

Local Government Efficiency Program

PROGRAM POLICIES

Adopted by the Local Government Innovation Council: 12.05.2013

Amendments:

The Local Government Efficiency Program (LGEP) was established in Amended Substitute House Bill 59 enacted by the 130th General Assembly (“Am. Sub. HB 59”) to provide direct financial resources for training in and implementation of process efficiency programs.

LGEP is to be funded out of appropriations of \$4.6 million in FY 2014 and \$5.9 million in FY 2015, available for grants and loans to political subdivisions and scholarships to employees of political subdivisions.

Section A: Definitions

A.1: General Definitions

- A.1.1** Except as otherwise provided, terms used in this document have the same meaning as in Section 122:25-1-01 of the Ohio Administrative Code, Section 189.01 of the Revised Code, and Sections 257.30, 701.30, and 701.40 of Am. Sub. HB 59.
- A.1.2** “Applicant” means the political subdivision or municipality applying for LGEP funds. An Applicant may designate an authorized representative to coordinate with DSA on all matters related to any funds awarded. The authorized representative of the Applicant shall be solely responsible for all project management responsibilities with respect to the Eligible Project.
- A.1.3** “Awardee” means the Local Government Efficiency Program Award recipient.
- A.1.4** “Collaborative partner(s)” means any political subdivision, nonprofit entity, or for-profit entity that is identified as a partner in the Applicant’s proposal for funding.
- A.1.5** “Council” means the Local Government Innovation Council defined in Section 189.02 of the Ohio Revised Code.
- A.1.6** “Application” means the current Local Government Efficiency Program Application form provided by the Ohio Development Services Agency, and as more fully described in these Program Policies.

A.2: Grant Definitions

- A.2.1** “Grant” means a Local Government Efficiency Program grant award as set forth in §701.40 of Am. Sub. HB 59.
- A.2.2** “Eligible Grant Project” includes training in authorized Lean Six Sigma process efficiency programs and implementation of Authorized Lean Six Sigma process efficiency programs and recommendations from the report published by the Director of Administrative Services under

§701.30 of HB 59, or a grant to the Department of Administrative Services, not to exceed \$200,000 for the provision of training in authorized Lean Six Sigma process efficiency programs.

- A.2.3** “Eligible grant project costs” include costs associated with training and implementation of authorized process efficiency programs or recommendations from the report published by the Director of Administrative Services under §701.30 of Am Sub. HB 59.

A.3: Loan Definitions

- A.3.1** “Loan” means a Local Government Efficiency loan as set forth in §701.40 of Am. Sub. HB 59.

- A.3.2** “Eligible Loan Project” includes implementation projects identified as part of the Eligible grant project.

- A.3.3** “Eligible loan project costs” include equipment, facilities or systems, or project implementation costs (including reasonable consultant fees) for Eligible loan projects.

A.4: Scholarship Definitions

- A.4.1** “Scholarship” means a Local Government Efficiency scholarship as set forth in §701.40 of Am. Sub. HB 59.

- A.4.2** “Eligible training program” includes those programs authorized by the Director of Administrative Services. The list of approved training programs shall be updated regularly by the Director of Administrative Services and kept on file with the Ohio Development Services Agency.

- A.4.3** “Sponsoring entity” is a qualified political subdivision that employs the scholarship applicant.

Section B: Eligibility

B.1: General Eligibility

- B.1.1** Applicants identified as a Collaborative Partner on any one Application may not apply for funding as the lead Applicant on the same or a similar project. Should two Applications for the same project arrive for review; both Applications will be deemed materially insufficient and returned to the Applicants for further collaborative development.

B.2: Grant Eligibility

- B.2.1** Eligible Applicants include a single qualified political subdivision or a qualified group of political subdivisions.

- B.2.2** Applicants must demonstrate a match investment equal to at least 10% of the total cost of the Eligible Grant Project. For purposes of the Local Government Efficiency Program, the match investment may include any combination of local, public, or private funds. Projects with a higher proportional match investment are strongly preferred.

- B.2.3** Match investments may include cash or eligible in-kind contributions made during the two-year period prior to Application and over the course of the project. Match investments must be directly related to the completion of an Eligible Grant Project.

- B.2.4** Applicants may apply in-kind labor, services or materials that were or will be contributed by the Applicants or a Collaborative Partner to their required matching funds. In-kind contributions may only be provided under the following conditions: the in-kind contribution of services is necessary and reasonable to complete the project, the in-kind contribution of services is adequately documented, and the in-kind contribution did not occur more than two years prior to the submission of the Application to the Council or will not be expended after the conclusion of the project term.
- B.2.5** Applicants must maintain a validated base score of 50 or higher to be considered eligible for an award.
- B.2.6** Applications for grant awards cannot exceed \$100,000 in any case.

B.3: Loan Eligibility

- B.3.1** Eligible Applicants include a single qualified political subdivision or a qualified group of political subdivisions.
- B.3.2** Applicants must demonstrate a match investment equal to at least 10% of the total cost of the Eligible Loan Project. For purposes of the Local Government Innovation Fund, the match investment may include any combination of local, public, or private funds. Projects with a higher proportional match investment are strongly preferred.
- B.3.3** Match investments may include cash or eligible in-kind contributions made during the two-year period prior to Application and over the course of the project. Match investments must be directly related to the completion of an Eligible Loan Project.
- B.3.4** Applicants may apply in-kind labor, services or materials that were or will be contributed by the Applicants or a Collaborative Partner to their required matching funds. In-kind contributions may only be provided under the following conditions: the in-kind contribution of services is necessary and reasonable to complete the project, the in-kind contribution of services is adequately documented, and the in-kind contribution did not occur more than two years prior to the submission of the Application to the Council or will not be expended after the conclusion of the project term.
- B.3.5** Applicants must maintain a validated base score of 50 or higher to be considered eligible for an award.
- B.3.6** Applications for loan awards cannot exceed \$100,000 per Collaborative Partner, up to \$500,000 maximum. Applications for loan awards cannot exceed \$500,000 in any case.

B.4: Scholarship Eligibility

- B.4.1** Eligible Applicants include an employee of a qualified political subdivision.
- B.4.2** Applicants employer must be a qualified political subdivision.
- B.4.3** Applicants employer must provide a letter of support for the employee to participate in an approved training program, should a scholarship be awarded by the Council.
- B.4.4** Scholarship awards cannot exceed \$2000 or the cost of the approved training program in any case. Employee or employer is responsible for all other expenses related to the authorized training

program, including, but not limited to: materials needed for the authorized training course, costs of travel to and from the approved training course, or any difference in scholarship amount and the cost of the authorized training course.

- B.4.5** The maximum amount of a scholarship award per qualified political subdivision may not exceed \$24,000 during any funding round.

Section C: Application Procedures

C.1: General Application Procedures

- C.1.1** Applications for awards must be submitted in electronic format to the Ohio Development Services Agency, as noted in the Application. Hard copies may be submitted only in the event that the Applicant is unable to provide a PDF version of the Application.
- C.1.2** Applications will be in form and substance agreeable to the Council.
- C.1.3** As provided in §189.02 of the Ohio Revised Code and §701.40 of HB 59, the Ohio Development Services Agency will provide administrative support to the Council. The support shall include, but is not limited to, reviewing and scoring of each Application using the criteria approved by the Council. The scoring results along with the Application summaries will be provided to Council members no later than fourteen (14) calendar days prior to the Local Government Innovation Council meeting at which funding decisions will be made. Supporting documentation will be available to Council members upon request.
- C.1.4** Following the Application submission period there is an Application review period. During this time, Applications will be reviewed for completeness and the Ohio Development Services Agency and/or the Council may request that Applicants provide additional information. Applicants may only submit additional information in direct response to written completeness review correspondence from the Ohio Development Services Agency. If the Applicant does not submit the requested information within 10 business days of the request, the Application will be evaluated as submitted and may result in a scoring reduction or ineligibility. If the information submitted in the Application is materially insufficient, the Director of the Ohio Development Services Agency shall notify the Applicant that the Application will not be considered during the Application period.
- C.1.5** The Council shall review the project materials and award funds projects using the selection process established by the Council.
- C.1.6** Local Government Efficiency Program awards approved by Council are contingent upon approval of the State Controlling Board.
- C.1.7** Any Applicant whose project is not selected for funding will be notified in writing within 30 days of the Local Government Innovation Council award decisions.

C.2: Grant Application Procedures

- C.2.1** An Application must be filed for each Eligible Grant Project. The Application must clearly identify the Applicant and also document any Collaborative Partners.
- C.2.2** There is no limit to the number of unique Eligible Grant Projects that may be proposed by any Eligible Applicant.
- C.2.3** As part of the Application, Applicants must provide executed partnership agreements or memorandum of understanding with other participating entities and provide a resolution of support from a governing entity if applying for a Local Government Efficiency Program award.
- C.2.4** Grant Applications shall be for soft costs such as process efficiency implementation or training in process efficiency programs. No more than 10% of grant funds may be used for tangible costs necessary and reasonable to complete the eligible project.
- C.2.5** Grant Applications for Local Government Efficiency Program assistance must contain at minimum:
- a statement addressing the issue ,
 - a description of the organization's mission,
 - and demonstrate alignment of those the identified issue and the organization's mission;
 - a commitment to the customer through the project,
 - identification of a specific formal process,
 - demonstration of need for the specific project,
 - baseline data to inform the project process,
 - measureable goals,
 - a commitment to process improvements,
 - demonstration of a culture of change,
 - a completed consultant selection worksheet,
 - and a resolution of support from the Applicant.
- C.2.6** Applicants may not request more than \$100,000 in any case.

C.3: Loan Application Procedures

- C.3.1** An Application must be filed for each Eligible Project. The Application must clearly identify the lead Applicant and also document any Collaborative Partners.

C.3.2 There is no limit to the number of unique Eligible Projects that may be proposed by any eligible Applicant.

C.3.3 As part of the Application, Applicants must provide executed partnership agreements or memorandum of understanding with other participating entities and provide a resolution of support from a governing entity if applying for a Local Government Efficiency Program award.

C.3.4 Loan Applications for Local Government Efficiency Program assistance must contain at minimum:

a statement addressing the issue ,

a description of the organization's mission,

and demonstrate alignment of those the identified issue and the organization's mission;

a commitment to the customer through the project,

identification of a specific formal process,

demonstration of need for the specific project,

baseline data to inform the project process,

measureable goals,

a commitment to process improvements,

demonstration of a culture of change,

a completed consultant selection worksheet,

and a resolution of support from the Applicant.

C.3.5 Applicants may not request more than \$100,000 for a single Applicant or \$500,000 for an Applicant with Collaborative Partners. Award amounts for Applicants with Collaborative Partners are limited to \$100,000 per Applicant and \$100,000 for each Collaborative Partner up to \$500,000. No loan shall exceed \$500,000.

C.4: Scholarship Application Procedures

C.4.1 Applicants must provide a letter of support from a sponsoring entity.

C.4.2 Scholarship Applications for Local Government Efficiency Program assistance must contain at a minimum:

applicant information,

sponsoring entity information,

a personal statement,

identification of a local project,

C.4.3 Scholarship Applications will be approved by Ohio Development Services Agency, according to limits set forth by the Council, within 30 days after completion by the Applicant.

Section D: Agreements

D.1: General Agreements

D.1.1 Awardees shall have one year from State Controlling Board Approval date or Ohio Development Services Agency approval date to complete the project or attend an authorized Lean Six Sigma training course.

D.1.2 Agreements shall be in form and substance acceptable to the Local Government Innovation Council and shall be signed on behalf of the Council by the Director of the Ohio Development Services Agency.

D.2: Grant Agreements

D.2.1 Grant funds shall only be used for Eligible Grant Project costs associated with process efficiency programs and training as outlined in the Application.

D.2.2 Ohio Development Services Agency may provide no more than 20% of funding to Awardee for the study upon execution of a contract.

D.2.3 Ohio Development Services Agency may provide no more than 50% of a contract payment at the delivery of the identification of the problem and implementation plan.

D.2.4 Ohio Development Services Agency may only pay the balance of the Award once the process efficiency program or training is complete and Awardee submits a final report outlining the results of the training or project to ODSA.

D.2.5 The grant shall be payable to the Grantee for Eligible Grant Project Costs, as defined in the Agreement between Ohio Development Services Agency and the Grantee. Eligible Grant Project Costs will be paid as incurred based upon the progress of the work, subject to policies D.2.2- D.2.4 set forth above and in accordance with the approved Project Budget, attached to the Agreement as an exhibit, which may be amended with the approval of the Director.

D.2.6 Ohio Development Services Agency shall be a percentage funder of the Eligible Grant Project. Ohio Development Services Agency's percentage based award shall be defined by the Applicants' proposal and memorialized in their executed Agreement.

D.3: Loan Agreements

- D.3.1** Loan awards may be made for Demonstration Projects and can be used for any Eligible Loan Project Costs.
- D.3.2** The loan shall be payable to the Awardee for Eligible Loan Project Costs, as defined in the Agreement between Ohio Development Services Agency and the Awardee. Eligible Loan Project Costs will be paid as incurred based upon the progress of the work and in accordance with the approved Project Budget, attached to the Agreement as an exhibit, which may be amended with the approval of the Director.
- D.3.3** Awardees must utilize a competitive and open selection process with respect to contractor or vendor selection. If applicable, Awardees should attempt to give preference to Ohio businesses.
- D.3.4** Awardees must have a contract with all contractors and vendors that state the final deliverable date.
- D.3.5** All Local Government Efficiency Program loans will bear interest at a rate of zero percent.
- D.3.6** Loans will have terms not to exceed 11 years including the one-year grace period. Loans will be amortized over a period not to exceed 10 years. Repayments shall begin immediately following a one year grace period after the date of the final disbursement.
- D.3.7** Loans will be made subject to customary loan documentation in form and substance acceptable to the Ohio Development Services Agency. Loan agreements shall be signed on behalf of the Council by the Director of the Ohio Development Services Agency.
- D.3.8** Loans may be secured by real or personal property as and to the extent the Local Government Innovation Council determines appropriate for the Eligible Loan Project.
- D.3.9** Awardee will be responsible for entering into and managing all agreements as required under the Local Government Innovation Fund program or as otherwise necessary to complete the Eligible Loan Project, including binding agreements with third party project partners.
- D.3.10** Local Government Innovation Fund loans shall be repaid by the Applicant using savings estimates in Loan Application. Should savings projects not be realized, Applicant should be prepared to find an alternative source of funding for repayment of the loan. Loans are to be repaid by the terms of the Loan Agreement. Repayments shall be made quarterly.
- D.3.11** Should Awardee fail to complete the proposed project; the balance of the loan shall be due immediately, or else subject to default penalties as described in the Loan Agreement.
- D.3.12** Ohio Development Services Agency shall be a percentage funder of the Eligible Loan Project. Ohio Development Services Agency's percentage based award shall be defined by the Applicants' proposal and memorialized by their executed agreement.

D.4: Scholarship Agreements

- D.4.1** Scholarships will be awarded to recipient through their sponsoring employer.
- D.4.2** Agreements will be held between authorized training programs and DSA.

D.4.3 Individual scholarship recipients are authorized by the sponsoring employer.

Section F: Reporting

F.1 Awardees shall provide progress reports to the Ohio Development Services agency with each request for payment. If no request is submitted within any three-month period during the term, ODSA reserves the right to request a progress report. Awardees shall have 10 days to provide such report. Failure to provide status reports may result in non-payment of future disbursements requests until reporting requirements are met.

Section H: Changes to these Guidelines

H.1 These guidelines have been developed pursuant to Chapters 189 of the Ohio Revised Code and Sections 257.30, 701.30, and 701.40 of Am. Sub. HB 59. The Local Government Innovation Council Reserves the right to amend these guidelines as necessary and without prior notice.