



Department of
Development

Local Government Innovation Fund Information Session

January 10, 2012

Welcome

Thea Walsh, Deputy Chief
Office of Redevelopment
Ohio Department of Development

Opening Remarks

- *The Local Government Innovation Fund (LGIF)*
 - Established to provide financial assistance to Ohio political subdivisions for planning and implementing projects to create efficient and effective service delivery
 - Program preferences include projects that promote collaboration, merger, and shared services among local governments, as well as, projects that facilitate improved business environments and promote community attraction

Agenda

Welcome and Opening Remarks

Webinar Instructions

Local Government Innovation Fund Overview

Legislative Background and Review

Local Government Innovation Council Discussion

***Break* (15 minutes)**

Program Policies and Procedures

Application Process

Selection Methodology

Program Calendar and Important Deadlines

Closing Remarks

Conclusion

Opening Remarks

- Live Session Attendees (Housekeeping)
 - Please leave your business card or sign-in at the tables outside the auditorium
 - Please reserve questions until the end of the session (Raise your hand to ask a question)
 - Restrooms are outside of the auditorium and to the left

Opening Remarks

- Live Session & Webinar Attendees
 - Questions not answered at the session can be emailed to LGIF@development.ohio.gov
 - All questions will be compiled, answered and posted on the website after the session
 - This session will be posted on our website for future viewing

Webinar Instructions

- Participant lines will be muted throughout the presentation
- Participants experiencing technical difficulties during the presentation may type the nature of their issue into the question pane or may call 614-995-2292
- Questions may be typed in the question pane
 - Answers will be compiled after the meeting and posted on our website no later than Tuesday, January 17, 2012

Program Overview

**TOP
TEN**

Things you should know about this program...

Program Overview

Key Components

1. Program led by council of state officials and appointed leaders
2. \$45 million in funding allocated
 - \$9 million grants
 - \$36 million loans (revolving loan fund)
3. Funding starts July 1, 2012 (State Fiscal Year 2013)
4. Awards
 - Grant funding: per project may not exceed \$100,000
 - Loans funding: per entity, per award may not exceed \$100,000 with a maximum award of \$500,000 per project

Program Overview

PROJECT APPROACHES

5. Efficiency

- A single entity realizing savings through process improvements

6. Shared Services

- Multiple entities working together on existing services to achieve efficiency in delivery of specific services

7. Coproduction

- Multiple entities providing increased services at a savings over cost standards

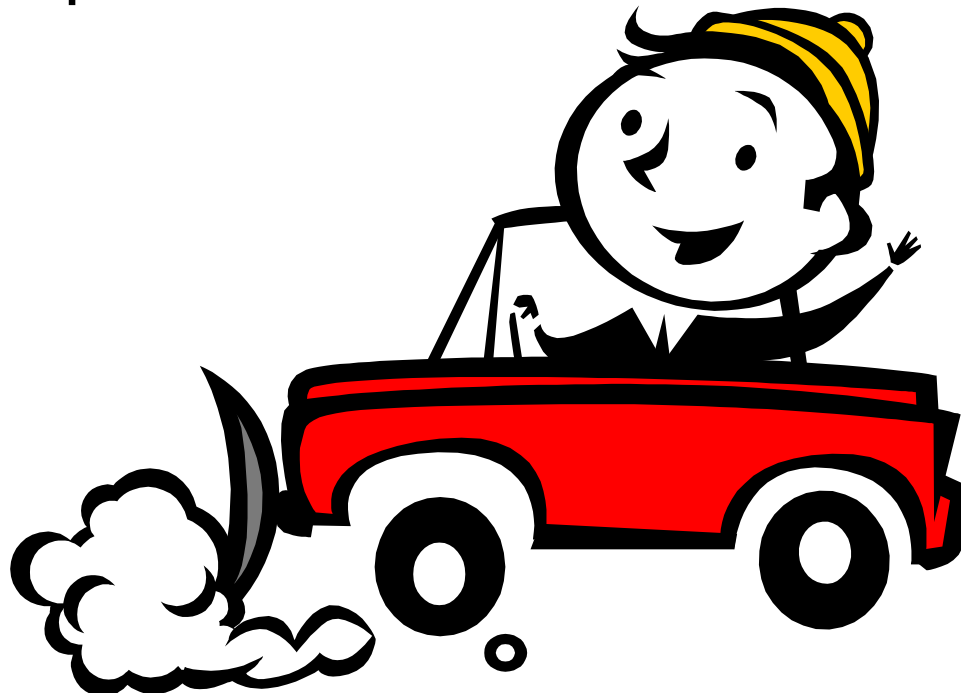
8. Merger

- Multiple entities joining as one unit to achieve efficiency in delivery of specific services

Project Approach Options

5. Efficiency

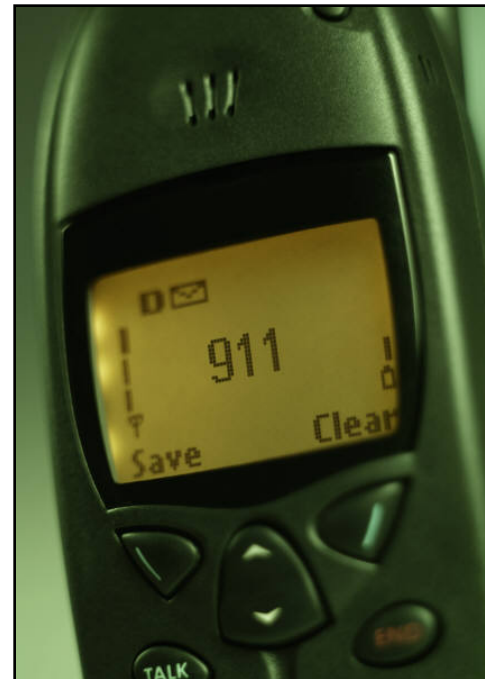
- A single entity realizing savings through process improvements



Project Approach Options

6. Shared Services

- Multiple entities working together on existing services to achieve efficiency in delivery of specific services



Project Approach Options

7. Coproduction

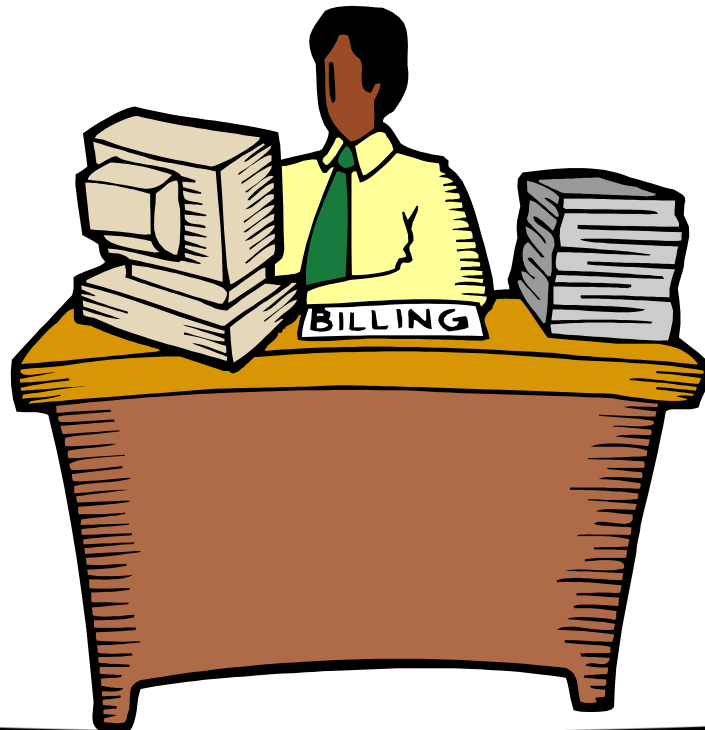
- Multiple entities providing increased services at a savings over cost standards



Project Approach Options

8. Merger

- Multiple entities joining as one unit to achieve efficiency in delivery of specific services



Program Overview

9. Grant Projects:

– Soft Costs

- feasibility studies, process implementation, cost benchmarking, planning or a management investigation targeting service (or services) provided (or to be provided) by the applicant(s)

10. Loan Projects:

– Hard Costs

- demonstration projects that implement recommendation(s) of a feasibility study or performance audit, that identifies the project using a specific approach for a more efficient alternative to a service or its delivery, is predictably replicable, and scalable for the inclusion of other collaborative partners.

Legislative Background



- **ORC 189.01 – 189.10**
- **Created**
 - **HB 153** “*Budget Bill*” – *passed 7/2011*
- **Amended**
 - **HB 371** “*LGIF Amendments*” – *passed 12/2011*

Legislative Background

– HB 153 Summary:

- **189.01-** Definition of eligible applicants
- **189.02-** Designates administration ODOD
- **189.03-** Appoints council
- **189.04-** Funding structure (Grant / Loan Ratio)
- **189.05-** Sets fund in state treasury
- **189.06-** Evaluation criteria for proposals
- **189.07-** Regional application review
- **189.08-** Project award criteria
- **189.09-** Administrative reporting requirement
- **189.10-** Term of council

Legislative Background

– HB 371 Amendments Summary:

- **189.01-** Clarified definition of eligible applicant
- **189.03-** Minor changes to council appointments
- **189.05-** Clarified state treasurer fund guidelines
- **189.06-** Clarified process and elements of application
- **189.07-** Eliminated regional review of applications
- **189.08-** Adjusted distribution for 2010 census numbers for award criteria

Local Government Innovation Council

- Stewards of the Competitive Process
- Assisted by Department of Development



- Meetings:
 - 11/3/11 – Bylaws / Policy Development
 - 12/1/11 – Legislation Review / Policy Adoption
 - 1/31/12 – Intent: Policy Amendments / Project Selection Methodology Adoption

Council Members

Christiane Schmenk, Director
Local Government Innovation Council Chairperson
Department of Development
**Director of the Department of Development*

Thomas M. Humphries, Regional Chamber President & CEO
Local Government Innovation Council Vice-Chairperson
Youngstown-Warren Regional Chamber
** Representing the interests of the Ohio Chamber of Commerce*

Ron Amstutz, Representative
Ohio House of Representatives
**Representing the Ohio House of Representatives*

Mary Amos Augsberger, Director of Policy and Public Affairs
Auditor of State
**Designee for the Auditor of State*

C. Randy Cole, Controlling Board President & Policy Advisor
Office of Budget and Management
**Designee for the Office of Budget and Management*

Council Members

David A. Collinsworth, City Manager

City of Westerville

**Representing the interests of the Ohio Municipal League*

Reno Contipelli, Member

Cuyahoga Heights Board of Education

** Representing the interests of the Ohio School Boards Association*

Dave Daniels, Senator

Ohio Senate

**Representing the Ohio Senate*

Gregory A. Hanahan, Administrator

Miami Township

** Representing the interests of the Ohio Township Association*

Eric Kearney, Senator

Ohio Senate

** Representing the Ohio Senate*

Council Members

Eugene K. Krebs, Director of Government Affairs and Policy
Greater Ohio

**Representing the interests of an Ohio-Based Advocacy Group*

Deborah A. Lieberman, Commissioner
Montgomery County

** Representing the interests of the Ohio County Commissioners Association*

Carlton Weddington, Representative
Ohio House of Representatives

** Representing the Ohio House of Representatives*

Mark Weinberg, Director
Voinovich School of Leadership and Public Affairs

** Representing the Board of Regents*

Watch Video

Example of a Collaboration Project:

- <http://www.youtube.com/watch?v=6k9uvpqwXHQ>

BREAK

***Please take this opportunity
to network with potential
application partners from
your region.***

Program Policies & Procedures

POLICY HIGHLIGHTS

- **Section 1: Definitions**

- 1.03 “Collaborative partner(s)”

- political subdivision, nonprofit entity, or for-profit entity that is identified as a partner in the Applicant’s proposal.

- 1.06 “Eligible project costs”

- equipment, facilities or systems, or project implementation costs (including reasonable consultant fees).

- 1.10 “Total project costs”

- all dollars expended (or to be expended) for eligible activities.

Program Policies & Procedures

POLICY HIGHLIGHTS

- **Section 2: Eligibility**

- 2.02 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.
- 2.04 Applicants must demonstrate a match investment equal to at least 10% percent of the total cost of the eligible project.
 - match investment may include any combination of **local, public, or private funds**.
- 2.05 Match investments can be in-kind contributions made during the two-year period prior to application and over the course of the project.

Program Policies & Procedures

POLICY HIGHLIGHTS

- **Section 3: Application Procedures**
 - Subject to change at 1/31/12 LGIC Meeting
 - Removal of District Integrating Committee Involvement
 - New policy posted on web after meeting
 - Submit Application Directly to ODOD by 5pm on March 1, 2012

Program Policies & Procedures

POLICY HIGHLIGHTS

- **Section 3: Application Procedures**
 - Grant Application
 - Loan Applications
 - Same Format (a few differences)
- Executed Partnership Agreements
- Resolution Of Support



Program Policies & Procedures

POLICY HIGHLIGHTS

- **Section 4: Awards**
 - Subject to change at 1/31/12 LGIC Meeting
 - Legislative Change to population thresholds
 - Over the course of the Program award at least:
 - 30% in counties above 235,000 or non-counties 20,000
 - 30% in counties below 235,000 or non-counties 20,000

Program Policies & Procedures

POLICY HIGHLIGHTS

- **Section 5: Grant Agreements**

- Contractor performance based payment terms
- Biannual Awards

- **Section 6: Loan Agreements**

- 0% interest
- 11 yrs. term, amortized over 10 yrs.
 - 1st year grace period
- Quarterly Awards



Program Policies & Procedures

IMPORTANT PROCEDURES

- **Study / Plan Review Procedure**
 - Loan Applications Only
 - Documentation that informed the loan application should be turned in for review 15 days prior to the application.
- **Cure Procedure**
 - Applications missing important information or needing further clarification will be sent a request to cure. The applicant has 10 days to respond to the request.

Application Procedure

First Round

- Policies posted on web
 - 12/8/11
- Application Materials posted on web
 - 12/16/11
- Selection Methodology & Policy Updates posted on web
 - 2/3/12
- Applications Due
 - 3/1/12

Application Procedure

Format & Checklist

- Word Processing Format (no form)
 - Electronic submission
 - Scanned originals with signature
 - PDF preferred
- Self Assessment
- Checklist of required items
- Downloadable from website

Application Procedure

Sections 1 & 2

- Contact Information
- Identify Collaborative Partners
 - political subdivision, nonprofit entity, or for-profit entity identified as a partner
 - Executed Partnership Agreement

Application Procedure

Section 3: Project Information

- Project name
- Brief project description
- Identify type of award
 - Grant
 - Loan
- Provide proof of study determination by ODOD
(submitted at least 15 days earlier)
 - For loan applicants only
- Provide a problem statement

Application Procedure

Section 3: Project Information

- Identify **one** targeted approach to innovation
 - Efficiency, Shared Service, Coproduction or Merger
- Explain the return on investment
 - Derived from project budget
- Explain the probability of proposal' s success
 - Based on past project, anticipated savings and implementation plans
- Describe if Replicable or Scalable
- Identify if part of Larger Consolidation

Application Requirements

Section 3: Project Information

- Past Success
- Approach to Service Demand
- Related Audit Findings and Implementation Recommendations
- Explain how it will improve a business environment and/or promote community attraction

Application Requirements

Section 4: Financial Documentation

- Detailed Project Budget
 - Most recent three years of financial history
 - Balance sheet, income statement, and statement of cash flows
- Anticipated Project Costs
 - Amount and type of funds requested
 - Percentage of matching funds available
 - In-kind contributions
- Financial Projections
 - Identify anticipated savings for the three year period following the project
 - Description of expected annual and/or one time savings

Application Procedure

Section 5: Supporting Documentation

- Study Determination
- Executed Partnership Agreements
- Resolutions of Support
- Audit, performance or otherwise, conducted within past five years (if applicable)
- Identification of each municipality, county or township served
 - Must Include population 2010 census
- Self score assessment

Proposed Scoring Methodology

- Scoring will be discussed and is anticipated to be adopted at the January 31st Council meeting
- Projects are scored based on five different criteria
- There are a total of 100 points available for each project

Selection Methodology

Section 1: Financing Measures

Section 1: Financing Measures			
Financing Measures	Description	Criteria	Max Points
Project Budget	<i>Most recent financial history. Must include budgets / financial information for the past three years and three year projections.</i>	Project Budget Included	5
		Project Budget Not Included	0
		Total Possible Points	5
Repayment Structure (Loan Only)	<i>Demonstration of 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>	Applicant clearly demonstrates a secondary repayment source.	5
		Applicant does not have a secondary repayment source.	0
		Total Possible Points	5
Local Match	<i>Percentage of local matching funds being contributed to the project. This may include in-kind contributions.</i>	50% or greater	5
		40-49.99%	4
		30-39.99%	3
		20-29.99%	2
		10-19.99%	1
		Less than 10%	0
		Total Possible Points	5

Selection Methodology

Section 2: Collaboration Measures

Section 2: Collaboration Measures			
Collaborative Measures	Description	Criteria	Points
Population	<i>Applicant's population falls within one of the listed categories as determined by the US Census Bureau.</i>	Applicant is not a county and has a population of less than 20,000 residents	5
		Applicant is a county but has less than 235,000	5
		Applicant is not a county but has a population 20,001 or greater	3
		Applicant is a county with a population of 235,001 residents or more	3
		Total Possible Points	5
Participating Entities	<i>Applicant has executed partnership agreements outlining all collaborative partners and participation agreements. Sole applicants must provide a resolution of support from governing entity.</i>	More than one applicant	5
		Single applicant	1
		Total Possible Points	5
Partnership Agreement(s) and Resolution of Support	<i>Applicant identifies and partners with other entities.</i>	Executed Agreement(s) / Resolution	5
		No Executed Agreement(s) / Resolution	0
		Total Possible Points	5

Selection Methodology

Section 3: Innovation Measures

Section 3: Innovation Measures			
Innovation Measures	Description	Criteria	Points
Expected Return	<i>Applicant demonstrated an expected return in the project budget ranking in one of the following percentage categories.</i>	75% or greater	25
		60 to 74.99%	20
		50 to 60.99%	15
		30 to 50.99	10
		Less than 30%	5
		Total Possible Points	25
Past Success	<i>Applicant has successfully implemented an efficiency, shared service, coproduction or merger project in the past.</i>	Yes	5
		No	0
		Total Possible Points	5
Scalable / Replicable Proposal	<i>Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.</i>	Can be replicated	10
		Cannot be replicated	0
		Total Possible Points	10

Selection Methodology

Section 4: Supplementary Scoring

Section 4: Supplementary Scoring			
Supplementary Scoring	Description	Criteria	Points Assigned
Performance Audit Implementation / Cost Benchmarking	<i>The project implements a single recommendation from a performance audit or is informed by cost benchmarking.</i>	Yes	5
		No	0
		Total Possible Points	5
Probability of Success	<i>Applicant provides a documented need for the project and clearly outlines how the need will be fulfilled.</i>	Provided	5
		Not Provided	0
		Total Possible Points	5
Economic Impact	<i>Applicant demonstrates the project will promote a business environment and will provide for community attraction.</i>	Demonstrated	5
		Not Demonstrated	0
		Total Possible Points	5
Response to Economic Demand	<i>The project responds to current substantial changes in economic demand for local or regional government services.</i>	Yes	5
		No	0
		Total Possible Points	5

Selection Methodology

Section 5: Council Measures

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	Total Possible Points Per Project	10

Calendar of Events

- Next Local Government Innovation Council meeting is scheduled January 31st at 1:30 p.m.
- Vern Riffe Center, Columbus, Ohio
 - 19th Floor

Round One Dates and Deadlines

- Feasibility Study Due by ***February 15, 2012***
- Applications will be accepted beginning ***February 20, 2012***
- Deadline for applications (loans and grants) ***March 1, 2012***
- Application cure period ***April 1 – April 30***
- Round one award notifications made in ***June, 2012***

Closing Remarks

Other Resources (project ideas)

- Skinny Ohio – Auditor of State
 - <http://skinnyohio.org/>
- Efficient Gov Now – NE Ohio Collaborative
 - <http://www.efficientgovnetwork.org/>

Closing Remarks

- Today's presentation and all program materials will be available on our website
<http://www.development.ohio.gov/urban/LGIF.htm>
- All questions asked at today's session will be compiled and also posted on our website
- If you were unable to get your question answered today, or you are participating by web, please send your questions to LGIF@development.ohio.gov

Closing Remarks

C. Randy Cole,
Controlling Board President
& Policy Advisor
Office of Budget and Management

For Additional Information

Office of Redevelopment

Website: <http://www.development.ohio.gov/Urban/LGIF.htm>

Email: LGIF@development.ohio.gov

Phone: 614-995-2292

PROGRAM CONTACTS

Thea Walsh,
Deputy Chief

Nyla Potter,
Loan Officer

Thank you!

Questions ?