**Section 334.4 Establishment of Service Areas**

a) The Department shall establish the geographic areas of the state for which competitive applications may be submitted to identify the entity which will provide youth services in that area.

b) In establishing service areas, the Department shall consider the following:

1) Natural geographic or political boundaries that currently exist in the state such as counties or townships.

2) Community areas within municipalities which have already been established with their own sense of identity and history of working on community problems.

3) Clusters of the above which have developed a common sense of identity and shared working arrangements aimed at serving a shared population.

4) Population.

5) Existing service areas such as Department field offices, mental health planning areas and police districts and areas, social service networks and local government funded programs.

c) Service areas shall contain a population of at least 40,000 but no more than 650,000.

d) Applicants may request to combine adjacent service areas to form the service area of a single local board or local service system. No more than three service areas may be so combined. Service areas may be combined when doing so promotes economies of scale which will result in improved service delivery.

e) The Department reserves the right to change or eliminate service areas, in whole or in part, in accordance with the factors delineated in Section 334.5 (b), (c), and (d). In the event that a service area applied for is modified by the Department, the local board or local service system will have 6 months from the date of designation as a local board or local service system to comply with Section 334.6.

f) The Department may also negotiate changes in service areas with potential local boards or local service systems.