

GUIDELINES

2011 Regional Performance Incentive Program

INTRODUCTION

Connecticut's Regional Performance Incentive (RPI) program, provides financial assistance to regional planning organizations, two or more municipalities, regional economic districts or combinations thereof for projects or related planning studies designed to provide cost saving service(s) to municipalities on a regional basis. Applicant organizations may submit a proposal to the Office of Policy and Management (OPM) for funding of projects.

This manual has been prepared to assist the above listed entities in submitting proposals for regionalized service(s) utilizing grants from the Regional Performance Incentive (RPI) Program.

If you have questions on the RPI program or procedures, please do not hesitate to call **Sandra Huber, RPI Program Coordinator**, at **(860) 418-6293** or e-mail at: **sandra.huber@ct.gov**

QUESTIONS AND ANSWERS RELATED TO THE REGIONAL PERFORMANCE INCENTIVE PROGRAM

1. **What statute provides for the Regional Performance Incentive Program?** Connecticut General Statutes Section 4-124s, as amended by Section 5 of Public Act 11-61, establishes the Regional Performance Incentive (RPI) Program.
2. **What entities may apply for RPI Grant funding?** Any of the regional planning organizations, two or more municipalities, regional economic districts or combinations thereof, may submit proposals for RPI funding.
3. **If an organization submits a proposal, are all member towns required to participate?** No, the towns have the option of whether to participate or not.
4. **What do towns that elect to participate in the proposed regional service have to do to be included in the proposal?** Each town must obtain a resolution from their legislative body endorsing the proposal.
5. **Is an affirmative vote by the Board of Selectman sufficient to qualify as “a resolution by the legislative body” when a town wishes to participate in the regionalized service?** Yes. For purposes of the RPI Program, “legislative body” includes “board of selectmen, town council, city council, board of alderman, board of directors, board of representatives, or board of the mayor and burgesses of a municipality”.
6. **Is there a limit to the amount of funding that an RPO can apply for?** No, but each proposal must be submitted on a separate proposal form.
7. **What is meant by “economies of scale”?** “Economies of scale” is the Economic theory that the larger the enterprise, the more profitable will be its operations because there will be lower unit cost, higher productivity, stronger buying power (materials can be purchased at a lower cost), and better facilities utilization.
8. **What is meant by “cost benefit analysis”?** Cost benefit analysis is a discipline used to assess the case for a project or proposal. Such assessments should include costs and benefits that

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are less easily expressed in monetary terms, (for example, environmental damage), as well as those that can be expressed in monetary terms. The analysis consists of weighing the total expected costs with the total expected benefits in order to choose the best option.

9. How does a proposal qualify for funding? The proposed project must:

- Be new (on a regional basis);
- Demonstrate cost savings;
- Not result in loss of any services; and
- Be sustainable on a regional basis once established.

10. Can an applicant submit more than one (1) proposal? Yes. Each proposal should be submitted separately and each will be judged on its merits by OPM.

11. When should proposals be submitted? The Office of Policy and Management (OPM) will accept proposals for joint provision of a service currently provided by municipalities in a region, but not currently provided on a regional basis and for planning studies relating to the provision of a service, on a regional basis, through December 31, 2011.

12. Where proposals should be submitted? Project proposals should be addressed to:

State of Connecticut
Office of Policy and Management
Intergovernmental Policy Division
450 Capitol Ave., MS#54ORG
Hartford, Ct 06106-1379
Attention: RPI Program

13. How are grant awards to be determined? Grant awards will be based upon the merits of the proposal

and availability of funding. OPM must give priority to proposals submitted by Regional Planning Organizations (RPOs) which include participation of all member municipalities or two or more municipalities and increase their purchasing power or savings. Priority must also be given to proposals submitted by economic development districts.

14. When will grant awards be announced? Grant awards will be announced periodically as funds become available.

15. When will funding be awarded? Funding will be generated from specific tax revenues and will have to be accumulated. It will be distributed when available and as determined by OPM.

16. When does the applicant receive funding? Grant funding will be made available after the execution of the Notice of Grant Award form by all parties.

17. When does a project begin? A project begins the day that the Notice of Grant Award is fully executed by all parties.

18. When does a project end? A project ends one year from the date that the Grant Award was announced or one year from the date of commencement of the proposed service, whichever is later.

19. What should a grantee do if they are unable to complete the proposed project by the end date in the Notice of Grant Award? Upon receipt of a written request for an extension of the end date of the proposed project, providing an explanation why the deadline cannot be met, OPM may grant such an extension.

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20. What should a grantee do with surplus grant funds if a project comes in under budget? The grantee can request a change of scope to enhance the project or to transfer the funds to another approved project that may have experienced cost overruns or could be expanded through the availability of additional funds.

The change of scope or transfer cannot be implemented without prior approval from OPM. Any unexpended funds remaining after the completion of a project must be returned to OPM.

21. Is there a margin within which increases/decreases in budget line items can be made without a formal request to OPM? Yes an adjustment of up to 10%, to a maximum of \$500 can be made with pre-approval by OPM. You must inform OPM in writing of any such changes.

22. If the grantee requires a budget line item adjustment greater than 10% or \$500, what is the procedure? The grantee must request such changes in writing to OPM with an explanation of why the change is required.

23. Can a town be added to the list of participating municipalities once the Notice of Grant Award has been fully executed? Yes if the project can be completed within the budget and time constraints.

24. Can a town withdraw from a project once the Notice of Grant Award has been fully executed? Yes, OPM should be notified if and when such a withdrawal occurs; but note that it could result in the reduction of project funding or nullification of the project contract if its withdrawal renders the project ineligible for the program.

25. Can the grantee use sole-source bidding to award contracts to sub-grantees? No, the process should be open and competitive, showing no preferences.

26. How should the ownership of equipment or other assets be handled? Towns will need to establish an inter-local agreement which delineate roles and responsibilities during the implementation and after the project is completed. Policies regarding ownership of equipment or other assets including maintenance, insurance, liability and succession will have to be developed by the participating towns with guidance from their municipal attorneys.

27. What project costs are eligible?

- Consulting Fees
- Design Fees
- Engineering Fees
- Construction Costs
- Equipment Lease/Purchase
- Equipment Rental
- Legal Expenses
- Operating Expenses
- Salaries & Benefits
- Supplies
- Utilities

28. What is a grantee required to do with unexpended funding? A financial audit of all expenditures is required after the close of each fiscal year in which the grant funds are received and/or expended. Any unexpended funds or disallowed expenditures must be returned to the State of Connecticut.

29. What kind of documentation is required for substantiation of expenses? Detailed invoices and cancelled checks are required as substantiation of expenses charged to the project. All costs associated with

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an eligible project are subject to prior review and post payment audit by the Office of Policy and Management.

30. Is this a permanently established program? Yes, funding is to be generated by a portion of the hotel tax and the rental car tax. Initial funding will have to accrue before any advances of funds can occur.

31. What is the role of the applicant organization once the project is completed and funds are expended? After the completion of the project and final reports are submitted, there will

be no State oversight of the project. Any on-going role for the original applicant organization will have to be defined by the organization and its member municipalities and memorialized by executed, written agreements or memoranda of understanding.

32. Are there any other requirements that applicants should be aware of? Yes, the proposed project must be consistent with the State Plan of Conservation and Development.

INSTRUCTIONS

Only a COMPLETE RPI Program Proposal package will be acted upon by the Office of Policy and Management (OPM). A separate complete proposal form is required for each proposal.

An **RPI Proposal Form*** prescribed by OPM (see attached) must be completed by the applicant. All information required on the proposal form must accompany the proposal and be received by the Office of Policy and Management **no later than December 31, 2011.**

The Office of Policy and Management will review all proposals and make grant award determinations based on the merits of each proposal, giving weighted priority to proposals submitted by RPOs which include participation by all member municipalities or by economic development districts and which produce measurable economies of scale that will provide participating municipalities with

desired or required services and lower the cost and tax burden of providing those services.

Once grant awards have been determined by the Office of Policy and Management, a Notice of Grant Award form will be forwarded to recipients for execution; once completed by the Grantee, the Notice of Grant Award form must be returned to the Office of Policy and Management for execution by the Secretary and a fully executed copy will be returned to the Grantee.

Grant payment will be remitted to the grantee after the Notice of Grant Award process has been finalized.

*Modified or incomplete forms will not be processed.

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Legislation providing for the Regional Performance Incentive Program

Excerpted from Public Act 11-61

Sec. 5. Section 4-124s of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2011*):

(a) For purposes of this section:

(1) "Regional council of governments" means any such council organized under the provisions of sections 4-124i to 4-124p, inclusive;

(2) "Regional council of elected officials" means any such council organized under the provisions of sections 4-124c to 4-124h, inclusive;

(3) "Regional planning agency" means an agency defined in chapter 127;

(4) "Municipality" means a town, city or consolidated town and borough;

(5) "Legislative body" means the board of selectmen, town council, city council, board of alderman, board of directors, board of representatives or board of the mayor and burgesses of a municipality; and

(6) "Secretary" means the Secretary of the Office of Policy and Management or the designee of the secretary.

(b) There is established a regional performance incentive program that shall be administered by the Secretary of the Office of Policy and Management. On or before December 1, [2007] 2011, any regional planning agency, any regional council of elected officials, any regional council of governments, any two or more municipalities, any economic development district or any combination thereof, may submit to said secretary a proposal for joint provision of a service or services that are currently provided by municipalities within the region of such agency or council or contiguous thereto, but not currently provided on a regional basis. On or before December 31, [2008] 2011, and annually thereafter, any such entity may submit a proposal to the secretary for: (1) The joint provision of any service that one or more participating municipalities of such council or agency currently provide but which is not provided on a regional basis, or (2) a planning study regarding the joint provision of any service on a regional basis. A copy of said proposal shall be sent to the legislators representing said participating municipalities.

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(c) (1) An entity specified in subsection (a) of this section shall submit each proposal in the form and manner the secretary prescribes and shall, at a minimum, provide the following information for each proposal: (A) Service description; (B) the explanation of the need for such service; (C) the method of delivering such service on a regional basis; (D) the organization that would be responsible for regional service delivery; (E) a description of the population that would be served; (F) the manner in which regional service delivery will achieve economies of scale; (G) the amount by which participating municipalities will reduce their mill rates as a result of savings realized; (H) a cost benefit analysis for the provision of the service by each participating municipality and by the entity submitting the proposal; (I) a plan of implementation for delivery of the service on a regional basis; (J) a resolution endorsing such proposal approved by the legislative body of each participating municipality; and (K) an explanation of the potential legal obstacles, if any, to the regional provision of the service.

(2) The secretary shall review each proposal and shall award grants for proposals the secretary determines best meet the requirements of this section. In awarding such grants, the secretary shall give priority to a proposal submitted by (A) any entity specified in subsection (a) of this section that includes participation of all of the member municipalities of such entity, and which may increase the purchasing power of [such member] participating municipalities or provide a cost savings initiative resulting in a decrease in expenses of such municipalities, allowing such municipalities to lower property taxes, and (B) any economic development district.

(d) The secretary shall submit to the Governor and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding a report on the grants provided pursuant to this section. Each such report shall include information on the amount of each grant, and the potential of each grant for leveraging other public and private investments. The secretary shall submit a report for the fiscal year commencing July 1, [2007] 2011, not later than February 1, [2008] 2012, and shall submit a report for each subsequent fiscal year not later than the first day of March in such fiscal year. Such reports shall include the property tax reductions achieved by means of the program established pursuant to this section.