

# State Notes

## TOPICS OF LEGISLATIVE INTEREST

Winter 2013

### **The Competitive Grant Assistance Program: First-Year Awards** **By Elizabeth Pratt, Fiscal Analyst**

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In fiscal year (FY) 2011-12, enacted legislation changed the revenue sharing program to provide for the use of State funding to drive implementation of specific reforms in local government operations. Two new State programs were created: the Competitive Grant Assistance Program (CGAP) and the Economic Vitality Incentive Program (EVIP). For cities, villages, and townships, instead of the formula distributions previously known as statutory revenue sharing, the new EVIP makes payments to an eligible local unit of government based on its certification of compliance with the requirements of three incentive categories: accountability and transparency, consolidation of services, and employee compensation. The Competitive Grant Assistance Program was created in conjunction with EVIP to award grants to selected cities, villages, townships, and counties to "...offset the costs associated with mergers, interlocal agreements, and cooperative efforts for those cities, villages, townships, and counties that elect to combine government operations".<sup>1</sup>

Public Act (P.A.) 63 of 2011 provided initial funding of \$5.0 million for the grant program as a boilerplate allocation from the appropriation for EVIP. Public Act 236 of 2012 appropriated an additional \$10.0 million for CGAP, to increase funding to \$15.0 million in FY 2011-12, with the requirement that \$5.0 million be used for grants to local units of government that elected to combine public safety operations. Like the other revenue sharing appropriations, CGAP is funded with State Restricted sales tax revenue. The Department of Treasury administers the Competitive Grant Assistance Program, which includes developing policies, applications, and program criteria in accordance with boilerplate requirements and selecting grantees. Funding is distributed monthly on a reimbursement basis. Grant recipients are required to submit quarterly progress reports and a final report when a project is completed.

The FY 2011-12 funds were awarded in two rounds. The first grant of \$550,000 was awarded in October 2011 to the Cities of Grand Rapids, Flint, and Lansing for combined local income tax processing. Remaining first-round grants were announced on January 20, 2012. Overall, the first round included 28 awards that totaled \$4,320,823. The second round of grants was announced on October 23, 2012. The second round consisted of 32 awards totaling \$10,551,257.

A wide variety of projects received funding in FY 2011-12. Fourteen grants for a total of \$324,770 were awarded for feasibility studies or planning projects to assess opportunities for many types of shared services, including parks, recreation, wastewater treatment, police, fire, and public safety access points. Nine grants totaling nearly \$2.9 million were awarded for consolidation of radio dispatch or 911 services. Another 11 grants totaling \$2.5 million were awarded for consolidation of fire services between local units or consolidation of police and fire services. The grant awards for FY 2011-12 are listed in [Table 1](#).

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<sup>1</sup> Public Act 63 of 2011, Article VIII, Sec. 951; Public Act 278 of 2011, Sec. 402; and Public Act 107 of 2012, Sec. 402.

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The largest grant, \$3.6 million (24.2% of all grants), was awarded to Grand Rapids in conjunction with the Michigan Municipal Services Authority (MMSA) to develop financial management software tools that can be offered to other local units of government, a project initially proposed by State Treasurer Andy Dillon. This is intended to make best practices in financial management available to interested local units of government that may not have access to such tools or resources to acquire them independently. The proposed systems would operate in a cloud-computing environment to increase accessibility and reduce costs. The MMSA was created by an interlocal agreement between Grand Rapids and Livonia, and then approved by the Governor on August 24, 2012, under his authority pursuant to the Urban Cooperation Act. The MMSA is a structure that can facilitate the operation of the financial management information systems and other shared services projects.

In FY 2012-13, CGAP was continued with funding of \$15.0 million. Eligibility for the program was expanded to include projects conducted in conjunction with a school district or intermediate school district. The application period for FY 2012-13 awards closed December 3, 2012. The Department of Treasury received 62 applications for a total of approximately \$52.0 million, indicating a high demand for these funds. The FY 2012-13 awards will be selected and announced by the Department of Treasury.

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**Table 1**  
**FY 2011-12**  
**AWARDS FROM THE COMPETITIVE GRANT ASSISTANCE PROGRAM**

Local Unit	Project	Round 1 Awards	Round 2 Awards
Arcadia Township	Strategy Regional Master Plan and Implementation .....	\$157,000	---
Calumet Township	Creation of North Houghton County Fire District .....	23,000	---
Comstock Township	Kalamazoo Area Building Authority .....	78,657	---
Dearborn	Feasibility Study - Tax Administration Services.....	25,000	---
Dearborn	Consolidate IT Services with City of Dearborn Heights.....	---	263,000
Dearborn Heights	Consolidate Fire Department Services with City of Garden City .....	---	43,500
Delta County	Collaborate with 16 Local Units on Tax Assessment Database .....	---	332,165
Delta Charter Township	Delta Township - Looking Glass Regional Fire Authority Consolidation .....	180,000	---
Delta Charter Township	Delta Township - Looking Glass Regional Fire Authority Consolidation .....	---	30,000
DeWitt	Consolidation of Building Inspection with Dewitt and Bath Townships.....	---	16,250
Douglas	Kalamazoo Harbor Authority .....	38,008	---
Emmet County	Integrate Charlevoix-Cheboygan-Emmet County with State Dispatch Radio System.....	---	80,000
Farmington Hills	Combined Public Safety and Jail Project.....	148,250	---
Farmington Hills	Consolidate IT Services with City of Farmington.....	---	130,000
Fremont	Joint Planning Commission - Zoning Ordinance Review.....	6,985	---
Gaastra	Gaastra/Caspian Consolidation (Fire and Police) .....	32,000	---
Grand Haven	IT and Assessing Services Via Inter-local Agreements.....	47,499	---
Grand Haven	Conduct Feasibility Study of Telephone Service Delivery .....	---	18,750
Grand Rapids	Combine Income Tax Processing and Payment Systems with Flint and Lansing.....	550,000	---
Grand Rapids	Collaborate with Mich. Municipal Services Authority to Develop Cloud-Computing Environment.....	---	3,600,000
Grosse Pointe	Public Safety Department Consolidation Study.....	20,000	---
Grosse Pointe	All Grosse Pointe Dispatch Consolidation .....	300,000	---
Harper Woods	Cross-Train Police Officers as Fire Fighters.....	---	62,900
Huron Township	Consolidate 911 and Detention Facilities with Sumpter Township.....	---	202,386
Kalamazoo County	Public Safety Answering Point (PSAP) Consolidation Project Study .....	20,000	---
Kent County	Multijurisdictional Parks and Recreation Study .....	37,500	---
Kent County	Conduct Study on Community Development Program to Reduce Costs .....	---	40,000
Lansing	Retain Consultant to Establish Platform for Collaboration with Neighboring Cities and Townships.....	---	75,000
Leslie	Develop Shared Master Plan with Leslie Township .....	---	30,000
Lyon Township	Conduct Study on Benefits of Collaboration on Wastewater Treatment Facility .....	---	51,500
Macomb County	Consolidate Dispatch and Communications Operations .....	---	1,505,000

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<b>FY 2011-12 AWARDS FROM THE COMPETITIVE GRANT ASSISTANCE PROGRAM</b>			
<b>Local Unit</b>	<b>Project</b>	<b>Round 1 Awards</b>	<b>Round 2 Awards</b>
Marquette	Collaborate with Marquette and Chocalay Townships on Recreation Authority Business Plan .....	---	12,500
Marshall	Shared Police Facility Feasibility Study .....	21,146	---
Marshall	Collaborate with Michigan State Police to Share Services and Facilities .....	---	674,254
Monroe	Cross-Training Police and Fire and Create Joint Public Safety Department .....	---	49,000
Oakland County	Collaborate to Maximize Usage of City of Pontiac's Wastewater Treatment Plant .....	---	22,320
Onekama Township	Disincorporation of Village of Onekama and Merger with Township .....	355,365	---
Ottawa County	Holland Zeeland Service Sharing Initiative .....	14,804	---
Pontiac	Consolidate Fire Services with Waterford Township .....	---	248,742
Pleasant Ridge	Pleasant Ridge/Berkley Public Safety Merger .....	132,250	---
Port Huron	Collaborate with City of Marysville to Standardize and Combine Fire Records Systems .....	---	20,985
River Rouge	River Rouge/Ecorse Public Safety Department Project .....	647,609	---
Roseville	Consolidate with City of Eastpointe to Create a Recreation Authority .....	---	342,000
Roseville	Conduct Feasibility Study on Use of Water Reservoir with Cities of Fraser and Eastpointe .....	---	20,000
Saginaw	Regional Fire Collaboration Project Study .....	12,500	---
Saginaw	Consolidate Law Enforcement with Saginaw County .....	---	156,266
Saginaw County	Consolidate Records, Data, Information and Intelligence with Other Sheriff Offices .....	---	881,944
St. Joseph	Consolidate 911 Services with Berrien County .....	---	199,508
Southgate	Allen Park/Lincoln Park/Southgate/Wyandotte Animal Control Services Consolidation .....	235,000	---
Southgate	Consolidate Assessing and Equalization Services with Allen Park/Lincoln Park/Woodhaven .....	---	25,000
Stockbridge	Municipal Building and Middle School Facility Sharing .....	3,250	---
Trenton	Trenton/Riverview Combined Dispatch Center and Prisoner Lockup Facility .....	239,750	---
Wakefield	Consolidation of Collection Service, Transportation and Disposal of Waste .....	241,500	---
Washtenaw County	Washtenaw Metro Dispatch .....	177,500	---
Washtenaw County	Continue Consolidation of 911 Services with City of Ann Arbor .....	---	35,000
Waterford Township	Waterford/Pontiac Fire Services Consolidation .....	567,500	---
Watervliet Township	Consolidate Water Department with City of Watervliet .....	---	287,500
Wayne County	Collaborate with Multiple Agencies on Interagency Initiative to Reduce Gun Violence .....	---	304,000
Westland	District Court Consol. (Dearborn Heights/Garden City/Inkster/Wayne/Westland) .....	8,750	---
Westland	Consolidate Fire Department Services with City of Wayne .....	---	791,787
<b>TOTAL</b> .....		<b>\$4,320,823</b>	<b>\$10,551,257</b>

Source: Department of Treasury