit local governmental units to:

(1) join and cooperate to improve the health, safety, and general welfare of their residents; and

(2) plan for the future development of communities, areas, and regions so that:

(A) the planning of transportation systems is improved;

(B) adequate street, utility, health, educational, recreational, and other essential facilities are provided as the communities, areas, and regions grow;

(C) the needs of agriculture, business, and industry are recognized;

(D) healthful surroundings for family life in residential areas are provided;

(E) historical and cultural values are preserved; and

(F) the efficient and economical use of public funds is commensurate with the growth of the communities, areas, and regions.

(b) The general purpose of a commission is to make studies and plans to guide the unified, far-reaching development of a region, eliminate duplication, and promote economy and efficiency in the coordinated development of a region.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.002. DEFINITIONS. In this chapter:

(1) "Governmental unit" means a county, municipality, authority, district, or other political subdivision of the state.

(2) "Commission" means a regional planning commission, council of governments, or similar regional planning agency created under this chapter.

(3) "Region" means a geographic area consisting of a county or two or more adjoining counties that have, in any combination:

(A) common problems of transportation, water supply, drainage, or land use;

(B) similar, common, or interrelated forms of urban development or concentration; or

(C) special problems of agriculture, forestry, conservation, or other matters.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.003. CREATION. (a) Any combination of counties or municipalities or of counties and municipalities may agree, by ordinance, resolution, rule, order, or other means, to establish a commission.

(b) The agreement must designate a region for the commission that:

(1) consists of territory under the jurisdiction of the counties or municipalities, including extraterritorial jurisdiction; and

(2) is consistent with the geographic boundaries for state planning regions or subregions that are delineated by the governor and that are subject to review and change at the end of each state biennium.

(c) A commission is a political subdivision of the state.

(d) This chapter permits participating governmental units the greatest possible flexibility to organize a commission most suitable to their view of the region's problems.

(e) The counties and municipalities making the agreement may join in the exercise of, or in acting cooperatively in regard to, planning, powers, and duties as provided by law for any or all of the counties and municipalities.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.004. PLANS AND RECOMMENDATIONS. (a) A commission may plan for the development of a region and make recommendations concerning major thoroughfares, streets, traffic and transportation studies, bridges, airports, parks, recreation sites, school sites, public utilities, land use, water supply, sanitation facilities, drainage, public buildings, population density, open spaces, and other items relating to the commission's general purposes.

(b) A plan or recommendation of a commission may be adopted in whole or in part by the governing body of a participating governmental unit.

(c) A commission may assist a participating governmental unit in:

(1) carrying out a plan or recommendation developed by the commission; and

(2) preparing and carrying out local planning consistent with the general purpose of this chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.005. POWERS. (a) A commission may contract with a participating governmental unit to perform a service if:

(1) the participating governmental unit could contract with a private organization without governmental powers to perform the service; and

(2) the contract to perform the service does not impose a cost or obligation on a participating governmental unit not a party to the contract.

(b) A commission may:

- (1) purchase, lease, or otherwise acquire property;
- (2) hold or sell or otherwise dispose of property;
- (3) employ staff and consult with and retain experts;

or

(4) (A) provide retirement benefits for its employees through a jointly contributory retirement plan with an agency, firm, or corporation authorized to do business in the state; or

(B) participate in the Texas Municipal Retirement System, the Employees Retirement System of Texas, or the Texas County and District Retirement System when those systems by legislation or administrative arrangement permit participation.

(c) Participating governmental units may by joint agreement provide for the manner of cooperation between participating governmental units and provide for the methods of operation of the commission, including:

- (1) employment of staff and consultants;
- (2) apportionment of costs and expenses;
- (3) purchase of property and materials; and
- (4) addition of a governmental unit.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.006. GOVERNING BODY OF COMMISSION. (a) Participating governmental units may by joint agreement determine the number and qualifications of members of the governing body of a commission.

(b) At least two-thirds of the members of a governing body of a commission must be elected officials of participating counties or municipalities.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.007. DETAIL OR LOAN OF AN EMPLOYEE. (a) A state agency or a governmental unit may detail or loan an employee to a commission.

(b) During the period of the detail or loan, the employee continues to receive salary, leave, retirement, and other personnel benefits from the lending agency or governmental unit but works under the direction and supervision of the commission.

(c) The detail or loan of an employee may be on a reimbursable or nonreimbursable basis as agreed by the lending agency or governmental unit and the commission. The detail or loan expires at the mutual consent of the lending agency or governmental unit and the commission.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.008. REVIEW AND COMMENT PROCEDURES. (a) In a state planning region or subregion in which a commission has been organized, the governing body of a governmental unit within the region or subregion, whether or not a member of the commission, shall submit to the commission for review and comment an application for a loan or grant-in-aid from a state agency, and from a federal agency if the project is one for which the federal government requires review and comment by an areawide planning agency, before the application is filed with the state or federal government.

(b) For federally aided projects for which an areawide review is required by federal law or regulation, the commission shall review the application from the standpoint of consistency with regional plans and other considerations as specified in federal or state regulations and shall enter its comments on the application and return it to the originating governmental unit.

(c) For other federally aided projects and for state-aided projects, the commission shall advise the governmental unit on

whether the proposed project for which funds are requested has regionwide significance.

(d) If the proposed project has regionwide significance, the commission shall determine whether it is in conflict with a regional plan or policy. It may consider whether the proposed project is properly coordinated with other existing or proposed projects within the region. The commission shall record on the application its view and comments, transmit the application to the originating governmental unit, and send a copy to the concerned federal or state agency.

(e) If the proposed project does not have regionwide significance, the commission shall certify that it is not in conflict with a regional plan or policy.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.009. ROLE OF STATE AUDITOR, GOVERNOR, AND STATE AGENCIES. (a) To protect the public interest and promote the efficient use of public funds, the governor, with the technical assistance of the state auditor, may draft and adopt:

(1) rules relating to the operation and oversight of a commission;

(2) rules relating to the receipt or expenditure of funds by a commission, including:

(A) restrictions on the expenditure of any portion of commission funds for certain classes of expenses; and

(B) restrictions on the maximum amount of or percentage of commission funds that may be expended on a class of expenses, including indirect costs or travel expenses;

(3) annual reporting requirements for a commission;

(4) annual audit requirements on funds received or expended by a commission from any source;

(5) rules relating to the establishment and use of standards by which the productivity and performance of each commission can be evaluated; and

(6) guidelines that commissions and governmental units shall follow in carrying out the provisions of this chapter relating to review and comment procedures.

(a-1) The governor may draft and adopt rules under Subsection (a) using negotiated rulemaking procedures under Chapter 2008, Government Code.

(a-2) Based on a risk assessment performed by the state auditor and subject to the legislative audit committee's approval for inclusion in the audit plan under Section 321.013, Government Code, the state auditor's office shall assist the governor as provided by Subsection (a).

(b) The governor and state agencies shall provide technical information and assistance to the members and staff of a commission to increase, to the greatest extent feasible, the capability of the commission to discharge its duties and responsibilities prescribed by this chapter and to ensure compliance with the rules, requirements, and guidelines adopted under Subsection (a).

(c) In carrying out their planning and program development responsibilities, state agencies shall, to the greatest extent feasible, coordinate planning with commissions to ensure effective and orderly implementation of state programs at the regional level.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Amended by Acts 1999, 76th Leg., ch. 281, Sec. 16, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 694, Sec. 1, eff. June 13, 2001; Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 9.01, 9.02, eff. Jan. 11, 2004.

Sec. 391.0091. STATE AGENCY CONSULTATION WITH REGIONAL PLANNING COMMISSIONS. (a) In this section, "service" includes a program.

(b) If a state agency determines that a service provided by that agency should be decentralized to a multicounty region,

the agency shall use a state planning region or combination of regions for the decentralization.

(c) A state agency that decentralizes a service provided to more than one public entity or nonprofit organization in a region shall consult with the commission for that region in planning the decentralization. The commission shall consult with each affected public entity or nonprofit organization.

(d) A state agency, in planning for decentralization of a service in a region, shall consider using a commission for that service to:

- (1) achieve efficiencies through shared costs for:
 - (A) executive management;
 - (B) administration;
 - (C) financial accounting and reporting;
 - (D) facilities and equipment;
 - (E) data services; and
 - (F) audit costs;
- (2) improve the planning, coordination, and delivery of services by coordinating the location of services;
- (3) increase accountability and local control by placing a service under the oversight of the commission; and
- (4) improve financial oversight through the auditing and reporting required under this chapter.

(e) This section does not apply to a service:

- (1) that continues to be operated by a state agency through a regional administrative office of that agency; or
- (2) for which the state agency determines that a law, rule, or program policy makes use of the geographic area of a single county or adjacent counties more appropriate.

Added by Acts 2003, 78th Leg., ch. 718, Sec. 1, eff. Sept. 1, 2003.

Sec. 391.0095. AUDIT AND REPORTING REQUIREMENTS. (a) The audit and reporting requirements under Section 391.009(a) shall

include a requirement that a commission annually report to the state auditor:

- (1) the amount and source of funds received by the commission;
- (2) the amount and source of funds expended by the commission;
- (3) an explanation of any method used by the commission to compute an expense of the commission, including computation of any indirect cost of the commission;
- (4) a report of the commission's productivity and performance during the annual reporting period;
- (5) a projection of the commission's productivity and performance during the next annual reporting period;
- (6) the results of an audit of the commission's affairs prepared by an independent certified public accountant; and
- (7) a report of any assets disposed of by the commission.

(b) The annual audit of a commission may be commissioned by the commission or at the direction of the governor's office, as determined by the governor's office, and shall be paid for from the commission's funds.

(c) A commission shall submit any other report or an audit to the state auditor and the governor.

(d) If a commission fails to submit a report or audit required under this section or is determined by the state auditor to have failed to comply with a rule, requirement, or guideline adopted under Section 391.009, the state auditor shall report the failure to the governor's office. The governor may, until the failure is corrected:

- (1) appoint a receiver to operate or oversee the commission; or
- (2) withhold any appropriated funds of the commission.

(e) A commission shall send to the governor, the state auditor, the comptroller, and the Legislative Budget Board a

copy of each report and audit required under this section or under Section 391.009. The state auditor may review each audit and report, subject to a risk assessment performed by the state auditor and to the legislative audit committee's approval of including the review in the audit plan under Section 321.013, Government Code. If the state auditor reviews the audit or report, the state auditor must be given access to working papers and other supporting documentation that the state auditor determines is necessary to perform the review. If the state auditor finds significant issues involving the administration or operation of a commission or its programs, the state auditor shall report its findings and related recommendations to the legislative audit committee, the governor, and the commission. The governor and the legislative audit committee may direct the commission to prepare a corrective action plan or other response to the state auditor's findings or recommendations. The legislative audit committee may direct the state auditor to perform any additional audit or investigative work that the committee determines is necessary.

Added by Acts 1999, 76th Leg., ch. 281, Sec. 17, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 742, Sec. 1, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 785, Sec. 66, eff. Sept. 1, 2003; Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 9.03, eff. Jan. 11, 2004.

Sec. 391.00951. REPORT TO SECRETARY OF STATE. (a) In this section, "colonia" means a geographic area that:

(1) is an economically distressed area as defined by Section 17.921, Water Code;

(2) is located in a county any part of which is within 62 miles of an international border; and

(3) consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood.

(b) To assist the secretary of state in preparing the report required under Section 405.021, Government Code, the commission on a quarterly basis shall provide a report to the secretary of state detailing any projects funded by the commission that provide assistance to colonias.

(c) The report must include:

- (1) a description of any relevant projects;
- (2) the location of each project;
- (3) the number of colonia residents served by each project;
- (4) the exact amount spent or the anticipated amount to be spent on each colonia served by each project;
- (5) a statement of whether each project is completed and, if not, the expected completion date of the project; and
- (6) any other information, as determined appropriate by the secretary of state.

(d) The commission shall require an applicant for funds administered by the commission to submit to the commission a colonia classification number, if one exists, for each colonia that may be served by the project proposed in the application. If a colonia does not have a classification number, the commission may contact the secretary of state or the secretary of state's representative to obtain the classification number. On request of the commission, the secretary of state or the secretary of state's representative shall assign a classification number to the colonia.

Added by Acts 2007, 80th Leg., R.S., Ch. [341](#), Sec. 19, eff. June 15, 2007.

Sec. 391.010. CONFLICT OF INTEREST IN PROVISION OF LEGAL SERVICES. (a) A member of the governing body of a commission or a person who provides legal services to a commission may not:

(1) provide legal representation before or to the commission on behalf of a governmental unit located, in whole or in part, within the boundaries of the commission; or

(2) be a shareholder, partner, or employee of a law firm that provides those legal services to the governmental unit.

(b) A person who violates Subsection (a) may not receive compensation or reimbursement for expenses from the commission or governmental unit.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.011. FUNDS. (a) A commission does not have power to tax.

(b) A participating governmental unit may appropriate funds to a commission for the costs and expenses required in the performance of its purposes.

(c) A commission may apply for, contract for, receive, and expend for its purposes a grant or funds from a participating governmental unit, the state, the federal government, or other source.

(d) A commission may not expend funds for an automobile allowance for a member of the governing body of the commission if the member holds another state, county, or municipal office.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Amended by Acts 1995, 74th Leg., ch. 713, Sec. 3, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 280, Sec. 18, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1498, Sec. 6, eff. Sept. 1, 1999.

Sec. 391.0115. RESTRICTIONS ON COMMISSION TRAVEL COSTS. (a) In reimbursing commission personnel for travel expenses, a commission may not expend funds for travel in excess of the amount of money that may be expended for state personnel

under the General Appropriations Act or travel regulations adopted by the comptroller, including any restrictions on mileage reimbursement, per diem, and lodging reimbursement rates.

(b) A member of the governing body of a commission may not be reimbursed from state-appropriated funds, including federal funds, for official travel in an amount in excess of the rates set for travel by state board and commission members. If a hotel is unable or unwilling to provide a commission or its officers or employees a rate equivalent to the rate provided to state employees or if a negotiated conference rate for an officially sanctioned conference or meeting exceeds the applicable state reimbursement rate for lodging, a commission may reimburse for lodging expenses at the rates of the expenses incurred.

(c) A commission may not expend any funds for the purchase of alcoholic beverages or entertainment.

(d) A commission may purchase goods or a service only if the commission complies with the same provisions for purchasing goods or a service that are equivalent to the provisions, including Chapter 252, applying to a local government.

(e) A commission may not spend an amount more than 15 percent of the commission's total expenditures on the commission's indirect costs. For the purposes of this subsection, the commission's capital expenditures and any subcontracts, pass-throughs, or subgrants may not be considered in determining the commission's total direct costs. In this subsection, "pass-through funds" means funds, including subgrants or subcontracts, that are received by a commission from the federal or state government or other grantor for which the commission serves merely as a cash conduit and has no administrative or financial involvement in the program, such as contractor selection, contract provisions, contract methodology payment, or contractor oversight and monitoring.

(f) In this section, "indirect costs" means costs that are not directly attributable to a single action of a commission. The governor shall use the federal Office of Management and

Budget circulars A-87 and A-122 or use any rules relating to the determination of indirect costs adopted under Chapter 783, Government Code, in administering this section.

Added by Acts 1999, 76th Leg., ch. 280, Sec. 19, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1498, Sec. 7, eff. Sept. 1, 1999.

Sec. 391.0116. RESTRICTIONS ON EMPLOYMENT. (a) An employee of a commission when using state-appropriated funds, including federal funds, is subject to the same rules regarding lobbying and other advocacy activities as an employee of any state agency.

(b) The nepotism provisions of Chapter 573, Government Code, apply to a commission.

Added by Acts 1999, 76th Leg., ch. 1498, Sec. 7, eff. Sept. 1, 1999.

Sec. 391.0117. SALARY SCHEDULES. (a) For each fiscal year, a commission shall adopt a salary schedule containing a classification salary schedule for classified positions and identifying and specifying the salaries for positions exempt from the classification salary schedule.

(b) The salary schedule adopted by the commission may not exceed, for classified positions, the state salary schedule for classified positions as prescribed by the General Appropriations Act adopted by the most recent legislature. A commission may adopt a salary schedule that is less than the state salary schedule.

(c) A salary for a position classified under the salary schedule may not exceed the state salary that has been approved by the state auditor's office and paid by the state for comparable work.

(d) A position may only be exempted from the classification salary schedule adopted by the commission if the exemption and the amount of salary paid for the exempt position is within the range determined appropriate for state exempt positions by the state auditor.

(e) A commission shall submit to the state auditor the commission's salary schedule, including the salaries of all exempt positions, not later than the 45th day before the date of the beginning of the commission's fiscal year. If the state auditor, subject to the legislative audit committee's approval for inclusion in the audit plan under Section 321.013, Government Code, has recommendations to improve a commission's salary schedule or a portion of the schedule, the state auditor shall report the recommendations to the governor's office. The governor's office may not allow the portion of the schedule for which the state auditor has recommendations to go into effect until revisions or explanations are given that are satisfactory to the governor based on recommendations from the state auditor.

(f) This section does not apply to a commission if the most populous county that is a member of the commission has an actual average weekly wage that exceeds the state actual average weekly wage by 20 percent or more for the previous year as determined by the Texas Workforce Commission in its County Employment and Wage Information Report.

Added by Acts 1999, 76th Leg., ch. 279, Sec. 26, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 9.04, eff. Jan. 11, 2004.

Sec. 391.012. STATE FINANCIAL ASSISTANCE. (a) To qualify for state financial assistance, a commission must:

(1) have funds available annually from sources other than federal or state governments equal to or greater than half of the state financial assistance for which the commission applies;

- (2) comply with the regulations of the agency responsible for administering this chapter;
- (3) offer membership in the commission to all counties and municipalities included in the state planning region;
- (4) include any combination of counties or municipalities having a combined population equal to or greater than 60 percent of the population of the state planning region;
- (5) include at least one full county;
- (6) encompass an area that is economically and geographically interrelated and forms a logical planning region; and
- (7) be engaged in a regional planning process.

(b) Within funds available and in accordance with rules issued by the office of the governor, a commission may use state financial assistance to:

- (1) promote intergovernmental cooperation by coordinating regional plans and programs with member governments, nonmember governments, state agencies which impact the region, and, where state agencies have regional office structures, state agency regional offices;
- (2) function as a regional review agency under the Texas Review and Comment System pursuant to state and federal statutes and regulations;
- (3) leverage commission dues, local funds, and state funds to obtain maximum federal funding assistance and private funding for the state and the region;
- (4) provide assistance to local governments;
- (5) assist state agencies and organizations in developing local and regional input for state plans, in planning for the successful implementation of state programs at the regional level as required in Section 391.009(c), in preparing for and conducting state-sponsored hearings and public meetings, and in disseminating state-generated information and educational materials; and

(6) provide assistance to state agencies and organizations in developing, implementing, and assessing state programs and services within the region as needed.

(c) A commission that qualifies for state financial assistance is eligible annually for an amount determined as follows:

(1) \$1,000 for each dues-paying member county;
(2) an additional 10 cents per capita for the population of dues-paying member counties and municipalities;
and

(3) the amount necessary to assure that the total amount available to the commission is no less than \$50,000.

(d) If state appropriations are more than the amount necessary to fund the level of financial assistance generated by this formula, the governor shall increase the funding for which each commission is eligible in proportion to the amount it would have been eligible to receive in Subsection (c).

(e) If state appropriations are less than the amount necessary to fund the level of financial assistance generated by the formula in Subsection (c) above:

(1) No commission shall receive less than annual financial assistance of \$50,000, as long as financial assistance available to all commissions remains at or above the level of assistance allocated in fiscal year 2003.

(2) If available annual financial assistance is less than the amount allocated in fiscal year 2003, assistance to all commissions shall be reduced proportionally from the assistance they would have received at the fiscal year 2003 funding level.

(f) For the purposes of this section, the population of a county is the population outside all dues-paying member municipalities.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Amended by Acts 2003, 78th Leg., ch. 1137, Sec. 1, eff. June 20, 2003.

Sec. 391.013. INTERSTATE COMMISSIONS. (a) With the advance approval of the governor, a commission that borders another state may:

(1) join with a similar commission or planning agency in a contiguous area of the bordering state to form an interstate commission; or

(2) permit a similar commission or planning agency in a contiguous area of the bordering state to participate in planning functions.

(b) Funds provided a commission may be commingled with funds provided by the government of the bordering state.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.014. INTERNATIONAL AREAS. With the advance approval of the governor, a commission that borders the Republic of Mexico may spend funds in cooperation with an agency, constituent state, or local government of the Republic of Mexico for planning studies encompassing areas lying both in this state and in contiguous territory of the Republic of Mexico.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 391.015. WITHDRAWAL FROM COMMISSION. A participating governmental unit may withdraw from a commission by majority vote of its governing body unless it has been otherwise agreed.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

APPENDIX E: Dual Superintendency Cooperative Agreement

DUAL SUPERINTENDENCY COOPERATIVE AGREEMENT BETWEEN [REDACTED] AND [REDACTED] [REDACTED] SCHOOLS

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DUAL SUPERINTENDENCY COOPERATIVE AGREEMENT

This agreement (Agreement) is entered into between [redacted] Schools [redacted] and [redacted] Schools [redacted] (collectively the School Districts”) for the purpose of enabling the School Districts to jointly exercise their power and authority to employ a Superintendent, i.e, to simultaneously employ the same person as Superintendent (the Dual Superintendency) and to provide the terms and conditions for the Dual Superintendency.

PREMISES

- A. Under ' 1229(1) of the Revised School Code, the Board of Education of each Michigan School District “shall employ a superintendent of schools.”
- B. Under ' ' 11a(3) and 11a(4) of the Michigan Revised School Code, the general powers accorded School Districts, expressly include the powers to hire, schedule and supervise employees, and to enter into cooperative agreements with other School Districts as part of performing the functions of the School District.
- C. Under ' 627 of the Revised School Code, a School District, as directed by its board, may conduct cooperative programs agreed upon by two or more School Districts, as directed by their boards, including services, cooperative educational programs, and school improvement support services.
- D. The School Districts share interest in achieving cost savings, cost efficient management practices and services, and enhancing resources through governmental and other grants, and in the School Districts coordinating their planning and consideration of concerns and issues affecting both School Districts. Acting in such interest, the [redacted] Board of Education inquired of [redacted] and [redacted] current Superintendent, [redacted], whether the parties would consider a Dual Superintendency whereby [redacted] would serve both School Districts as Superintendent (sometimes hereafter the “Dual Superintendent”).

E. The School Districts desire to establish the Dual Superintendency, but only on such terms and conditions as will protect, advance and promote the interests of both School Districts, and thereby avoid any incompatibility in law or in practice as could affect either of them or the Dual Superintendent.

F. This Agreement has been negotiated between the School Districts, acting through their Board of Education representatives on the Council (hereafter defined), with no active participation by the intended Dual Superintendent.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL BENEFITS UNDER THIS AGREEMENT, THE SCHOOL DISTRICTS AGREE AS FOLLOWS:

ARTICLE I
STRUCTURE

1.1. Establishment of Dual Superintendency. By this Agreement the School Districts establish the terms and conditions of a Dual Superintendency which shall control the terms and conditions of employment by each School District of the Dual Superintendent.

1.2. Limitations of this Agreement. This Agreement provides only for the rights and obligations of the School Districts to each other if, and so long as, the School Districts simultaneously employ the Dual Superintendent. Neither School District, nor the Council, has authority to act as agent for or to enter into any contract that would bind the other School District to a third party. Nothing in this Agreement shall create or be deemed to create a third party beneficiary relationship with either or both School District(s) for any person other than the Dual Superintendent.

1.3. Council. The Council consists, and shall consist, only of two Board of Education members of each School District appointed by the respective Boards of Educations.

1.4. Council Powers and Responsibilities. The Council (in provisional status), has negotiated and recommended this Agreement to the School Districts, and hereafter (in official status) shall have authority for the following:

- (a) Administration and interpretation of this Agreement
- (b) Negotiation and recommendation of any changes in this Agreement, or in the Superintendent Contracts (hereafter defined) between the Dual Superintendent and each School District, respectively.
- (c) Negotiation and recommendation of any future contracts, if any, between the School Districts to the extent the same are permitted by law, and if the School Districts have received opinion of counsel that any such contract will not affect the Dual Superintendent with any incompatibility of public office.

(d) Negotiation and recommendation of any future contracts, if any, being simultaneously considered by the School Districts with a third party, to the extent the same are permitted by law, and not affecting the Dual Superintendent with any incompatibility of public office.

(e) Determination of those costs incurred by the School Districts which constitute costs of the Dual Superintendency, including but not limited to, the legal costs of establishing the Dual Superintendency, and the compensation and fringe benefits of each School District to the Dual Superintendent, and allocation of such costs of the Dual Superintendency, the Council's presumption being that such costs shall be allocated ____% to Suttons Bay and ____% to Glen Lake, except as the Council may determine that some other cost allocation is fairly and plainly appropriate (hereinafter the "Cost Allocation Standard.")

(f) Resolution of any contractual dispute, or any non-contractual conflict, arising between the School Districts on any matter whatsoever, or between the Dual Superintendent and an employing School District.

(g) Any other matters expressly or implicitly referred to the Council for resolution under this Agreement.

1.5. Conduct of Council Affairs. The Council shall conduct its affairs under this Agreement in accordance with such governance, officers, bylaws and procedures as it may adopt in writing from time to time as it deems appropriate and necessary.

1.6. Council Meetings. The Council shall meet at least semi-annually to carry out its responsibilities under this Agreement. In addition, special meetings may be called by the Dual Superintendent or by the President of the Board of Education of either School District, but with not less than 24 hours written notice to Council members. Actions by the Council under this Agreement shall be by majority vote of Council members. Meetings of the Council shall be subject to the Open Meetings Act.

ARTICLE II **SUPERINTENDENT CONTRACTS**

2.1. Form of Contract. Each School District shall utilize the same form of Superintendent Contract, which form is attached hereto as Exhibit A. This form, together with appropriate insertions and revisions for each School District, and subject to the terms and conditions of this Agreement, shall be the Superintendent Contract between each School District and the Dual Superintendent.

2.2. Existing Contract. [REDACTED] shall cause its existing contract with [REDACTED] to terminate upon the effectiveness of a new Superintendent Contract between [REDACTED] and [REDACTED] in accordance with this Agreement.

2.3. Effectiveness and Duration. Each Superintendent Contract shall be of the same duration, the beginning effectiveness of one being conditioned upon the effectiveness of the other, and

each expiring on the same date. If either Superintendent Contract is terminated in accordance with its terms, the Dual Superintendent shall have the right to terminate the Superintendent Contract with the other School District, but such other School District shall not have right of termination of its Superintendent Contract by reason alone of termination of the other School District's Superintendent Contract.

ARTICLE III **COMPENSATION**

3.1. Salary. The Council shall determine the compensation package, including employment benefits, of the Dual Superintendent under both Superintendent contracts and present their recommendation to the respective Board of Education for approval. The Superintendent's compensation and benefits shall be allocated to each School District in proportion to the Cost Allocation Standard. Each School District shall pay its salary and pension obligation under its Superintendent Contract and this Agreement, and the same shall be reported by each School District as employer and the Dual Superintendent as employee for tax, social security and all other governmental reporting purposes.

3.2. Insurance. The Dual Superintendent shall be provided life, health and disability insurance, including Worker's Compensation (collectively "Insurance"), as provided in the form of Superintendent Contract. The School Districts shall endeavor to coordinate and simplify their provision of Insurance. To the extent that both School Districts are satisfied that such Insurance can be obtained by one School District on behalf of both School Districts, then such shall be done by [REDACTED], and [REDACTED] shall reimburse [REDACTED] for [REDACTED] share of the Insurance costs in accordance with the Cost Allocation Standard.

3.3. Fringe Benefits. The parties shall endeavor to coordinate and simplify provision of automobile, vacation, conference attendance, mileage, and all other fringe benefits. The total cost of such fringe benefits shall be shared between the School Districts in accordance with the Cost Allocation Standard.

3.4. Approval and Allocation of Superintendent Costs. Any Superintendent costs incurred by a School District (i.e., Salary, Pension, Insurance, or Fringe Benefits) shall be reported to the Council no later than semi-annually, in January and June, of the fiscal year.. The Council shall promptly allocate the Superintendent costs between the two School Districts in accordance with the Cost Allocation Standard and the School District which has paid less than its share shall promptly reimburse the other School District such amount as determined by the Council.

ARTICLE IV **SUPERINTENDENT'S DUTIES AND RESPONSIBILITIES**

4.1. Regular Duties. The regular duties of the Dual Superintendent to each School District shall be as set forth in the form of Superintendent Contract.

4.2. Extraordinary Responsibilities. Each School District acknowledges that the Dual

Superintendent has responsibilities to both School Districts for extraordinary assignments, including, for examples, collective bargaining, ballot propositions, school building programs, and other community campaigns. The Board of Education of the affected School District or the Dual Superintendent, as soon as either anticipates any extraordinary responsibilities, shall notify the other School District and the Council.

4.3. Attendance at Meetings and Events. The schedule for the Board of Education, committee and other official meetings or events of the School District at which the Dual Superintendent's attendance is required shall be reported by the Dual Superintendent on behalf of that School District to the Board of Education of the other School District and to the Council. Any schedule conflicts shall be promptly resolved by the Council, the Council's presumption being that the earliest scheduled meeting or event shall be controlling.

4.4. Limitations on Superintendent Duties. Notwithstanding any School District contractual provision or policy to the contrary, the Dual Superintendent shall have no duties, either direct or supervisory, in any of the following circumstances or situations:

- (a) Negotiation, approval, recommendation, advice, interpretation or enforcement of any contract between the School Districts.
- (b) Recommendation for allocation of costs of any joint purchase, joint employment, or other joint programs between the School Districts.
- (c) Resolution of any dispute or conflict, contractual or non-contractual, arising between the two School Districts, except for the Dual Superintendent's obligation as promptly and simultaneously as practicable, to notify the Boards of Education of both School Districts as to occurrence or anticipation of such dispute or conflict.
- (d) In the event of competition between the School Districts for fixed-amount programs or resources, personnel, or otherwise, the Dual Superintendent shall have no duty whatsoever, either direct or supervisory, including application, approval, recommendation, advice or selection, with respect to the matter of such competition, except for the Dual Superintendent's obligation as promptly and simultaneously as practicable, to notify the Boards of Education of both School Districts as to occurrence or anticipation of such competition.

4.5. Shared Information. Each School District acknowledges that the Dual Superintendent, while acting for one School District, may become aware of information pertaining to duties or interests in the other School District. Each School District agrees that the Dual Superintendent shall, and shall be expected by both School Districts to, share such information with the other School District. Neither School District may expect or require the Dual Superintendent to hold such information confidential from the other School District.

ARTICLE V **LOCATION OF SERVICES**

5.1. Base of Services. The Dual Superintendent may perform administrative services pertaining to a School District at the administrative offices of either School District. The Superintendent shall visit the schools and programs of each School District at such times as he deems necessary or appropriate. The Dual Superintendent may conduct those activities affecting both School Districts, such as attending conferences, drafting grant applications, etc., at such location, either within or outside the School Districts, as he deems necessary or appropriate.

5.2. Time and Assignments. The Dual Superintendent shall not be expected or required to keep time records or logs of time and assignments for a School District on a continuing basis, provided that:

(a) the expectation of all parties that the Dual Superintendent's time actually involved in the matters and affairs of the School Districts shall be in excess of 40 hours per week, vacation days and holidays excepted and that the Dual Superintendent shall be available and on-call to either School District as circumstances typically warrant the attention and availability of a Superintendent of Schools.

(b) Upon the reasonable request of the Board of Education of a School District, for a particularly stated reason and for a particular representative time period, the Dual Superintendent shall report the time and/or activities at which the Dual Superintendent is physically involved in responsibilities to the two School Districts, the amount of such time for each School District, and the general nature of the assignments involved for each School District.

ARTICLE VI **CONFLICTS, COMPETITION AND SHARED INFORMATION**

6.1. Representations. The School Districts warrant and represent to the Dual Superintendent, and to each other, that there are no disputes or conflicts between the School Districts, either pending or within the past five years; that their relationship, contractual and otherwise, has been amicable and harmonious; that each School District is intent on cooperation with the other for the full and mutual benefit of both School Districts; and that each School District anticipates no future dispute or conflict with the other School District.

6.2. Unanticipated Conflicts. While no future disputes or conflicts are either foreseen or anticipated, the School Districts acknowledge that events or circumstances could give rise to competition and/or conflicts, as for examples:

(a) Competition for students by constituent school districts of both School Districts under § 105c of the State School Aid Act, the so called "Schools of Choice" provisions, or such similar provisions as may be enacted into law.

(b) Students residing in one School District and illegally enrolling in the other School District.

(c) Recruitment by both School Districts of personnel for the same position or consideration by one School District of hiring an employee of the other School District.

(d) Establishment within one School District of programs that might appeal to students or staff preferring one School District over the other, or otherwise favoring one School District over the other.

6.3. Resolution of Conflicts. In the event of inter- School District contracting or joint purchasing activities, dispute, conflict, or competition, particularly as indicated in Sections 1.4 (a) and 4.4, elsewhere in this Agreement, or otherwise, the Board(s) of Education shall resolve the matter for itself or between themselves, or by such agent outside the supervision of the Dual Superintendent as deemed appropriate by both Boards of Education, and if not so resolvable, by referral to the Council.

ARTICLE VII **TERMINATION FOR INCOMPATIBILITY**

7.1. Termination of Superintendent Contract. In the event of (A) judicial determination, unless appealed, or (B) opinion of the Prosecuting Attorney of ██████ County, the Michigan Attorney General, or the arbitrator in accordance with the procedures under Article VIII, unless contested by at least one School District and the Dual Superintendent (hereinafter an “Event of Incompatibility”), then one or both Superintendent Contracts must be terminated in accordance with the following procedure (and payment of stipulated damages under the following Section):

(a) Within 14 days following an Event of Incompatibility, ██████ may terminate its Superintendent Contract and pay its stipulated damages.

(b) Within the second 14 day period following an Event of Incompatibility, ██████ may terminate its Superintendent Contract and pay its stipulated damages.

(c) If neither School District terminates its Superintendent Contract, the Dual Superintendent must terminate both Superintendent Contracts, and hold both School Districts liable for their respective stipulated damages.

7.2. Stipulated Damages. In the event a School District terminates its Superintendent Contract based upon an Event of Incompatibility, that School District shall not be liable for any damages, or any other judicial remedy, to the other School District, and shall indemnify and otherwise be liable to its terminated Superintendent for stipulated damages (but no other damages or judicial remedy) in the following amounts:

(a) For ██████, its stipulated damages shall be \$_____ per year or pro-rata for each year remaining on its Superintendent Contract.

(b) For ██████, its stipulated damages shall be \$_____ per year or pro-rata for each year remaining on its Superintendent Contract.

Further, such stipulated damages shall be mitigated to the extent provided by law, but by at least the amount of any salary increase if the Dual Superintendent becomes full-time superintendent of the other School District. Further also, it is understood and expected that one School District may pay the other School District some portion of the other School District's stipulated damages, or otherwise provide assurance as to the mitigation of the other School District's stipulated damages in order to induce the other School District to exercise its Superintendent Contract termination right.

7.3. Continuation of Other Superintendent Contract. Upon the termination by one School District of its Superintendent Contract upon Event of Incompatibility or for any other reason, the Superintendent Contract of the other School District shall continue in effect, and the other school District shall abide by the terms and conditions of that Contract, except to the extent the Dual Superintendent exercises his right to terminate the other School District's Superintendent Contract pursuant to Section 2.3 or to the extent of changes in such terms and conditions mutually agreed upon by the Superintendent and the other School District.

ARTICLE VIII **DISPUTE RESOLUTION**

8.1. Matters to be Submitted to Arbitration. The School Districts shall endeavor to resolve all disputes and conflicts through decision by themselves, or the Council. If such disputes and conflicts cannot be resolved through decision by the Council, all disputes and controversies of every kind and nature among the School Districts arising out of or in connection with the performance of this Agreement or as to the validity (including incompatibility), meaning, performance, enforcement, breach, termination or dissolution of this Agreement, shall be submitted to arbitration in accordance with the following procedure.

8.2. Procedure.

(a) A School District may demand such arbitration in writing following 30 days after the dispute or conflict has been submitted to the Council, which demand shall include the name of the arbitrator nominated by the School District demanding arbitration, together with a written statement of the matter in controversy.

(b) Within 10 days after receipt of such demand, the other School District shall either consent to the appointment of the arbitrator nominated by the School District demanding arbitration, or in default of such naming, the dispute or conflict shall be referred to the American Arbitration Association for the selection of the arbitrator.

(c) The arbitration costs and expenses of each School District shall be borne by that School District. The fees and expenses of the arbitrator shall be shared equally by the School Districts to the arbitration dispute.

(d) The arbitration hearing shall be held within ██████████ County, Michigan, upon at least 30 days' advance notice to the School Districts.

(e) The Commercial Arbitration Rules and procedures of the American Arbitration Association shall be utilized in the arbitration hearing to the extent that these are not inconsistent with Michigan law (MCLA 600.5001; MSA 27A.501) and court rule (MCR 3.602). The law of evidence of the State of Michigan shall govern the presentation of evidence at such hearing.

(f) The arbitration hearing shall be concluded within 30 days unless otherwise ordered by the arbitrator, and the award on the hearing shall be made within 60 days after the close of the submission of evidence.

8.3. Effect of Arbitration Award.

(a) An award rendered by an arbitrator appointed under and pursuant to this Agreement shall be final and binding on the School District to the proceeding, and judgment on the award shall be enforceable and rendered in the Circuit Court for the 13th Judicial Circuit of Michigan (██████ County).

(b) The arbitrator shall be responsible not to alter, change, amend, modify, add to, or subtract from any of the provisions of this Agreement.

8.4. Arbitration as Bar to Suit.

(a) The School Districts stipulate that the provisions of this Agreement shall be a complete defense to any suit, action, or proceeding instituted in any federal, state, or local court or before any administrative tribunal with respect to any dispute or conflict arising between them as respects this Agreement and which is arbitrable as set forth in this Agreement.

(b) The arbitration provisions of this Agreement shall, with respect to such dispute or conflict, survive the termination or expiration of this Agreement.

(c) With respect to any dispute or conflict that is made subject to arbitration under the terms of this Agreement, no suit at law or in equity based on such dispute or conflict shall be instituted by either School District, except to enforce the award of the arbitrator.

8.5. Avoiding Indemnification Disputes. In its Superintendent Contract, each School District shall indemnify the Superintendent while acting within the scope of his employment with that School District. In order to avoid disputes between the two School Districts' liability insurers, the School Districts shall consider utilizing the same liability insurer, or obtaining mutual approval from both School Districts' insurers of a process to avoid liability disputes respecting indemnification of the Dual Superintendent.

ARTICLE XIX **AMENDMENT AND WAIVER**

9.1. Entire Agreement. This Agreement contains all of the terms of this Agreement between the School Districts with respect to the Dual Superintendency, except to the further extent that the

Superintendent Contracts may be applicable.

9.2. Amendment. Any amendment of this Agreement shall be in writing and executed by the School Districts.

9.3. Waiver. Failure to enforce or insist upon compliance with any of the terms or provisions of this Agreement shall not constitute a general waiver or relinquishment of any other term or provision of this Agreement.

ARTICLE X **MISCELLANEOUS**

10.1. Concurrent Term. This Agreement shall run concurrently with the Superintendent Contracts so long as both remain in effect without expiration or termination, provided that obligations once incurred under this Agreement shall, notwithstanding termination or expiration of the Superintendent Contract(s), continue in effect until discharged.

10.2. Dual Superintendent as Third Party Beneficiary. The Dual Superintendent, as third party beneficiary under this Agreement, may enforce any School District obligations under this Agreement.

10.3. Notices. All notices, bills, or other communications required or permitted under this Agreement shall be in writing and shall be deemed to be duly given on the day of service if served personally, or by confirmed facsimile or e-mail delivery, upon the School District to whom notice is given at its address as listed below on the signature page or on the day after delivery to the United States Postal Service for regular mail service, to the attention of the School District's President of the Board of Education.

10.4. Successors and Assigns. The terms and conditions of this Agreement shall be binding upon the successors or assigns of either School District. Neither School District may assign or transfer any of its rights under this Agreement in whole or in part without prior written notice to and the prior written consent of the other School District.

10.5. Headings and Titles. The headings and titles in this Agreement are for convenience only and shall not be considered a part of or used in the interpretation of this Agreement.

10.6. Severability. The unenforceability of any provision of this Agreement shall not affect the enforceability of the remaining provisions of this Agreement, and to this end, the provisions hereof are severable.

10.7. Governing Laws. The Agreement shall be governed by and enforced in accordance with the laws of the State of Michigan.

10.8. Effectiveness. This Agreement shall come into full force and effect at such time as this Agreement has been executed by both School Districts.

10.9. Signer's Representation. Each signer of this Agreement personally represents and warrants that this Agreement has been approved by the Board of Education of the School District on whose behalf this Agreement is signed, and that s/he has been authorized to sign this Agreement.

Secretary

AUTHORIZED SIGNATURES:

██████████ **PUBLIC SCHOOLS**

By: _____

Its: President, Board of Education

Date: _____

Address: ██████████

██████████
██████████

Telephone: ██████████

Facsimile: ██████████

Secretary

██████████ **COMMUNITY SCHOOLS**

By: _____

Its: President, Board of Education

Date: _____

Address: ██████████

██████████
██████████

Telephone: ██████████

Facsimile: ██████████

APPENDIX F: Additional References Read but not Cited

Additional References

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