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Regionalizing Government in Maine: Opportunities for the Future

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Regionalizing Government in Maine: Opportunities for the Future

by

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1. INTRODUCTION

In keeping with his promise to make government work better for the people of Maine, Governor Angus King commissioned the Task Force on Regional Options for Better Government. The Governor charged the task force with recommending some alternative regional arrangements for the delivery of government services currently provided by state or local government. The task force evaluated three services in which regionalism offered some advantages: economic development; demand response transportation; and municipal management information systems.

In the course of the study, the task force applied several of ground rules to discipline our analysis:

1. Challenge old assumptions about how government services should be delivered. Narrow views, framed by habit and tradition, can obscure opportunities.
2. People want government to deliver better service at lower cost.
3. Don't rely on regionalism as the solution to every problem. Regionalizing services works best when it fills gaps where state government seems too big and the local government seems too small.

Following these rules, the task force prepared specific recommendations for three policy areas, and drew several key conclusions about regionalism that apply to a broad range of policy issues and governance:

1. As Maine communities face new challenges, state and local governments should look at the opportunities and advantages that regional solutions can offer.
2. State and local governments should define regions less by geography than by the common interests, needs, or resources that can bring communities together.
3. State and local governments should examine existing practices to see if cooperative organizations can open up new opportunities.

4. State and local governments will find no single formula for regionalizing their services. Each case presents unique challenges that call for incentives and/or regulations tailored to the situation.

1.1 REGIONALISM: A HISTORICAL PERSPECTIVE

Historically, Maine has not had strong regional governments. State and local authorities retain control over regulatory, enforcement, and taxation policies, with relatively few marginal responsibilities managed at the county level. This arrangement has stymied past efforts to implement regional approaches to service delivery, yet regional approaches go beyond a strong or weak county government.

The experience in Maine and other states reveals that regional agreements and mechanisms often flourish alongside state and municipal government structures with little conflict. So, by looking beyond formal structure of governments, successful regional governance emerges as a package of strategies, practices, or agencies that cross jurisdictional lines to deliver services, solve problems, or settle differences.

Both of the past two governors recognized the potential benefits of regionalizing some governmental functions as a way for local and state government to deliver better services at lower cost. During their terms, , as in previous administrations, Maine continued its incremental shift toward regional strategies in key areas of governmental functions including land use planning, schools, transportation, sewer, water, and solid waste systems, criminal justice systems, and economic development.

1.2 SELECTED POLICY AREAS

The task force developed criteria against which to evaluate the potential benefits of regionalizing additional governmental services:

1. Improve responsiveness of government to the unique needs of a service area by making a better match between the resources and the needs.
2. Improved accountability via a shortened feedback loop.

3. Reduce costs and minimize duplication for government services.
4. Enhance communication and strengthen coordination among government agencies.
5. Appeal to the political and community interests of the participants. Political feasibility dictates that state and local governments should gravitate toward regional services voluntarily and on the merits of a clear benefit.

The task force evaluated a long list of government services against these criteria. After weighing the costs and benefits of each, we selected three services: economic development; demand response transportation services; and management information technology for town governments. We chose them because our review determined delivering public government services fall anywhere along a continuum ranging from informal, cooperative agreements to formal regional government authority. These policy areas provide examples for regionalizing services that pose varying degrees of difficulty based on complexity, tradition, or contentiousness.

Economic Development. The task force recommends the adoption of regulatory and taxation policies to spur the formation of voluntary, Regional Economic Development Investment Compacts as a tool for more efficient planning and public investment.

Demand Response Transportation Services. The task force recommends changes to the reimbursement mechanisms and creation of quality standards for transportation providers to improve the quality and efficiency of demand response services to Maine's low income elderly and disabled residents.

Municipal Management Information Systems. The task force recommends that the state facilitate planning, procurement, and training for municipal management information systems through regional technology centers to speed the development of a statewide, municipal information network.

1.3 REPORT ORGANIZATION

To ease the use of this document, the task force described each of these proposals in detail using the following format:

1. **Introduction:** provides a brief statement of the problem and vision of how a regional approach might improve on the current practice:

2. Current Situation: describes the existing governance and policy framework.
3. A New Regional Approach: describes the policy and structural changes necessary to move in the direction of the vision.
4. Implications for Regional Government in Maine: summarizes the lessons for the state illustrated by this regional strategy.

2. REGIONAL COMPACTS FOR ECONOMIC DEVELOPMENT INVESTMENT

The task force recommends the adoption of regulatory and taxation policies to spur the formation of voluntary, Regional Economic Development Investment Compacts as a tool for more efficient planning and public investment

2.1 INTRODUCTION

For years, Maine towns and cities have competed to keep businesses in their towns and to build local economic activity. The importance of business properties--and the taxes they pay--to town governments shapes spending decisions on roads, utilities, and public works. In the name of economic development, towns tap local, state, and federal sources, sometimes duplicating investments in neighboring towns in order to serve existing businesses and to lure new or expanding business to town. If the investments pay off, local businesses can provide a stable or expanding job base. Yet even in the most successful towns, the investment strategies can produce sub-optimal results. Unproductive competition pits town governments against one another in bidding wars that can compromise the local tax base in favor of the regional employment base, or underutilized infrastructure provides a poor return on the public's investment. In either case, the local government receives a less-than-optimal return on the residents' investment.

Maine towns and cities could do better by cooperating. As an alternative, local governments could work together in regional compacts for economic development, agreeing on where and when to invest for the maximum and most efficient return, and avoiding competition by sharing more evenly the costs and benefits of a robust, regional economy.

2.2 CURRENT SITUATION

Current state and local policies combine to diminish the economic returns on public investments in two ways. First, existing state and local tax structures generate harmful

competition among towns eager to increase their property tax revenues, and second, the failure of communities to coordinate their investment strategies leads to inefficient utilization of capital investments.

Tax Structures Encourage Inter-municipal Competition. The state's control over sales and income taxes combines with the local dependence on property taxes to skew local decision making in favor of harmful inter-municipal competition through inefficient investments and unwarranted tax expenditures.

State control of all sales and income tax revenues leaves municipal governments with only the property tax to recover the cost of local public investment, thus making the siting of business property critical to the finances of municipal governments. However, in the context of the region's economic development, taxes on total earnings and spending eclipse property taxes and more accurately reflect the economic activity in the region. Under the current system, any single municipality that makes public investments will receive a direct return only through the property tax. This uncouples the costs from the benefits since the entire region will benefit from the economic activity that results from the investment, while the larger share of public revenues, sales and income taxes, will go to the state. To the extent that aggregate state and local spending influence or contribute to the vitality of a region's economy, so should the members of the region share equally in the benefits and the costs.

Poor Return on Public Capital Investments. The return on public capital investment suffers because state policies set few explicit standards for allocating spending based on regional infrastructure needs. As a result, spending decisions for infrastructure follow no clear strategy to ensure efficient utilization or to avoid short- or long-term redundancy. For example, towns may pursue state and federal funding for local waste water treatment systems to attract economic development. At the local level, the investment creates some benefits, but it also puts the towns in competition to realize a return on their separate investments. By investing simultaneously instead of serially, towns will take longer to reach full capacity, and consequently they will take longer to realize the maximum return on their investments. For state and federal government, the excess capacity also represents underutilized capital investment, and the delayed payback imposes an opportunity cost on the public treasury.

2.3 A NEW REGIONAL APPROACH

Goals

We propose a set of reforms to state and local tax and regulatory policies to encourage the voluntary formation of Regional Economic Development Investment Compacts. Maine public policies should discourage cities and towns from competing against neighboring municipalities for economic development. By offering incentives to cooperation, the state can encourage regional planning and investment strategies that will help communities maximize regional comparative advantage as the foundation for the formation and growth of businesses that compete in state, national, and global markets.

A recent report from the Committee for Economic Development, outlines a new paradigm for economic development policy that builds on the concept of economic development "as a process rooted in a market-driven private sector.....with a set of state responsibilities encompassing a wide range of public actions that affect the process of development." In particular, the article described three principal ways state and local policies influence economic activity:

1. Establish an effective legal, regulatory, and policy framework for market-driven private sector activity;
2. Provide the basic economic foundations on which the private sector depends, e.g., skilled and motivated work force, access to knowledge and technology, competitively priced capital, sound infrastructure, well-managed natural resources, high quality of life, and balanced fiscal policy;
3. Tailor policies to the needs of individual regions and communities, which can mean redefining planning, infrastructure, and fiscal policy according to a new "economic geography".

Consistent with these recommendations, locally-negotiated compacts for economic development investment and land use planning would take us a step closer to region-specific development strategies, while preserving the state's the role of managing the process and defining desired outcomes for economic development policy. As the sponsor of inter-municipal negotiations, the state helps communities "redefin[e] planning, infrastructure, and

fiscal policy according to a new 'economic geography'". Recent reports by the Maine Economic Growth Council, the Maine Alliance, and the Maine Chamber of Commerce and Industry echo this call to regionalize economic development planning and reconsideration of the state's tax structure.

Strategies

The fundamental challenge to creating an intermediate level of governance revolves around the shift in power down from the state level or up from local government. Institutional resistance presents the most critical barrier to success, so the design for successful Regional Economic Development Investment Compacts must meet four tests:

1. Every party must enter agreements voluntarily.
2. Governments will assign responsibility more readily than they will give up power, so any re-alignment of tax policies and land use regulations must allow the ceding government to project its authority through guidelines and conditions
3. State government cannot mandate local spending, and in the current environment, the Legislature can ill afford to support changes that appear to cost more, so the financial incentives must come through re-allocation of existing financial resources to encourage policies that promise future savings.
4. Local governments will also resist any call for additional spending, but they will re-shape their policies based funding allocations and targeted program matches.

Shifting Power Up--Local to Regional Governance. Local governments will work together only if it yields a clear benefit to their constituents. Before they will initiate any substantial change in local governance, they must believe that cooperation and combined resources will produce a richer return for their residents. The state's role becomes one of helping towns begin to work together and structuring policies that will reward their cooperation. State government has a wide range of options (precedent for these exist in Maine or in other states) to induce communities to create regional compacts and regional economic development plans:

1. Regionalizing Commercial or Industrial Tax Rates. Cities and towns could eliminate differential tax rates for all new or existing commercial properties. As an incentive,

the state could shelter all or part of the property value from revenue sharing calculations, thereby allowing the region to reduce its tax assessment without sacrificing aggregate revenues.

2. Local Option Taxes. To encourage targeted infrastructure investments, the state could permit communities to assess a Local Option Tax on sales, services, wages and salaries, etc., provided the revenues go toward funding investments that serve regional development goals.
3. Regional Sales Tax Increment Financing (RSTIFs) or Regional Tax Increment Financing (RTIFs). As a less ambitious alternative to a straight Local Option Tax, RSTIFs would allow towns to keep all or part of any new sales tax revenues to finance appropriate public investments without reducing their share under state revenue sharing programs. Alternatively, the state could discourage direct competition between towns through Tax Increment Financing arrangements by giving more favorable revenue sharing to towns that negotiate regional standards for any TIFs for new development in the participating communities.
4. State and Federal Grants to Communities. The state could reserve some or all of its discretionary funding to reward investments that support regional planning goals through programs such as Community Development Block Grants.
5. Public or Private Financing Guarantees. The state could help ease access to credit for public or private investment through existing loan guarantee programs offered by the Finance Authority of Maine, or by allowing for the charter of local agencies such as the Building and Industrial Development Corporations found in Michigan.
6. Public Secondary and Post-Secondary Education Funding. Set aside state funding for campuses of the Maine Technical College System, the University of Maine System, or the Regional Vocational Centers to reward the development of educational and training programs that match the regional economic development needs. The cities of Lewiston and Auburn have successfully tied the programs at the L/A campus to regional needs. The current funding of quality centers for workforce training provides another model for encouraging better matching between public investment and regional economic development goals.
7. Other Possible Incentives. To prime the pump, the state could offer matching planning grants and technical assistance as an inducement for communities to negotiate compacts. weigh regional strengths, weakness, opportunities, and barriers as the foundation for their investment strategies. The federal government already provides a useful model for this type of planning here in Maine through its Economic Development Districts and the requirement that each district prepare an Overall Economic Development Program analysis for its region.

Using something like the OEDP as a model, state government can set the standards and conditions to secure its interest and meet its responsibilities vis-a-vis land use planning, public investment, and tax policy. The state effectively retains control while allowing the public to enjoy the benefits of locally-tailored economic development policies.

Barriers

Any attempt to alter state or local mechanisms controlling land use, taxation, and spending must overcome some political and technical barriers. All parties have a political interest in protecting the scope of their existing authority, so any transfer of control from the state to regional level or from municipal to regional authorities must compensate for that loss. Each party must gain something in the transaction. Regional compacts among separate communities should come together voluntarily, drawn by economic inducements, but never forced by mandate. Similarly, to overcome the legislature's reluctance to diminish its own power, any devolution of state authority has the best chance for success if it simply extends the legislature's authority to a regional agent through closely prescribed guidelines and processes. The State's Site Location of Development Law provides a useful example of how this can work. Under the local review options, many local governments have taken on the responsibility of Site Location of Development Review, although state government reserves the right to review any local decisions.

Forming regional planning compacts also presents some technical challenges both in the management of the inter-municipal negotiations and in the actual planning that follows. Most towns have some planning capacity, but regional planning, especially as it involves analysis of infrastructure capacity and investment, may overtax substantive expertise. In addition, the attendant need for collaboration and coordination among different disciplines and organizations will almost surely impose new demands on local government. The state must offer ways to offset these technical and financial barriers for the policy to move ahead.

Measures of Success

Although greater economic security and stability will arise as the true, long-term measure of successful regional collaborations, several short-term accomplishments will mark the State's progress toward regional cooperation:

1. As a first order measure, we can count the number of communities that form compacts and organize their economic development investments around regional plans.
2. Similarly, the annual number of TIFs and STIFs approved by individual towns should decline as cities and towns begin to collaborate.
3. In addition to shared investment strategies, successful compacts will develop formulas for sharing the benefits of enhanced economic activity in the region by pooling local option tax revenues, property tax revenues, or user fees for transportation or utility services.
4. As regional plans begin to yield result, future analysis of investments and economic activity should indicate increased utilization of infrastructure and higher productivity from public investments.

2.4 IMPLICATIONS FOR REGIONALIZING GOVERNMENT IN MAINE

Regional Economic Development Investment Compacts provide several useful lessons for Maine government and Maine communities:

1. Regions can and should define themselves, through collaboration and voluntary pursuit of mutual interest, so we should anticipate that new regional organizations may emerge spontaneously, from the bottom up, shaped by a redefinition of opportunity. Therefore, the search for strategies to encourage the growth of more regional organizations should begin with the removal of existing barriers rather than new spending or mandated reassignment of governmental authority. In the case of economic development, the current practice of competition and fragmented decision making represent missed opportunities for communities to save money and secure a better return on the public's investments.
2. Regional cooperation can strengthen Maine's communities and the economy, while competition rightly belongs to the business sector. Through cooperative planning and investment, communities can enhance the regional comparative advantages, as a means to helping businesses maintain their competitive advantage in the global market system.
3. Social, economic, and technological changes call for a re-evaluation of historical behaviors and organizational structures. Government can best serve the public's interests when it shapes itself to match the changes that challenge Maine communities.

4. The flow of federal, state, and local dollars to Maine communities gives all Maine citizens a stake in efficient investment planning. The more sensibly communities decide how and where to invest in their region, the more value the rest of state's citizens derive from those investments.

3. DEMAND RESPONSE TRANSPORTATION SERVICES

The task force recommends changes to the reimbursement mechanisms and creation of quality standards for transportation providers to improve the quality and efficiency of demand-response services to Maine's low income elderly and disabled residents.

3.1 INTRODUCTION

Demand response transportation services for the low-income elderly and disabled are delivered in eight regions which coincide with the eight Regional Transportation Advisory Committee (RTAC) regions (Appendix B). Regionalism, however, entails much more than simply dividing the state into geographic regions. Organizations involved with providing services must also act and think regionally. Certainly regionalism is geographic, but the ultimate efficiency and effectiveness of a regional approach involves an efficacious funding stream which creates an environment where providers work in concert to provide the most practical and responsive service to consumers.

3.2 CURRENT SITUATION

Demand Response. Maine is served by a network of programs that provide public transportation other than fixed route/fixed schedule service. These services are called para-transit, community transportation, or demand response. These services provide on-request, door-to-door transportation usually by buses, vans or cars and require advanced reservations. In addition, eligibility and trip purpose requirements may apply.

The clients of demand response transportation services are participants in various human service programs. The transportation providers are then reimbursed by the social service program. These agencies provide a variety of transportation programs. The services available include:

- Demand response which involves using agency vehicles
- Volunteer driver programs where trained volunteers provide the transportation in their own cars and are reimbursed
- Friends and Families programs for clients who drive themselves or are transported by a family member or friend.

Demand Response Stakeholders. There are several stakeholders involved with demand response transportation services in Maine including: the Maine Department of Transportation (MDOT), Maine Department of Human Services (DHS), the Department of Mental Health and Retardation (DMHR), designated service providers, other agencies providing on demand transportation services, clients (passengers) and consumers (payers for service). All of the state agencies as well as most of the service providing agencies have multiple missions where demand response transportation service is one of many responsibilities.

Designated Provider System. The delivery of demand response transportation services is currently organized in a designated provider system. In this system, the MDOT recognizes one demand response provider for each of Maine's eight RTAC regions. This system is meant to provide clients with one phone number to call and request transportation services. The role of the designated provider is twofold. First, the designated provider receives calls from clients and determines the type of transportation service (i.e. fixed route vs demand response) and second, if necessary, the designated provider furnishes service to that client. The designated provider will provide service regardless of the client's geographical location in the RTAC region.

Even though the MDOT only recognizes one designated provider, many RTAC regions have more than one demand response provider. In many instances a competing provider, rather than the designated provider within the same RTAC region, may have a vehicle closer to the client or be better able to meet the needs of the client. Maine's eight RTAC regions are geographically expansive and often clients must make reservations for service one to two days in advance. However, because the client called the designated provider that client only uses the demand response services of that designated provider. Under the current system dispatchers who work for the designated providers always directs service to their own

agency and do not refer clients to other demand response providers who may be able to provide more timely or higher quality services.

Funding Sources. Demand response transportation services are reimbursed from two main funding sources: federal Medicaid dollars and matching funds from the state. Medicaid reimbursement funding for

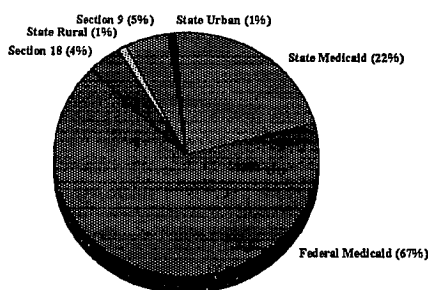
demand response services in Maine is approximately \$15 million annually (See Figure 1). State funds consist of approximately \$4.5-5 million annually in matching Medicaid dollars, including dollars from Section 16 of the Federal Transit Act and approximately \$400,000 in matching funds for Section 9

and Section 18 of the Federal Transit Act. Section 9 refers to funding for capital, operating and planning expenses for urban areas. Section 18 is its non-urban counterpart. Section 16 dollars are capital funds for the elderly and handicapped (See Appendix A)

The current system is plagued by several problems. Some of the identified problem issues are as follows:

1. In practice, no consensus exist among providers or the funding agencies with respect to the different levels of service among demand response transportation providers.
2. No consensus exist among providers and the funding agencies on what the quality standards should be for each different level of demand response service.
3. Competition among demand response providers does not always provide the best choice of service for the consumer.
4. The MDOT has limited authority in quality control over designated service providers or other demand response service agencies because of no uniform quality guidelines.
5. The paperwork requirements for reimbursement are a burden on resources for individual demand response providers.

**Figure 1: Maine Demand Response Transportation:
1994-95 Federal and State Funding Sources**



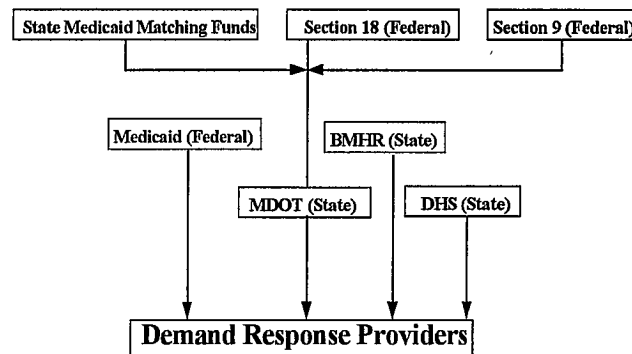
Source: Maine Department of Transportation, 1994.

6. The funding stream to demand response agencies is unnecessarily complicated resulting in high administrative overhead for providers. The current funding stream for demand response reimbursement dollars in Maine is illustrated in Figure 2.

3.3 A NEW REGIONAL APPROACH

Changing the funding stream and creating a quality standards policy will ultimately allow clients and consumers of demand response services an opportunity to realize the benefits of a regional approach. The following are recommendations intended to improve the quality of demand response service to Maine's low-income elderly and disabled populations.

Figure 2: Current Funding Stream for Demand Response Reimbursement Dollars



Goals

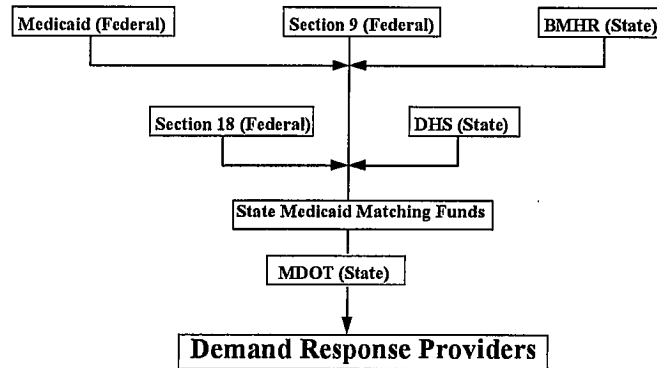
1. Create a funding stream that will alleviate administration costs to demand response transportation providers.
2. Develop a quality standards policy that all providers of demand response transportation services meet in order to receive state and federal funding
3. Create a review committee that will enforce the quality standards policy
4. Create a single dispatch system for RTAC regions with multiple demand response providers.

Strategies

1. Simplifying the Funding Stream. Enable the MDOT to administer all state and federal reimbursement funds to demand response transportation providers. Figure 3 illustrates the proposed funding stream.

2. Developing a Quality Standards Policy. The Commissioner of Transportation will establish a working group comprised of all stakeholders involved in demand response transportation services, to give recommendations on a policy of quality standards that ensures the safe and efficient provision of

Figure 3: Proposed Funding Stream for Demand Response Reimbursement Dollars



transportation services. The Committee's goal will be to develop, through consensus, quality standards that would adequately meet clients and consumers concerns without creating an unnecessary burden for providers.

3. Regulating the Quality Standards Policy. State and federal funding should depend on the providers' ability to meet the standards pursuant to the policy of quality standards. The quality standards will be regulated by a review committee. The Commissioner of Transportation will appoint the review committee whose membership should consist of major stakeholders involved in demand response transportation services: Agency members (MDOT, DHS, and DMHR), demand response providers, RTAC members, consumers and clients.
4. Redefining the Dispatchers Role. The role of the dispatcher will be redefined in the designated provider system. Each designated provider will have two roles:
 - To continue as a provider of demand response transportation services.
 - As a dispatcher whose responsibility will be to provide the best quality service to the client given all demand response transportation providers in the RTAC region.

Barriers

1. The MDOT would be required to take on additional responsibilities which would increase their staffing and resource needs. This problem can effectively be addressed by asking the Governor to:
 - Appoint the MDOT as the agency responsible for the distribution of federal and state demand response service reimbursement funds
 - Propose to the legislature an increase in the MDOT general fund budget.
2. Moving the Department of Health and Human Services' current reimbursement funding process to the MDOT. This problem can effectively be addressed by asking the Governor to:
 - Contact the Secretary of the DHHS to expedite Maine's request to change the reimbursement process.
3. Resistance from the designated demand response providers in fully embracing their new dispatcher roles. This problem can effectively be addressed by:
 - Requiring state and federal funding be conditional upon compliance with the quality standards policy which will include the re-defined dispatch function for RTAC regions with multiple demand response providers.

Measures of Success

The following performance measures will serve as indicators of this proposals of success:

1. A decrease in demand response provider overhead and administration costs.
2. The number of demand response providers meeting the established quality standards.
3. In RTAC regions with multiple demand response providers, the number of referrals by the designated demand response providers to other service agencies.
4. A survey assessing client satisfaction.

3.4 IMPLICATIONS FOR REGIONALIZING GOVERNMENT IN MAINE

1. Regionalism is not simply geographic, but how service providers relate to other agencies, other departments and designated service providers.

2. A comprehensive regional approach involves a combination of incentives and requirements. Demand response transportation services are unique because funding is almost exclusively provided by federal and state funds. In a free market, competition forces providers to respond to client needs. However, the absence of a free market system in demand response transportation services requires the quality standards policy which will ensure that providers focus on responding to client needs. Since demand response services are subsidized and do not operate in a free market environment our recommendations concentrate on requirements, rather than incentives.

4. MUNICIPAL MANAGEMENT INFORMATION SYSTEMS

The task force recommends that the state facilitate planning, procurement, and training for municipal management information systems through regional technology centers to speed the development of a statewide, municipal information network.

4.1 INTRODUCTION

Most towns in the State of Maine are small and thus have small government offices generally staffed by part-time personnel. As both the national and state governments move toward a greater level of information automation these small communities run the risk of being lost on the "Information Super Highway". We propose a new concept in the regionalization of Management Information Systems. By providing each municipality in the state, along with state government, the environment within which to interact in a standardized computer format, enhanced opportunities and economic savings will result. The opportunity for communities to regionalize on different levels (e.g. cities with cities, cities with counties, rural communities with rural communities)

The impetus to accomplish this technological environment will be achieved via the development of an Information Technology Center. This center will have various geographic sites across Maine and will function as a management information systems (MIS) resource to municipalities.

It is intended that each municipality benefit from a cooperative exchange of information and the economically beneficial opportunities to purchase equipment. Municipalities will have state-wide access to computer training and the latest information technology available which will allow local officials to improve government operations and services. Local systems will have the ability to integrate information both with other municipalities and with state government systems. Further, the municipalities will be able to interact within both general and specific regionalized systems.

In Wisconsin, a system to facilitate renewal of auto registrations using a touch-tone phone and a credit card has been introduced. Texas has the Texas Natural Resources Information System (TNRIS). This system provides a link between the sources of natural resources data and the users of that data.

4.2 CURRENT SITUATION

In state governments throughout the United States there are mainframes and personal computers in net-worked and stand-alone configurations. Over half of the operating environments in state government are completely interactive, a change reflecting the impact of end-user computing. Trends in state expenditures indicate that the adoption of new technologies, the upgrading and replacement of hardware and networking are where the bulk of the state government information budget is going.

In the state of Maine, less than fifty percent (50%) of municipalities have computers. Reports from the Maine Municipal Association indicate that most of these municipalities are looking for assistance with information/technology automation and are finding that no entity exists to provide information resource management, planning and coordination at the local level. The automation of information technology presents a significant cost to the local municipality. If done independently, communities could spend up to \$20,000 to computerize.

In a recent report on local government (Managing Information Systems in State and Local Government) researchers document that in the 1980's local municipalities around the country computerized information/automation systems. They found that the individual automation needs reflected individual information- processing biases and preferences; hence, the systems could rarely interact with each other. Massive inefficiencies have emerged in the 1990's as these small government entities realize that control, standardization and integration of information is not easily attained.

Given that most municipalities have not begun their journey on the information super highway, regionalizing information automation activities offers municipalities the opportunity to experience savings around group purchasing of hardware and software, group training activities for information professionals and interconnectivity of information resulting in enhanced planning data, cost savings and customer satisfaction.

An example of successful automation is the regionalization of geographic information systems (GIS). The combination of database management systems and computerized mapping has proven to be a very powerful tool for local government. GIS databases can house statistics on crime, weather, disasters, infrastructure, permits and buildings. These statistics are electronically linked to geographic images of specific spatial location.

4.3 A NEW REGIONAL APPROACH

Goals

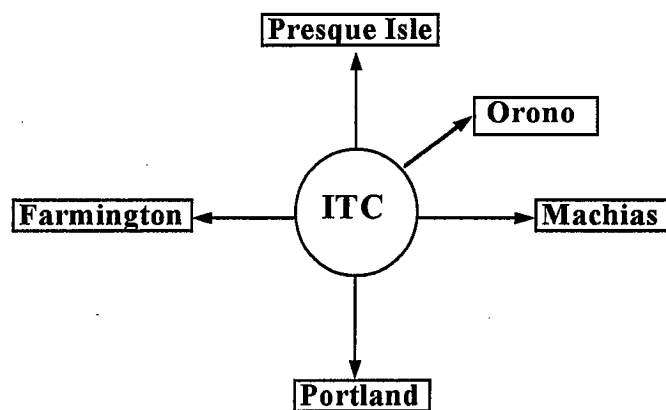
In anticipation of the installation of computers in the majority of municipalities in Maine, a complete information support program will be prepared through the development of an Information Technology Center (ITC). The main ITC office will be housed with the Maine Municipal Association in Augusta and will have satellite technology centers around the State of Maine located on University of Maine campuses. Campuses include Machias, Presque Isle, Orono, Farmington, and Portland (See Figure 4). These locations provide easy access to the ITC state-wide. The satellites will offer communities geographic access to the program and will provide the

flexibility to have varied programs based upon municipal needs.

For example, the University of Southern Maine could serve as a site for the larger government systems (ie. Portland, Lewiston and Augusta) while the central office at the

Maine Municipal Association could serve mid-size municipalities located in central and western Maine.

Figure 4
Maine Municipal Information Technology Center



The ITC will provide training, consulting, information and group purchasing opportunities for local governments. In addition, the center will be responsible for research and development in continued training, systems design, testing, integration and maintenance of a software library.

Strategies

The ITC, with the assistance of system participants, can incorporate benchmark performance measures for government officials to achieve a certain level of information integration. Maine municipalities are just beginning to adopt computer technology and the ITC can help municipalities standardize hardware and software thereby easing integration with the State of Maine data systems. Additionally, planning could incorporate a strategic approach to evaluating data commonalties rather than focusing on geographic barriers. The Governor could further this process by committing his personal attention to the effort, as much as is reasonably possible.

Acquisition Planning. Although there is a great deal of speculation about the benefit of information systems in each municipality, there is little or no systematic data about statewide needs. To assess exactly what the users need, a detailed user assessment survey will be done by the ITC. The survey tool will collect information on hardware needs, packaged software needs and custom designed packages in use. For those municipalities with little or no knowledge regarding computers, technical staff assistance will be provided via phone contact.

Data Services Concerns Once the baseline analysis of user needs is completed, the following concerns will be addressed to insure the project will be successful and economical:

1. Platform standardization of DOS or MacIntosh should be required to:
 - Simplify training
 - Simplify maintenance
 - Allow for large scale purchases from multiple vendors to reduce hardware costs as much as possible.
 - Provide central purchasing contracts for multiple items.

- Encourage interchange of ideas among users
 - Allow software, hardware and data exchange among multiple licensing provisions
2. Standard software packages should be provided for the major needs.
 3. Basic and continuing educational/ training programs should be acquired or developed to insure the most productive use of the systems.
 4. Guiding policies regarding the use of the systems should be developed.

Executive Use Program. A significant barrier to implementation of information systems will be the lack of familiarity with computing technology by municipal officials. An executive use program will be offered to encourage these people to learn more about computers and understand the types of productivity that the systems offer. In addition, this program should also contain information to help decision makers understand the drawbacks of automation. This program can easily be offered via video automation for easy use and distribution.

Additionally, the Governor could direct the commissioners to provide common licensing software for MIS that would include motor vehicle registrations, tax records, business licensing, etc. Such an effort would be greeted with great enthusiasm by both the general public and businesses alike in as much as this could save substantial time and effort in conducting the various consumer/government transactions.

Barriers

1. **Funding.** Funding to initially establish the Center would come from the State. Although the current budgetary outlook is bleak, a committee currently studying Management Information Systems and their value to regionalization could provide the much needed support for this venture.
2. **Ongoing funding.** The funds needed to maintain the Center would be obtained from the municipalities involved in this MIS endeavor. Spread out among the expected number of participating communities, the cost to each would be minimal.
3. **Negative Bias.** With some municipalities there will be bias regarding the need to automate and integrate information management. This barrier is addressed earlier in the strategies section under the Executive Use Program. Preparing for such negative bias includes presenting the necessary and all-encompassing information to each community and its representatives. By anticipating and then preparing for such a possible encumbrance, we expect to avoid serious problems.

Measures of Success

1. The Number of municipalities that integrate information systems as opportunities arise at both the local and state level. By maintaining software programs identifying the municipalities that use each type, the Center can be informed as to the extent of the interactive ability of the programs. Once communities possess the skills and tools to utilize the system to it's fullest, it will be important to determine if they actually do so.
2. Number of municipalities that participate in initial training programs. This is viewed as a valid performance measure to the degree that numbers indicating initial interest can be tracked. By measuring participants at the different sites the State can track the initial indicator of municipal interest in MIS across Maine and focus marketing efforts accordingly.
3. Number of municipalities that participate in continuing education opportunities which will keep them informed of current technology. Again, measuring the program by tracking educational needs at various levels and offering training opportunities statewide will be necessary to provide valuable services to the municipal stakeholders.
4. Number of municipalities that utilize information systems. This performance measure is one that will best provide a representation of whether the entire program is effective. A survey can be conducted to determine the number of communities actually utilizing the system once it is in place. This data can provide the Information Technology Centers with a benchmark value of success or failure.

4.4 IMPLICATIONS FOR REGIONALIZING GOVERNMENT IN MAINE

1. Here in the State of Maine a clear opportunity exists to move toward an integrated approach in the automation of management of information systems at both the local and state level. Less than 50% of municipalities have computers and these municipalities are looking for assistance and guidance with the automation process. The development of the Information Technology Center will facilitate this visionary approach and provide the process for measurable outcome of integrated information opportunities.
2. As the information age moves forward, Maine will be in the forefront in its approach to educate and facilitate local municipalities with information automation. The Information Technology Center will serve as a pivotal force in its ability to gather data needs, provide hardware/software procurement support, education and advocacy with local and state government information integration endeavors. The state will be able to develop information regions based upon commonalities of data rather than upon geographic barriers thus resulting in a "seamless" system of information

opportunities. This ability will serve to create both economic efficiencies in the government system and provide the consumer with a satisfactory outcome based upon flexibility and convenience.

5. RECOMMENDATIONS

The task force suggests the following recommendations on how state and local governments can improve the delivery of services by adopting regional approaches. We recommend the Governor:

Economic Development

1. The Governor should direct the State Planning Office, Department of Economic and Community Development, Maine Municipal Association, Jt. Standing Committee on State and Local Government, Jt. Standing Committee on Economic and Community Development to establish planning standards and negotiation guidelines for the negotiation of Regional Economic Development Investment Compacts.
 - This Committee should submit to the legislature a set of planning standards for economic development compacts and guidelines for the negotiation of compacts for approval.

Demand Response Transportation Services

1. Support a single-agency demand response reimbursement system by appointing the MDOT as the agency responsible for administering federal and state demand response funds.
 - Propose to the legislature an increase in the MDOT general fund budget
 - Contact the Secretary of DHHS to expedite Maine's request to change the reimbursement process
2. Support the creation of a quality standards policy by directing the Commissioner of Transportation to establish a working group to give recommendations on a policy quality standards.
3. Support the creation of a single dispatch system for RTAC regions with multiple demand response providers

Municipal Management Information Systems

1. Provide assistance in coordinating the ITC set-up at MMA and the satellite offices on the various UMS campuses
2. Offer limited financial support for the initial establishment of the ITC

3. Direct Commissioners to provide common licensing software that includes a wide spectrum of options
4. Publicly support the MIS initiative and encourage state-wide participation by communities

6. ACKNOWLEDGMENTS

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John Duncan, Greater Portland Council of Governments
Lucien Gosselin, Maine Development Foundation
Linda Wood, Androscoggin Valley Council of Governments

DEMAND RESPONSE TRANSPORTATION SERVICES

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James Hilly, Regional Transportation Program, Inc.
Maine Department of Transportation, Performance Standards Committee
Kenneth McNeil, Maine Department of Transportation
Theresa Spellsplug, Androscoggin Valley Council of Governments
Kent Taylor
Kevin Vickers
Linda Wood, Androscoggin Valley Council of Governments

MUNICIPAL MANAGEMENT INFORMATION SYSTEMS

Jim Dimicus, Maine Municipal Association
Maine Development Foundation

7. REFERENCES

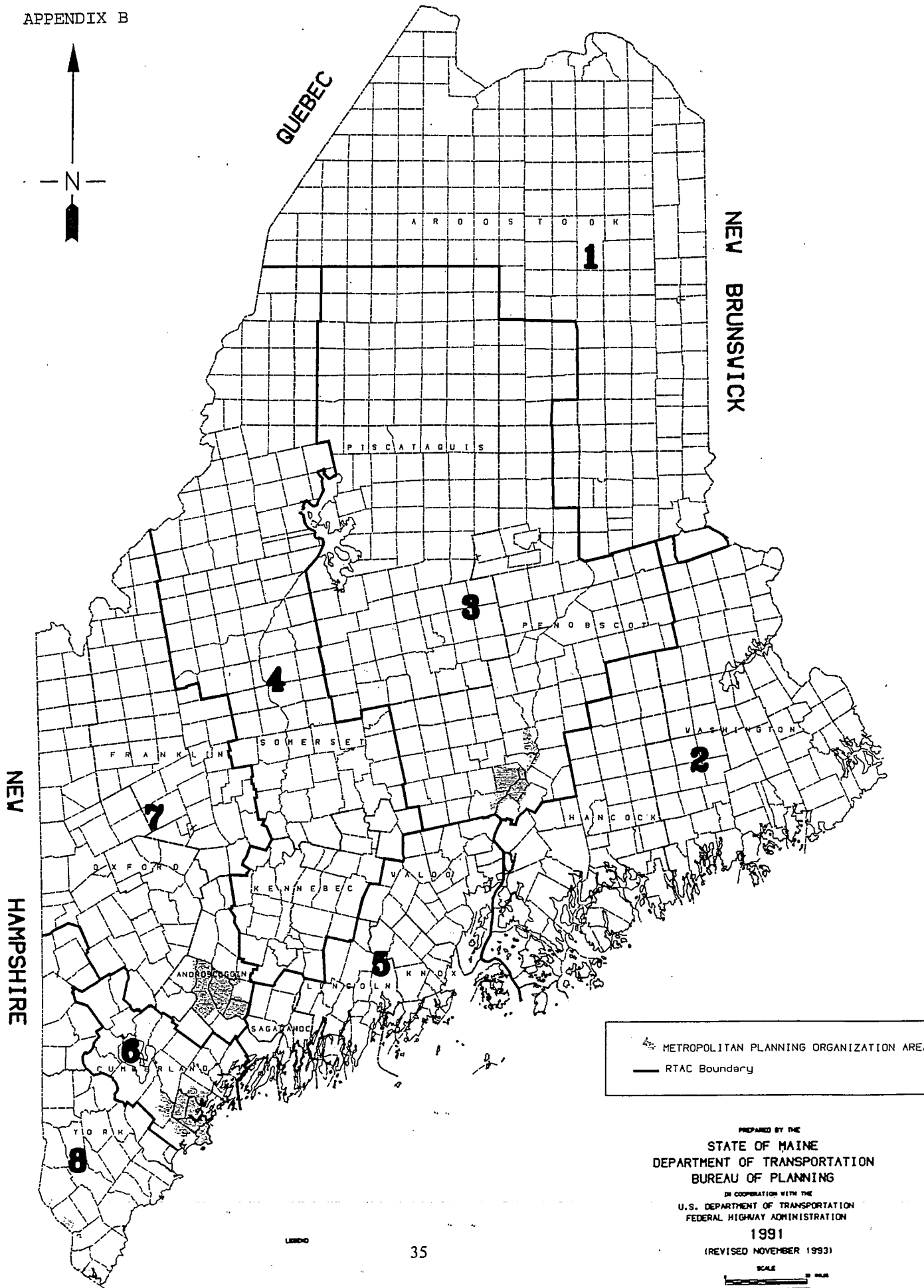
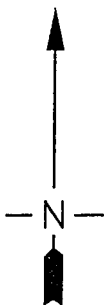
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- Region 5 Biennial Operations Plan*, Maine Department of Transportation, 1994
- The Course for 1995 & Beyond: An Implementation Strategy for Charting Maine's Economic Future* (Draft). Prepared in a joint venture of the Maine Alliance and the Maine Chamber of Commerce and Industry, January, 1994.
- Twenty-Year Statewide Transportation Plan*, Maine Department of Transportation, 1994.

Appendix A

1995-95 Biennial Operations Plans: Federal and State Funding Sources For Regions 1 - 8*

Funding Source											
Region	Section 18	% of Total	State Rural	% of Total	Section 9	% of Total	State Urban	% of Total	Total	% of Total	
Region 1	\$120,197	12.7%	\$28,711	12.7%	\$0	0.0%	\$0	0.0%	\$148,908	6.2%	
Region 2	\$107,883	11.4%	\$25,784	11.4%	\$0	0.0%	\$0	0.0%	\$133,667	5.6%	
Region 3	\$122,470	12.9%	\$29,254	12.9%	\$251,490	20.6%	\$34,120	21.5%	\$437,334	18.3%	
Region 4	\$150,390	15.9%	\$35,923	15.9%	\$0	0.0%	\$0	0.0%	\$186,313	7.8%	
Region 5	\$134,859	14.2%	\$32,211	14.2%	\$0	0.0%	\$0	0.0%	\$167,070	7.0%	
Region 6	\$68,901	7.3%	\$16,459	7.3%	\$695,067	56.8%	\$84,768	53.5%	\$865,195	36.1%	
Region 7	\$130,930	13.8%	\$29,118	12.9%	\$276,499	22.6%	\$39,638	25.0%	\$476,185	19.9%	
Region 8	\$110,792	11.7%	\$28,621	12.7%	\$0	0.0%	\$0	0.0%	\$139,413	5.8%	
Total	\$946,422		\$226,081		\$1,223,056		\$158,526		\$2,395,559		

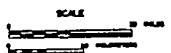
* Does not include Medicaid funding



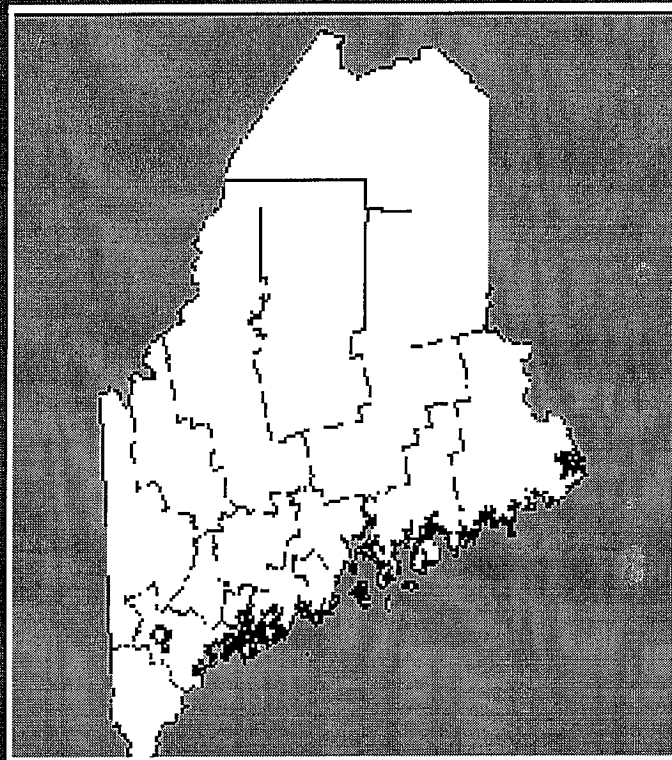
— METROPOLITAN PLANNING ORGANIZATION AREA
— RTAC Boundary

PREPARED BY THE
STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
BUREAU OF PLANNING
IN COOPERATION WITH THE
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

1991
(REVISED NOVEMBER 1993)



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Economic Development

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Municipal Management Information Systems