



Local Efficiency Achievement Program (LEAP)

Implementation Grant Guidelines

Fiscal Year 2020

**State of New Jersey
Philip D. Murphy, Governor**

**Department of Community Affairs
Lt. Governor Sheila Y. Oliver, Commissioner**

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PROGRAM OVERVIEW

The Department of Community Affairs (DCA) is dedicated to helping local governments improve the quality of life in every one of the state's 565 municipalities. Through a variety of programs, DCA's Division of Local Government Services (DLGS) works with counties and municipalities to streamline government operations and reduce costs and property taxes.

In 2018, Governor Phil Murphy launched the Shared Services program with the appointment of two "Czars," former mayors Nicolas Platt and Jordan Glatt, to promote shared services throughout the State.

In 2019, DLGS established the Local Assistance Bureau (LAB) to provide direct support to local units in a variety of ways. This includes a key collaboration with the Czars and local governments to identify and implement shared services opportunities across the State.

LEAP is a natural extension of this mission.

Sharing services offers numerous benefits for participating communities. It reduces costs, delivers municipal services in a more efficient manner, generates increases value for each dollar spent while ensuring local units remain responsible stewards of the public trust.

LEAP affords an unprecedented opportunity to incentivize shared services implementation across New Jersey's local government entities, advancing the mission of the Shared Services Program. LEAP facilitates exploring and establishing shared services. LEAP provides counties, municipalities, school districts, commissions authorities, and fire districts assistance for the study or implementation of promising shared services projects undertaken pursuant to the Uniform Shared Service and Consolidation Act. The program is available to all New Jersey local government units.

LEAP is comprised of three primary components: Challenge Grants, Implementation Grants, and County Coordinator Fellowship Grants.

DLGS is responsible for administering the LEAP program. Eligible entities are invited to apply for grant funds under each of the LEAP grants. All information needed to apply is contained in these guidelines and the application package.

LEAP Implementation Grants allocate funds to help cover costs associated with shared service implementation - including one-time reimbursable costs for project completion or transition support which may include, but is not limited to new technology costs incurred as part of equipping a shared services program, rebranding costs, equipment and vehicle outlays, professional services, rent for facilities, payroll system conversion costs, and training. Funding is based on the total transition or implementation cost of a project.

This grant program also provides for reimbursement of costs associated with school consolidation studies that support the creation of meaningful and implementable regionalization plans. Factors like enrollment, facility utilization, contiguous districts with small enrollment,

existing send/receive relationships, administrative staffing, class size, enhancing diversity, debt and contractual obligations, faculty needs and attrition, and other factors will be evaluated.

LEAP Implementation Grants provide reimbursement for qualifying expenses incurred in the implementation of a local or regional service agreements, or for the coordination of programs and services authorized under the Uniform Shared Services and Consolidation Act (N.J.S.A. 40A:65-1 et seq.). LEAP Implementation Grants also provide funding for the study of a proposed school district consolidation pursuant to this Act.

The guidelines and funding levels will be reviewed annually and are subject to change with each funding cycle. Additionally, DCA reserves the right, in its sole discretion, to adjust the amount awarded under the LEAP Implementation Grant by the amount of unexpended funds available in other LEAP program grants.

ELIGIBLE APPLICANTS

New Jersey counties, municipalities, school districts, commissions, authorities, and fire districts are eligible to receive LEAP Implementation Grant funding.

Funding for the LEAP Implementation Grant originates from \$10 million appropriated through the state budget at P.L. 2018 c. 150 for Shared Services and School District Consolidation Study and Implementation Grants from the Property Tax Relief Fund.

Local government units are invited to apply for a share of \$3.8 million to offset hard or soft start-up costs related to implementation of a shared service initiative.

Local government units are invited to apply for a share of \$2 million for costs associated with Regionalization and Countywide School District consolidation studies. First priority will be given to K-12 Regionalization and Countywide School District proposals.

ELIGIBLE PROJECT CRITERIA

Each project must meet either of the following criteria:

If the applicants seek local unit implementation support, the project must:

1. Advance efficiency in the provision of services.
2. Improve operational effectiveness.
3. Reduce the cost of or staff time associated with providing a service.
4. Identify qualifying reimbursable one-time start-up costs associated with implementation of the shared service agreement that impedes the execution of the shared service.

5. Involve at least two governmental units.
6. Reflect a documented commitment in the form of a certified governing body resolution from each participating local unit to proceed to implementation of the shared service if funding is awarded.

OR

If the applicants seek school district consolidation support, the proposed project must:

1. Reflect the potential for meaningful and implementable regionalization plans to advance an enhanced learning environment for participating school districts.
2. Coordinate curriculum across schools and grades throughout the proposed consolidation/regionalization.
3. Reflect the potential for improved efficiency and cost savings.
4. Reflect a documented commitment from participating boards of education, municipal governing bodies, and/or counties to make good faith efforts to implement study recommendations that promote efficiency and quality of education.

FUNDING AVAILABLE

Local unit implementation support shall not exceed \$250,000 per project, which may account for up to a maximum of 75% of implementation expenses incurred.

The amount awarded for any school consolidation feasibility study may account for up to 100% of study costs, depending upon application quality, project composition and participation, and value provided.

ELIGIBLE ACTIVITIES

LEAP Implementation Grant funds can be used to support a variety of costs related to a shared service project within two general categories: (a) offsetting hard or soft start-up costs incurred as part of implementation of a shared service initiative; (b) incurred as part of conducting a K-12 Regionalization and Countywide School District consolidation study. This may include but is not limited to:

- Costs associated with a school consolidation study.
- New technology or technology conversion costs incurred as part of the equipping of the shared services program.

- Rebranding costs (e.g.: logo design, painting vehicles, badges).
- Capital improvements and certain equipment purchases that are integral to implementation of a functional consolidation or dissolution of a layer of government, only for the period preceding the consolidation.
- Professional services (e.g.: legal, architectural, consulting or engineering expenses).
- Training.
- Transitional personnel costs, not to exceed three years, and only where such expenses are integral to project implementation (Cf. Ineligible Activities, below).

NOTE: If a project or study relies in whole or part upon an existing study conducted within the past two years for which no prior reimbursement was made, reimbursement for those study costs may be authorized upon execution of an implementing shared service agreement in the same amount as if the applicants were applying for study funds prior to or concurrent with undertaking the study.

Ineligible Activities:

- Salaries, wages, and ongoing operating costs are not generally eligible. This includes fringe benefits, rent, utilities, telephone maintenance or general administrative costs. Salaries are eligible during a limited transition period when the service is being implemented, but once the transition period is complete (no more than a three-year period) salaries and all other operating costs are local responsibilities.
- Early Retirement Incentive (ERI) programs.
- Any expenses not fully justified that DLGS may deem ineligible.
- Expenses related to alcohol, out-of-state or out-of-country travel, prizes and awards, honoraria, lobbying expenses, fundraising events/expenses, grant-writing costs, fines and penalties, taxes, deficit funding, and refreshments for meetings.

Consultant Services:

Local units intending to use a consultant to conduct a LEAP assisted feasibility study or to facilitate an implementation effort must adhere to the following conditions to qualify for reimbursement of part or all of the associated expense:

1. All consultant contracts must be awarded based on a formal Fair and Open Request for Proposal (RFP) process. Copies of the Request for Proposal, the submitted and selected proposal(s), and the applicant's analysis or other documentation that supports the

selection must be submitted to the LEAP Program as part of the application or reimbursement process, as applicable.

2. All consultant proposals are to be on a time and materials basis, not a single all-inclusive fee, and must show the following:
 - A project time line broken down into major component tasks and activities.
 - The anticipated time (hours or days) required to accomplish each component.
 - Any sub-contractors associated with the project
 - Personnel staff level assigned to each component, the number of hours/days estimated for that assignment and the rate to be charged.
 - Charges for support staff time must also identify the activity, the staff's hourly rate and estimate of hours required for task completion.
 - Out-of-pocket reimbursement (mailing, delivery charges or other related third-party expenses).
 - The total estimated cost of the proposal.
 - Feasibility study work plans must include crucial decision points that will halt the project should it appear that the project is not feasible on a joint or shared basis. The grantee must consult with the LEAP Program before authorizing any further activity.
3. Travel expenses are not eligible for LEAP reimbursement. This includes all mileage, tolls, parking, meals or other travel related charges.
4. Staff "down time" while traveling between the work site and consultant's home or primary office location is not reimbursable by LEAP.
5. If a grant is awarded to the local government unit, the selected consultant must prepare a detailed work plan of the tasks and activities for each project component, including the personnel assignments and the estimated time anticipated for completion of each task. This work plan must be submitted to the LEAP program. The LEAP Program reserves the right to request additional documentation, information, or other materials necessary to its evaluation of the proposed work plan.
6. There are specific requirements related to submitted reimbursement requests for consultant services. See Below.

Consultant Related Reporting:

LEAP Grant reimbursement of payments for contracts with third party consultants must adhere to the following requirements:

1. Reimbursement of consultant service contracts shall be on a time and materials basis that details the grant related activity performed and time required for the activity or allowable expenses related to grant purposes. Grant awards shall be considered the maximum amount of LEAP assistance; the value of any time or other costs above the maximum grant amount approved by LEAP shall not be reimbursable through the LEAP program.
2. Invoices from the consultant must include the name and hourly rate of each individual whose time is billed, the date and number of hours worked, the project activity or task associated with the chargeable hours, and the amount due for the services rendered.

3. A separate line item or charge is required for each project activity or task being billed.
4. Copies of paid purchase orders, vouchers and invoices must accompany the LEAP Request for Payment Voucher. The Voucher must bear the signature of the local unit's Chief Financial Officer.
5. A copy of the consultant's feasibility study final report and/or recommendation must be submitted as part of the documentation for a final reimbursement payment, as applicable.

APPLICATION PROCESS

Each application submitted to the Division of Local Government Services shall: include a description of the intended use of grant funding for shared service support and related activities; demonstrate the applicant's capacity to complete the proposed project and provide project management and oversight for all activities and fiscal operations; and list key personnel and/or outside consultants that will be managing the grant funds and/or proposed project.

Applications must be submitted jointly by all participating entities. Each partner to a proposal must submit a conforming resolution that memorializes the entity's commitment to completion of the proposed project. One entity must be designated as the project lead.

The following forms must be submitted to complete all LEAP Implementation Grant applications:

- Grant application.
- Certified governing body resolutions from all participating government units.
- Existing, relevant consultant reports or studies conducted on behalf of any participating local unit or units, if any.

In addition to the general requirements set forth above, the following must be submitted to complete any local unit implementation support grant application:

- Proposed shared service agreement.
- Shared service project narrative including statement of need.
- Detailed explanation of use of implementation funds.
- Detailed work plan for the project including staffing commitments and timelines.
- Detailed efficiency estimate, including cost savings summary.

In addition to the general requirements set forth above, the following must be submitted to complete any K-12 Regionalization and Countywide School District study application:

- Detailed narrative describing areas to be studied and areas of need for educational and fiscal improvement. Proposed areas of study should include, at a minimum: facility utilization, debt, contracts, projected enrollment trends, staffing trends, state aid and tax revenue status, potential cost savings from consolidation, transportation, curriculum coordination, diversity evaluation, and program enrichment.

NOTE: Studies may include non-participating districts in a potential regional school district as an option. In those cases, the study evaluation must present at least two sets of options: (1) findings and recommendations related only to the merger of participating districts into a regional; and (2) findings and recommendations contingent upon the non-participating district or district agreeing to join in the regionalization effort.

Two hard copies must be received no later than 7 calendar days following email submission and mailed to:

Attn: LEAP Grant
New Jersey Department of Community Affairs
Division of Local Government Services
P.O. Box 803
Trenton, NJ 08625-0803

SUBMISSION DEADLINE

This is a rolling application process. Although there is no deadline for submission, potential applicants are reminded that limited funding is available under the applicable FY2020 appropriation, and awards under the FY2020 funding cycle must be made on or before June 30, 2020. DLGS must be in receipt of one copy of the completed application and required forms submitted electronically to dlgs.leapgrant@dca.nj.gov. Two hard copies must be received no later than (7) seven calendar days following email submission.

GRANT REVIEW AND SELECTION PROCESS

DLGS will evaluate all applications. Incomplete applications will be rejected and cannot be re-submitted within the grant funding cycle for which they were submitted. Grant applications will be ranked by scope of impact, breadth of collaboration, and efficiencies generated. DLGS will review grant applications and take the following action within thirty (30) days of receipt of the grant application: 1) award a grant; 2) recommend denial of a grant; or 3) notify the applicant that action on the grant will be deferred until a future date.

Grant application decisions are final and not subject to appeal.

APPLICATION SCORING CRITERIA

Applications for local unit implementation support will be scored based on the following criteria, on a scale of 100 points:

1. Need for Project (15).
 - a. Documented problems solved by the project.
 - b. Scope of impact.
2. Financial and Administrative Advantages (30).
 - a. Magnitude of cost savings for all parties.
 - b. Taxpayer impact.
 - c. Performance measurement.
 - d. Efficiencies to be generated.
 - e. Quality of proposed funding mechanism.
3. Quality and Feasibility of Work Plan (20).
 - a. Quality.
 - b. Feasibility.
 - c. Expense eligibility.
4. Full Participation and Support of Participants (20).
 - a. Documented commitment by all participants.
 - b. In-kind staff resources.
 - c. Matching local unit funding.
 - d. Community engagement strategy.
 - e. Participant readiness.

+5 points for projects involving consolidation of services or dissolution of a layer of government, such as elimination of an authority or district.

+5 for a project DLGS deems unique or innovative, in that the project meaningfully advances shared services efforts in the affected region or across the State.

+5 for a project with needs identified by the DLGS LAB.

The award of up to 15 priority points may be made by the Division to ensure the equitable geographic distribution of funded projects.

Applications for any Regionalization and Countywide School District study support will be scored based on the following criteria, on a scale of 100 points:

1. Need for Project (30).
 - a. Documented problems that will be addressed by the study.
 - b. Scope of potential impact.
2. Anticipated Educational Advantages (30).

- a. Projected impact on quality of education.
 - b. Potential curriculum enhancement or enrichment.
 - c. Potential taxpayer impact.
 - d. Efficiencies expected.
 - e. Breadth of issues to be addressed.
 - f. Expansion or enhancement of existing school district ties.
3. Quality and Feasibility of Work Plan (20).
- a. Quality.
 - b. Feasibility.
 - c. Expense eligibility.
 - d. Performance measurement.
4. Full Participation and Support of Participants (20).
- a. Documented commitment by participants.
 - b. In-kind staff resources.
 - c. Matching local unit funding.
 - d. Community engagement strategy.
 - e. Participant readiness.

First priority will be given to K-12 Regionalization and Countywide School District proposals.

+5 for a project with needs identified by the Department of Education.

The award of up to 15 priority points may be made by the Division to ensure the equitable geographic distribution of funded projects.

Applications for LEAP funding must be consistent with the policies and priorities of any relevant State agency which has jurisdiction or supervisory responsibility over the service or function (e.g. Administrative Office of the Courts, 911 Commission, Department of Environmental Protection, Department of Education). Applications for LEAP grants may be reviewed in part by, and are subject to the comments of, such agencies.

NOTE: Challenge Grant recipients and Study grant recipients may receive priority for Implementation Grant funding in future funding cycles, subject to the availability of funds.

GRANT FUNDING PROCESS

All awards are subject to the availability of funds.

Upon completion of grant review and selection, DLGS will enter into an agreement with applicants approved for funding. Following execution of the agreement, the grantee can seek reimbursement costs, as appropriate within the category of grant awarded, provided that all award conditions have been satisfied.

Grantees shall maintain and retain accounting and other grant-related records and information for

the duration of the project funded by the grant, as required by applicable state and local laws and regulations, for no less than 2 calendar years.

Such records shall be subject to examination, audit and inspection by DLGS and/or any other federal, state, or local agency that has jurisdictional authority.

DLGS reserves the right to rescind grant awards, reclaim funds, or withhold future grant funding and/or disqualify a grantee from participating in future grant awards if any condition of the grant program is unmet, including if grant funds received by the grantee are not properly accounted for, or if the grantee fails to meet reporting or certification requirements.

Following execution of the agreement, the grantee is permitted to move funds between authorized categories within these guidelines for eligible items without requesting prior approval from the Division.

REIMBURSEMENT PROCESS

LEAP Implementation Grants are reimbursement-based. There will be no advance payment or drawdown of grant funds. Eligible costs are reimbursed to the grantee upon submission of evidence of payment by the grantee.

Requests for payment must be made by submitting a Financial Status Report (FSR) Expense Report, Payment Voucher, and Project Progress Report. The recipient must also forward copies of fully executed purchase orders and copies of cancelled checks (both sides) documenting the expenditure of funds for which reimbursement is sought. Requests for reimbursement can be submitted at any time but must be not less than once every six months.

Funding for reimbursement requests received more than two (2) months after the close of the fiscal year during which the costs were incurred cannot be guaranteed.

Payment will be made via electronic transfer of funds to the account and financial institution identified by the grantee.

GRANT CLOSEOUT PROCESS

A grantee may request the final payment at the conclusion of the approved project period. The conclusion of the project cannot occur before the execution of the shared service agreement for which implementation funds were provided, except as otherwise provided in writing by DLGS. Regardless of the date of the conclusion of the approved project period, a grant recipient must submit a final report documenting that all administrative responsibilities and required activities under the approved shared services project have been satisfactorily completed by the date of conclusion of the approved project period. The report must also describe the benefits derived from the grant. A copy of the consultant's feasibility study report and recommendations must be submitted as part of the documentation for final payment if the grant award supported a shared service or consolidation study.

ASSISTANCE

Applicants may contact program staff at (609) 292-6858 to discuss program and project needs up to submission of the application. Questions can also be submitted via e-mail to dlgs.leapgrant@dca.nj.gov.