

Report of the Regionalization Advisory Commission

April 30, 2010

Available online at: www.mass.gov/governor/regional

Table of Contents

Message from Lt. Governor Timothy P. Murray, Commission Chair	3
Chapter 60 of the Acts of 2009	5
Members of the Regionalization Advisory Commission.....	6
Executive Summary	8
A. Introduction	19
B. The Current Status of Regionalization in Massachusetts	19
Intermunicipal Agreements	20
Counties	21
Special Districts.....	23
Regional Planning Agencies	25
Councils of Government	26
C. Previous Examinations of Regionalization in Massachusetts	28
D. Approaches to Regionalization in Other States.....	29
New Jersey	29
New York.....	29
Indiana	30
E. Technical Assistance Funds & Centers	31
Technical Assistance Funds.....	31
New Jersey	31
Connecticut	32
New York.....	32
Maine	33
Technical Assistance Centers	35

Division of Local Services	35
Regional Planning Agencies.....	35
Edward J. Collins, Jr. Center for Public Management	36
Technical assistance support in other states.....	36
F. Findings	37
Benefits.....	38
Opportunities	40
Challenges.....	41
Models of Collaboration	44
Incentives and Support	45
G. Recommendations	50

H. Appendices

Please see report appendices for the following report materials:

- List of recommendations requiring legislation action
- At-a-glance view of all local service recommendations
- In-depth committee reports on each local service area examined

**These appendices and all other report material are available online at:
[www.mass.gov /governor/regional](http://www.mass.gov/governor/regional)**

Message from Lt. Governor Timothy P. Murray, Commission Chair

As Chair of the Regionalization Advisory Commission, I have had the opportunity to bring together representatives from the Executive Branch, state legislators, local officials, and regional partners to study a range of opportunities, benefits and challenges of regionalizing local government services.

As we move ahead on the road to economic recovery, Governor Patrick and I understand cities and towns, like state government and businesses across Massachusetts, may continue to face challenges. Even before the economic and fiscal crisis, the Patrick-Murray Administration made it a priority to partner with cities and towns to develop innovative ways for municipalities to provide essential local services. Now, given the budget realities facing cities and towns across the Commonwealth, it is even more imperative that we work together in partnership with the leadership of the Patrick-Murray Administration, the Regionalization Advisory Commission, the legislature, and local government to encourage cities and towns to engage in shared services.

As a former mayor, I appreciate what hometown pride is all about. In Massachusetts, we cherish our individual communities, and rightfully so. Yet, at the same time, as lieutenant governor of the entire Commonwealth, I know that building partnerships can also benefit cities and towns. For example, though the cities of Quincy and Braintree may still debate the birthplace of John Adams, those two cities came together along with Weymouth to increase their bargaining power when bidding on a new trash contract. By joining forces, the potential bidders sharpened their pencils and resulted in a big win for all three municipalities – the first year savings alone were three to five percent below anticipated 2009 costs. That's a big impact for those municipalities.

If we remain too parochial when it comes to providing local services, then we end up duplicating efforts unnecessarily, and that's an unsustainable model for Massachusetts. Let's consider a couple examples: Massachusetts currently has 262 public safety call centers, one per every 24,000 people. Maryland, a state with a population and land area comparable to ours, has only 24 call centers, one per 233,000 people. In another comparison, Texas, a state with a population more than three times the size of Massachusetts, has only 107 local public health departments yet Massachusetts has 351. Why? It's because of regionalization. Last year, Melrose and Wakefield successfully came together to share local public health services, and that regionalization model can be replicated in communities across the state.

By creating partnerships large and small, neighboring municipalities can engage in shared services, inter-municipal agreements, municipal collaborations, consolidations, mutual aid, and regional planning. These concepts may seem high-minded or even evoke concerns about loss of local control, but in reality regionalization means working together – reaching out to your neighbor to get the job done together. Regionalization can create better means for accomplishing services municipalities need and also lead to cost-savings and more efficient processes. Pooled resources will help preserve essential services and streamline service delivery.

With 351 cities and towns spanning across the Commonwealth, there are countless opportunities to collaborate and work together to maintain important local services. Since November 2009, the

Regionalization Advisory Commission has focused on specific local service areas and identified opportunities in education, elder services, municipal finance, green communities, housing, information technology, libraries, public health, public safety, transportation and public works, and veterans' services.

The Regionalization Advisory Commission Report includes examples of successful collaborations as well as an analysis of the current status of regionalization in Massachusetts and how others states are addressing regionalization. The report also includes a set of recommendations that, individually or collectively, will help municipalities move closer to sharing services with neighboring municipalities.

Our efforts to promote regionalization will not end here. Following the release of the Regionalization Advisory Commission Report, I will be partnering with the Joint Legislative Committee on Municipalities and Regional Governments and the Massachusetts Association of Regional Planning Agencies to engage in continued dialogue about municipal collaborations with municipal officials and interested residents of the Commonwealth through a series of four hearings that will be held across the state in May. Additionally, the Patrick-Murray Administration will continue to study streamlining possible geographic and service delivery frameworks/entities that could help facilitate and foster regionalization efforts.

As we continue to explore a blueprint for regionalization in Massachusetts, the Regionalization Advisory Commission Report can serve as a guide, reflecting on the successes of regionalized services as well as a resource for how to come together to share, and preserve, critical local services. The report and the upcoming hearings will be an opportunity for cities and towns to reach out to their neighbors and advance discussions about regionalization in their community and across the Commonwealth. The Patrick-Murray Administration looks forward to partnering with the legislature and cities and towns to further advance regionalization in Massachusetts.

Yours truly,

A handwritten signature in black ink that reads "Timothy P. Murray". The signature is written in a cursive, flowing style.

Timothy P. Murray

Lieutenant Governor

Chair of the Regionalization Advisory Commission

Chapter 60 of the Acts of 2009

AN ACT ESTABLISHING A REGIONALIZATION ADVISORY COMMISSION.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to establish forthwith a regionalization advisory commission, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Notwithstanding any general or special law to the contrary, there shall be a 19 member Massachusetts regionalization advisory commission consisting of the following members: the secretary of the executive office for administration and finance, or his designee, who shall serve as chair of the commission; the secretary of the executive office of health and human services or his designee; the secretary of the executive office of energy and environmental affairs or his designee; the secretary of the executive office of public safety or his designee; the secretary of the executive office of transportation and public works or his designee; the secretary of the executive office of elder affairs or his designee; the secretary of the executive office of veterans' affairs or his designee; the secretary of the executive office of labor and workforce development or his designee; the secretary of the executive office of education or his designee; the secretary of the executive office of housing and economic development or his designee; the president of the senate or his designee; the speaker of the house of representatives or his designee; the minority leader of the senate or his designee; the minority leader of the house of representatives or his designee; a representative from the metropolitan area planning council; a representative from the Massachusetts Municipal Association; and 3 members to be appointed by the governor all of whom shall have knowledge and experience in 1 or more of the following areas: municipal government and services, municipal agreements, shared services or regionalization. Each member shall serve without compensation.

The commission shall review all aspects of regionalization including possible opportunities, benefits and challenges to regionalizing services within the commonwealth. The commission shall consider the costs and effects of regionalizing all services including, but not limited to: education, public safety, public health, public works, housing, veterans' services, workforce development, municipal finance and structure, elder services and transportation.

The commission shall submit its finding and recommendations for regionalizing services, together with drafts of legislation necessary to carry those recommendations into effect by filing the same with the clerks of the house of representatives and senate, the house and senate committees on ways and means and the joint committee on municipalities and regional government not later than April 30, 2010.

SECTION 2. This act shall take effect as of July 1, 2009.

Approved August 6, 2009.

Members of the Regionalization Advisory Commission

Timothy P. Murray, Lieutenant Governor
Commission Chair
Former Mayor, City of Worcester

Sandra Albright, Undersecretary
Designee, Executive Office of Elder Affairs

Joel Barrera, Deputy Director
Metropolitan Area Planning Council

Sidney Chase, Director of Veterans' Services, Town of Barnstable
Designee, Executive Office of Veteran Affairs

Robert J. Dolan, Mayor, City of Melrose
By appointment of the Governor

Representative Paul J. Donato, Chair, Joint Committee on Municipalities and Regional Government
Designee, Speaker of the House
Former Mayor, City Councilor, and School Committee Member, City of Medford

Linda Dunlavy, Executive Director, Franklin Regional Council of Governments
By appointment of the Governor

Representative Bradford Hill
Designee, House Minority Leader
Former Selectman, Town of Ipswich

J.D. LaRock, Policy Director
Designee, Executive Office of Education

Gerry McDonough, General Counsel
Designee, Executive Office of Labor and Workforce Development

Jeffrey D. Nutting, Town Administrator, Town of Franklin
Designee, Massachusetts Municipal Association

Orlando Pacheco, Town Administrator, Town of Lancaster
By appointment of the Governor

Frank Pozniak, Executive Director, State 911 Department
Designee, Executive Office of Public Safety

Senator Stanley C. Rosenberg, Senate President Pro Tempore
Designee, President of the Senate

Continued....

Mark Siegenthaler, Community Development Manager, DHCD
Designee, Executive Office of Housing and Economic Development
Board of Selectmen, Town of Bedford

Mark Sylvia, Director, Green Communities Division
Designee, Executive Office of Energy and Environmental Affairs
Former Town Manager, Town of Plymouth

Senator Bruce Tarr
Designee, Senate Minority Leader

Trey Joseph Wadsworth, Transportation Planner, Office of Transportation Planning
Designee, Massachusetts Department of Transportation

Geoff Wilkinson, Senior Policy Advisor, Department of Public Health
Designee, Executive Office of Health and Human Services

Technical Assistance and Support Provided By:

Edward J. Collins, Jr. Center for Public Management at University of Massachusetts, Boston
Stephen McGoldrick, Deputy Director
Michael Herbert, Program Manager

Department of Revenue Division of Local Services
Robert G. Nunes, Deputy Commissioner and Director of Municipal Affairs
Rick Kingsley, Municipal Data Bank and Technical Assistance Bureau Chief
S.J. Port, Director of Policy and Communication

Office of Lieutenant Governor Timothy P. Murray
Lauren E. Jones, Director of Policy and Communications

Executive Office for Administration and Finance
Pam Kocher, Director of Local Policy

Executive Summary

The Regionalization Advisory Commission reviewed possible opportunities, benefits and challenges of regionalizing services within the Commonwealth by focusing on a number of specific local services areas: education, elder services, municipal finance, green communities, housing and economic development, information technology, libraries, public health, public safety, transportation and public works, and veterans' services.

The Regionalization Advisory Commission recognizes regionalization is not a new concept in Massachusetts. However, though there are notable examples of collaboration that have been in place for several years, recently, local and state governments are now taking a closer look at regionalization. As the costs of government services soar faster than available revenues, local governments may struggle to provide essential services in their city or town. Engaging in collaborative activities can prove to be beneficial for cities and towns as they confront the challenges of maintaining critical services and managing limited resources. Regionalization offers a solution for how cities and towns can not only achieve economies of scale but also deliver local services more effectively and efficiently.

What is "regionalization"? "Regionalization" is often applied to partnerships in a variety of forms that support local government service delivery. There are many partnership models: informal "handshake" arrangements between two or more municipalities, multiple municipalities partnering through more formal intermunicipal agreements with one city or town assuming a lead role, municipal and school district partnerships, "uploading" of local services to another level of government, full-scale regionalization of a local service, such as K-12 education, even state-assisted establishment of programs available to all municipalities through the state procurement system.

With 351 cities and towns spanning the Commonwealth, there are countless opportunities for municipalities to work together. Such collaboration can lead to benefits, including the preservation of important local services. This report includes examples of existing successful collaborations, an analysis of the current status of regionalization in Massachusetts, and the status of regionalization in other select states. The report also offers a set of recommendations that, individually or collectively, will help municipalities move forward with new collaborations. While some recommendations may suggest little or no involvement outside of local government, some other recommendations may call for state government or other entities to act as a facilitator to develop intermunicipal partnerships across local services in the Commonwealth.

Report Highlights

BENEFITS

There are many benefits to regionalization and sharing services, including:

- **Increased cost savings:** The most recognizable benefit is the cost savings municipalities can achieve by regionalizing and sharing services. Franklin Regional Council of Governments has

conducted a regular school transportation joint bid on behalf of eight of nine Franklin County school districts. This joint bid has resulted in a \$300,000 savings in regional school transportation costs over the course of the current contract terms. This project has also realigned the contracts of all participating districts so that a single joint bid can yield more savings in coming years.

- **Greater access to basic, professionalized and specialty services:** When considering regionalizing library services, for example, the Commission identified benefits such as increased access to professional staff in specialized fields such as a children’s librarian or reference librarian. In some cases, regionalizing library services may lead to greater access for general library services if such services are limited in a small community. For example, the Town of Washington does not have a public library; however, through a signed, written agreement, Washington will purchase public library service for its residents from the neighboring Town of Becket.
- **Municipalities can more easily meet their mandated responsibilities:** As cities and towns struggle with the impacts of revenue loss and increased service responsibilities, the Commission recognized there is a growing interest in the potential benefits of public health regionalization. The Commission identified regionalization as a solution for helping local boards of health meet the mandated responsibilities of performing critical duties related to the protection of public health, such as a coordinated, professional response to providing H1N1 vaccinations.

CHALLENGES

Overcoming challenges and obstacles that may impede municipalities from collaborating can encourage regionalization in Massachusetts. The significance of each of the obstacles varies, as do the methods of removing them. Some of the more notable obstacles and barriers include:

- **Human resources:** Cities and towns may be challenged by issues related to human resources within their local departments. Some issues may include how to reconcile civil service status, seniority, or benefits between cities and towns that want to consolidate or share services. These issues are not exclusive to union employees.
- **Cost to conduct feasibility:** In order to consider regionalizing local services, cities and towns may have to conduct a feasibility study just to determine the potential benefits of a shared service or regional function. However, though this analysis is necessary to determine whether or not a particular regional initiative is feasible, municipalities do not have the financial resources available to conduct this analysis.
- **Financial resources:** Some municipalities do not have the financial resources available to cover the up-front costs associated with collaboration or service sharing. Sometimes municipalities will not see an immediate return on their investment. These financial dynamics may impede municipalities from entering into collaborations.

OPPORTUNITIES

The Commission found that most opportunities for regionalization follow a confluence of events that in many ways force cities and towns to consider sharing services. Among these events are reduced

revenues, increased demand for services, and rising costs. However, the Commission also found several “stand alone” opportunities for regionalization, including:

- **Immediately regionalize new programs as they emerge:** Upon creating a program, there is an opportunity to structure the program so that it encourages regionalization. A new program like the Green Communities Program can be crafted with the intent for municipalities to regionalize, therefore eliminating the potential barriers inherent in previously existing programs and services
- **Taking advantage of expiring contracts:** If neighboring municipalities face expiring contracts then the timing presents a great opportunity for the municipalities to work together on a new contract. For example, Quincy, Braintree, and Weymouth joined forces to increase their negotiating power when they engaged in the procurement of solid waste collection services. By entering into a shared contract, all three municipalities enhanced their revenue stream from recycling and scrap metal beyond what they could have achieved on their own and benefited from price stabilization through a nine-year contract.

Recommendations

The Commission makes the following recommendations in order to:

- 1) Foster an environment that encourages municipalities to collaborate,
- 2) Create incentives that facilitate the achievement of successful collaborations, and
- 3) Identify and remove barriers to enhance local collaboration.

Organize and execute a statewide regionalization conference on an annual basis

An annual statewide conference focusing on regionalization can offer municipal and state officials as well as the interested public an opportunity to learn of best practices that can foster regionalization in communities across the Commonwealth.

In September 2009, the Patrick-Murray Administration in partnership with the Franklin Regional Council of Governments and the Massachusetts Association of Regional Planning Agencies organized and executed **The Regionalization Tool Kit: A Practical Guide to Sharing Municipal Services**. A similar conference should be conducted on an annual basis to share and discuss best practices for regionalizing a variety of local services.

Replicate existing successful programs

Local governments and regional entities should replicate and expand existing programs to cover more areas. Existing successful collaborations should be documented.

The Commission found that there are many existing examples of successful collaborations, such as the Franklin Regional Council of Governments Accounting Program.

- The Franklin Regional Council of Governments provides accounting services to 11 towns. Most participating local governments pay less overall for the service than they would have spent independently. One participating town has reduced its accounting labor cost by 43 percent. An unexpected benefit is that participating municipalities that retain the same independent accounting firm to conduct its annual audit have experienced decreased costs because of the uniformity and consistency of their accounting processes and procedures.

Centralize existing regionalization resources

Regionalization information, such as sample agreements, best practices and success stories should be centralized and made available on a single web site for ready access.

Municipalities that are interested in exploring regionalization and sharing services can learn a good deal by studying past regionalization efforts. Many resources are available: profiles of existing and emerging collaborations (Regional Planning Agencies), case studies of past regionalization efforts and sample intermunicipal agreements (Pioneer Institute) and studies by prior Executive and Legislative Commissions. Although Massachusetts has a wealth of resources related to the development of shared service agreements, there is not a “go to” source where municipalities interested in exploring collaborative agreements can access information. Regionalization resources from various sources should be consolidated.

- The State of Washington’s Municipal Research and Services Center provides dependable advice from a multidisciplinary team of professional consultants, a comprehensive website and access to thousands of sample documents, including documents relating to intermunicipal agreements and shared services.

Leverage existing state grant programs to encourage collaboration

State agencies should be directed to develop standards, policies and procedures that promote regionalization and encourage municipalities to submit joint applications for grant, loan and technical assistance programs whenever doing so would increase the public benefit. Joint applications should receive higher scores to reward and encourage such collaborations.

- The Department of Public Health (DPH), through its contracts for purchased services and various grant and partnership programs, has capacity to encourage more regional cooperation. DPH has already implemented this approach in some of its tobacco control contracts, for example, and has encouraged regional cooperation in its guidelines for Determination of Need community health initiatives.

Fund pilot programs

The Commonwealth should continue funding pilot programs. Municipalities should implement lessons from the pilot programs in order to replicate and expand collaborations in Massachusetts.

Regional pilot programs prove beneficial to participating cities and towns and foster an environment that encourages more collaboration efforts by demonstrating pathways to success. The allocation of 30 percent of District Local Technical Assistance Program funding to regionalization efforts is an example of relatively small dollars encouraging collaborations.

- The District Local Technical Assistance Fund (DLTA) was created in 2006. DLTA funds are distributed via a formula among the Commonwealth's 13 regional planning agencies (RPAs) to fund technical assistance on a variety of regional planning areas including land use planning. Beginning in 2009 the Commonwealth encouraged municipalities to work together to achieve or enhance cost-effective services or ongoing collaborations among municipalities by updating the orientation of the DLTA program. The DLTA program now requires a target spending level of 30 percent (\$600,000) of the program's \$2 million annual funding be used to promote and support municipal collaborations, specifically to foster and implement partnerships among two or more municipalities to enhance cost-effectiveness and efficiency of local government service delivery.

Develop incentive and support programs for the future

The Commonwealth should develop incentives and funding programs for a range of activities in support of regionalization, including facilitation and technical assistance for planning, implementation, host agency capacity building and transition and start-up costs.

- The Massachusetts 911 Department provides grants that encourage the development of regional 911 public safety answering points. These grants provide funding for feasibility studies, facility construction and/or structural improvement, personnel and equipment costs.
- Several other states have considered how to promote regionalization. Further research into what other states have done; how the Legislature funded efforts and incentives; and how success was monitored and quantified should be conducted to create the best possible program in Massachusetts.

Identify and develop outside funding streams

Cities and towns, regional entities, and the Commonwealth should seek opportunities to leverage funding sources for regionalization in addition to the state operating budget.

- The Green Communities Division and Grant Program are funded with proceeds from the Regional Greenhouse Gas Initiative, a carbon cap and trade program that Massachusetts participates in along with nine other states.
- A Regionalization Working Group, operating with staff support from the Boston University School of Public Health, has been developing recommendations to promote public health districts in Massachusetts for several years. The Robert Wood Johnson Foundation is funding a project of the Regionalization Working Group that is providing modest planning grants to three recently-selected groups of municipalities across the state; all are considering forming health districts. The Metrowest Community Health Care Foundation is also funding a project to promote regionalization in the Metrowest area.

- A monthly telephone bill surcharge funds Massachusetts 911 Department grants that foster regionalization of local public safety answering points.

Further study municipal governance issues

The Commonwealth should conduct further study of municipal governance issues that challenge local government collaborations and local government operations in general.

The issue of governance was widely stated as a barrier to regionalization and sharing services. Generally, there are several specific government “forms” Massachusetts municipalities operate under. Often, this can lead to a lack of congruency between adjacent cities and towns in municipal functions and authorities. Some municipalities continue to elect individuals that perform administrative functions such as treasury, tax collecting and assessing, while in other municipalities such positions are appointed. This lack of congruency tends to complicate discussions around consolidating services. There are many local governments in Massachusetts that are fragmented and decentralized with numerous decision-making entities, such as boards of health and boards of public works which further complicate interlocal initiatives.

To optimize effectiveness and efficiency of local government operations through regionalization and local government operations in general, the Commission recommends an evaluation of elective positions and the various forms of local government to assess efficiency and effectiveness of those models in today’s governing environment.

Further study human resources-related matters

The Commonwealth should convene a group of interested parties to discuss human resources matters relevant to regionalization and develop a list of recommendations, including best practices and pathways to successfully address these challenges.

Human resources-related matters, such as civil service, seniority, benefits and collective bargaining agreements have proven to be one of the most challenging areas to address in the process of developing service delivery collaborations or consolidations. Successfully addressing these matters is a key component to achieving successful collaborations.

- Merging teacher contracts is one of the more complicated challenges in a school regionalization process. The law articulating the rights of employees of regional school districts (M.G.L. Chapter 71, Section 42B) is often misinterpreted, inhibiting the establishment of regional districts. It is a fairly widespread belief that the law stipulates that when districts merge into a regional school district, the regional school district must adopt a salary schedule and benefits package that is aligned with the highest among the joining districts. In fact, regional school districts may and do adopt differentiated salary schedules so that personnel retain the salary level of their previous district; usually in these cases all personnel are brought onto the same scale in a phased-in process that occurs over a number of years.

Further study of regional governmental entities and state service delivery regions

The Commonwealth should review existing regional governmental entities and state service delivery regions with the goal of developing entities and regions with the governance structure, authority and

funding mechanisms appropriate to facilitate regionalization. To this end, the Lieutenant Governor will convene a working group to study streamlining possible geographic and service delivery frameworks and entities that could help facilitate and foster regionalization efforts.

The Commission's charge was to examine possible opportunities, benefits and challenges of regionalizing certain local services. Clearly, there are many instances where collaboration and consolidation of local services on a regional level would lead to more effective and efficient service delivery. The Commission's study of 11 local services has identified opportunities for regional entities acting as host agencies to provide services and support to member cities and towns. Existing entities that perform regional service delivery have the potential to serve as facilitators for further collaborations among municipalities and to host additional service delivery.

For example, the former government of Franklin County underwent the arduous process of reinventing itself into the current Franklin Regional Council of Governments. This required both special legislation and a painstaking charter process. The result is a regional governance model that is both accountable and responsive to its member towns.

Through its work, the Commission identified numerous state service delivery regions in the Commonwealth, all with inconsistent geographical groupings. Such a model leads to confusion and inefficiency. For instance, in Massachusetts there are county boundaries, regional planning agency boundaries, regional health district boundaries, regional library system boundaries, watershed area boundaries, and homeland security boundaries, to name a few; each with its own geographical area. The Commission believes that these service areas should be examined and, to the extent possible, coordinated into more defined, recognizable, and coordinated service delivery areas with one or more host agencies empowered to coordinate and deliver municipal services.

The Lieutenant Governor will convene a working group to study streamlining possible geographic and service delivery frameworks/entities that could help facilitate and foster regionalization efforts.

Recommendations on Specific Local Services

In order to conduct efficient and in-depth study of numerous local service areas, the Commission established eleven committees to address specific areas: education, elder services, municipal finance, green communities, housing and economic development, information technology, libraries, public health, public safety, transportation and public works, and veterans' services. Commission members on the committees were charged with identifying possible opportunities, benefits and challenges to regionalization. See below recommendations on each local service area examined. These recommendations are presented in greater detail and context in the committee reports included as appendices to this report.

Education

- Promote opportunities for increased school district collaboration and regionalization through legislation.

- Encourage stakeholders across the Commonwealth to critically examine how the existing organization of school districts can better support the provision of high-quality academic opportunities and promote district capacity.
- Encourage additional districts to cooperate and collaborate to increase efficiency and capacity, such as through joint bidding and purchasing and use of educational collaboratives for programming.
- Have savings achieved through regional school transportation agreements be returned to the school districts, for educational programs consistent with an improvement plan adopted by the district.

Elder Services

- Complete work on statewide Regional Transit Authority/Adult Day Health Transportation Plan.
- Elder Affairs will work with Councils on Aging to collect service data; disseminate best practices statewide.
- Access Regional Incentive Fund to hire a transportation consultant to review Elder Medical Transportation (~90 percent of total rides statewide).
- Elder Affairs will participate in conversations with municipalities about building regional senior centers and/or senior centers in multipurpose buildings.

Finance

- Replicate Franklin Regional Council of Governments Accounting Program (provides municipal accounting services to multiple towns).
- Expand the Computer Software Consortium Model, which is assessing and collection software that is cooperatively purchased, updated and maintained by 75 municipalities in Massachusetts through a small annual assessment, to include multiple integrated financial management applications.
- Provide regular and ongoing training for municipal finance officers.
- Encourage information technology risk management assessment and information technology security.
- Expand host agency capabilities, recognized as a valuable model for regionalization.
- Create a regional incentive fund to support implementation of projects.
- Pursue state incentives and relief for regionalization efforts.

Green Communities

- Leverage existing state funding programs to promote regionalization.
- Adopt proposed Property Assessment Clean Energy legislation (expanding home energy efficiency and retrofit programs and allowing the costs to be attached to a property, not an individual), which includes a provision for regional models. Regional programs could be modeled on the Barnstable County Community Septic Loan program, which manages and provides financial assistance, through a betterment loan, for on-site septic repair.
- Develop regional energy plans.
- Establish regional energy managers or energy circuit riders to help cities and towns better their energy management and invest in clean energy strategies without hiring a full-time employee.
- Employ collective purchasing and procurement strategies to help municipalities save time and money in their energy and clean energy related costs and clean energy equipment costs.
- Group multiple towns and regional school districts together in a regional performance contract with an Energy Service Company.
- Municipalities should consider participating in energy cooperatives for the purchase, acquisition, distribution, sale, resale, supply, and disposition of energy or energy-related services.

Housing & Economic Development

- Expand regional management and operation of housing authorities.
- Regionalize affordable housing monitoring activities for which local governments are currently responsible.
- Conduct planning for housing, economic development and infrastructure together on a regional level.
- Establish regional development and tax sharing arrangements, including authority for more types of arrangements. The three municipalities (Medford, Malden and Everett) cooperating in the development of River's Edge in Medford have special act authorization to share property tax revenues that result from development anywhere within the development site. The development boundaries include adjacent lands in each of the three communities and the development scheduling reflects the best site available, not the need for revenue in one city or another.

Information Technology

- Coordinate hardware and software purchases. A variety of partnership models could be used.
- Expand host agency capacity, such as regional planning agency, to provide internet-based Geographic Information Systems, assessing and permit tracking data sharing.
- Coordinate planning and investment of the Massachusetts Broadband Institute, the Commonwealth's information technology consolidation, and municipal information technology needs. As the Commonwealth implements its plans to expand broadband and consolidate its IT uses, consider how municipalities can access and benefit from the Commonwealth's system should be considered and planned for.
- Municipalities should consider opportunities for IT consolidation within their community's operations, such as consolidation of school and municipal IT.
- Expand the Massachusetts Digital Summit conference with programs to benefit local officials.
- Municipalities should look for opportunities to collaborate on obtaining information technology support services, such as sharing information technology support personnel and joining forces to increase procurement power for support contracts.

Libraries

- Address challenges to collaboration presented by governance issues, particularly library governance models.
- Require libraries to review sharing options prior to requesting construction funds available from the Massachusetts State Board of Library Commissioners.
- Award significantly higher financial incentives for municipalities that build joint libraries through the Massachusetts State Board of Library Commissioners' library construction program.
- Provide funds for technical assistances to study library mergers and facilitate the merger planning process.
- The Board of Library Commissioners should conduct more outreach to municipalities about current and future funding opportunities.
- Provide regionalization grants based on the former Municipal Incentive Grant program.
- Create a state-wide support network for regionalization efforts, perhaps through existing technical assistance centers.

Public Health

- Further amend M.G.L. c.111 s.27B to remove the requirement that a town meeting must vote to approve formation of a public health district. This will streamline district formation and retain appropriate roles for municipal leaders and Boards of Health currently included in statute.
- Begin state funding to promote formation of public health districts by providing pilot funding for six districts, in accordance with the provisions of M.G.L. c.111 s.27A-C.
- Implement lessons from the pilot program in order to take a regional public health system “to scale” in Massachusetts by providing sustained state funding for district start-ups and operations.
- Seek opportunities to use state contracts and other revenue sources to promote increased regionalization of local public health.
- Establish an Office of Local Health within the Department of Public Health, with adequate staffing to provide technical assistance to promote and support public health regionalization.
- Establish minimum workforce qualifications for the local health workforce through legislation and regulation, including appropriate “grandfathering” provisions. Municipalities are more likely to form districts in order to share the costs of better qualified staff.
- Establish minimum performance standards for Boards of Health, linked to state funding for operating capacity required to meet statutory and regulatory responsibilities.
- Adopt statewide public health mutual aid legislation.

Public Safety

- File special legislative acts to establish distinct regional enhanced 911/emergency communications entities, taking into account governance, funding mechanisms, and duties, compensation and other employment terms and conditions.
- Create legislation authorizing formation of regional enhanced 911/emergency communications districts, including establishment of governance, powers and duties funding mechanisms, fiscal accountability and employment/labor provisions.
- Review and possibly revise relevant statutes to further encourage and allow for ease of regionalization efforts: police districts, fire districts, police mutual aid, fire mutual aid, and consolidated municipal departments.

Public Works

- Municipalities should be encouraged to conduct group purchasing, share public works equipment and share public works facilities as possible.
- Municipalities should be encouraged to consider merging public works departments wherever opportunity exists.
- Municipalities should be encouraged to share public works staff wherever an opportunity should exist.
- Encourage municipalities to coordinate the handling of solid waste, hazardous waste, and/or recycling.
- Best practices, models of regionalization, and sample agreements should be studied and published in a central place for municipalities to find the resources they need to move towards regionalization of services.
- Support passage of Public Works Mutual Aid legislation contained in the Municipal Relief legislation (House No. 4526) released by the Joint Legislative Committee on Municipalities and Regional Government.

Transportation

- Encourage Ch 90 funds to be used for regional uses through incentives.
- Provide incentives for municipalities to provide regional elder transportation services.
- School districts should work together to explore regional busing opportunities when the opportunity exists.
- Standardize transit vehicle fleets and procurement.
- Regional planning agencies and Mass Department of Transportation need to ensure bike sharing programs are regional as they emerge.
- Place "Funded by MassDOT" graphics on Council of Aging vehicles to build awareness of statewide support.

Veterans' Services

- Establish more veterans' services districts, for more effective and efficient provision of services.
- Remove barriers to establishing more veterans' services districts, as contained in Chapter 115, Section 10 and Chapter 471 of the Acts of 1972, including the requirement that municipalities be contiguous, the restriction that only one city can belong to a district and the population ceiling. Along with removing these barriers, the statute should be amended to require the Secretary of Veterans' Services' sign-off on formation of noncontiguous districts and districts with populations above the existing ceiling, in order to address concerns about capacity of these districts in order to ensure proper staffing levels to address the veterans population within said proposed district.
- Provide financial incentives to encourage the formation of veterans' services districts, including funds to purchase hardware and software.

A. Introduction

Massachusetts is poised to rebound from the current economic downturn faster and stronger than the rest of the country. Early signs of a turnaround can be found in the recent spike in housing sales and starts, a growth in business investment and the labor force, and an uptick in consumer and business confidence. While we welcome these positive developments as we move ahead on the road to economic recovery, there is much more work to do to secure our economic future.

Cities and towns, like state government, continue to face challenges. Massachusetts cities and towns are facing widespread fiscal distress, challenged by structural budget deficits and the effects of the national recession. Fixed costs such as municipal employee and retiree health insurance continue to skyrocket. The currently shrinking state aid dollar amount to municipalities cannot be made up in property tax increases or local receipt revenue. According to the Massachusetts Department of Revenue, municipal health insurance costs alone more than doubled between fiscal year 2001 and fiscal year 2008, from approximately \$900 million to \$1.9 billion. Fixed costs in total increased almost fifty percent during the same time period. Meanwhile, revenue only increased 37 percent during the same time period. The bulk of this increase came from property tax, compared with other forms of revenue such as state aid. State aid as a percentage of revenue actually decreased from 28 percent in 2001 to 24.5 percent in 2008.

Taking all of this into account, fixed costs are consuming any increase in revenue and then some. As a result, municipalities are forced to cut services in all but the most critical of areas. In order to maintain crucial public services in this environment, cities and towns need to manage their limited resources more efficiently. Leveraging the economies of scale by regionalizing and sharing services is one way cities and towns can meet this challenge.

B. The Current Status of Regionalization in Massachusetts

Historically, Massachusetts has never had a comprehensive, statewide regional governance structure. On the contrary, Massachusetts has applied the concept of regionalization and regional governance in two ways:

1) A way for cities and towns to collaborate on a specific issue of regional concern

Or

2) A way for the Commonwealth to delegate certain administrative functions

In both instances, regionalization in Massachusetts has occurred within five separate vehicles: (1) the intermunicipal agreement, (2) county government, (3) special districts, (4) regional planning agencies, and (5) council of government.

Though a comprehensive framework does not currently exist, Massachusetts has experienced several regionalization success stories in recent decades.

Intermunicipal Agreements

An intermunicipal agreement is one form of regionalization applied by a compact or agreement between two or more units of government in Massachusetts. In some cases they also extend to a contractual relationship between a city or town and a “higher” level of government (such as a Council of Governments or County).

The authorizing statute for intermunicipal agreements is M.G.L. Chapter 40 Section 4A, which states in part:

The chief executive officer of a city or town, or a board, committee or officer authorized by law to execute a contract in the name of a governmental unit may, on behalf of the unit, enter into an agreement with another governmental unit to perform jointly or for that unit's services, activities or undertakings which any of the contracting units is authorized by law to perform, if the agreement is authorized by the parties thereto, in a city by the city council with the approval of the mayor, in a town by the board of selectmen and in a district by the prudential committee; provided, however, that when the agreement involves the expenditure of funds for establishing supplementary education centers and innovative educational programs, the agreement and its termination shall be authorized by the school committee.

Intermunicipal Agreements that fall under this statute can be thought of in three basic categories:

- Formal Contracts
- Joint Service Agreements
- Service Exchange Agreements

In the formal contractual relationship, one city or town agrees to provide a service to one or more cities and towns for an agreed upon fee. In many cases this involves sharing personnel, such as an animal control officer or health director.

Joint Service Agreements are “agreements between two or more municipalities to join forces to plan, finance, and deliver a service within the boundaries of all participating jurisdictions”¹ The joint purchasing and maintenance of equipment and shared solid waste disposal districts constitute the majority of these arrangements.

Service Exchange Agreements are largely made up of mutual-aid agreements for public safety. One example is Fire District Fourteen. This informal “district” includes the towns of Acton, Ashland, Boxborough, Carlisle, Concord, Framingham, Holliston, Hopedale, Hopkinton, Hudson, Lincoln, Marlborough, Maynard, Milford, Natick, Northborough, Sherborn, Shrewsbury, Southborough, Stow,

¹ Schumaker, Laura, “Understanding and Applying the new Inter-municipal Agreements Law”. Municipal Advocate Vol.24, No.3.

Sudbury, Wayland, and Westborough. Communications for the District operates through the Ashland Fire Department.

Examples of intermunicipal agreements abound, but there are still several barriers that keep many more from moving forward:

1. Intermunicipal Agreements under Chapter 40 Section 4A require that a municipality be designated as the “lead”. Municipalities considering entering into an intermunicipal agreement might have problems reaching consensus on identifying a lead municipality. Or the municipalities making up the group might be hesitant in taking on the “lead” role.
2. Seeing neighbors as rivals rather than potential partners can keep cities and towns from engaging in municipal agreements.
3. Intermunicipal agreements also may impose too many burdens on local officials where several agreements are involved, not all of which include the same municipalities.
4. There is an absence of similarly situated municipalities in need of a similar solution. Oftentimes, a “perfect storm” of circumstances needs to occur for municipalities to collaborate. This perfect storm is often the confluence of a lack of funding, departure of key personnel, presentation of opportunity for substantial cost savings, and political and managerial leadership.
5. A lack of understanding on how to evaluate regional service potential.

Counties

In states outside the New England region, the county is a viable unit of local government with its own governing body, its right to legislate, to appropriate, and more importantly to administer a variety of area wide services and activities. Quite simply they serve as an intermediate level of government between the state government on the one hand and the municipality on the other. But county government in Massachusetts as described below was established as administrative arms of the Commonwealth, much different than their counterparts in the rest of the country.

The role of the early county governments in Massachusetts has been adequately described in a Legislative Research Council report from 1970:

“The commercially oriented charter granted to the Massachusetts Bay Company in 1628 vested judicial as well as legislative responsibilities in the General Court. As the Massachusetts Bay Colony expanded, the General Court found these judicial duties intruding increasingly upon its legislative work. Accordingly, it enacted statutes in 1635-39 delegating many of those judicial responsibilities to magistrates appointed to preside over (a) “inferior” or “quarter sessions” courts located in Boston, Cambridge, Ipswich and Salem, with both civil and criminal jurisdiction, and (b) intermediate courts of higher jurisdiction from which appeal lay directly to the General Court itself. Each quarter session court was authorized to appoint its own clerk, sheriff and other officers.

In 1643 the General Court organized the 30 towns of Massachusetts Bay into four counties based on the English model, with the administration of justice and other county business being made the responsibility of judicial officers. These counties were (1) Essex, (2) Middlesex, (3) Suffolk, and (4) the "Old" Norfolk county of the Merrimack River area (which was partitioned in 1679-80 between Essex County, Massachusetts and the new Province of New Hampshire.) By 1820, Massachusetts had been divided into the two States of Massachusetts and Maine, and 24 counties had been created by the General Court."²

The evolution of county government functions is also described:

From 1643 to 1800, the county governments were concerned primarily with the administration of the courts and with such court-related responsibilities as the maintenance of jails, the recording of deeds and other legal instruments, and the probate of wills and bequests. Shortly after their creation, the counties also acquired some law enforcement functions, which were later diminished or taken away. They became responsible for laying out trans-county highways and bridges, and supervising maintenance of these facilities by the towns. Counties were given authority over the preparation of tax lists; and a 1785 law established procedures for appeals by property owners to the county court for property tax abatements. The licensing of ferries and certain other commercial activities was placed in the hands of county authorities after 1694. And minor election law functions were assigned to county sheriffs by the Constitution of 1780. For a century, counties also constituted militia districts for defense against the Indians, the Dutch, and the French.

In the Nineteenth Century, county authorities were empowered to appoint enginemen in communities which refused to do so (1824); to act on dog damage complaints (1864); to resolve complaints that municipal agencies had failed to suppress health nuisances (1866); and to construct and operate county training schools for truant children (1873-81). Probation law duties were transferred from municipal to county authorities (1891).

With the turn of the twentieth century, general and special laws added nine further functions, including agricultural functions, hospitals and clinics, other public health services such as county health departments, training schools for police and fire, county airports, a group insurance program for employees of counties, a retirement system for employees of counties, and miscellaneous planning and promotional activities.

Overall, counties in the Commonwealth have not been used by the state or local governments as a vehicle to provide local government services on a regional scale. Notable exceptions include the county engineers of Berkshire, Essex, Middlesex, Norfolk, and Worcester, who have provided substantial assistance to small towns in developing surveys and plans for Chapter 90 road projects.

In contrast, counties outside of New England enjoy much broader authority. While also serving as regional administrators of certain state services, they are also responsive to the needs and preferences of the residents of their community. Today, many counties provide services that augment or replace the same services provided by municipal governments, including public safety, public health, and library services.

² Commonwealth of Massachusetts Legislative Research Council, *Report Relative to Regional Government*, (Boston, MA), January 26, 1970.

During the 1980s and 1990s, Massachusetts counties increasingly came under criticism for financial mismanagement, leading to widespread public distrust. Such sentiments culminated in 1997 when Middlesex County became the first Massachusetts political subdivision in many years to default on its debt. As a result of this and several other management deficiencies, then-Governor William F. Weld introduced legislation abolishing several county governments in 1998. However, several county governments survived the initiative and exist in some form today. (Figure 1) County geographical boundaries continue to be used in a variety of governmental contexts, including for electoral districts and census issues.

Currently, county government in Massachusetts is a mixture of boundary lines and statutory authority that spans from strictly geographical regions (such as Berkshire County), to robust service-offering governments such as that in Barnstable County.

Barnstable County has been the notable exception to the rule of county government in Massachusetts. In 1988 the County revised its charter to include both a legislative branch known as the Assembly of Delegates, as well as an executive power vested in three County Commissioners. The county provides an array of regional services on a contract basis, including the “*Codfish*” (dredge used for waterways), fire training academy, household hazardous waste collection, shellfish propagation, water quality testing, community septic management program, purchase of electric power supply, energy audits, and collective purchasing.

County	Year Incorporated	Year Abolished
Barnstable	1685	-
Berkshire	1761	2000
Bristol	1885	-
Dukes	1695	-
Essex	1643	1999
Franklin	1811	1997
Hampden	1812	1998
Hampshire	1662	1999
Middlesex	1643	1997
Nantucket	1695	-
Norfolk	1793	-
Plymouth	1685	-
Suffolk	1643	1999
Worcester	1731	1998

Figure1: County Establishment and Abolishment Dates

Special Districts

When several local governments wish to address a common need, many times the Special District is used to accomplish that goal. Some of the larger districts are easily recognizable: the Massachusetts

Water Resources Authority and the Massachusetts Bay Transportation Authority being two. However, there are several smaller, single-purpose districts that are much more obscure.

The Census Bureau defines special district governments as, "All organized local entities other than the four categories listed [county, municipal, township, school district governments], authorized by State law to provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments; known by a variety of titles, including districts, authorities, boards, commissions, etc., as specified in the enabling state legislation."³ In many cases these special districts are considered "body politic and corporate", meaning that they are considered a separate and distinct governmental unit according to law.

In December 1969, Massachusetts had 212 non-education special districts. By 2002, that number increased to 403. The majority of these (388) are single-function districts responsible for one service. Such districts include mosquito control districts, sanitation districts, and fire districts. This does not include many of the district offices with administrative authority over a particular region such as Massachusetts Department of Transportation districts and public health regions. A sample of Special Districts is listed in Figure 2.

The majority of these districts are established by Special Acts of the Legislature. There has never been a comprehensive review of the special districts in Massachusetts, their authorizing statutes, membership and authority.

Special districts work well at addressing individual service needs among local governments. However, since the majority of them are singular in purpose, the result can be a proliferation of multiple single purpose bureaucracies.

District	Participating Cities and Towns	Law
Massachusetts Water Resources Authority	Arlington, Ashland, Bedford, Belmont, Boston, Braintree, Brookline, Burlington, Cambridge, Canton, Chelsea, Chicopee, Clinton, Dedham, Everett, Framingham, Hingham, Holbrook, Leominster, Lexington, Lynn, Lynnfield, Maiden, Marblehead, Marlborough, Medford, Melrose, Milton, Nahant, Natick, Needham, Newton, Northborough, Norwood, Peabody, Quincy, Randolph, Reading, Revere, Saugus, Somerville, South Hadley, Southborough, Stoneham, Stoughton, Swampscott, Wakefield, Walpole, Waltham, Watertown, Wellesley, Weston, Westwood, Weymouth, Wilbraham, Wilmington, Winchester, Winthrop, Woburn and Worcester	Chapter 372 of the Acts of 1984
Goose Pond Maintenance District	Lee and Tyringham	Chapter 31 of the Acts of 1994

³ Appendix A, 2002 Census of Governments, Government Organization Vol. 1, No. 1.

Mattapoissett River Valley Water District	Fairhaven, Marion, Mattapoissett, Rochester	Chapter 367 of the Acts of 2004
Upper Blackstone Water Pollution Abatement District	Auburn, Boylston, Holden, Leicester, Millbury, Oxford, Paxton, Rutland, Shrewsbury and West Boylston, Worcester	Chapter 752 of the acts of 1968
Burncoat Pond Watershed District	Leicester and Spencer	Chapter 287 of the Acts of 1998
Greater Lawrence Sanitary District	Lawrence, Andover, Methuen, and North Andover	Chapter 750 of the Acts of 1968
Quinebaug and Shetucket Rivers Valley Heritage District and Commission	Charlton, Dudley, Oxford, Southbridge, Sturbridge and Webster	Chapter 127 of the Acts of 1997
Northern Berkshire Solid Waste Management District	Adams, Cheshire, Clarksburg, Florida, Hancock, Lanesborough, New Ashford, Peru, Savoy, Windsor, Williamstown	Chapter 135 of the Acts of 1988
Assabet Public Safety District	Berlin, Marlborough	Chapter 173 of the Acts of 2000

Figure 2: Sample of Special Districts

Regional Planning Agencies

There are thirteen Regional Planning Districts in Massachusetts, which taken together encompass all 351 of the Commonwealth’s cities and towns. For over four decades these organizations have supported responsible planning in such areas as transportation, economic development, land use and housing in the Commonwealth’s 13 regional planning districts. More recently, they have played an increasing role in providing assistance to member municipalities in developing regional solutions and facilitating intermunicipal agreements.

The Regional Planning Agencies were created as a specific type of special district. In 1955, Massachusetts enacted Chapter 40B enabling the creation of regional planning agencies. Generally, the creation of regional planning agencies was seen as a solution to two problems. The first was a perceived need to address land use problems on a regional basis. Second, their initial creation was concurrent with federal mandates that required a regional planning structure for the eligibility for federal funds.

Specifically, this law was in response to the Housing Act of 1954, which made planning grants available to official state, metropolitan, and regional planning agencies empowered to perform metropolitan or regional planning. In 1967, Congress took this one step further and mandated that federal loans or grants for many programs must be reviewed by an area wide agency which is designated to perform metropolitan or regional planning for the area.

Today, the Regional Planning Agencies have expanded their role far beyond that of a land-use advisory agency. They help their member municipalities implement plans in areas such as economic development, infrastructure maintenance, environment and land use, regional and municipal services, solid waste management and recycling, and have the lead responsibility for planning and programming of transportation functions.

It is generally noted that there is a lack of uniformity across the 13 regional planning agencies in terms of governance structure, functions, statutory authority, and geographic size. Even though permissive legislation exists for the formation of regional planning agencies, the majority of the Commonwealth's regional planning districts were created under special acts of the legislature.

For example, the Metropolitan Area Planning Council is governed by municipal government representatives, gubernatorial appointees and state and City of Boston officials. In contrast, the Berkshire Regional Planning Commission is governed by delegates from member municipalities' planning boards and board of selectmen.

Furthermore, some of the regional planning agencies have statutory authority to provide services to municipalities where others do not. The Massachusetts Association of Regional Planning Agencies ("MARPA") has proposed legislation that would allow Regional Planning Agencies to reconstitute themselves as a Council of Government (explored later) which will help to alleviate this problem.

Finally, the funding structure for Regional Planning Agencies is inconsistent. Most assess their membership a modest annual fee. However two – the Metropolitan Area Planning Council and the Old Colony Planning Council – each receive a direct assessment deducted from members' state aid.

Councils of Government

Of the thirteen Massachusetts Regional Planning Agencies, two are in the form of a Council of Governments ("COG"). The Council of Governments framework has been in place in a number of areas around the country for over 30 years. Councils of Government are a form of government that is directed by local chief elected officials from member cities and towns that set the agenda and develop programs and projects based on specific needs. In short, they act in a responsive capacity, addressing issues as they arise.

Councils of Government are formed to serve local governments and residents in a region through government cooperation. COGs provide coordination of service delivery, planning, advocacy, technical assistance, and project developments. They are voluntary and involve no transfer of authority.

Massachusetts currently has three Councils of Government: The Northern Middlesex Council of Governments, The Hampshire Council of Governments, and the Franklin Regional Council of Governments. The Northern Middlesex Council of Governments was established by a two paragraph special act in 1989 which applied to the existing regional planning agency. The Hampshire and Franklin Councils of Government were created through much more comprehensive legislation and charter reform replacing existing county governments.

These two separate vehicles of creating a Council of Governments bring with them unique benefits and challenges. In the case of Hampshire and Franklin, municipal membership is voluntary, with municipalities opting out with a one-year notice. The membership assessment is part of each municipality’s budget. As a result, the COG’s spend significant resources during the spring advocating for payment of their assessments.

The Franklin Regional Council of Governments has a successful track record of providing municipal services on a regional basis. For example, it has been able to successfully utilize economies of scale to bring information technology service, building inspection services, and accounting services to its member municipalities at a reduced rate. A sample of the services provided and their funding mechanism is illustrated in Table 1.

Table 1: Sample of Services Provided by Franklin Regional Council of Governments

SERVICE	DESCRIPTION	FUNDING SOURCE
Administration and Finance	Oversight of organization; advocacy,; special projects; workshops; agency-wide expenses	Membership assessment; administrative fees
Community Coalition for Teens	Teen Pregnancy and substance abuse prevention program	State and federal grants
Franklin County Cooperative Inspection Program	Building; plumbing and wiring inspection for 18 member towns	Assessment based on permit activity
Collective Purchasing	Bidding and contracting of highway products and services and fuel for 21 towns inside and outside of Franklin County	Population-based fees
Municipal Accounting	Municipal accounting services and software via license agreement to 8 towns	Assessment based on average number of service hours per week
Regional Planning Agency	Economic development, land use, natural resources, transportation and GIS services for the region and the towns	State and federal grants
Regional Health	Professional health agent services for 8 local boards of health	Assessment based on historical or estimated use
Regional Nurse	Clinics and communicable disease response for 3 local boards of health	Assessment based on an agreed-upon scope of work

Regional Preparedness	Regional Emergency Planning Committee, board of health emergency planning services, fiduciary for Western Regional Homeland Security Council, emergency communication system oversight	State and federal grants
-----------------------	--	--------------------------

C. Previous Examinations of Regionalization in Massachusetts

The subject of regionalization is not new to Massachusetts, but the catalyst for the topic has changed throughout the years. In contrast to the current focus as a way to provide critical services, the earlier discussions revolved around theories concerning the Boston metropolitan area. It was not until the 1970's that those discussions turned to a statewide approach.

In 1912, Governor Eugene Foss submitted a proposal to the General Court calling for a “general municipal government of the cities and towns within the area to be known as the City of Boston”. The bill proposed a political union of the 41 cities and towns of what was then considered the Boston metropolitan area. Municipalities within the area would be grouped into six districts, with each district electing one member to the central governing body, except for Boston proper, which would be allowed three members. Similar proposals for a Boston Metropolitan government followed in 1944 and 1967.

In 1969, Boston Mayor Kevin White unveiled a plan for an “Eastern Massachusetts Council of Governments”, regionalizing government in the Greater Boston Area to allow for joint management and sharing of local costs and services. Mayor White’s plan called for the creation of a 200 member General Council from 100 cities and towns in the Boston Metropolitan Area to provide a forum for solving common problems. The council would also serve as the regional governing body over the Massachusetts Bay Transportation Authority, the former Metropolitan District Commission, the Massachusetts Port Authority, and the Metropolitan Boston Air Pollution Control District. It also called for a Greater Boston Regional Educational Service Center to provide services, programs and materials to all systems to even out fiscal disparities. Staff for the Council would be provided by the Metropolitan Area Planning Council and funded from a 5 cents per capita assessment to member municipalities. Momentum for the plan diminished when Mayor White ran for Governor.

In the 1970’s, the arguments for regionalization expanded beyond Metropolitan Boston to encompass the whole Commonwealth. During this period a number of bills were introduced that either restructured county government or eliminated it altogether.

The 1990’s saw two key studies performed on regionalization in Massachusetts. The first was a study performed by the Massachusetts Legislature’s Subcommittee on Regionalism, chaired by Representative Douglas Petersen (D – Marblehead). The second was a Regionalization Commission established by the Massachusetts Legislature and chaired by Boston Mayor Thomas M. Menino.

The 1994 Petersen report examined the possibilities of a comprehensive regional government structure based on existing county and regional planning agency boundaries or new boundaries based on watersheds and other criteria. Although the report was never acted upon, it provides a detailed framework for the implementation of several regional government structures.

Mayor Menino's Regionalization Commission report published in 1997 was concerned primarily with creating a metropolitan Boston structure that could compete in the emerging global economy. It measured public support for sharing local services and eventually recommended a council of government structure moving forward.

D. Approaches to Regionalization in Other States

Massachusetts is not the only state considering regionalization as a method to streamline the delivery of local services. Several other states have explored regionalization, sharing services, and consolidation as a way to alleviate pressures on municipal budgets and the property taxes that fund them.

New Jersey

In 2007, New Jersey formed the Local Unit Alignment, Reorganization, and Consolidation Commission ("LUARC") to examine service delivery among their many units of local government and to make recommendations that would result in the more efficient delivery of those services.

LUARC is currently focusing on specific municipalities across the Commonwealth that appear to be good candidates for the merging of services or even full-scale consolidation. It has identified six clusters totaling 75 municipalities. Identifying these municipalities required a substantial amount of data analysis on New Jersey local governments. This data included fiscal, operational, geographic and demographic items and has provided the Commission with a capacity to begin the process of conducting fair and equitable reviews of municipal circumstances.

LUARCC, which is an affiliate of the New Jersey Department of Community Affairs (DCA), is working with the Walter Rand Institute for Public Affairs at Rutgers University to develop a process for studying the clusters. The Walter Rand Institute is reviewing and documenting the work LUARCC has done in preparation for the first round of studies and will offer recommendations for improving future rounds. Its staff will also participate in the actual study. Additionally, experienced experts in such areas as public safety, finance, administration and public works that are contracted through the Walter Rand Institute and approved by LUARCC will collaborate on the project and serve as primary contacts with local municipal officials.

New York

In 2007 New York established the Local Government Efficiency and Competitiveness Commission to examine local government and make recommendations to improve their efficiency. The Commission's

report, published in 2008, made several recommendations involving statutory and administrative regulations to streamline local government and make it more efficient, including:

- Reigning in special district spending by targeting the abuse of taxpayer dollars and eliminating compensation and perks for special district commissioners;
- Making it easier for municipal governments to form cooperative health benefit plans for their employees, reducing overall health insurance costs;
- Facilitating highway shared services agreements among municipalities, and between municipalities and State agencies;
- Allowing multiple counties to share the services of a Director of Weights and Measures;
- Allowing multiple counties to employ a single public health director that would report to a single board of health;
- Transferring management responsibilities for special sanitation districts to town boards; and
- Creating a simplified process by which citizens can submit petitions for municipal consolidations and dissolutions.

Due in part to the Commission's recommendations, Attorney General Andrew Cuomo launched an effort to allow municipalities across the state to fundamentally change the structure and functions of their local governments. The resulting legislation, the "New N.Y. Government Reorganization and Citizen Empowerment Act", was signed into law in May 2009 with overwhelming support.

Indiana

In 2007, a Blue Ribbon Commission for Local Government Reform was established to present recommendations to the state legislature on streamlining government. The Commission found that Indiana has approximately 2,730 governments with the power to levy property taxes, including 92 counties, 1,008 townships, 117 cities, 450 towns, and 293 school districts.

Recommendations by the Commission included⁴:

- Transferring the responsibilities and duties of township government to the county level;
- Having all counties led by a single county executive and strong county council;
- Consolidating public safety services and emergency dispatch;
- Restructuring school districts so that each has a student population of not less than 2000;
- Reorganizing libraries at the county level.

⁴ Indiana Commission on Local Government Reform, *Streamlining Local Government*, (Indianapolis, IN) 2007

The Indiana Legislature has taken the recommendations to heart, already moving the responsibility of assessing property from township assessors to county assessors. Just recently, the Legislature also enacted law requiring any new public safety dispatch equipment be compatible with a new statewide 800 MHz system.

E. Technical Assistance Funds & Centers

The Commission examined how other states promote regionalization. In many cases the barriers in other states are similar to Massachusetts. However, it is important to study what other states have done to overcome those barriers. Were their methods successful? And most especially, what are the available tools or “best practices” that Massachusetts can adopt to tackle its challenges?

In examining other states, the Commission found two consistent themes. Primarily, several states have or once had funding available to assist municipalities in planning for regionalization and, in many instances, also achieving success for sharing services. Additionally, in other states, professional and technical assistance was readily available to help municipalities navigate complex processes associated with regional collaboration. Following are summaries of the most promising models.

Technical Assistance Funds

New Jersey

The New Jersey Sharing Available Resources Efficiently (“SHARE”) Grant program, within the Department of Community Affairs, gives municipalities considering the consolidation, regionalization, or otherwise sharing of municipal services the financial ability to professionally, impartially and dispassionately study and implement shared and consolidated services. SHARE provides assistance for the study or implementation of any regional service agreement, or for the coordination of programs and services authorized under several New Jersey statutes.

To fund the program, the New Jersey Legislature created a SHARE account within the Property Tax Relief Fund. All revenue from the state’s income tax is deposited into the Property Tax Relief Fund, which is used to provide state aid to municipalities in New Jersey and to provide property tax rebates to New Jersey residents. The account was created and funded in fiscal years 2007 thru 2010. However, it was not funded in the Governor’s fiscal year 2011 budget.

Three types of grants are offered under the SHARE Program:

- **Implementation Grants:** provide seed money to support the implementation of new shared services. Grant awards are up to \$200,000 and can be used for capital purchases and personnel expenditures.
- **Feasibility Study Grants:** help cover the costs of feasibility studies performed by consultants or the local unit themselves. Feasibility study grants are up to \$20,000, and require a 10% cash match commitment from the local unit requesting the grant.

- County and Regional Coordination Grants support regional or area-wide efforts to identify and develop new shared services.

A quick look at just 10 SHARE Grants awarded proves how valuable the program is. Among these 10 grants, \$243,073 was awarded to several municipalities. The savings projected in the first year alone was estimated to result in a 2,920 percent return on the initial investment. After 10 years, a staggering \$71 million in costs would have been saved as a direct result of the initial expenditure of less than a quarter of a million dollars.

Connecticut

The Connecticut Regional Performance Incentive Program was established in 2007. Under the program, all of Connecticut's 15 regional planning organizations were encouraged to submit proposals for the regional provision of services to the Office of Policy and Management.

The goal of the program was to encourage municipalities to think regionally and enter into agreements with other municipalities to leverage economies of scale and reduce costs.

Eleven of the fifteen Regional Planning Organizations were awarded grants totaling \$8.6 million over the two years that the Incentive Program was funded. Services provided included information technology application sharing and development; a regional traffic team/accident investigation unit; a regional police training facility; a shared assessing revaluation program; a shared animal control facility; shared highway equipment; and a municipal training academy for elected municipal officials.

New York State

New York State created a Local Government Efficiency Program ("LGEP") in 2005 to provide assistance to local governments considering sharing services. The program oversees seven and one-half full-time staff who provide local government outreach and technical assistance.

The Local Government Efficiency Program also provides grants to municipalities interested in sharing services. Planning grants are available on a competitive basis and are used for studies to examine financial savings and management improvements. There is also a separate "High Priority Planning Grant", specifically intended to "initiate activities identified as having great potential for cost savings or structural change".

In addition to the planning grants, the LGEP also includes Efficiency Implementation Grants. These grants help to cover the costs of implementing shared services or consolidation plans, including capital purchases and personnel costs.

Since 2005, the program has funded 240 projects with over \$40 million in grants. New York has consistently funded the program at approximately \$20 million annually since 2006, although that number has fluctuated to reflect the status of the state's economy. The estimated savings total over \$350 million. Completed projects are generating a 129 percent annual return on investment.

One of the LGE program's strengths is its ability to classify and track grant projects by municipal functions, as well as a consistent method of measuring savings. A summary of the grant program is listed

in Table 2. Also notable is that the LGE Program goes beyond technical assistance grants, and includes a full-time staff to help manage the contracts, projects, and municipal outreach.

Table 2: LGE Program

FUNCTION	GRANTS AWARDED	ANNUAL COST SAVINGS
General Government	\$352,381	\$183,050
Education	\$443,214	\$449,087
Public Safety	\$475,047	\$1,687,910
Transportation	\$585,036	\$285,116
Sanitation	\$341,480	\$164,650
Utilities	\$967,900	\$816,308
Employee Benefits	\$511,000	\$1,238,563
Consolidation & Dissolution	\$83,700	\$24,892
Total	\$3,759,758	\$4,849,576

- **Municipal Mergers, Consolidations, and Dissolutions:** Eliminating similar or duplicative layers of government
- **General Government Support:** For efficiencies in general government operations such as assessing, records management, etc.
- **Education:** For efficiencies achieved through consolidating or expanding regional school districts.
- **Public Safety:** For efficiencies in police, fire, and dispatch services.
- **Transportation:** For efficiencies related to road maintenance, snow removal, street lighting and public transit.
- **Sanitation:** Efficiencies in the collection and disposal of sewage, as well as the disposal of solid waste.
- **Utilities:** Efficiencies in water, electricity and natural gas delivery, and steam generation
- **Employee Benefits:** Pension Fund contributions, workers compensation, and disability and health insurance.

Maine

Maine established the Fund for the Efficient Delivery of Local Services in 2005 in order to provide grants to municipalities to encourage the sharing of services. Two types of grants were established: Cooperative services grants for implementation and Planning grants to facilitate the development of a

regionalization project. The initial plan for the fund was to have recipients of planning grants eventually apply for and receive implementation grants.

The fund was administered by the Maine Department of Administrative and Financial Services. Groups of municipalities that were interested in applying for grants could access technical assistance through the State Planning Office. The fund initially received an appropriation of \$1,000,000. It is currently not funded.

Maine established a separate board to review the grant proposals, which in turn created a “point” system to rank proposals (Figure 3). Members of the review board include:

- The Director of the Maine State Planning Office (or designee)
- The Commission of the Department of Administration and Finance (or designee)
- A representative of the Department of Economic and Community Development, appointed by the Governor
- One representative of a county or regional government subdivision recommended by a statewide organization representing county or regional service providers, appointed by the Governor;
- Two representatives of municipal government recommended by the Maine Municipal Association;
- One representative of a service center community, appointed by the Governor.

CRITERION	POINT VALUE
Extent and quality of cooperation of among governmental entities	20
Estimated amount of property tax savings to the region over time as a percentage of budget(s) and/or the ability for municipalities in other regions to duplicate such savings	35
Degree/likelihood of success in implementing and sustaining a new intergovernmental arrangement	20
Extent to which the project can be replicated by other regions in future cooperative endeavors	15
Extent to which the project incorporates innovative and unique solutions or ideas	10

Figure 3: Maine Fund for the Efficient Delivery of Local Services grant proposal ranking system

To date the fund provided grants to a total of 40 projects: 24 planning grants and 16 implementation grants. A review of the projects to determine success and savings is forthcoming.

Technical Assistance Centers

Only a small portion of attempts to form cooperative relationships among municipal governments make it to the intermunicipal agreement stage. Labor issues, determining a municipalities' cost share, and other similar issues have a tendency to upset such efforts. Municipalities that hope to form either a mutual aid agreement or formal contract need objective, third-party facilitators to ensure that each municipal corporation is getting a fair deal in the arrangement.

Massachusetts has several institutions that currently engage in activities to support regional collaboration.

Division of Local Services

The Department of Revenue's Division of Local Services (DLS) helps Massachusetts cities and towns achieve sound and efficient fiscal management through technical assistance, training, and oversight. DLS bureaus are responsible for ensuring the fairness and equity of local property taxation, the accuracy and quality of local accounting and treasury management, interpreting state laws that affect local governance, distributing local aid, and maintaining a comprehensive databank on local finances. DLS meets these responsibilities through community advisors, seminars, publications, Internet services, research, software development and support, as well as community specific management reviews and audits.

DLS offers technical assistance to cities and towns in the form of financial management reviews. In the course of completing more than 400 reports over the last 23 years, DLS has built a substantial knowledge base of best practices in the management of municipal finances which it now shares through this website.

More recently, DLS has been asked by municipalities to analyze sharing costs and consolidating services between and among municipalities. The first of these reports was the enhanced regionalization and merger analysis completed for the Towns of Hamilton and Wenham by DLS. The Hamilton-Wenham Report explores what the two towns would look like as one. It is also a comprehensive study, of value to all cities and towns, which focuses on the opportunities and the financial impacts of sharing costs and services, short of a full merger. DLS also houses information regarding Inter-Municipal Agreements and other useful references related to the consolidation of services between and among municipalities. Subsequent reports on the efficiencies and challenges to shared services are forthcoming.

Regional Planning Agencies

While only two regional planning agencies have the formal statutory authority to provide municipal services, virtually all operate programs on behalf of the municipalities in their districts.

One example is the Metropolitan Mayors Coalition. The Metropolitan Area Planning Council helped to establish the coalition consisting of 13 mayors and managers in the Greater Boston Area (Boston, Braintree, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Melrose, Quincy, Revere, Somerville and Winthrop). Together, these individuals represent over 1.2 million constituents. The Metropolitan Mayors Coalition has become an effective vehicle to address common issues confronting

urban core governments and has made significant strides in overcoming the obstacles that hampered past attempts at inter-local cooperation. Some significant indirect results of this collaboration include the establishment of a state-wide anti-youth violence grant program that awards multi-disciplinary regional approaches to combat youth violence and providing the leadership in making the legislative change that allows local governments to purchase employee health insurance through the Commonwealth's Group Insurance Commission. The Metropolitan Area Planning Council continues to provide staff support and financial administration for this important initiative.

The Berkshire Regional Planning Commission is currently assisting the towns of Lee, Lenox, and Stockbridge in developing a new shared service delivery approach. The assistance consists of assessing and researching appropriate shared service delivery models. They are also performing outreach on behalf of the towns to gain buy-in from stakeholders, increasing the chances of success.

The Pioneer Valley Planning Commission is working with the towns of Southampton and Chesterfield to create a Regional Board of Health Services and Inspections to provide professional health and inspection services to Pioneer Valley municipalities that currently do not have full-time health agents. PVPC plans to establish one Regional Board of Health district that will provide health and inspection services training opportunities for all 43 cities and towns in the Pioneer Valley region, as well as become a model for other regional health districts.

Edward J. Collins, Jr. Center for Public Management

The Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts Boston was created in part to help state and local government become more efficient by providing governance, management and organizational consulting services. One component of that mission is the facilitation of interlocal collaboration and the removal of barriers to regionalization across the Commonwealth.

The Center was pivotal in the development of an agreement between the Town of Amesbury and the Town of Salisbury to share a Public Health Director. The Collins Center held regular meetings with the chief officials in order to design and draft an intermunicipal agreement that was executed by both municipalities. Currently, the Center is involved in facilitating the agreement for the sharing of a procurement officer and hearing officer in the Quabog region of central Massachusetts and has entered in to an interagency service agreement with the Commonwealth's E911 Department help facilitate the establishment of regional public safety answering points throughout the Commonwealth.

Technical assistance support in other states

Although Massachusetts has a wealth of resources related to the development of shared service agreements, there is no one "go to" source that municipalities interested in exploring collaborative agreements can go to get information. Such a fractured system can lead to confusion and the premature conclusion of potential agreements.

Other states have concluded that the best way to address the issue of interlocal collaboration is with a state-level board or commission that provides policy guidance on regional issues, and a single separate

entity to provide practical technical assistance to municipalities. A model used by the State of Washington is particularly worth noting.

The Municipal Research Council in Washington State began in 1934 as a collaborative arrangement between the state's municipal advocacy organization, the Association of Washington Cities, and the University of Washington. The Council not only provides expertise on intergovernmental collaboration, but also provides other cost savings and advisory services to the cities and towns.

The Council is comprised of the following members: two appointed by the President of the Senate, two appointed by the Speaker of the House, one member shall be the director of community, trade and economic development, six members appointed by the Association of Washington Cities, two appointed by the Washington State Association of Counties, and one appointed by the Washington Association of County Officials.

The Council is funded through a dedicated revenue source. Currently that source is a small portion of a Washington's liquor excise tax. Prior to 1997 it was a portion of the motor vehicle excise tax.

The Council itself does not perform actual assistance, but contracts with the Municipal Research and Services Center to provide direct municipal services. The Municipal Research Services Center provides: 1) Dependable advice from a multidisciplinary team of professional consultants, (2) A comprehensive website, (3) Access to thousands of sample documents, including documents relating to intermunicipal agreements and shared services, and (4) Access to the largest local government library collection in the Northwest.

F. Findings

In order to conduct an efficient and in-depth study of a number of local services, as required by the legislation establishing the Commission, eleven committees of the Commission were established to address specific areas: education, elder services, finance, green communities, housing and economic development, information technology, libraries, public health, public safety, transportation and public works, and veterans' services. Commission members on the committees were charged with identifying possible opportunities, benefits and challenges to regionalization.

Commission members identified specific opportunities in all local service areas studied. The Commission found that there are a variety of opportunities in all service areas that municipalities, both large and small, could pursue through forming interlocal partnerships or through a host agency. One thing is apparent: as the costs of government services rise faster than available revenues and cities and towns struggle to provide essential services, regionalization and collaboration become more palatable to municipalities wishing to deliver essential local services more economically and efficiently.

There are notable examples of collaboration currently taking place organically at the local level without assistance from the Commonwealth or other government agencies. However, the Commission found that more progress could be made through certain statutory and administrative actions. In certain

cases, the Commonwealth needs to assist in breaking down barriers to intermunicipal partnerships. Finally, it was recognized that incentives, facilitative support and technical assistance can serve an important role in stimulating additional, more complex regional initiatives beyond the more easily implemented collaborations in which many local governments already engage.

Below are benefits, opportunities, challenges and incentives that the Commission found common across all local services examined. For further detail, see the committee reports in the Appendix.

Benefits

There are many benefits to regionalization and sharing services. The most recognizable benefit is the cost savings municipalities can achieve by regionalizing and sharing services.

Franklin Regional Council of Governments has conducted a regular school transportation joint bid on behalf of eight of nine Franklin County school districts. This joint bid has resulted in a \$300,000 savings in regional school transportation costs over the course of the current contract terms. This project has also realigned the contracts of all participating districts so that a single joint bid can yield more savings in coming years.

While cost savings is a key driver for changes to the method of local government service delivery, the Commission found a number of valuable benefits beyond cost savings that municipalities can gain from collaborating.

- **Greater access to professionalized and specialty services**

In the area of library services, the Commission identified benefits such as increased access to professional staff in specialized areas such as a children's librarian and reference librarian or in some cases access to library services in general. The Town of Washington does not have a public library; however Washington will purchase public library service for its residents from the Town of Becket. The towns have signed a written agreement to establish this relationship.

Many small towns have difficulty retaining qualified personnel for complex municipal functions such as accountant or building inspector, especially if the town does not need a full-time, benefited position. Sharing services with another town or through a host agency can create a more attractive position that is benefited and financially competitive.

Similar benefits occur in education. Increased collaboration and regionalization can enable school districts to have a sufficient number of highly qualified staff members in the central office. By increasing central office capacity, district administrators may also have greater opportunities to differentiate instructional and other responsibilities and create specialized positions, enhancing support to schools.

- **More efficient processes**

As noted above, the Commission identified the Franklin Regional Council of Governments (FRCOG) accounting program as a successful example of outsourcing overhead to achieve economies of scale. It

has been documented that participating local governments pay less overall for the service than they would have spent independently. One participating town has reduced its accounting labor cost by 43 percent. An unexpected benefit is that participating municipalities that retain the same independent accounting firm to conduct its annual audit have experienced decreased costs because of the uniformity and consistency of their accounting processes and procedures.

Increased collaboration and regionalization also enables education dollars to be spent more effectively across the Commonwealth, and school districts can realize operational efficiencies and economies of scale. The development or enhancement of innovative partnerships among school districts and other entities could better leverage existing resources. For example, many administrative or operational functions could be better managed through collaboration or with support from an educational collaborative.

Regional emergency dispensing sites, where a group of towns work together to organize flu vaccination clinics, have also proved to be a much more efficient process than towns trying to organize this service on their own.

- **A critical service can be sustained in challenging times**

The Commission identified the regionalization of elderly transportation services as a priority to preserve this critical paratransit service. This could include partnering with existing regional transit authorities. Sharing town nurse functions and health agent functions are other examples of municipal positions that can be more easily retained if the costs are shared with another community.

- **A chance to engage in new programs and services**

For many municipalities, the current focus on energy efficiency and renewable energy is a new, or relatively new, concept that could provide an increased opportunity to promote regional collaboration. Limited local staff time and technical expertise makes regional efforts more critical in order to take advantage of new opportunities such as clean energy activities. Energy-efficiency cost savings can be achieved through the opportunities to benefit from new programs and collaborate on this new frontier.

Information technology support is another example. Many towns rely on an employee that “is good with computers” for its technical support needs, which is often unsatisfactory. Sharing information technology support with other municipalities allows cities and towns to access professional service.

- **Avoid municipal liability for problems arising from unmet responsibilities.**

As cities and towns struggle with the impacts of revenue loss and increased service responsibilities, there is growing interest in the potential benefits of public health regionalization. The Commission identified regionalization as a solution for helping local boards of health meet the required responsibilities of performing critical duties related to the protection of public health, such as a coordinated, professional response to providing H1N1 vaccinations.

A federal law requires that every municipality in the country have a hazardous materials response plan that is created by a Local Emergency Planning Committee. The law allows cities and towns to join

together to create one plan. In Franklin County 26 towns have formed a Regional Emergency Planning Committee that has developed a regional response plan that meets the federal requirement for all 26 cities and towns.

Opportunities

With 351 cities and towns spanning the Commonwealth, there are numerous opportunities for municipalities to work together on local government service delivery, including:

- **Foster a culture of collaboration among cities and towns**

Cities and towns are taking advantage of relatively easy opportunities, such as collective purchasing, to achieve easy victories that generate a culture of collaboration. Others may have developed a rapport while working together on a regional planning initiative. Prior work with neighboring municipalities through activities fostered by regional planning agencies around a highway interchange development project may help clusters of municipalities to develop the working relationships and goodwill necessary to move forward with collaborating on more complex service delivery projects.

- **Regionalize as new state programs emerge, to immediately take advantage of benefits of regionalization**

The development of Green Communities' programs and bike sharing programs are examples of two areas identified as opportunities as new programs and services emerge.

- **A contract with an outside vendor is up for renewal**

The cities of Quincy, Braintree, and Weymouth joined forces to increase their negotiating power when they engaged in the procurement of solid waste collection services. While not all achieved the same dollar cost savings, all three benefited from price stabilization through a nine-year contract and enhanced their revenue stream from recycling and scrap metal beyond what they could have achieved on their own.

- **A vacancy occurs in a municipal or school position**

Vacancies in top school or municipal administrative posts can encourage municipalities to collaborate without being confronted with personnel challenges.

With its health director retiring, the Town of Belmont began exploring the possibility of regionalizing its health department with Arlington and Lexington. If successful, the three towns could save upwards of \$160,000 annually.

The towns of Ashby and Townsend have current vacancies in town administrator positions and are being encouraged to explore sharing that position.

- **An additional service requirement stretches the capacity of a department**

The Commission identified regionalization as a solution for helping local boards of health meet the required responsibilities of performing critical duties related to the protection of public health, such as a coordinated, professional response to providing H1N1 vaccinations. The H1N1 pandemic underscored both the importance of a strong local public health infrastructure and the limits of current capacity. Several groups of municipalities have recently formed or are actively exploring shared services and district models. Shortages were illuminated further this past year when the requirements of delivering H1N1 flu shots in addition to annual flu shots stretched the capacity of local public health departments even more than usual.

- **Successful collaborations generate conversations around expanding those collaborations or replicating the successful models elsewhere.**

The Commission found that the already existing efficient regional library system, which provides many important library services on a shared basis, not only provides a good basis for increasing regionalization of library services but also could serve as a model for other municipal functions. While many of the “back office” library functions have been regionalized, collaborations among municipalities during tough financial times may also allow for continued or enhanced professional services and programs as well as access to libraries all days of the week if municipalities coordinate library availability as they are challenged with funding operations.

Further, the Commission found that existing veterans’ services districts demonstrate that district-based, rather than single community-based, service models can provide more effective and efficient delivery of services for veterans’ (but also noted current law establishes barriers regarding district geography and membership).

Several information technology programs were recommended for expansion or replication, such as replicating a Franklin Regional Council of Governments program where technical support staff can cover multiple municipalities through a bulk contract, or expanding the Computer Software Consortium (discussed in committee report on information technology) currently benefiting 75 municipalities. Centralized information technology services can also allow the host to standardize and manage information technology security practices.

Challenges

Although there are formidable challenges to regionalizing local services, the Commission, as noted, identified many great opportunities as well. In this section, the Commission will examine some of the challenges that range from cultural and political to technical and legal, including:

- **Concerns around local control/ Existing perceptions and attitudes**

Local control concerns are a real challenge to collaboration. The 351 cities and towns in Massachusetts were born of a strong preference for self-governance and retain a keen sense of community identity. Community pride in a local elementary school, Thanksgiving Day high school football rivalries, and design for the identification patch for a multi-town public safety department have entered conversations about regionalization. Examples of successful collaborations and availability of resources for achieving successful collaborations, including best practices, sample agreements and sample contracts can help respond to the challenge of local control concerns and resistance to change.

Third party facilitators can help municipalities respond to these challenges and ensure all municipalities involved have equitable input in the development of shared service arrangements.

- **Challenges and benefits from a history of regionalization**

Some of the local services examined have a relatively long history of regionalization. This history can be a foundation for expanding existing collaborations, to seek collaboration in providing other local services, or act as a barrier to further regionalization if past experience was not positive and continue to prove challenging.

In the area of education, regionalized school districts have provided more efficient delivery of K-12 education in many cases. However, as a highly-valued and locally-identified service in Massachusetts, school regionalization considerations can come with concerns about local control, cost-sharing and impact on long-standing community patterns and traditions. In some districts the ongoing challenge of differing local contributions among member municipalities continues to stress some regional school district arrangements. The Commission proposal for consideration of potential collaborations in K-12 education does not mandate a minimum school district size, or specify a target number of school districts for the Commonwealth. It also does not mandate regionalization, but rather would allow the Commissioner of Education to review districts and make recommendations along a continuum of actions, which could include regionalization. Local districts would then create a plan in response to these recommendations, thereby retaining a strong element of local control in any actions.

- **Challenge of dedicating time and resources in the short-term to achieve long-term gains**

Sometimes the benefits of regionalization and sharing services will not be seen for several years. In some cases, consolidating or sharing a service can require an initial up-front outlay of resources, a challenging commitment when a municipality is already under great fiscal strain.

For example, in regionalizing education, there may be costs associated with aligning curricula, technology, and school schedules. In addition, there may be costs associated with negotiating/renegotiating contracts and leases.

- **Challenges of reconciling varied forms of governance**

The issue of governance was widely stated as a barrier to regionalization and sharing services. Generally, there are several specific government “forms” Massachusetts municipalities operate under. Often, this

can lead to a lack of congruency between adjacent cities and towns in their municipal functions and authorities. Some municipalities continue to elect individuals that perform administrative functions such as treasury/collecting and assessing which tend to complicate discussions around consolidating services. Municipal governments that are fragmented and decentralized with numerous decision-making authorities further complicate interlocal initiatives. These governance dynamics cannot be overstated in their affect on interlocal cooperation in Massachusetts.

- **Challenges of negotiating intermunicipal agreements.**

While intermunicipal agreements are a key tool for formalizing municipal collaborations, these agreements can be challenging to negotiate, with complex issues to be addressed. Many local officials, especially those serving on a part-time, volunteer basis, do not have the experience to negotiate such agreements without technical and legal assistance. Lack of funding to pay the costs of such assistance often leads to a scrapping of the idea.

The Towns of Hamilton and Wenham entered into an intermunicipal agreement in 1998 for a joint library. The agreement addressed facility ownership and use, constructions costs and bonds, management, employment policies, sharing of costs, election of trustees, and certain transition rules.

In order for there to be an agreement for the sharing of services under the intermunicipal agreement statute, M.G.L. Chapter 40 Section 4A, one municipality must be designated as the “lead”. Such an arrangement can present a barrier.

First, the lead community might be hesitant to take on such a responsibility. Generally, under these agreements employees in a shared service arrangement are employees of the lead municipality. Beyond the annual compensation of these employees, lead municipalities need to be cognizant of the legacy costs associated with employment and take those into account when necessary.

Even more complicated is if employees are part of a collective bargaining unit. When a municipality takes on employees of other municipalities in shared service arrangement issues of seniority must be addressed.

- **Challenges of statutory barriers**

The centuries-long development of local government in Massachusetts has led to statutory language that oftentimes favors the principle of local control over the ability to adequately regionalize and share services across municipal boundaries. In many cases, special legislation was created to address sharing one service for one group of municipalities. But there are also general statutes that allow for the creation of regional entities for certain purposes.

The Commission identified a number of existing statutes to be revised to make them better tools for accomplishing successful regionalization efforts while avoiding the need for special legislation.

M.G.L. Chapter 115 Sections 10-15 which authorizes the creation of veterans’ services districts is one such example. The existing language restricts such districts to include only one city government and requires that the municipalities be contiguous. The Commission also identified statutes addressing

police and fire districts and mutual aid arrangements as needing review to further encourage and allow for ease of regionalization.

- **Challenges of personnel matters in developing collaborations**

Personnel-related matters, such as civil service, seniority, benefits and collective bargaining agreements have proven to be one of the most challenging areas to address in the process of developing service delivery collaborations or consolidations. Successfully addressing these matters is a key component to achieving successful collaborations. Because sharing or consolidating services will come in many shapes and forms, flexibility is required to accomplish the goal.

Merging teacher contracts is one of the more complicated challenges in a school regionalization process. The law articulating the rights of employees of regional school districts (M.G.L. Chapter 71, Section 42B) is often misinterpreted, inhibiting the establishment of regional districts. It is a fairly widespread belief that the law stipulates that when districts merge into a regional school district, the regional school district must adopt a salary schedule that is aligned with the highest among the joining districts. In fact, regional school districts may and do adopt differentiated salary schedules so that personnel retain the salary level of their previous district; usually in these cases all personnel are brought onto the same scale in a phased-in process that occurs over a number of years.

Models of Collaboration

There are many partnership models: informal “handshake” arrangements between two or more municipalities, multiple municipalities partnering through more formal intermunicipal agreements with one city or town assuming a lead role, municipal and school district partnerships, “uploading” of local services to another level of government, full-scale regionalization of a local service, such as K-12 education, even state-assisted establishment of programs available to all municipalities through the state procurement system.

Two primary models of regionalization stood out for their prevalence: (1) two or more municipalities collaborating on service delivery, and (2) the “uploading” of local services and support to a regional entity.

An example of collaboration between two municipalities comes from Melrose and Wakefield which executed a M.G.L. Chapter 40, Section 4A intermunicipal agreement creating a shared health department. Under the terms of the agreement, both municipalities retain their local boards of health, but share the services of a full-time health director, a full time inspector, two part-time inspectors and a part-time public health nurse. The shared personnel are employees of Melrose. Each town also has some additional staff who remain separate town employees. In turn, Wakefield reimburses Melrose for a set proportion of the personnel costs. The agreement is projected to save Melrose \$30,000 in the first year and cost Wakefield no additional money in the initial year, while providing it greatly enhanced services.

There are no long-term commitments in the Melrose-Wakefield agreement. Both municipalities signed a three year agreement, however, they will reevaluate their performance under the terms and conditions annually and determine if it should be amended or terminated.

Uploading a municipal service to a regional entity is of interest to many municipalities and has a history of success in Massachusetts. In this case of regionalization, a host agency is responsible for developing municipal service programs; hiring and managing employees; and guaranteeing a level of service. The host agency establishes a service contract with participating municipalities and charges a fee or assessment for the service. Service fees or assessments can be based on estimated or historical service hours, the population of the town, or some other agreed upon mechanism.

Benefits to a municipality with the host agency model are that the host agency takes responsibility for all personnel issues such as hiring, firing, and benefits management; qualified and skilled employees are easier to attract when positions are well paid, full-time and benefited; the host agency is responsible for backfill, guaranteeing quality of work, and taking care of any problems with the program and service. At the September 2009 Regionalization Conference sponsored by the Division of Local Services, a majority of attendees identified the host agency model as their preferred method of regionalizing services.

Several Franklin Regional Council of Government programs exemplify arrangements where local service provision is “uploaded” to a regional entity. Most notable is its municipal accounting program. The Franklin Regional Council of Governments provides accounting services to 11 towns in its district. In order to provide the service the former government of Franklin County had to undergo the arduous process of reinventing itself into the current Franklin Regional Council of Governments. This required both special legislation and a painstaking charter process. But the result is a regional governance model that is both accountable and responsive to its district.

Many municipal school districts in Massachusetts currently work together to realize economies of scale for purchasing and the provision of services, including the use of educational collaboratives for programming (i.e. professional development, special education) and purchasing. Representatives from educational collaboratives, which are authorized and governed according to the provisions of M.G.L. Chapter 40, Section 4E, indicated that these organizations are working toward a more regional approach to service provision. Through this effort, school districts across the Commonwealth will have greater access to the full array of services that various collaboratives provide.

Incentives and Support

As noted earlier, collaborations between municipalities can (and often do) occur with little or no outside assistance. However, financial incentives and state support are crucial if Massachusetts expects to significantly expand the degree of regionalization and shared services. Such support serves an important role in stimulating additional efficiencies in local service delivery beyond the more easily implemented collaborations in which local governments currently engage.

Financial incentives and support are not the only tools identified for incenting and supporting multi-municipality collaborations. While the Commission certainly supports the concept of additional funding for regionalization, there are also other, less expensive tools the Commonwealth can use to encourage regionalization initiatives and sharing services.

- **Financial support to study the feasibility of shared services**

Before municipalities can move forward together in crafting an agreement for the sharing of services, analysis must be performed to assess each municipality's current service delivery methods. This analysis will serve as a benchmark for the participating cities and towns to use in determining whether or not sharing the service is feasible and cost effective.

Assessment and feasibility studies cost money, but are a necessity. Cities and towns have little in the way of discretionary funds to spend towards conducting this analysis. Therefore it is vital that the Commonwealth fund technical assistance to municipalities by providing grants or by supporting state agencies charged with providing that assistance. The Commission has found that this is already occurring in Massachusetts on a limited scale.

Massachusetts currently funds the District Local Technical Assistance program which enables regional planning agencies to provide – as its name implies – technical assistance to municipalities on a range of planning issues and regionalization. Under this program, the Metropolitan Area Planning Council has helped the local governments of Melrose and Wakefield conduct a feasibility study and execute an agreement to combine their public health departments. Under this new arrangement Melrose will take the lead in providing health services to Wakefield. Wakefield will pay a fee for services, while still maintaining a local Board of Health, providing for savings for both municipalities and tremendously enhanced services for Wakefield. Further, the initial conversations surrounding public health consolidation have opened up the door between the two municipalities to look, with Metropolitan Area Planning Council's assistance, at what other municipal functions could and should be shared.

The Commonwealth also provides technical assistance through annual appropriations to the Commonwealth's Division of Local Services and the Collins Center at the University of Massachusetts Boston. Both organizations provide assistance to municipalities in the areas of regionalization and shared services. However, both organizations do not have the resources to meet current demand in a timely manner.

As noted earlier, several states provide funding for feasibility studies to groups of municipalities that are exploring the possibility of collaborating and sharing services. Planning grants funded under New York's Local Government Efficiency Program provided feasibility studies for 28 groups of municipalities. The studies were used to examine the feasibility of consolidating police and emergency services as well as determining the feasibility of sharing records management and assessing.

Maine's Fund for the Efficient Delivery of Local Services provided funding for several planning projects, including \$17,000 for the towns of Camden and Rockport to explore the feasibility of a consolidated police force and \$10,000 for Cumberland County to explore the possibility of a shared property assessment program.

- **Funding to mitigate the initial costs associated with sharing or consolidating services**

During the course of the assessment and feasibility study, it may be determined that an initial outlay of resources will be required to facilitate implementation of a shared service agreement or consolidation of services. This is probably most evident when two or more municipalities are interested in sharing a piece of equipment or building a new school or public facility.

According to the Hamilton-Wenham merger analysis performed by the Division of Local Services, the transition process of merging into one municipality would require several one-time costs: for outside police and fire consultants, labor attorneys, and a capital investment for shared facilities. Particularly at a time when municipal budgets are facing great stress, assistance in covering these costs will make a real difference in cities and towns taking on mergers of local services.

One Massachusetts agency currently offers this type of incentive. The Massachusetts 911 Department offers development grants to municipalities and regional entities that move forward with creating regional Public Safety Answering Points and Regional Emergency Communications Centers. In addition to funding for feasibility studies, the grants cover expenses such as construction, radio equipment and computer aided dispatch systems.

In New York, Local Government Efficiency Grants were used to purchase and build a new 500,000-gallon water tank to serve two municipalities. Both municipalities were considering building their own structures, but decided to consolidate after the funding was made available.

- **Funding for regional entities to establish and maintain programs on behalf of municipalities**

As discussed earlier, Massachusetts has several regional entities. These entities can and do provide services to their cities and towns when they have access to the necessary resources.

District Local Technical Assistance funding has been used by the Franklin Regional Council of Governments (FRCOG) to advance regional collaboration initiatives. Of particular note, DLTAs funds were used to conduct a regular school transportation joint bid on behalf of eight of nine Franklin County school districts. This joint bid has resulted in a \$300,000 savings in regional school transportation costs over the course of the current contract terms. This project has also realigned the contracts of all districts so that a single bid can yield more savings in coming years

The Merrimack Valley Planning Commission (MVPC) has used DLTAs funding to develop a regional Energy Manager program. With this program, MVPC has successfully helped six municipalities (Amesbury, Haverhill, Lawrence, Methuen, North Andover and Salisbury) hire a Regional Energy Manager. Often referred to as a “circuit rider”, the Manager has assisted member municipalities in developing strategic energy plans. Additionally, MVPC has used the DLTAs program to help several municipalities retrofit closed landfills into “Brightfields” by employing a model created in Brockton. Potentially, over 100 acres of landfills/Brownfields in the Merrimack Valley could be retrofitted in this fashion.

The Regional Performance Incentive Program in Connecticut funded many similar projects. A Regional Animal Control Facility was built using RPI funds and serves four municipalities. The Windham Regional

Council of Governments used \$185,000 in RPI funds to purchase heavy equipment to be shared among 10 municipalities.

Similarly, New Jersey's SHARE program disperses funding to counties so that they may own and operate equipment and programs on behalf of their municipalities. Union County has received a grant to support its newly established position of Shared Services Coordinator. The Coordinator's position is one element of a multi-faceted approach to identifying, promoting, and establishing new shared service programs involving the county, municipalities and local authorities, school districts and non-profit agencies.

- **Collaborative/regional projects should receive priority for state grant assistance**

Massachusetts can provide incentives and support to regionalization initiatives by modifying current administrative regulations so that state competitive grant programs give priority to regional projects. The Commission found that this practice has already been adopted by several Massachusetts state agencies.

The Board of Library Commissioners Public Construction Program encourages joint public library projects by giving them priority status. The program provides a more generous finding formula for regional projects as well. Another grant program supports resource sharing through interlibrary loan activity.

In April 2008, the Massachusetts School Building Authority (MSBA) Board voted to authorize a new regulation that provided the agency with the flexibility to award up to three percent reimbursement points in districts where regionalization efforts have been successful as a result of working with the MSBA. In response to school facility issues related to small and decreasing enrollments and high capital and operational costs, the additional reimbursement points serve as an incentive for municipalities to consider regionalization as a potential solution to school facility issues. The MSBA is working collaboratively with municipalities to equitably and strategically invest \$2.5 billion in schools across the state, and has organized a regionalization roundtable with public education stakeholders to continue to explore regional school construction opportunities.

- **Regionalization Resource Center**

Not all forms of support require a direct appropriation from the Commonwealth. The Commonwealth can also endorse regionalization through a regionalization resource center and by making changes in state statutes.

The Commission found that there is a wealth of documentation available pertaining to sharing services and regionalization. Technical documents such as examples of intermunicipal agreements, feasibility studies and merger analysis exists for regionalization initiatives that have both failed and succeeded. Both Legislative Committees and Executive Commissions have studied the issue, and reports of their findings exist. Such documentation provides government leaders and municipal citizens with information to advocate and examine their own ideas for regionalization and shared services.

However, this documentation is scattered and housed in various locations and on several websites. For an interested party to assemble the documentation takes time and can sometimes act as a barrier to moving forward with projects.

The Commission found that this problem has been solved in other states by designating a central resource for such information. The Washington Municipal Research and Services Center is an extremely valuable resource for Washington municipalities, in part because it is an easy and convenient way to access the information they need.

Similarly, the Local Government Services division in the New York Secretary of State's Office has contracted with the Albany Law School to serve as a resource to New York local governments for regionalization information. This is a recent partnership, but it has already proved valuable.

- **Changes in state statutes**

The necessity of designating a lead municipality and having employees hired by the lead municipality both have been identified as challenges to municipal collaboration and sharing services. To address both problems, Massachusetts typically creates a special district, and establishes another governmental body that has authority of the service shared or provided.

States other than Massachusetts have solved this challenge by allowing groups of municipalities to create a Joint Powers Authority.

A joint powers authority is distinct from its member governments and agencies. They have separate operating boards of directors, and these boards can be given any of the powers inherent in all of the participating agencies. In setting up a Joint Powers Authority, the constituent authorities must establish which of their powers the new authority will be allowed to exercise. A term and the membership and standing orders of the board of the authority must also be determined. The joint authority can employ staff and establish policies independently of the constituent authorities.

Massachusetts municipalities, under M.G.L. Chapter 21A Section 20, can enter into Joint Powers Agreements only for the management of joint *environmental* concerns. Under the statute, the agreement entered into must be approved by the Secretary of Environmental Affairs. To date, there is only one board (the Arlington, Belmont, and Cambridge Stormwater Flooding Board) created under M.G.L. Chapter 21A, Section 20.

Modification of statutory language can also remove barriers to regionalization by taking out unnecessarily burdensome requirements. For example, M.G.L. Chapter 115 Section 10 allows for the creation of Veterans' Service Districts by two or more contiguous municipalities. However, only one of the municipalities can be a city. Removal of this provision is a relatively minor procedure that can have a significant impact.

Some municipalities may successfully broker collaborations with their neighbors. In other cases an objective, independent facilitator may help bring municipalities together and work through the challenges of developing a partnership. While financial incentives are clear motivators, Commission members also identified a number of non-financial supports helpful in pursuing collaborative service delivery.

One regional effort receiving a lot of attention, hard work and support right now is consolidating the number of E911 public safety answering points in the Commonwealth. There are substantial challenges

to streamlining this service, including perceptions that public safety could be compromised, collective bargaining and other labor and personnel implications, prisoner care and custody, and the need for technology upgrades. The support for these efforts is also comparatively substantial. Efforts to consolidate E911 emergency dispatch benefit from two significant sources of support: a designated state agency charged with engaging in this task and a designated source of financial support generated independently of the state's general fund. The State 911 Department is charged with coordinating and effecting implementation of enhanced 911 services, and administering such service in the Commonwealth. Support from the Commonwealth includes grant programs for feasibility studies, facility construction or structural improvement, equipment and personnel, all funded by a monthly surcharge assessed on wireline, wireless, and "other" (such as VoIP) users.

G. Recommendations

The Commission makes the following recommendations in order to:

- 1) Foster an environment that encourages municipalities to collaborate,
- 2) Create incentives that facilitate the achievement of successful collaborations, and
- 3) Identify and remove barriers to enhance local collaboration.

Organize and execute a statewide regionalization conference on an annual basis

An annual statewide conference focusing on regionalization can offer municipal and state officials as well as the interested public an opportunity to learn of best practices that can foster regionalization in communities across the Commonwealth.

In September 2009, the Patrick-Murray Administration in partnership with the Franklin Regional Council of Governments and the Massachusetts Association of Regional Planning Agencies organized and executed **The Regionalization Tool Kit: A Practical Guide to Sharing Municipal Services**. A similar conference should be conducted on an annual basis to share and discuss best practices for regionalizing a variety of local services.

Replicate existing successful programs

Local governments and regional entities should replicate and expand existing programs to cover more areas. Existing successful collaborations should be documented.

The Commission found that there are many existing examples of successful collaborations, such as the Franklin Regional Council of Governments Accounting Program.

- The Franklin Regional Council of Governments provides accounting services to 11 towns. Most participating local governments pay less overall for the service than they would have spent independently. One participating town has reduced its accounting labor cost by 43 percent. An unexpected benefit is that participating municipalities that retain the same independent accounting

firm to conduct its annual audit have experienced decreased costs because of the uniformity and consistency of their accounting processes and procedures.

Centralize existing regionalization resources

Regionalization information, such as sample agreements, best practices and success stories should be centralized and made available on a single web site for ready access.

Municipalities that are interested in exploring regionalization and sharing services can learn a good deal by studying past regionalization efforts. Many resources are available: profiles of existing and emerging collaborations (Regional Planning Agencies), case studies of past regionalization efforts and sample intermunicipal agreements (Pioneer Institute) and studies by prior Executive and Legislative Commissions. Although Massachusetts has a wealth of resources related to the development of shared service agreements, there is not a “go to” source where municipalities interested in exploring collaborative agreements can access information. Regionalization resources from various sources should be consolidated.

- The State of Washington’s Municipal Research and Services Center provides dependable advice from a multidisciplinary team of professional consultants, a comprehensive website and access to thousands of sample documents, including documents relating to intermunicipal agreements and shared services.

Leverage existing state grant programs to encourage collaboration

State agencies should be directed to develop standards, policies and procedures that promote regionalization and encourage municipalities to submit joint applications for grant, loan and technical assistance programs whenever doing so would increase the public benefit. Joint applications should receive higher scores to reward and encourage such collaborations.

- The Department of Public Health (DPH), through its contracts for purchased services and various grant and partnership programs, has capacity to encourage more regional cooperation. DPH has already implemented this approach in some of its tobacco control contracts, for example, and has encouraged regional cooperation in its guidelines for Determination of Need community health initiatives.

Fund pilot programs

The Commonwealth should continue funding pilot programs. Municipalities should implement lessons from the pilot programs in order to replicate and expand collaborations in Massachusetts.

Regional pilot programs prove beneficial to participating cities and towns and foster an environment that encourages more collaboration efforts by demonstrating pathways to success. The allocation of 30 percent of District Local Technical Assistance Program funding to regionalization efforts is an example of relatively small dollars encouraging collaborations.

- The District Local Technical Assistance Fund (DLTA) was created in 2006. DLTA funds are distributed via a formula among the Commonwealth's 13 regional planning agencies (RPAs) to fund technical assistance on a variety of regional planning areas including land use planning. Beginning in 2009 the Commonwealth encouraged municipalities to work together to achieve or enhance cost-effective services or ongoing collaborations among municipalities by updating the orientation of the DLTA program. The DLTA program now requires a target spending level of 30 percent (\$600,000) of the program's \$2 million annual funding be used to promote and support municipal collaborations, specifically to foster and implement partnerships among two or more municipalities to enhance cost-effectiveness and efficiency of local government service delivery.

Develop incentive and support programs for the future

The Commonwealth should develop incentives and funding programs for a range of activities in support of regionalization, including facilitation and technical assistance for planning, implementation, host agency capacity building and transition and start-up costs.

- The Massachusetts 911 Department provides grants that encourage the development of regional 911 public safety answering points. These grants provide funding for feasibility studies, facility construction and/or structural improvement, personnel and equipment costs.
- Several other states have considered how to promote regionalization. Further research into what other states have done; how the Legislature funded efforts and incentives; and how success was monitored and quantified should be conducted to create the best possible program in Massachusetts.

Identify and develop outside funding streams

Cities and towns, regional entities, and the Commonwealth should seek opportunities to leverage funding sources for regionalization in addition to the state operating budget.

- The Green Communities Division and Grant Program are funded with proceeds from the Regional Greenhouse Gas Initiative, a carbon cap and trade program that Massachusetts participates in along with nine other states.
- A Regionalization Working Group, operating with staff support from the Boston University School of Public Health, has been developing recommendations to promote public health districts in Massachusetts for several years. The Robert Wood Johnson Foundation is funding a project of the Regionalization Working Group that is providing modest planning grants to three recently-selected groups of municipalities across the state; all are considering forming health districts. The Metrowest Community Health Care Foundation is also funding a project to promote regionalization in the Metrowest area.
- A monthly telephone bill surcharge funds Massachusetts 911 Department grants that foster regionalization of local public safety answering points.

Further study municipal governance issues

The Commonwealth should conduct further study of municipal governance issues that challenge local government collaborations and local government operations in general.

The issue of governance was widely stated as a barrier to regionalization and sharing services. Generally, there are several specific government “forms” Massachusetts municipalities operate under. Often, this can lead to a lack of congruency between adjacent cities and towns in municipal functions and authorities. Some municipalities continue to elect individuals that perform administrative functions such as treasury, tax collecting and assessing, while in other municipalities such positions are appointed. This lack of congruency tends to complicate discussions around consolidating services. There are many local governments in Massachusetts that are fragmented and decentralized with numerous decision-making entities, such as boards of health and boards of public works which further complicate interlocal initiatives.

To optimize effectiveness and efficiency of local government operations through regionalization and local government operations in general, the Commission recommends an evaluation of elective positions and the various forms of local government to assess efficiency and effectiveness of those models in today’s governing environment.

Further study human resources-related matters

The Commonwealth should convene a group of interested parties to discuss human resources matters relevant to regionalization and develop a list of recommendations, including best practices and pathways to successfully address these challenges.

Human resources-related matters, such as civil service, seniority, benefits and collective bargaining agreements have proven to be one of the most challenging areas to address in the process of developing service delivery collaborations or consolidations. Successfully addressing these matters is a key component to achieving successful collaborations.

- Merging teacher contracts is one of the more complicated challenges in a school regionalization process. The law articulating the rights of employees of regional school districts (M.G.L. Chapter 71, Section 42B) is often misinterpreted, inhibiting the establishment of regional districts. It is a fairly widespread belief that the law stipulates that when districts merge into a regional school district, the regional school district must adopt a salary schedule and benefits package that is aligned with the highest among the joining districts. In fact, regional school districts may and do adopt differentiated salary schedules so that personnel retain the salary level of their previous district; usually in these cases all personnel are brought onto the same scale in a phased-in process that occurs over a number of years.

Further study of regional governmental entities and state service delivery regions

The Commonwealth should review existing regional governmental entities and state service delivery regions with the goal of developing entities and regions with the governance structure, authority and funding mechanisms appropriate to facilitate regionalization. To this end, the Lieutenant Governor

will convene a working group to study streamlining possible geographic and service delivery frameworks and entities that could help facilitate and foster regionalization efforts.

The Commission's charge was to examine possible opportunities, benefits and challenges of regionalizing certain local services. Clearly, there are many instances where collaboration and consolidation of local services on a regional level would lead to more effective and efficient service delivery. The Commission's study of 11 local services has identified opportunities for regional entities acting as host agencies to provide services and support to member cities and towns. Existing entities that perform regional service delivery have the potential to serve as facilitators for further collaborations among municipalities and to host additional service delivery.

For example, the former government of Franklin County underwent the arduous process of reinventing itself into the current Franklin Regional Council of Governments. This required both special legislation and a painstaking charter process. The result is a regional governance model that is both accountable and responsive to its member towns.

Through its work, the Commission identified numerous state service delivery regions in the Commonwealth, all with inconsistent geographical groupings. Such a model leads to confusion and inefficiency. For instance, in Massachusetts there are county boundaries, regional planning agency boundaries, regional health district boundaries, regional library system boundaries, watershed area boundaries, and homeland security boundaries, to name a few; each with its own geographical area. The Commission believes that these service areas should be examined and, to the extent possible, coordinated into more defined, recognizable, and coordinated service delivery areas with one or more host agencies empowered to coordinate and deliver municipal services.

The Lieutenant Governor will convene a working group to study streamlining possible geographic and service delivery frameworks/entities that could help facilitate and foster regionalization efforts.

Recommendations on Specific Local Services

In order to conduct efficient and in-depth study of numerous local service areas, the Commission established eleven committees to address specific areas: education, elder services, municipal finance, green communities, housing and economic development, information technology, libraries, public health, public safety, transportation and public works, and veterans' services. Commission members on the committees were charged with identifying possible opportunities, benefits and challenges to regionalization. See below recommendations on each local service area examined. These recommendations are presented in greater detail and context in the committee reports included as appendices to this report.

Education

- Promote opportunities for increased school district collaboration and regionalization through legislation.
- Encourage stakeholders across the Commonwealth to critically examine how the existing organization of school districts can better support the provision of high-quality academic opportunities and promote district capacity.

- Encourage additional districts to cooperate and collaborate to increase efficiency and capacity, such as through joint bidding and purchasing and use of educational collaboratives for programming.
- Have savings achieved through regional school transportation agreements be returned to the school districts, for educational programs consistent with an improvement plan adopted by the district.

Elder Services

- Complete work on statewide Regional Transit Authority/Adult Day Health Transportation Plan.
- Elder Affairs will work with Councils on Aging to collect service data; disseminate best practices statewide.
- Access Regional Incentive Fund to hire a transportation consultant to review Elder Medical Transportation (~90 percent of total rides statewide).
- Elder Affairs will participate in conversations with municipalities about building regional senior centers and/or senior centers in multipurpose buildings.

Finance

- Replicate Franklin Regional Council of Governments Accounting Program (provides municipal accounting services to multiple towns).
- Expand the Computer Software Consortium Model, which is assessing and collection software that is cooperatively purchased, updated and maintained by 75 municipalities in Massachusetts through a small annual assessment, to include multiple integrated financial management applications.
- Provide regular and ongoing training for municipal finance officers.
- Encourage information technology risk management assessment and information technology security.
- Expand host agency capabilities, recognized as a valuable model for regionalization.
- Create a regional incentive fund to support implementation of projects.
- Pursue state incentives and relief for regionalization efforts.

Green Communities

- Leverage existing state funding programs to promote regionalization.
- Adopt proposed Property Assessment Clean Energy legislation (expanding home energy efficiency and retrofit programs and allowing the costs to be attached to a property, not an individual), which includes a provision for regional models. Regional programs could be modeled on the Barnstable County Community Septic Loan program, which manages and provides financial assistance, through a betterment loan, for on-site septic repair.
- Develop regional energy plans.
- Establish regional energy managers or energy circuit riders to help cities and towns better their energy management and invest in clean energy strategies without hiring a full-time employee.
- Employ collective purchasing and procurement strategies to help municipalities save time and money in their energy and clean energy related costs and clean energy equipment costs.
- Group multiple towns and regional school districts together in a regional performance contract with an Energy Service Company.
- Municipalities should consider participating in energy cooperatives for the purchase, acquisition, distribution, sale, resale, supply, and disposition of energy or energy-related services.

Housing & Economic Development

- Expand regional management and operation of housing authorities.
- Regionalize affordable housing monitoring activities for which local governments are currently responsible.
- Conduct planning for housing, economic development and infrastructure together on a regional level.
- Establish regional development and tax sharing arrangements, including authority for more types of arrangements. The three municipalities (Medford, Malden and Everett) cooperating in the development of River's Edge in Medford have special act authorization to share property tax revenues that result from development anywhere within the development site. The development boundaries include adjacent lands in each of the three communities and the development scheduling reflects the best site available, not the need for revenue in one city or another.

Information Technology

- Coordinate hardware and software purchases. A variety of partnership models could be used.
- Expand host agency capacity, such as regional planning agency, to provide internet-based Geographic Information Systems, assessing and permit tracking data sharing.
- Coordinate planning and investment of the Massachusetts Broadband Institute, the Commonwealth's information technology consolidation, and municipal information technology needs. As the Commonwealth implements its plans to expand broadband and consolidate its IT uses, consider how municipalities can access and benefit from the Commonwealth's system should be considered and planned for.
- Municipalities should consider opportunities for IT consolidation within their community's operations, such as consolidation of school and municipal IT.
- Expand the Massachusetts Digital Summit conference with programs to benefit local officials.
- Municipalities should look for opportunities to collaborate on obtaining information technology support services, such as sharing information technology support personnel and joining forces to increase procurement power for support contracts.

Libraries

- Address challenges to collaboration presented by governance issues, particularly library governance models.
- Require libraries to review sharing options prior to requesting construction funds available from the Massachusetts State Board of Library Commissioners.
- Award significantly higher financial incentives for municipalities that build joint libraries through the Massachusetts State Board of Library Commissioners' library construction program.
- Provide funds for technical assistances to study library mergers and facilitate the merger planning process.
- The Board of Library Commissioners should conduct more outreach to municipalities about current and future funding opportunities.
- Provide regionalization grants based on the former Municipal Incentive Grant program.
- Create a state-wide support network for regionalization efforts, perhaps through existing technical assistance centers.

Public Health

- Further amend M.G.L. c.111 s.27B to remove the requirement that a town meeting must vote to approve formation of a public health district. This will streamline district formation and retain appropriate roles for municipal leaders and Boards of Health currently included in statute.
- Begin state funding to promote formation of public health districts by providing pilot funding for six districts, in accordance with the provisions of M.G.L. c.111 s.27A-C.
- Implement lessons from the pilot program in order to take a regional public health system “to scale” in Massachusetts by providing sustained state funding for district start-ups and operations.
- Seek opportunities to use state contracts and other revenue sources to promote increased regionalization of local public health.
- Establish an Office of Local Health within the Department of Public Health, with adequate staffing to provide technical assistance to promote and support public health regionalization.
- Establish minimum workforce qualifications for the local health workforce through legislation and regulation, including appropriate “grandfathering” provisions. Municipalities are more likely to form districts in order to share the costs of better qualified staff.
- Establish minimum performance standards for Boards of Health, linked to state funding for operating capacity required to meet statutory and regulatory responsibilities.
- Adopt statewide public health mutual aid legislation.

Public Safety

- File special legislative acts to establish distinct regional enhanced 911/emergency communications entities, taking into account governance, funding mechanisms, and duties, compensation and other employment terms and conditions.
- Create legislation authorizing formation of regional enhanced 911/emergency communications districts, including establishment of governance, powers and duties funding mechanisms, fiscal accountability and employment/labor provisions.
- Review and possibly revise relevant statutes to further encourage and allow for ease of regionalization efforts: police districts, fire districts, police mutual aid, fire mutual aid, and consolidated municipal departments.

Public Works

- Municipalities should be encouraged to conduct group purchasing, share public works equipment and share public works facilities as possible.
- Municipalities should be encouraged to consider merging public works departments wherever opportunity exists.
- Municipalities should be encouraged to share public works staff wherever an opportunity should exist.
- Encourage municipalities to coordinate the handling of solid waste, hazardous waste, and/or recycling.
- Best practices, models of regionalization, and sample agreements should be studied and published in a central place for municipalities to find the resources they need to move towards regionalization of services.

- Support passage of Public Works Mutual Aid legislation contained in the Municipal Relief legislation (House No. 4526) released by the Joint Legislative Committee on Municipalities and Regional Government.

Transportation

- Encourage Ch 90 funds to be used for regional uses through incentives.
- Provide incentives for municipalities to provide regional elder transportation services.
- School districts should work together to explore regional busing opportunities when the opportunity exists.
- Standardize transit vehicle fleets and procurement.
- Regional planning agencies and Mass Department of Transportation need to ensure bike sharing programs are regional as they emerge.
- Place "Funded by MassDOT" graphics on Council of Aging vehicles to build awareness of statewide support.

Veterans' Services

- Establish more veterans' services districts, for more effective and efficient provision of services.
- Remove barriers to establishing more veterans' services districts, as contained in Chapter 115, Section 10 and Chapter 471 of the Acts of 1972, including the requirement that municipalities be contiguous, the restriction that only one city can belong to a district and the population ceiling. Along with removing these barriers, the statute should be amended to require the Secretary of Veterans' Services' sign-off on formation of noncontiguous districts and districts with populations above the existing ceiling, in order to address concerns about capacity of these districts in order to ensure proper staffing levels to address the veterans population within said proposed district.
- Provide financial incentives to encourage the formation of veterans' services districts, including funds to purchase hardware and software.

H. Appendices

Please see report appendices for the following report materials:

- List of recommendations requiring legislation action
- At-a-glance view of all local service recommendations
- In-depth committee reports on each local service area examined

**These appendices and all other report material are available online at:
[www.mass.gov /governor/regional](http://www.mass.gov/governor/regional)**