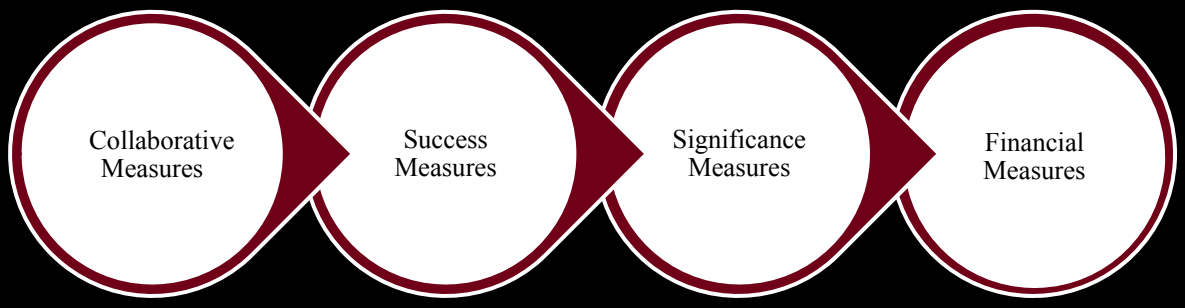


Round 3: Application Form

Local Government Innovation Fund

Step One: Fill out this Application Form in its entirety.

Step Two: Fill out the online submission form and submit your application materials. All supplemental application materials should be combined into one file for submission.

LGIF: Applicant Profile	
Lead Applicant	Madison/Champaign Educational Service Center
Project Name	Regionalizing ESC Services
Type of Request	Grant
Funding Request	$75,000
JobsOhio Region	Central
Number of Collaborative Partners	4

Office of Redevelopment
Website: http://development.ohio.gov/Urban/LGIF.htm
Email: LGIF@development.ohio.gov
Phone: 614 | 995 2292

Lead Applicant	Madison/Champaign Educational Service Center	**Round 3**	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Lead Applicant

Mailing Address:	Address Line 1	1512 South US Hwy 68, Ste. J100			
	Address Line 2				
	City	Urbana	State	OH	Zip Code	43078
City, Township or Village	City	Population (2010)	11,739
County	Champaign	Population (2010)	40,140
Did the lead applicant provide a resolution of support?	☐ Yes (Attached) ☑ No (In Process)		

Project Contact

Complete the section below with information for the individual to be contacted on matters involving this application.

Project Contact	D. Steven Allen	Title	Grant Writer
Mailing Address:	Address Line 1	1512 South US Hwy 68, Ste. J100			
	Address Line 2				
	City	Urbana	State	OH	Zip Code	43078
Email Address	allen@mccesc.k12.oh.us	Phone Number	(740) 506-3305

Fiscal Officer

Complete the section below with information for the entity and individual serving as the fiscal agent for the project.

Fiscal Officer	Matthew Ketchum	Title	Treasurer
Mailing Address:	Address Line 1	1512 South US Hwy 68, Ste. J100			
	Address Line 2				
	City	Urbana	State	OH	Zip Code	43078
Email Address	ketchum@mccesc.k12.oh.us	Phone Number	(937) 484-1557
Is your organization registered in OAKS as a vendor?	☑ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of	Grant

Single Applicant	
Is your organization applying as a single entity?	☑ Yes ☐ No
Participating Entity: (1 point) for single applicants	**1**

Collaborative Partners	
Does the proposal involve other entities acting as collaborative partners?	☑ Yes ☐ No

Applicants applying with a collaborative partner are required to show proof of the partnership with a partnership agreement signed by each partner and resolutions of support from the governing entities. If the collaborative partner does not have a governing entity, a letter of support from the partnering organization is sufficient. Include these documents in the supporting documents section of the application.

In the section below, applicants are required to identify population information and the nature of the partnership.

Each collaborative partner should also be clearly and separately identified on pages 4-5.

Number of Collaborative Partners who signed the partnership agreement, and provided resolutions of support.	3
Participating Entity: (5 points) allocated to projects with collaborative partners.	**5**

Population		
The applicant is required to provide information from the 2010 U.S. Census information, available at: http://factfinder2.census.gov/		
Does the applicant (or collaborative partner) represent a city, township or village with a population of less than 20,000 residents?	☑ Yes ☐ No	
	List Entity	
	Madison/Champaign ESC	
	Municipality/Township	Population
	Urbana	11,793
Does the applicant (or collaborative partner) represent a county with a population of less than 235,000 residents?	☑ Yes ☐ No	
	List Entity	
	Madison/Champaign ESC	
	County	Population
	Champaign County	40,097
Population: (3-5 points) determined by the smallest population listed in the application. Applications from (or collaborating with) small communities are preferred.	**5**	

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Nature of Partnership (2000 character limit)

As agreed upon in the partnership agreement, please identify the nature of the partnership, and explain how the main applicant and the partners will work together on the proposed project.

The Madison/Champaign Educational Service Center(MCESC) was created in 2000 when the county boards of education combined to create the MCESC. The combining and sharing of services has resulted in significant operational cost reduction while continuing to provide the services needed by the local school districts. This combination of county boards has been very successful for the past twelve(12) years and is thriving. Hardin, Logan, and Shelby counties Educational Service Centers continue to struggle with fiscal solvency and with providing all the services their local school districts would like to have. This proposal is to conduct an analysis of the feasibility of merging those three(3) county boards with the MCESC, creating one regional service center. The hypothesis is that, just as there was when Madison and Champaign counties merged, all will experience significant operation cost savings and have the ability to provide all or nearly all the services the local school districts desire while holding costs as low as possible. Using the grant funds, the three entities agree to conduct or contract to have conducted, a study of the feasibility of merging the four service centers into one center. The outcome of this analysis will greatly influence whether or not they will move forward with the proposed merger. However, all partners believe this is highly likely after the analysis and data are presented to the respective boards.

List of Partners

The applicant applying with collaborative partners (defined in §1.03 of the LGIF Policies) must include the following information for each applicant:

- **Name of collaborative partners**
- **Contact Information**
- **Population data (derived from the 2010 U.S. Census)**

If the project involves more than 12 collaborative partners, additional forms are available on the LGIF website.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Collaborative Partners Number 1	Hardin County Educational Service Center								
Address Line 1	1211 W. Lima Street, #A					Population			
Address Line 2						Municipality /Township	Kenton	Population	8,262
City	Kenton	State	OH	Zip Code	43326	County	Hardin	Population	32,058
Email Address	hc_supt@woco-k12.org					Phone Number	(419) 674-2288		
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☑ Yes ☐ No		

Collaborative Partners Number 2	Logan County Educational Service Center								
Address Line 1	121 South Opera Street					Population			
Address Line 2						Municipality /Township	Bellefontaine	Population	13,370
City	Bellefontaine	State	OH	Zip Code	43311	County	Logan	Population	45,858
Email Address	heather_neer@scesc.k12.oh.us					Phone Number	(937) 599-5196		
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☑ Yes ☐ No		

Collaborative Partners Number 3	Shelby County Educational Service Center								
Address Line 1	129 East Court Street, #4					Population			
Address Line 2						Municipality /Township	Sidney	Population	21,229
City	Sidney	State	OH	Zip Code	45365	County	Shelby	Population	49,423
Email Address	heather_neer@scesc.k12.oh.us					Phone Number	(937) 498-1354		
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☑ Yes ☐ No		

Collaborative Partners Number 4									
Address Line 1						Population			
Address Line 2						Municipality /Township		Population	
City		State		Zip Code		County		Population	
Email Address						Phone Number			
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☐ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Collaborative Partners Number 5								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 6								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 7								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 8								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Collaborative Partners Number 9								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 10								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 11								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 12								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Identification of the Type of Award	Feasibility Study
Targeted Approach	Merger

Project Description (4000 character limit)

Please provide a general description of the project. The information provided will be used for council briefings, program, and marketing materials.

The project is for a structured and thorough analysis of the feasibility of a merger of the four entities described herein. The Madison/Champaign ESC is the lead applicant and the partners in this collaboration are Hardin County ESC, Logan County ESC, and Shelby County ESC. The primary concern we hope to address is fiscal solvency and security for the Regional Educational Service Center that evolves from this venture, so the local school districts and their students will continue to be served at the highest possible level. We postulate that this may be better accomplished through a merger of these county-level entities and regionalization of the educational services. This hypothesis is based on a reduction of redundancies with one administrative team in one location and the pooling of resources, including highly qualified staff members and the reduction of repeated professional development and trainings and fiscal responsibilities. For example, one superintendent for the region, one treasurer and financial office for the region, one director of special education services, and significantly fewer clerical and other support staff.

If awarded, the primary use of the grant funds would be to contract with a company for a thorough analysis of the current staffing and operational costs of all the entities and a comparison with the projected costs if merged under one regional center. Then, based on the information therein, the four(4) entities' boards will collaborate and plan for the merger.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Past Success	✔ Yes ☐ No
Past Success (5 points)	**5**

Provide a summary of past efforts to implement a project to improve efficiency, implement shared services, coproduction, or a merger. (1000 character limit)

Prior to 2000, Champaign and Madison counties had their own separate county boards of education. That merger is now twelve(12) years old and is proving to be quite successful. While the MCESC had to shift its focus to become a true "service center," it is working well and is fiscally and educationally successful. The other three(3) ESC's are finding it difficult to continue to operate as they have for the past twenty or more years. They already have seen a loss of local district participation in the county services and/or a combining of services such as the superintendency of Logan and Shelby ESC's. This more proactive approach will put all four(4) service centers back in control of their futures and they will be better able to plan for their futures as opposed to reacting to whatever occurs; just as Madison and Champaign Counties did more than a decade ago.

Scalable/Replicable Proposal	☐ Scalable ☐ Replicable ✔ Both
Scalable/Replicable (10 points)	**10**

Provide a summary of how the applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments. (1000 character limit)

When there are entities of this size and with strong, experienced central office staff members, merging into one regional office is very feasible and can certainly be replicated throughout Ohio. In fact, this is already being accomplished around the state with great success - the Madison/Champaign ESC on a smaller scale and the Muskingum Valley ESC and the ESC of Central Ohio on a larger scale. Additionally, it is scalable. That is, what is being proposed herein can be accomplished at a much larger level, as with the ESC of Central Ohio. It can also be segregated into component parts such as merging the special education services, or the fiscal services, or the personnel services only for the four entities. Also, other entities can be merged within those departments. Fiscal services for community schools and small non-profit organizations could be folded into the regional service center's fiscal department, thus, serving more than the four collaborators of this grant.

Probability of Success	✔ Yes ☐ No
Probability of Success (5 points)	**5**

Provide a summary of the likelihood of the grant study recommendations being implemented. Applicants requesting a loan should provide a summary of the probability of savings from the loan request. (1000 character limit)

Currently, the administrative leaders of the four(4) service centers are open to the concept of the merger. Discussions of the possibility have been ongoing for nearly a year. What has been lacking is the hard data for decision-makers that would show how and why merging makes sense. It is quite apparent that small independent ESC's struggle to survive. The study would make that very clear. There is ample evidence that local districts are migrating to the larger regional offices for better and cost-effective services. Again, the study would indicate that. That movement, coupled with facts from the study, along with the understanding of the current administrators that regionalization is the direction of service centers, makes the implementation of this proposed study highly likely. Finally, a complete study by an independent entity would present the essential vision of what that regional service center would look like for each of the decision-makers involved with this proposal.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Performance Audit Implementation/Cost Benchmarking	☐ Yes ☑ No
Performance Audit/Benchmarking (5 points)	0

If the project is the result of recommendations from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or a cost benchmarking study, please attach a copy with the supporting documents. In the section below, provide a summary of the performance audit or cost benchmarking study. (1000 character limit)

Economic Impact	☑ Yes ☐ No
Economic Impact (5 points)	5

Provide a summary of how the proposal will promote a business environment (through a private business relationship) and/or provide for community attraction. (1000 character limit)

The presence of a large regional educational service center in one of the communities represented in this proposal would positively impact that community in that it would present a larger "company" than is presently there. That would potentially create jobs, lease or purchase office space, and bring many more people into that community for periodic meetings and trainings. Those additional people would purchase local goods and services. Also, due to regionalizing, the regional ESC should be financially better able to provide rare or difficult to find educational specialists to the region. This improves the educational opportunities for many students who require specialized services. In turn, this raises the level of educational success communities experience, making them more attractive to prospective business growth.

Response to Economic Demand	☑ Yes ☐ No
Response to Economic Demand (5 points)	5

Provide a summary of how the project responds to substantial changes in economic demand for local or regional government services. The narrative should include a description of the current service level. (1000 character limit)

Due to the merging of Madison and Champaign Counties, they have a broader scope of services they can offer member districts; for example, gifted services, psychological services, occupational therapy services. At the same time, Hardin, Logan and Shelby Counties have experienced local districts going elsewhere to find specialized services. For example, the Hardin ESC now only serves half the number of local districts it once served. This proposal moves all these service centers into the present reality of regionalization and shared services. Given the state of the economy and the dearth of local tax support, finding a more cost-effective manner for delivering the same and more services will certainly meet the current demand by stakeholders.

Budget Information

General Instructions

•Both the Project Budget and Program Budgets are required to be filled out in this form.

•Consolidate budget information to fit in the form. Additional budget detail may be provided in the budget narrative or in an attachment in Section 5: Supplemental Information.

Project Budget:

- The Project Budget justification must be explained in the Project Budget Narrative section of the application. This section is also used to explain the reasoning behind any items on the budget that are not self explanatory, and provide additonal detail about project expenses.
- The Project Budget should be for the period that covers the entire project. The look-back period for in-kind contributions is two (2) years. These contributions are considered a part of the total project costs.
- For the Project Budget, indicate which entity and revenue source will be used to fund each expense. This information will be used to help determine eligible project expenses.
- Please provide documentation of all in-kind match contributions in the supporting documents section. For future in-kind match contributions, supporting documentation will be provided at a later date.

Program Budget:

- Six (6) years of Program Budgets should be provided. The standard submission should include three years previous budgets (actual), and three years of projections including implementation of the proposed project. A second set of three years of projections (one set including implementation of this program, and one set where no shared services occurred) may be provided in lieu of three years previous if this does not apply to the proposed project.
- Please use the Program Budget Narrative section to explain any unusual activities or expenses, and to defend the budget projections. If the budget requires the combining of costs on the budget template, please explain this in the narrative.

Return on Investment:

- A Return on Investment calculation is required, and should reference cost savings, cost avoidance and/or increased revenues indicated in the budget projection sections of the application. Use the space designated for narrative to justify this calculation, using references when appropriate.

For Loan Applications only:

- Using the space provided, outline a loan repayment structure.
- Attach three years prior financial documents related to the financial health of the lead applicant (balance sheet, income statement, and a statement of cash flows).

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Project Budget

Sources of Funds

LGIF Request:		$75,000
Cash Match (List Sources Below):		
Source:	Madison-Champaign ESC	$1,000
Source:	Shelby County ESC	$1,000
Source:	Logan County ESC	$1,000
Source:	Hardin County ESC	$1,000
In-Kind Match (List Sources Below):		
Source:	Salaries and Benefits (all 4 ESCs)	$4,500
Source:		
Source:		
Total Match:		$8,500
Total Sources:		$83,500

Uses of Funds

	Amount	Revenue Source
Consultant Fees:	$65,000	LGIF and Cash Match
Legal Fees:	$10,000	LGIF
Other: Administrative Fees	$3,750	LGIF
Other: Salaries and Benefits	$4,500	In-Kind Match
Other: Travel	$250	LGIF
Other:		
Other:		
Other:		
Other:		
Other:		
Total Uses:	$83,500	
Local Match Percentage:	10.18%	

* Please note that this match percentage will be included in your grant/loan agreement and cannot be changed after awards are made.

Local Match Percentage = (Match Amount/Project Cost) * 100 (10% match required)

☑ 10-39.99% (1 point) ☐ 40-69.99% (3 points) ☐ 70% or greater (5 points)

Project Budget Narrative: Use this space to justify any expenses that are not self-explanatory.

All expenses are self-explanatory.

Section 4 Financial Information

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Program Budget

Actual ✔ Projected ___	FY 2010	FY 2011	FY 2012
Expenses	**Amount**	**Amount**	**Amount**
Salary and Benefits	$14,293,373	$13,537,048	$13,101,218
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training and Professional Development			
Insurance			
Travel			
Capital and Equipment Expenses	$49,274	$56,038	$52,088
Supplies, Printing, Copying, and Postage	$321,662	$264,009	$296,877
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration	$3,355,263	$3,273,309	$3,223,081
***Other -** Purchased Services	$1,830,837	$1,684,470	$1,758,603
***Other -** Professional Dues, Liability Ins, Transfers, etc	$178,268	$355,360	$351,000
***Other -**			
TOTAL EXPENSES	$20,028,676	$19,170,235	$18,782,866
	Revenues	**Revenues**	**Revenues**
Contributions, Gifts, Grants, and Earned Revenue			
Local Government:			
Local Government:			
Local Government:			
State Government	$2,976,623	$3,083,784	$3,781,857
Federal Government	$24,039	$23,517	$33,412
**Other -* Miscellaneous	$336,801	$215,520	$287,228
**Other -* Local Grants	$562,821	$555,885	$214,344
**Other -* Refunds/Transfers	$61,166	$452,773	$426,289
Membership Income			
Program Service Fees	$15,390,956	$14,695,789	$14,782,643
Investment Income	$17,774	$18,279	$22,950
TOTAL REVENUES	$19,370,180	$19,045,547	$19,548,722

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Program Budget

Actual ☐ Projected ☑	FY 2013	FY 2014	FY 2015
Expenses	**Amount**	**Amount**	**Amount**
Salary and Benefits	$13,756,279	$14,444,092	$15,166,297
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training and Professional Development			
Insurance			
Travel			
Capital and Equipment Expenses	$54,692	$57,427	$60,298
Supplies, Printing, Copying, and Postage	$311,720	$327,306	$343,672
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration	$3,384,235	$2,538,176	$2,157,450
***Other -** Purchased Services	$1,846,533	$1,938,860	$2,035,803
***Other -** Professional Dues, Liability Ins, Transfers, etc	$368,550	$386,978	$406,327
***Other -**			
TOTAL EXPENSES	$19,722,009	$19,692,839	$20,169,846
	Revenues	**Revenues**	**Revenues**
Contributions, Gifts, Grants, and Earned Revenue			
Local Government:			
Local Government:			
Local Government:			
State Government	$3,403,671	$3,403,671	$3,403,671
Federal Government	$35,083	$36,837	$38,679
**Other -* Miscellaneous	$301,589	$316,669	$332,502
**Other -* Local Grants	$225,061	$236,314	$248,130
**Other -* Refunds/Transfers	$426,289	$426,289	$426,289
Membership Income			
Program Service Fees	$15,521,775	$16,297,863	$17,112,757
Investment Income	$22,950	$22,950	$22,950
TOTAL REVENUES	$19,936,417	$20,740,593	$21,584,977

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Program Budget

Use this space to justify the program budget and/or explain any usual revenues or expenses (6000 characters max).

The program budget provided is the sum total of the program budgets of all four (4) service centers. Due to limitations of our financial software and operational differences between the four (4) service centers, all purchased services are included on one line. Purchased services include but are not limited to contracted services, travel, professional development, rent, and utilities. Included in the line labeled Administration are salaries and benefits, purchased services, supplies, equipment, etc. as they relate to any and all personnel functioning in an administrative capacity for the service centers. As for revenue, program fees include revenue collected from the provision of services to school districts, service centers, private entities, etc. The four (4) service centers share a similar budgetary makeup consisting of salaries and benefits as, by far, the greatest expenditure and program fees as the greatest revenue.

For the projections, we assumed FY13 as the time frame for studying the feasibility of the merger with implementation coming in FY14. With the exception of Administration, all expenditures are projected with a 5% increase from one year to the next. Administration has been projected with a 25% reduction in year 1 of implementation and a 15% reduction in year 2. As the merger takes place, we can expect too see this reduction in administration due to the shared responsibilities over multiple counties. Revenues are also projected to grow at a rate of 5% each year with exception of two categories. In the state of the current economy, we have projected no growth in investment income. This makes up so little of the total revenue, it will not have an impact on the overall budget. The main category not expected to grow is State Government in the form state subsidies. The current biennial budget provides for a 10% decrease in state funding from FY12 to FY13. We have projected no growth in state subsidies beyond the current biennial budget.

Section 4: Financial Information Scoring

- [x] (5 points) Applicant provided complete and accurate budget information and narrative justification for a total of six fiscal years.
- [ ] (3 points) Applicant provided complete and accurate budget information and for at least three fiscal years.
- [ ] (1 point) Applicant provided complete and accurate budget information for less than three fiscal years.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Return On Investment

Return on Investment is a performance measure used to evaluate the efficiency of an investment. To derive the expected return on investment, divide the net gains of the project by the net costs. For these calculations, please use the implementation gains and costs, NOT the project costs (the cost of the feasibility, planning, or management study)--unless the results of this study will lead to direct savings without additional implementation costs. The gains from this project should be derived from the prior and future program budgets provided, and should be justified in the return on investment narrative.

Return on Investment Formulas:

Consider the following questions when determining the appropriate ROI formula for the project. Check the box of the formula used to determine the ROI for the project. These numbers should refer to savings/revenues illustrated in projected budgets.

Do you expect cost savings from efficiency from the project?

☑ Use this formula: $\frac{\text{Total \$ Saved}}{\text{Total Program Costs}} * 100 = \text{ROI}$

Do you expect cost avoidance from the implementation of the project/program?

☐ Use this formula: $\frac{\text{Total Cost Avoided}}{\text{Total Program Costs}} * 100 = \text{ROI}$

Do you expect increased revenues as a result of the project/program?

☐ Use this formula: $\frac{\text{Total New Revenue}}{\text{Total Program Costs}} * 100 = \text{ROI}$

Expected Return on Investment = $\frac{\$749,845}{\$83,500} * 100 =$ 898.02%

Return on Investment Justification Narrative: In the space below, briefly describe the nature of the expected return on investment, using references when appropriate. (1300 character limit)

Because of the nature of the project, we expect to produce additional revenue resulting from an increase in services provided. We also expect to have considerable cost avoidance in the form of reduced administrative costs. To calculate the return on investment, we subtracted the difference in revenues and expenditures in FY13 ($214,408.05) from the difference in revenues and expenditures in FY14 ($1,047,753.44) to arrive at a total savings of $833,345.40. The cost of the program is subtract from this gross to get a net savings of $749,845.40. The net savings is divided by the program costs to arrive at the Return on Investment. However, we also understand and want to emphasized, that is the purpose of the feasibility study - to determine, as accurately as possible, the financial and logistical feasibility of a merger of the four (4) service centers.

Expected Return on Investment is:

☐ Less than 25% (10 points) ☐ 25%-74.99% (20 points) ☑ Greater than 75% (30 points)

Questions about how to calculate ROI? Please contact the Office of Redevelopment at 614-995-2292 or lgif@development.ohio.gov

Loan Repayment Structure

Please outline the preferred loan repayment structure. At a minimum, please include the following: the entities responsible for repayment of the loan, all parties responsible for providing match amounts, and an alternative funding source (in lieu of collateral). Applicants will have two years to complete the project upon execution of the loan agreement, and the repayment period will begin upon the final disbursement of the loan funds. A description of expected savings over the term of the loan may be used as a repayment source.

Not Applicable.

Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e. emergency, rainy day, or contingency fund, etc).

☐ Applicant clearly demonstrates a secondary repayment source (5 points)

☐ Applicant does not have a secondary repayment source (0 points)

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Scoring Overview

Collaborative Measures	Description	Max Points		Applicant Self Score
Section 1: Collaborative Measures				
Population	Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the **smallest** population listed in the application. Applications from (or collaborating with) small communities are preferred.	**5**		5
Participating Entities	Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.	**5**		6
Section 2: Success Measures				
Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	**5**		5
Scalable/Replicable Proposal	Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.	**10**		10
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	**5**		5
Section 3: Significance Measures				
Performance Audit Implementation/Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	**5**		0
Economic Impact	Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)	**5**		5
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	**5**		5
Section 4: Financial Measures				
Financial Information	Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.	**5**		5
Local Match	Percentage of local matching funds being contributed to the project. This may include in-kind contributions.	**5**		1
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis.	**30**		30
Repayment Structure (Loan Only)	Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency fund, rainy day fund, contingency fund, etc.).	**5**		0
			Total Points	77

Shelby County Educational Service Center

Logan County Educational Service Center

August 20, 2012

To the Ohio Department of Development,

The Shelby and Logan County Educational Service Centers are in full support of the Local Government Innovative Fund Grant application presented by the Madison Champaign Educational Service Center. As the shared superintendent between both ESCs, I can assure you that both Boards of Education are very interested in researching a collaboration and potential merge with the other partners in this grant. Both ESCs are dedicated to finding ways to reach across county lines and support districts in all areas of our region. There are many instances now in which the partner ESCs for this grant application are currently collaborating. The Logan County ESC provides school psychology services to Hardin County. Madison Champaign ESC is providing speech services in Logan County and physical therapy services in Shelby County. The Shelby and Logan County gifted departments are collaborating and working with 11 districts between the two counties. Our region is well suited for this type of cooperation and the research provided by the grant, should we receive it, will be invaluable in meeting our districts needs!

Thank you for your consideration!

Heather Neer
Superintendent
Logan and Shelby County Educational Service Centers

Hardin County Educational Service Center

1211 West Lima Street, Suite A * Kenton, Ohio 43326

Phone 419-674-2288 * Fax 419-675-3309

www.hardinesc.org

August 22, 2012

Dr. Dan Kaffenbarger, Superintendent

Madison/ Champaign County ESC

1512 S. US Hwy 68

Suite J100

Urbana, Ohio 43078

Dear Superintendent Kaffenbarger,

On behalf of the Hardin County ESC, I am pleased to express our desire, commitment and participation in a cooperative grant to explore and pursue the investigation of regionalization through shared services.

Sincerely,

Jim

James A. Zerkle

Superintendent

Hardin County Educational Service Center

Madison Champaign
Educational Service Center

Providing outstanding customer-based service

Dr. Daniel Kaffenbarger, Superintendent
Donna Stelzer, Director of Student Services and Human Resources
Matthew Ketcham, Treasurer

August 29, 2012

To Whom It May Concern

I am writing this letter in support of the grant application for the Local Government Innovation Funds. The grant will help finance a feasibility study of merging four current ESCs in West Central Ohio, all of whom are part of the current Region 6 State Support Team area. These current ESCs cover five counties all which have similar demographics and they are providing a similar level of services to their client school districts.

Currently all of these ESCs have shared a variety of services in order to keep costs lower for the school districts they serve. It would appear that a merger into a larger entity would provide additional operational savings for the ESCs and the districts they serve. However, there are many intangibles that a feasibility study and subsequent planning might reveal.

If I can provide additional information about the need for this grant please feel free to contact me at the number indicated on this letter.

Respectfully,

Daniel R. Kaffenbarger,
Superintendent

1512 S. US Hwy. 68, Suite J100, Urbana, Ohio 43078
Phone: (937) 484-1557 ♦ Fax: (937) 484-1571 ♦ www.mccesc.k12.oh.us

Whereas the State of Ohio is promoting collaboration and consolidation of services when feasible and when such a consolidation is more efficient and,

Whereas the Educational Service Centers (ESCs) of Madison and Champaign Counties consolidated services for school districts in those counties in 2000 and,

Whereas the Educational Service Centers of Hardin, Logan, and Shelby Counties serve school districts in their individual counties and,

Whereas a consolidation of services for all five (5) counties may or may not be feasible and may or may not be more efficient and,

Whereas a professional feasibility study would inform the Boards of all the ESCs whether a consolidation is feasible or not and more efficient or not and,

Whereas the Ohio Department of Education has made available the Local Government Innovative Fund Grant application for the purpose of studying the feasibility of such a consolidation therefore,

The Board of the Hardin County Educational Service Center supports the feasibility study regarding consolidation of services and the application for the Local Government Innovative Fund Grant.

Motion: Robert White Second: Madelyn Lowery

Yes Votes: 5 No Votes: 0

Date: 10-11-12

LGIF Partnership Agreement

The Board and administration of Hardin County ESC will work in partnership with the Madison-Champaign ESC to earn the Local Government Innovations Fund grant. If awarded, this Board will also work cooperatively and collaboratively to complete a study of the feasibility and efficiency of a consolidation of services among the Hardin, Logan, Shelby and Madison-Champaign ESCs and to work within the guidelines of the Ohio Department of Education.

Motion:_Robert White Second: Madelyn Lowery

Yes Votes: 5 No Votes: 0

Date:10-11-2012

LGIF Project Budget Narrative (from Cure Letter):

Legal counsel will be utilized to address the questions the county ESC board members will have about their roles and responsibilities if a merger occurs. This will be a very important part of alleviating fears/concerns and to determine, from the legal perspective, if this merger makes sense.

The final product from the consultant will be a written document and presentation for the board members of each entity that outlines the process for studying the feasibility of a merger and then the findings of that process. This data, from a professional, unbiased firm, will be the catalyst for any merger that may occur subsequent to the study.

LGIF Partnership Agreement

The Board and administration of Logan County ESC will work in partnership with the Madison-Champaign ESC to earn the Local Government Innovations Fund grant. If awarded, this Board will also work cooperatively and collaboratively to complete a study of the feasibility and efficiency of a consolidation of services among the Hardin, Logan, Shelby and Madison-Champaign ESCs and to work within the guidelines of the Ohio Department of Education.

Motion: GAMBLE Second: NEEDLES

Yes Votes: 5 No Votes: 0

Date: October 18, 2012

Logan County Educational Service Center

Heather Neer, Superintendent
121 S. Opera St.
Bellefontaine, Ohio 43311

Phone: (937) 599-5195
Fax: (937) 599-1959

RESOLUTION NO. 2012-068

Mr. Gamble moved, seconded by Mr. Needles to adopt the following resolution:

Whereas the State of Ohio is promoting collaboration and consolidation of services when feasible and when such a consolidation is more efficient and,

Whereas the Educational Service Centers (ESCs) of Madison and Champaign counties consolidated services for school districts in those counties in 2000 and,

Whereas the Educational Service Centers of Hardin, Logan, and Shelby Counties serve school districts in their individual counties and,

Whereas a consolidation of services for all five (5) counties may or may not be feasible and may or may not be more efficient and,

Whereas a professional feasibility study would inform the Board of all the ESCs whether a consolidation is feasible or not and more efficient or not and,

Whereas the Ohio Department of Education has made available the Local Government Innovative Fund Grant application for the purpose of studying the feasibility of such a consolidation therefore,

The Governing Board of the Logan County Educational Service Center supports the feasibility study regarding consolidation of services and the application for the Local Government Innovative Fund Grant.

ROLL CALL: All yes. Motion carried.

e-mail: hneer@loganesc.k12.oh.us

Whereas the State of Ohio is promoting collaboration and consolidation of services when feasible and when such a consolidation is more efficient and,

Whereas the Educational Service Centers (ESCs) of Madison and Champaign Counties consolidated services for school districts in those counties in 2000 and,

Whereas the Educational Service Centers of Hardin, Logan, and Shelby Counties serve school districts in their individual counties and,

Whereas a consolidation of services for all five (5) counties may or may not be feasible and may or may not be more efficient and,

Whereas a professional feasibility study would inform the Boards of all the ESCs whether a consolidation is feasible or not and more efficient or not and,

Whereas the Ohio Department of Education has made available the Local Government Innovative Fund Grant application for the purpose of studying the feasibility of such a consolidation therefore,

The Board of the Madison - Champaign Educational Service Center supports the feasibility study regarding consolidation of services and the application for the Local Government Innovative Fund Grant.

Motion: McNamara Second: Wilson

Yes Votes: 4 No Votes: 0

Date: 10-22-12

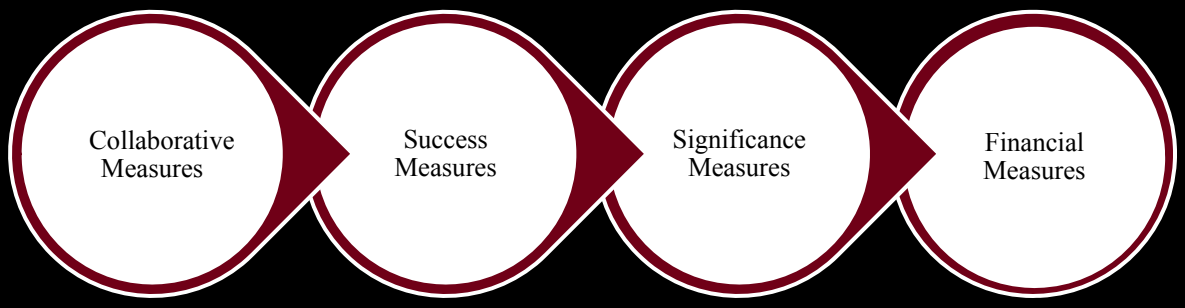
LGIF Partnership Agreement

The Board and administration of Madison-Champaign ESC will work in partnership with the Hardin, Logan and Shelby County ESCs to earn the Local Government Innovations Fund grant. If awarded, this Board will also work cooperatively and collaboratively to complete a study of the feasibility and efficiency of a consolidation of services among the Hardin, Logan, Shelby and Madison-Champaign ESCs and to work within the guidelines of the Ohio Department of Education.

Motion: McNamara Second: Wilson

Yes Votes: 4 No Votes: 0

Date: October 22, 2012



Round 3: Application Form

Local Government Innovation Fund

Step One: Fill out this Application Form in its entirety.

Step Two: Fill out the online submission form and submit your application materials. All supplemental application materials should be combined into one file for submission.

LGIF: Applicant Profile	
Lead Applicant	Madison/Champaign Educational Service Center
Project Name	Regionalizing ESC Services
Type of Request	Grant
Funding Request	$75,000
JobsOhio Region	Central
Number of Collaborative Partners	4

Office of Redevelopment
Website: http://development.ohio.gov/Urban/LGIF.htm
Email: LGIF@development.ohio.gov
Phone: 614 | 995 2292

Lead Applicant	Madison/Champaign Educational Service Center	**Round 3**	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Lead Applicant

Mailing Address:	Address Line 1	1512 South US Hwy 68, Ste. J100			
	Address Line 2				
	City	Urbana	State	OH	Zip Code	43078
City, Township or Village	City	Population (2010)	11,739
County	Champaign	Population (2010)	40,140
Did the lead applicant provide a resolution of support?	☐ Yes (Attached) ☑ No (In Process)		

Project Contact

Complete the section below with information for the individual to be contacted on matters involving this application.

Project Contact	D. Steven Allen	Title	Grant Writer
Mailing Address:	Address Line 1	1512 South US Hwy 68, Ste. J100			
	Address Line 2				
	City	Urbana	State	OH	Zip Code	43078
Email Address	allen@mccesc.k12.oh.us	Phone Number	(740) 506-3305

Fiscal Officer

Complete the section below with information for the entity and individual serving as the fiscal agent for the project.

Fiscal Officer	Matthew Ketchum	Title	Treasurer
Mailing Address:	Address Line 1	1512 South US Hwy 68, Ste. J100			
	Address Line 2				
	City	Urbana	State	OH	Zip Code	43078
Email Address	ketchum@mccesc.k12.oh.us	Phone Number	(937) 484-1557
Is your organization registered in OAKS as a vendor?	☑ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of	Grant

Single Applicant	
Is your organization applying as a single entity?	☑ Yes ☐ No
Participating Entity: (1 point) for single applicants	**1**

Collaborative Partners	
Does the proposal involve other entities acting as collaborative partners?	☑ Yes ☐ No

Applicants applying with a collaborative partner are required to show proof of the partnership with a partnership agreement signed by each partner and resolutions of support from the governing entities. If the collaborative partner does not have a governing entity, a letter of support from the partnering organization is sufficient. Include these documents in the supporting documents section of the application.

In the section below, applicants are required to identify population information and the nature of the partnership.

Each collaborative partner should also be clearly and separately identified on pages 4-5.

Number of Collaborative Partners who signed the partnership agreement, and provided resolutions of support.	3
Participating Entity: (5 points) allocated to projects with collaborative partners.	**5**

Population		
The applicant is required to provide information from the 2010 U.S. Census information, available at: http://factfinder2.census.gov/		
Does the applicant (or collaborative partner) represent a city, township or village with a population of less than 20,000 residents?	☑ Yes ☐ No	
	List Entity	
	Madison/Champaign ESC	
	Municipality/Township	Population
	Urbana	11,793
Does the applicant (or collaborative partner) represent a county with a population of less than 235,000 residents?	☑ Yes ☐ No	
	List Entity	
	Madison/Champaign ESC	
	County	Population
	Champaign County	40,097
Population: (3-5 points) determined by the smallest population listed in the application. Applications from (or collaborating with) small communities are preferred.	**5**	

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Nature of Partnership (2000 character limit)

As agreed upon in the partnership agreement, please identify the nature of the partnership, and explain how the main applicant and the partners will work together on the proposed project.

The Madison/Champaign Educational Service Center(MCESC) was created in 2000 when the county boards of education combined to create the MCESC. The combining and sharing of services has resulted in significant operational cost reduction while continuing to provide the services needed by the local school districts. This combination of county boards has been very successful for the past twelve(12) years and is thriving. Hardin, Logan, and Shelby counties Educational Service Centers continue to struggle with fiscal solvency and with providing all the services their local school districts would like to have. This proposal is to conduct an analysis of the feasibility of merging those three(3) county boards with the MCESC, creating one regional service center. The hypothesis is that, just as there was when Madison and Champaign counties merged, all will experience significant operation cost savings and have the ability to provide all or nearly all the services the local school districts desire while holding costs as low as possible. Using the grant funds, the three entities agree to conduct or contract to have conducted, a study of the feasibility of merging the four service centers into one center. The outcome of this analysis will greatly influence whether or not they will move forward with the proposed merger. However, all partners believe this is highly likely after the analysis and data are presented to the respective boards.

List of Partners

The applicant applying with collaborative partners (defined in §1.03 of the LGIF Policies) must include the following information for each applicant:

- **Name of collaborative partners**
- **Contact Information**
- **Population data (derived from the 2010 U.S. Census)**

If the project involves more than 12 collaborative partners, additional forms are available on the LGIF website.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Collaborative Partners Number 1	Hardin County Educational Service Center								
Address Line 1	1211 W. Lima Street, #A					Population			
Address Line 2						Municipality /Township	Kenton	Population	8,262
City	Kenton	State	OH	Zip Code	43326	County	Hardin	Population	32,058
Email Address	hc_supt@woco-k12.org					Phone Number	(419) 674-2288		
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☑ Yes ☐ No		

Collaborative Partners Number 2	Logan County Educational Service Center								
Address Line 1	121 South Opera Street					Population			
Address Line 2						Municipality /Township	Bellefontaine	Population	13,370
City	Bellefontaine	State	OH	Zip Code	43311	County	Logan	Population	45,858
Email Address	heather_neer@scesc.k12.oh.us					Phone Number	(937) 599-5196		
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☑ Yes ☐ No		

Collaborative Partners Number 3	Shelby County Educational Service Center								
Address Line 1	129 East Court Street, #4					Population			
Address Line 2						Municipality /Township	Sidney	Population	21,229
City	Sidney	State	OH	Zip Code	45365	County	Shelby	Population	49,423
Email Address	heather_neer@scesc.k12.oh.us					Phone Number	(937) 498-1354		
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☑ Yes ☐ No		

Collaborative Partners Number 4									
Address Line 1						Population			
Address Line 2						Municipality /Township		Population	
City		State		Zip Code		County		Population	
Email Address						Phone Number			
Resolution of Support	☐ Yes ☐ No					Signed Agreement	☐ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Collaborative Partners Number 5								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 6								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 7								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 8								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Collaborative Partners Number 9								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 10								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 11								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Collaborative Partners Number 12								
Address Line 1					Population			
Address Line 2					Municipality /Township		Population	
City		State		Zip Code	County		Population	
Email Address					Phone Number			
Resolution of Support	☐ Yes ☐ No				Signed Agreement	☐ Yes ☐ No		

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Identification of the Type of Award	Feasibility Study
Targeted Approach	Merger

Project Description (4000 character limit)

Please provide a general description of the project. The information provided will be used for council briefings, program, and marketing materials.

The project is for a structured and thorough analysis of the feasibility of a merger of the four entities described herein. The Madison/Champaign ESC is the lead applicant and the partners in this collaboration are Hardin County ESC, Logan County ESC, and Shelby County ESC. The primary concern we hope to address is fiscal solvency and security for the Regional Educational Service Center that evolves from this venture, so the local school districts and their students will continue to be served at the highest possible level. We postulate that this may be better accomplished through a merger of these county-level entities and regionalization of the educational services. This hypothesis is based on a reduction of redundancies with one administrative team in one location and the pooling of resources, including highly qualified staff members and the reduction of repeated professional development and trainings and fiscal responsibilities. For example, one superintendent for the region, one treasurer and financial office for the region, one director of special education services, and significantly fewer clerical and other support staff.

If awarded, the primary use of the grant funds would be to contract with a company for a thorough analysis of the current staffing and operational costs of all the entities and a comparison with the projected costs if merged under one regional center. Then, based on the information therein, the four(4) entities' boards will collaborate and plan for the merger.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Past Success	✔ Yes ☐ No
Past Success (5 points)	**5**

Provide a summary of past efforts to implement a project to improve efficiency, implement shared services, coproduction, or a merger. (1000 character limit)

Prior to 2000, Champaign and Madison counties had their own separate county boards of education. That merger is now twelve(12) years old and is proving to be quite successful. While the MCESC had to shift its focus to become a true "service center," it is working well and is fiscally and educationally successful. The other three(3) ESC's are finding it difficult to continue to operate as they have for the past twenty or more years. They already have seen a loss of local district participation in the county services and/or a combining of services such as the superintendency of Logan and Shelby ESC's. This more proactive approach will put all four(4) service centers back in control of their futures and they will be better able to plan for their futures as opposed to reacting to whatever occurs; just as Madison and Champaign Counties did more than a decade ago.

Scalable/Replicable Proposal	☐ Scalable ☐ Replicable ✔ Both
Scalable/Replicable (10 points)	**10**

Provide a summary of how the applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments. (1000 character limit)

When there are entities of this size and with strong, experienced central office staff members, merging into one regional office is very feasible and can certainly be replicated throughout Ohio. In fact, this is already being accomplished around the state with great success - the Madison/Champaign ESC on a smaller scale and the Muskingum Valley ESC and the ESC of Central Ohio on a larger scale. Additionally, it is scalable. That is, what is being proposed herein can be accomplished at a much larger level, as with the ESC of Central Ohio. It can also be segregated into component parts such as merging the special education services, or the fiscal services, or the personnel services only for the four entities. Also, other entities can be merged within those departments. Fiscal services for community schools and small non-profit organizations could be folded into the regional service center's fiscal department, thus, serving more than the four collaborators of this grant.

Probability of Success	✔ Yes ☐ No
Probability of Success (5 points)	**5**

Provide a summary of the likelihood of the grant study recommendations being implemented. Applicants requesting a loan should provide a summary of the probability of savings from the loan request. (1000 character limit)

Currently, the administrative leaders of the four(4) service centers are open to the concept of the merger. Discussions of the possibility have been ongoing for nearly a year. What has been lacking is the hard data for decision-makers that would show how and why merging makes sense. It is quite apparent that small independent ESC's struggle to survive. The study would make that very clear. There is ample evidence that local districts are migrating to the larger regional offices for better and cost-effective services. Again, the study would indicate that. That movement, coupled with facts from the study, along with the understanding of the current administrators that regionalization is the direction of service centers, makes the implementation of this proposed study highly likely. Finally, a complete study by an independent entity would present the essential vision of what that regional service center would look like for each of the decision-makers involved with this proposal.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Performance Audit Implementation/Cost Benchmarking	☐ Yes ☑ No
Performance Audit/Benchmarking (5 points)	0

If the project is the result of recommendations from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or a cost benchmarking study, please attach a copy with the supporting documents. In the section below, provide a summary of the performance audit or cost benchmarking study. (1000 character limit)

Economic Impact	☑ Yes ☐ No
Economic Impact (5 points)	5

Provide a summary of how the proposal will promote a business environment (through a private business relationship) and/or provide for community attraction. (1000 character limit)

The presence of a large regional educational service center in one of the communities represented in this proposal would positively impact that community in that it would present a larger "company" than is presently there. That would potentially create jobs, lease or purchase office space, and bring many more people into that community for periodic meetings and trainings. Those additional people would purchase local goods and services. Also, due to regionalizing, the regional ESC should be financially better able to provide rare or difficult to find educational specialists to the region. This improves the educational opportunities for many students who require specialized services. In turn, this raises the level of educational success communities experience, making them more attractive to prospective business growth.

Response to Economic Demand	☑ Yes ☐ No
Response to Economic Demand (5 points)	5

Provide a summary of how the project responds to substantial changes in economic demand for local or regional government services. The narrative should include a description of the current service level. (1000 character limit)

Due to the merging of Madison and Champaign Counties, they have a broader scope of services they can offer member districts; for example, gifted services, psychological services, occupational therapy services. At the same time, Hardin, Logan and Shelby Counties have experienced local districts going elsewhere to find specialized services. For example, the Hardin ESC now only serves half the number of local districts it once served. This proposal moves all these service centers into the present reality of regionalization and shared services. Given the state of the economy and the dearth of local tax support, finding a more cost-effective manner for delivering the same and more services will certainly meet the current demand by stakeholders.

Budget Information

General Instructions

•Both the Project Budget and Program Budgets are required to be filled out in this form.

•Consolidate budget information to fit in the form. Additional budget detail may be provided in the budget narrative or in an attachment in Section 5: Supplemental Information.

Project Budget:

- The Project Budget justification must be explained in the Project Budget Narrative section of the application. This section is also used to explain the reasoning behind any items on the budget that are not self explanatory, and provide additonal detail about project expenses.
- The Project Budget should be for the period that covers the entire project. The look-back period for in-kind contributions is two (2) years. These contributions are considered a part of the total project costs.
- For the Project Budget, indicate which entity and revenue source will be used to fund each expense. This information will be used to help determine eligible project expenses.
- Please provide documentation of all in-kind match contributions in the supporting documents section. For future in-kind match contributions, supporting documentation will be provided at a later date.

Program Budget:

- Six (6) years of Program Budgets should be provided. The standard submission should include three years previous budgets (actual), and three years of projections including implementation of the proposed project. A second set of three years of projections (one set including implementation of this program, and one set where no shared services occurred) may be provided in lieu of three years previous if this does not apply to the proposed project.
- Please use the Program Budget Narrative section to explain any unusual activities or expenses, and to defend the budget projections. If the budget requires the combining of costs on the budget template, please explain this in the narrative.

Return on Investment:

- A Return on Investment calculation is required, and should reference cost savings, cost avoidance and/or increased revenues indicated in the budget projection sections of the application. Use the space designated for narrative to justify this calculation, using references when appropriate.

For Loan Applications only:

- Using the space provided, outline a loan repayment structure.
- Attach three years prior financial documents related to the financial health of the lead applicant (balance sheet, income statement, and a statement of cash flows).

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Project Budget

Sources of Funds

LGIF Request:		$75,000
Cash Match (List Sources Below):		
Source:	Madison-Champaign ESC	$1,000
Source:	Shelby County ESC	$1,000
Source:	Logan County ESC	$1,000
Source:	Hardin County ESC	$1,000
In-Kind Match (List Sources Below):		
Source:	Salaries and Benefits (all 4 ESCs)	$4,500
Source:		
Source:		
Total Match:		$8,500
Total Sources:		$83,500

Uses of Funds

		Amount	Revenue Source
Consultant Fees:		$65,000	LGIF and Cash Match
Legal Fees:		$10,000	LGIF
Other:	Administrative Fees	$3,750	LGIF
Other:	Salaries and Benefits	$4,500	In-Kind Match
Other:	Travel	$250	LGIF
Other:			
Other:			
Other:			
Other:			
Other:			
Total Uses:		$83,500	
Local Match Percentage:		10.18%	

* Please note that this match percentage will be included in your grant/loan agreement and cannot be changed after awards are made.

Local Match Percentage = (Match Amount/Project Cost) * 100 (10% match required)

☑ 10-39.99% (1 point) ☐ 40-69.99% (3 points) ☐ 70% or greater (5 points)

Project Budget Narrative: Use this space to justify any expenses that are not self-explanatory.

All expenses are self-explanatory.

Section 4 Financial Information

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Program Budget

Actual ✔ Projected ___	FY 2010	FY 2011	FY 2012
Expenses	**Amount**	**Amount**	**Amount**
Salary and Benefits	$14,293,373	$13,537,048	$13,101,218
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training and Professional Development			
Insurance			
Travel			
Capital and Equipment Expenses	$49,274	$56,038	$52,088
Supplies, Printing, Copying, and Postage	$321,662	$264,009	$296,877
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration	$3,355,263	$3,273,309	$3,223,081
***Other -** Purchased Services	$1,830,837	$1,684,470	$1,758,603
***Other -** Professional Dues, Liability Ins, Transfers, etc	$178,268	$355,360	$351,000
***Other -**			
TOTAL EXPENSES	$20,028,676	$19,170,235	$18,782,866
	Revenues	**Revenues**	**Revenues**
Contributions, Gifts, Grants, and Earned Revenue			
Local Government:			
Local Government:			
Local Government:			
State Government	$2,976,623	$3,083,784	$3,781,857
Federal Government	$24,039	$23,517	$33,412
**Other -* Miscellaneous	$336,801	$215,520	$287,228
**Other -* Local Grants	$562,821	$555,885	$214,344
**Other -* Refunds/Transfers	$61,166	$452,773	$426,289
Membership Income			
Program Service Fees	$15,390,956	$14,695,789	$14,782,643
Investment Income	$17,774	$18,279	$22,950
TOTAL REVENUES	$19,370,180	$19,045,547	$19,548,722

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Program Budget

Actual ☐ Projected ☑	FY 2013	FY 2014	FY 2015
Expenses	**Amount**	**Amount**	**Amount**
Salary and Benefits	$13,756,279	$14,444,092	$15,166,297
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training and Professional Development			
Insurance			
Travel			
Capital and Equipment Expenses	$54,692	$57,427	$60,298
Supplies, Printing, Copying, and Postage	$311,720	$327,306	$343,672
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration	$3,384,235	$2,538,176	$2,157,450
***Other -** Purchased Services	$1,846,533	$1,938,860	$2,035,803
***Other -** Professional Dues, Liability Ins, Transfers, etc	$368,550	$386,978	$406,327
***Other -**			
TOTAL EXPENSES	$19,722,009	$19,692,839	$20,169,846
	Revenues	**Revenues**	**Revenues**
Contributions, Gifts, Grants, and Earned Revenue			
Local Government:			
Local Government:			
Local Government:			
State Government	$3,403,671	$3,403,671	$3,403,671
Federal Government	$35,083	$36,837	$38,679
**Other -* Miscellaneous	$301,589	$316,669	$332,502
**Other -* Local Grants	$225,061	$236,314	$248,130
**Other -* Refunds/Transfers	$426,289	$426,289	$426,289
Membership Income			
Program Service Fees	$15,521,775	$16,297,863	$17,112,757
Investment Income	$22,950	$22,950	$22,950
TOTAL REVENUES	$19,936,417	$20,740,593	$21,584,977

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Program Budget

Use this space to justify the program budget and/or explain any usual revenues or expenses (6000 characters max).

The program budget provided is the sum total of the program budgets of all four (4) service centers. Due to limitations of our financial software and operational differences between the four (4) service centers, all purchased services are included on one line. Purchased services include but are not limited to contracted services, travel, professional development, rent, and utilities. Included in the line labeled Administration are salaries and benefits, purchased services, supplies, equipment, etc. as they relate to any and all personnel functioning in an administrative capacity for the service centers. As for revenue, program fees include revenue collected from the provision of services to school districts, service centers, private entities, etc. The four (4) service centers share a similar budgetary makeup consisting of salaries and benefits as, by far, the greatest expenditure and program fees as the greatest revenue.

For the projections, we assumed FY13 as the time frame for studying the feasibility of the merger with implementation coming in FY14. With the exception of Administration, all expenditures are projected with a 5% increase from one year to the next. Administration has been projected with a 25% reduction in year 1 of implementation and a 15% reduction in year 2. As the merger takes place, we can expect too see this reduction in administration due to the shared responsibilities over multiple counties. Revenues are also projected to grow at a rate of 5% each year with exception of two categories. In the state of the current economy, we have projected no growth in investment income. This makes up so little of the total revenue, it will not have an impact on the overall budget. The main category not expected to grow is State Government in the form state subsidies. The current biennial budget provides for a 10% decrease in state funding from FY12 to FY13. We have projected no growth in state subsidies beyond the current biennial budget.

Section 4: Financial Information Scoring

- [x] (5 points) Applicant provided complete and accurate budget information and narrative justification for a total of six fiscal years.
- [ ] (3 points) Applicant provided complete and accurate budget information and for at least three fiscal years.
- [ ] (1 point) Applicant provided complete and accurate budget information for less than three fiscal years.

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Return On Investment

Return on Investment is a performance measure used to evaluate the efficiency of an investment. To derive the expected return on investment, divide the net gains of the project by the net costs. For these calculations, please use the implementation gains and costs, NOT the project costs (the cost of the feasibility, planning, or management study)--unless the results of this study will lead to direct savings without additional implementation costs. The gains from this project should be derived from the prior and future program budgets provided, and should be justified in the return on investment narrative.

Return on Investment Formulas:

Consider the following questions when determining the appropriate ROI formula for the project. Check the box of the formula used to determine the ROI for the project. These numbers should refer to savings/revenues illustrated in projected budgets.

Do you expect cost savings from efficiency from the project?

☑ Use this formula: $\frac{\text{Total \$ Saved}}{\text{Total Program Costs}} * 100 = \text{ROI}$

Do you expect cost avoidance from the implementation of the project/program?

☐ Use this formula: $\frac{\text{Total Cost Avoided}}{\text{Total Program Costs}} * 100 = \text{ROI}$

Do you expect increased revenues as a result of the project/program?

☐ Use this formula: $\frac{\text{Total New Revenue}}{\text{Total Program Costs}} * 100 = \text{ROI}$

Expected Return on Investment = $\frac{\$749,845}{\$83,500} * 100 =$ 898.02%

Return on Investment Justification Narrative: In the space below, briefly describe the nature of the expected return on investment, using references when appropriate. (1300 character limit)

Because of the nature of the project, we expect to produce additional revenue resulting from an increase in services provided. We also expect to have considerable cost avoidance in the form of reduced administrative costs. To calculate the return on investment, we subtracted the difference in revenues and expenditures in FY13 ($214,408.05) from the difference in revenues and expenditures in FY14 ($1,047,753.44) to arrive at a total savings of $833,345.40. The cost of the program is subtract from this gross to get a net savings of $749,845.40. The net savings is divided by the program costs to arrive at the Return on Investment. However, we also understand and want to emphasized, that is the purpose of the feasibility study - to determine, as accurately as possible, the financial and logistical feasibility of a merger of the four (4) service centers.

Expected Return on Investment is:

☐ Less than 25% (10 points) ☐ 25%-74.99% (20 points) ☑ Greater than 75% (30 points)

Questions about how to calculate ROI? Please contact the Office of Redevelopment at 614-995-2292 or lgif@development.ohio.gov

Loan Repayment Structure

Please outline the preferred loan repayment structure. At a minimum, please include the following: the entities responsible for repayment of the loan, all parties responsible for providing match amounts, and an alternative funding source (in lieu of collateral). Applicants will have two years to complete the project upon execution of the loan agreement, and the repayment period will begin upon the final disbursement of the loan funds. A description of expected savings over the term of the loan may be used as a repayment source.

Not Applicable.

Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e. emergency, rainy day, or contingency fund, etc).

☐ Applicant clearly demonstrates a secondary repayment source (5 points)

☐ Applicant does not have a secondary repayment source (0 points)

Lead Applicant	Madison/Champaign Educational Service Center	Round 3	
Project Name	Regionalizing ESC Services	Type of Request	Grant

Scoring Overview

Collaborative Measures	Description	Max Points		Applicant Self Score
Section 1: Collaborative Measures				
Population	Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the **smallest** population listed in the application. Applications from (or collaborating with) small communities are preferred.	**5**		5
Participating Entities	Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.	**5**		6
Section 2: Success Measures				
Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	**5**		5
Scalable/Replicable Proposal	Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.	**10**		10
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	**5**		5
Section 3: Significance Measures				
Performance Audit Implementation/Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	**5**		0
Economic Impact	Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)	**5**		5
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	**5**		5
Section 4: Financial Measures				
Financial Information	Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.	**5**		5
Local Match	Percentage of local matching funds being contributed to the project. This may include in-kind contributions.	**5**		1
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis.	**30**		30
Repayment Structure (Loan Only)	Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency fund, rainy day fund, contingency fund, etc.).	**5**		0
			Total Points	77

LGIF Partnership Agreement

The Board and administration of Shelby County ESC will work in partnership with the Madison-Champaign ESC to earn the Local Government Innovations Fund grant. If awarded, this Board will also work cooperatively and collaboratively to complete a study of the feasibility and efficiency of a consolidation of services among the Hardin, Logan, Shelby and Madison-Champaign ESCs and to work within the guidelines of the Ohio Department of Education.

Motion: EVANS Second: LUDLOW

Yes Votes: 3 No Votes: 0

Date: October 17, 2012

Whereas the State of Ohio is promoting collaboration and consolidation of services when feasible and when such a consolidation is more efficient and,

Whereas the Educational Service Centers (ESCs) of Madison and Champaign Counties consolidated services for school districts in those counties in 2000 and,

Whereas the Educational Service Centers of Hardin, Logan, and Shelby Counties serve school districts in their individual counties and,

Whereas a consolidation of services for all five (5) counties may or may not be feasible and may or may not be more efficient and,

Whereas a professional feasibility study would inform the Boards of all the ESCs whether a consolidation is feasible or not and more efficient or not and,

Whereas the Ohio Department of Education has made available the Local Government Innovative Fund Grant application for the purpose of studying the feasibility of such a consolidation therefore,

The Board of the Shelby County Educational Service Center supports the feasibility study regarding consolidation of services and the application for the Local Government Innovative Fund Grant.

Motion: Evans Second: Ludlow

Yes Votes: 3 No Votes: 0

Date: 10-17-12