MFP/HHS COMM # 1
June 28, 2007

MEMORANDUM

June 26, 2007

TO: Management and Fiscal Policy (MFP) Committee
Health and Human Services (HHS) Committee

FROM: Peggy Fitzgerald-Bare, Council Grants Manager
Linda McMillan, Senior Legislative Analyst

SUBJECT: **FY08 and FY09 Council Grants Process**

The purpose of this joint Committee meeting is to review the Council's FY08 grants process and to begin to discuss options for Council funding of services provided by community non-profit organizations in FY09.

Many local governments in the Washington region and in the State of Maryland are currently focusing on the issue of funding to non-profits, as noted in a recent survey of local government grant practices by the Maryland Association of Counties and the Maryland Governor's Grants Office. In addition, a Washington Post editorial (5/31/07) recently focused on the District of Columbia's practices regarding grants to non-profits and is attached at the request of Councilmember Leventhal. (©1)

Today's discussion is divided into three sections: Part I is a review of the FY08 grants process. Part II is a discussion of potential options for Council consideration regarding the FY09 budget. Part III identifies some additional potential actions related to funding of non-profit organizations.

Part I. Review of FY08 Council Grants Process

After the County Council's budget approval, Council President Praisner sent letters to each organization that had submitted a grant application to the Council, informing them of the Council's actions regarding their grant request. The Council President also invited organizations to share their thoughts on their experience with the County Council grant process, provide suggestions for improvement, comments or suggestions regarding the Council's funding of non-profits overall, and any changes they would like to see. Council staff also sent a follow-up email survey to FY08 applicants requesting feedback, including on the following topics:

- Outreach to potential applicants and January 2007 Workshop for potential applicants

- Council Grant Application instructions and application narrative questions
- Evaluation Criteria (cost-benefit; public benefit; strength of organization, strength of proposal)
- Grants Advisory Group Question &Answer sessions with applicants
- Grants Advisory Group Report
- Overall clarity of process

Council staff also invited members of the Grants Advisory Group to provide feedback on the process. The Grants Advisory Group provided initial feedback at their last meeting on April 9 in addition to the attached written comments.

Written responses received from applicants are attached on ©2-12 and from Grants Advisory Group members on ©19-26. In addition to communications from individual organizations the Council has received a set of recommendations from Nonprofit Montgomery!, a network of Montgomery County nonprofit organizations. Leaders from almost 100 non-profit organizations developed these recommendations at a convening on May 31. They met to discuss ways in which Montgomery County government and non-profit organizations could strengthen their work together, including through improved funding processes. (©13-18)

Of particular note is that both Grants Advisory Group members and many in the non-profit community suggested that any grant funding process would be improved if at the outset the Council:

1. **indicates its priorities for funding (with involvement by non-profit sector in setting priorities),**
2. **determines the overall amount of funding available (if possible), and**
3. **clearly identifies specific evaluation criteria.**

In addition to the comments described above, the 10 non-profit organizations who submitted comments generally felt that the application was clear, the workshop helpful, and the Question and Answer session with Grants Advisory Group members useful (with a more specific time frame for the session in the future). Two expressed concerns about the accuracy of their evaluation and the information utilized for it and one requested that the Council make efforts to include persons from the different ethnic groups comprising the population of Montgomery County in any future community advisory panel.

Nonprofit Montgomery! also has recommended a single point of entry for information on grants, a common application, an evidence-based review and evaluation process, a variety of funding approaches, including single and multi-year, an open category for new needs not covered in priorities, and a clear process for inclusion in base budgets of departments.

In addition to the overall suggestions described earlier, Grants Advisory Group members had a number of other suggestions to improve the process. Some were:

- agencies could better identify outcomes to be achieved and how they will be measured; the County may want to consider training/workshops on this topic;

- if a grant request is for continuation of a program previously funded by the County, identification of the results achieved with prior year funding should be a requirement of the grant application;
- Grants Advisory Group members had differing points of view whether the size of an organization and its financial resources should be a factor in determining grant decisions;
- Some members recommended a different approach for identifying most highly recommended grants and that more clarity on role of co-chairs would be useful. Generally Grants Advisory Group members felt a community advisory panel should have a stronger role in identifying proposals for funding.

Part II. Potential Options for FY09 Council funding of services provided by community non-profit organizations.

As anticipated in the Council Resolution adopted for the FY08 grants process, Council staff has provided some different options for the Committees to consider for future Council funding of services provided by community non-profit organizations.

In developing these options, Council staff met with Executive Branch staff members and several non-profit leaders. Staff also participated in the May 31 convening of non-profit leaders.

Council staff has described each option, noting pros and cons, and a list of issues that the Council would need to decide if the Council wishes to adopt that option. At today's session staff suggests that the Committee briefly review the options, identify any additional issues for the options listed, and identify any other options Committee members wish to explore.

Council staff suggests the Committee wait until September to make recommendations regarding the Council's funding process for FY09. This would provide time for public and non-profit organizations to have an opportunity to comment on the options identified. However, decisions by the Committee and Council are needed in the early fall to begin to implement whichever approach the Council takes.

All options assume continuation of following current Executive Branch grant programs: CDBG, Community Service, Community Empowerment, Cost-Sharing CIP project for capital projects, and noncompetitive contracts in base department budgets, as well as the current structure for Arts and Humanities grants, and selection of adult ESOL grants by the Montgomery Coalition for Adult English Literacy. Option 3, proposes a change in the Executive's current Community Grant (discretionary) process. Executive branch staff will be at the Committees' worksession to answer questions about the Executive's position and plans regarding Executive branch grant programs.

Option #1: Continuation or modification of current Council Grants Process

Standard application, deadline, review by Council-appointed Grants Advisory Group, staff recommendations, Council President recommendations.

Pros: Established process, many non-profits familiar with process, permits wide range of non-profit organizations to seek funding for a variety of programs and projects in a more structured process than approaching individual Councilmembers or requesting funds from the Council at a public hearing or by letter. Permits Councilmembers to allocate funding to individual organizations proposing a new or innovative program, service to a particular geographic area, or service need aligned with Councilmember budget priority.

Cons: Number and amount of requests far exceeds Council's funding resources, given historically limited Council changes to Executive's budget. Wide variety of requests presents issues for Councilmembers in assessing requests and presents frustrations to applicants (and Grants Advisory Group members) both of whom have requested that Council identify a more limited range of priority funding program areas. Role of Grants Advisory Group questioned by both applicants and Grants Advisory Group members. Grants Advisory Group members typically support a stronger role in making funding recommendations, especially given significant time investment. Applicants typically are reluctant to support a greater role by a community panel given concerns about volunteer committee members' knowledge of programs and the public nature of the evaluations. Despite more structured process, applicants still unclear about basis for ultimate decisions by Council.

Issues to be decided if current process continued:

- Identification of priority funding program areas?
- Allocation of overall funding amount at outset of process?
- Permit two-year award (subject to appropriation and satisfactory performance)?
- Operating versus capital?
- Dollar limit (floor and ceiling)?
- Limit on number of applications?
- Limitation on repeat requests for same activity?
- Evaluation criteria?
- Role of Grants Advisory Group (comments only, scoring, ranking, tiers)?
- Use of Q&A sessions with applicants?
- Role of staff in selection process?
- Timing of process: In 2006, news release seeking Grants Advisory Group members was sent September 15, with deadline for applications, November 9. Members appointed December 12; grant application posted December 15. Grant application deadline February 1.

Option #2: Establish Priorities and Overall Funding Amount for "Council Grants" in the fall. Shift Administration of Council Grants process to Executive branch.

Council establishes a Community Partnership and Investment Account where Council identifies limited number of priority program areas, determines funding amounts for these priority areas, directs that services should be delivered by non-profit community organizations, but does not select individual organizations to receive funds (other than through Council's overall appropriation role.) The Council allocates an overall funding amount for these priority areas in late fall so that the Executive's budget would take into account this funding amount. The Council could chose to appropriate the funds in the fall or agree to an amount that would be identified in spending affordability and other macro discussions.

The Executive continues current practice of recommending discretionary Community Grants as a part of the Recommended Budget.

For the Council-identified priority funding areas and funding allocations, the relevant Executive Branch department selects community non-profits to deliver services by one of the following means:

- **After submission of a grant application with deadline for submission of proposals, an Executive-appointed Community Advisory Panel reviews all applications and makes individual applicant funding recommendations (similar to Fairfax Consolidated Community Funding Pool[1] and CDBG processes);**
- **Same application process as above but with Executive Branch staff serving as review and selection committee;**
- **Same application process as above but with a review and selection committee blending staff and community members (similar to Community Service Grant review committee);**
- **Formal Request for Proposal process;** this selection method has departments identifying a particular program to be delivered than is the case with a grant program where a variety of approaches and services might be proposed.

Depending on the process chosen by the Executive branch, the award may or may not require designation as a non-competitive contract. For example, if a department chose to use a RFP, the award would be competitive. However, a RFP process may not result in

[1] Fairfax County's Consolidated Community Funding Pool has one funding pool for discretionary funds for health and human service and community development activities (including CDBG grant program). The Board of Supervisors approves broad priority policy areas, overall funding, and target percentages for each policy priority area. A community Funding Advisory Committee recommends policy priorities and oversees development of evaluation criteria, and other planning issues. A separate Selection Advisory Committee reviews and rates proposals based on criteria. Funding awards are for two years. For FY08, over $10 million in funds (72% county funds) were awarded to 115 projects.

organizations putting forth proposals as diverse or innovative as they might through a more flexible grants process.

Proposals by Councilmembers Ervin and Trachtenberg have included elements of Option #2. In December, Councilmember Ervin proposed a Council-appointed Grants Advisory panel to make the individual grant selections, with the Council approving the recommendations as is currently done with CDBG recommendations. She suggested that the Executive could use this approach, either through creation of his own advisory panel or use of the Council's. She also suggested a small 'mini-grant' program at the Council to give Councilmembers flexibility to respond to constituent concerns or other funding priorities. These smaller, one time requests would not be reviewed by a panel but catalogued and made available for Councilmembers to propose within a limited dollar amount. Councilmember Ervin's December proposal is attached on ©27-28.

Councilmember Trachtenberg has indicated that she intends to make a proposal regarding the Council grants process. Her proposal will be distributed when it is received.

PROs: Puts Council in policy and budget priority-setting role related to funding of services provided by non-profit organizations, traditional legislative branch responsibilities. Selection of priority funding areas aligns grants process with highest priority community needs. Potential grant applicants will know whether County grant fund is possible source of funds for their program or whether they will need to pursue other avenues for funding. Council determination of an overall funding amount for this Partnership Account will let applicants and reviewers know at the outset of a grants process the overall available funding for these purposes. Establishes a fully competitive grant process.

CONs: Significant challenges for Council in determining priority program areas given wide range of needs in county. A narrow list of program priorities could delay addressing the full range of community needs. If a maximum is set, there could be financial hardship to organizations that rely on County grant funds for a significant portion of their budget, potentially impacting delivery of needed community services. A more broadly defined list of program priorities could raise some of the same issues as the current Council grant process where the number and amount of requests far exceeds funding resources, presents difficulties to applicant reviewers in assessing requests, and frustrations to applicants.

The various selection methods also have pros and cons. Delegation of proposal selection to a community panel raises some of same issues as current Council grant process and, at least initially, could raise even more concerns about the panel's authority if there is no 'appeal' process to the County Council. Delegation of selection of individual organizations to Executive branch staff could avoid concerns about lack of program knowledge but removes wider community participation in process. A RFP process is competitive, with clear and uniform application and approval procedures. However, as currently constituted, it is very formalized, lengthy, and newer or smaller non-profit organizations may have difficulty applying. It is also very staff intensive for County government, and wider use of it would have significant impacts on administering department, Procurement, and County Attorney offices.

ISSUES:

- What is process and timing for Council setting of priority funding areas? A possible approach in first year is to hold separate public hearing in fall and set priorities by December 1. In subsequent years this could be aligned with Council Budget Priorities Resolution adopted by October 1.
- Does the Council wish to ask the County Executive to recommend priority funding areas and to establish priorities jointly with Executive?
- What is process and timing for funding allocations? If funding allocation is made in advance of recommended operating budget, all stakeholders know of a commitment of funds for services provided by community nonprofits in designated priority areas. Funding allocations could be made in the fall when priority areas are set or as part of December Spending Affordability Guidelines. For first year, the targeted funding allocation could be a percentage of funds contained in FY08 Community Grants NDA.
- At least for first year, does the Council wish to indicate its willingness to consider to continue to fund other Executive branch grant programs, including Executive's discretionary community grants and noncompetitive contracts in base department budgets except where Executive has selected certain ones to competitively bid?
- If yes, what are the ramifications if Council identifies a particular priority funding area, Executive branch institutes a competitive selection process for that funding area, and Executive, as part of recommended community (discretionary) grants, decides to 'pick out of order' and recommend funding for an organization that was not recommended for funding through the competitive process?
- Should there be any opportunity for Councilmembers to propose funding for an individual organization?
- If the Council approves Option #2, does the Council wish to express a preference (or directive) indicating which of the described selection mechanisms should be utilized or leave that decision to Executive Branch?
- Does the Council wish to request that one or more Council staff participate in the selection process?
- Is there a role for private funders, such as foundations, in the selection process, either as part of a review panel or providing input at some point in the priority-setting and review process?
- Executive branch would need to decide most of the same issues as in Option #1 (e.g. limits on amount of funding request, number of applications from same organization, etc.)
- Should funded applications be for two years, (subject to appropriation)? After second year, is there a mechanism for funding in the base budget of a department?
- Is there a role for a community review panel to evaluate results of funded applications after one/two years?
- What would be the Executive and Council staffing impacts?

Option 3 – Establish Priorities and Funding for Council and Community (County Executive) Grants in fall – request Executive use this process as well.

As with Option #2, the Council would establish a Community Partnership and Investment Account. In the fall, the Council, in consultation with the County Executive, would designate priority areas for grants (homelessness, after-school activities, etc.) and a targeted amount of the total to go to that area.

Under this option the Council would be setting an amount that would be the source of funds for **all** private agency requests in the identified priority areas whether, under the current process, they might have been funded as Community Grants (recommended by the County Executive) or Council Grants. **Council staff recommends that under this option funds be appropriated in the fall to a Non-Departmental Account with two budget provisions:** 1) no funds may be expended before June 1, 2008; and, 2) provides that the balance of the account will automatically be re-appropriated.

The "County Health and Human Services and Community Development Grant" application and review **process would be administered by the Executive branch. As with Option #2, the Council could decide to specify whether the Grant Advisory Panel consists of citizens only, a combination of County staff and citizens, or only County staff or leave this decision to the Executive.** The Council would need to determine whether Council staff should be involved in this process. Depending on the diversity of the priority areas, smaller panels with targeted expertise might be used.

Because funds will have been appropriated, it is not necessary to have the results available for the County Executive's March recommended budget; however, they should be available by May 1 so that the organizations that are awarded grants can be included in the Designation of Entities for Non-Competitive Contract Award (Section G of the appropriation resolution).

This option would not impact other grants programs such as CDBG, Community Services Grants or Community Empowerment Grants.

Under this option, Council staff strongly recommends that the Council set a maximum amount an organization may request for an individual grant. This will allow the Council and Executive to direct all grants meeting certain parameters to this process. For example, if the maximum is $100,000 any request by a non-profits agency for grant funding for a program or service in one of the identified priority areas would be directed to submit its request through this process. With this option, the Council should also consider allowing applications that outline 2-years of funding requests.

PROs: This process would allow non-profit agencies to understand the total amount of discretionary grant funds available for FY2009 for the priority areas. Non-profits would not have to worry about trying to seek funds from both the Executive and the Council. It would also allow non-profits to better tailor their requests as more will be known up-front about the amount of total resources.

This option would shift the current thinking and general practice that if an agency is recommended for a "Community Grant" by the County Executive, it is "in" the budget, whereas Council Grants are determined at the very end of the budget process. As with CDBG awards, the advisory panel would be expected to make prioritized recommendations. While final approval of any appropriation lies with the Council, in practice, the recommendations of the CDBG panel have been accepted.

CONs: As with Option 2, this requires the setting of priority funding areas which could be difficult given the wide range of needs in the community. Funds are appropriated early in the process, which reduces the flexibility of the Executive and Council to use the funds in other areas of the budget.

This option requires a commitment by the Council to direct non-profits to apply through this process. Should the Executive decide that he prefers to continue to recommend Community Grants, the Council must be clear that if a non-profit could have applied for a grant under this process, the Council should not consider it separately.

This option requires a commitment by the Council to direct non-profits to apply through this process. Should Councilmembers receive proposals that fit the parameters for this type of grant, the Council should not consider it separately.

For non-profits that are not recommended for funding by the advisory panel, there would not be an "appeals process" to the Council.

Part III. Additional potential actions related to funding of nonprofit organizations.

1. **Community Empowerment Grants.** Councilmembers, as well as Nonprofit Montgomery!, have noted the importance of delivering services to newer members of the Montgomery County community, and the necessity for language and cultural competencies in delivering these services. Often, smaller and emerging nonprofits are well-suited to deliver these services. Special funding support for these organizations may be an appropriate investment in serving these communities. Council staff understands the Executive Branch is exploring ways to retool the Community Empowerment Grant program for this purpose.

2. **CDBG Public Service Program Grants.** The CDBG grant program funds many of the same types of programs proposed in Council Grant applications. Additional resources would permit funding of approved requests at a more effective level, and/or permit funding of more requests. Staff had considered presenting this approach as an option for the Council to consider as a replacement to the current Council Grants process. However, if the Council decides to replace its current grants process, staff believes the previously identified options are a more comprehensive approach than attempting to "fit" into the CDBG program which has extensive application, record-keeping and reporting requirements.

3. **Noncompetitive Contracts in Base Budgets of Departments.** The approved FY08 Community Grants NDA is $6.3 million, and contains most of the Council and Executive discretionary noncompetitive grants. However, the dollar amount of funding is far larger for noncompetitive contracts contained in the base budgets of departments. As an example, while FY08 numbers are not yet available, FY07 figures provided by the Department of Health and Human Services show that there is $31 million in noncompetitive contracts in the base budget of the Department. The Department has indicated that it intends to review and determine which services provided through noncompetitive contracts might be appropriate to competitively procure. The Committees may wish to ask the Executive branch to provide a status report on this matter in the fall.

4. **Revisions to the Procurement Process.** As the Committees have previously discussed, the County does not have the ability to award a grant but rather awards grants as non-competitive contracts. There is concern whether this process is the most efficient and effective way to award funds to non-profits. For small or emerging non-profits it may be difficult or impossible to enter into a reimbursement contract as up-front funding is needed. All County contracts have requirements for insurance which may also be difficult for small or emerging organizations. Council staff understands that the Executive branch is reviewing these and other procurement issues.

5. **Inflation adjustments for certain contracts to non-profit organizations.** As a part of the operating budget, the Executive has many times recommended a 1% increase for certain Department of Health and Human Services contracts with non-profit organizations. The Council has many times increased this funding to total 2%. These funds are meant to recognize the effects of inflation but are not tied to the consumer price or another index. (In setting Charter Limit for this year's budget, 3.6% CPI used; Executive recommended 1% inflation adjustment for HHS contractors; Council approved 2%). The funds are also not specifically for pay adjustments although a non-profit may choose to use the funds for this purpose. Is there a better way to recognize the overall cost increases faced by the County's non-profit partners? How should increases in administration and overhead be recognized?

Attachments

Washington Post Editorial (05/31/07)©1
Nonprofit responses ©2-12
Nonproft Montgomery! letter ©13-18
Grants Advisory Group responses ©19-26
Ervin proposal (12/08/06) ©27-28

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The Washington Post

Taking for Granted

The District needs to review its earmarking for private groups.

THE D.C. COUNCIL'S recent decision to cut off funding for the Historical Society of Washington struck many as arbitrary, if not capricious. No doubt it was. But then so is much of the process by which the District determines which groups are to get city money, and how much. Benignly called government grants, they are in truth political earmarks that depend largely upon the clout of sponsor and benefactor.

The system is in the spotlight because of the council's recent pique in yanking $500,000 from the Historical Society. The move came at the suggestion of council member Marion Barry (D-Ward 8), who said of the group: "What do they do to deserve any amount of tax dollars?"

It's a good question — and it should be asked of every group seeking support from the city. Included in the $5.7 billion budget for fiscal 2008 set to be adopted next week is $51.6 million of grants to specific organizations. They run the gamut from arts organizations to health providers to business associations, and they range from $25,000 to $5 million. Mayor Adrian M. Fenty's budget included $11.7 million in grants, largely to groups that had gotten money in prior years. The amount ballooned as individual council members funded their pet interests.

Many of the groups make important contributions to the community. Who, for instance, can question an effort to immunize children or an organization battling gang violence or a group that feeds hungry families? But there is an inherent unfairness in a system that neither advertises the availability of public money nor requires competition for it. Equally troublesome is that there is little requirement for accountability. That the money is treated cavalierly was evidenced in the way the council, seemingly on a whim, carved up the historical society's allocation to other groups — including one that didn't even know of the largess until it was reported in the newspaper.

Even supporters of the grants concede that the process, started several years ago out of frustration with the city's dysfunctional system of procurement and contracting, has gotten out of hand. Mr. Fenty (D) is pushing the council to require groups to provide more information on their operations and spending. It's a good first step, but it doesn't go far enough. Council Chairman Vincent C. Gray (D-Ward 7) has the right idea in launching a thorough review, including a survey of how other jurisdictions handle requests. Changes need to be made before another budget year comes and goes.

Fitzgerald-Bare, Peggy

From: k2jcolbert@aol.com , Teen Connection
Sent: Tuesday, June 05, 2007 3:45 PM
To: Council Grants

1. Outreach to potential applicants and January 2007 Workshop for potential applicants-Enough notice was given and information was readily available. I didn't attend the workshop but from the invitation, it appeared to cover all of the needed information
2. Council Grant Application instructions and application narrative questions-easy to follow
3. Evaluation Criteria (cost-benefit; public benefit; strength of organization, strength of proposal)-All-inclusive
4. Grants Advisory Group Question &Answer sessions with applicants-thorough, comfortable and well prepared
5. Grants Advisory Group Report-easy to follow, criteria answered, needs better feedback on the negatives
6. Overall clarity of process-clear

AOL now offers free email to everyone. Find out more about what's free from AOL at **AOL.com**.

Fitzgerald-Bare, Peggy

From: Shapiro, Beth [Beth.Shapiro@ShalomDC.org]
Sent: Wednesday, June 06, 2007 8:57 AM
To: Council Grants
Subject: County Council grant process Feedback

Dear Community Partner:

Hi Peggy,

Although we my group (Community Partners NORC with the Jewish Federation of Greater Washington) was not awarded a grant this year I thought the process went well. I particularly found the feedback on the individual grants sent out after the process very helpful. I will be reviewing it next time we apply for funding. My comment is about the wait to be seen by the grants review committee. I was given a time to be there and showed up a few minutes early. I was very lucky and found parking in the lot, however, many that came after me did not and were very stressed as a result. Perhaps we could somehow be given passes to park in the lot where jurors park? Although I was on time, I had to wait for over an hour for my turn as folks that arrived afterwards waited less time.

I would also like to say that all staff were professional and courteous and the grants review committee was efficient and asked good questions.

Sincerely,

Beth Shapiro, Director

Community Partners NORC Program

The Jewish Federation of Greater Washington

Fitzgerald-Bare, Peggy

From: mlahat [mlahat@homecarepartners.org]
Sent: Wednesday, June 06, 2007 10:35 AM
To: Council Grants
Subject: RE: Council Grants Process

I wanted to reply although I don't have too much to add to the process. As a non profit agency that regularly applies for grants/ contracts throughout the metropolitan area, I found the Montgomery County Council's grant application process to be excellent. The application was clear and concise. I also appreciated the opportunity to meet with the advisory group although I would have preferred a definite time to meet, rather than a general time range.
My biggest questions relate to "what happens next" although I believe that may become clearer after hearing from the County agency that will administer our grant.
Please do not hesitate to contact me if I can provide any additional information.
Sincerely,
Marla Lahat, Executive Director
Home Care Partners
202 638-2382

1957-2007
50 Years Young
Because Home is Where the Heart Is;
Home Care Partners

From: Council Grants [mailto:Council.Grants@montgomerycountymd.gov]
Sent: Tuesday, June 05, 2007 3:30 PM
To: mlahat@homecarepartners.org
Subject: Council Grants Process

Dear Community Partner:

In follow-up to the letter sent to you by Montgomery County Council President Praisner in late May, we hope you will take a few moments to share your thoughts with us on your experience with the County Council grant process and any suggestions for improvement. In particular, we would appreciate your comments and suggestions for improvement regarding:

1. Outreach to potential applicants and January 2007 Workshop for potential applicants
2. Council Grant Application instructions and application narrative questions
3. Evaluation Criteria (cost-benefit; public benefit; strength of organization, strength of proposal)
4. Grants Advisory Group Question &Answer sessions with applicants
5. Grants Advisory Group Report
6. Overall clarity of process

We would also appreciate any specific comments or suggestions you might have regarding the Council's funding of nonprofits overall and any changes you would like to see for the future.

You may email your response to council.grants@montgomerycountymd.gov or mail them to me c/o Montgomery County Council, 100 Maryland Avenue, Rockville, MD, 20850. Your comments will

Fitzgerald-Bare, Peggy

From: Eugene Spencer [eugene.spencer@hocmc.org]
Sent: Friday, June 08, 2007 3:44 PM
To: Council Grants
Subject: FW: Non Profit Grants Process Comments

-----Original Message-----
From: Eugene Spencer
Sent: Friday, June 08, 2007 3:42 PM
To: 'Council.grants@montgomerycounty.gov'
Subject: Non Profit Grants Process Comments

The following feedback has been submitted per your request regarding the Councils funding of Non-Profit Organizations.

1 Outreach to potential applicants and January 2007 Workshop for potential applicants -- very satisfied
2. Council Grant Application instructions and application narrative questions -- very clear
3. Evaluation Criteria (cost-benefit; public benefit; strength of organization, strength of proposal) -- need more specifics in the application packet
    1. would suggest that they identify priorities and goals -- maybe even assign % of funding for areas of priority
        1. the Council members would establish the priorities
        2. have public forums to discuss their plans for setting priorities and % of funding for each area
        3. maybe even announce how much money overall is available for the community grants program.
    2. in the application they should assign values (%) to each of the questions
    3. they should explain how each question will be scored
    4. each proposal would then receive a score -- objective as possible based on the responses to each question
2. Grants Advisory Group Question &Answer sessions with applicants -- very helpful -- should continue this practice
3. Grants Advisory Group Report -- will reflect all of the items identified above in item #3 (Evaluation Criteria).
4. Overall clarity of process -- everything would be identified in the application.

Housing Opportunities Commission
Resident Services
Eugene A. Spencer
Assistant Director

(5)

JSSA
JEWISH
SOCIAL
SERVICE
AGENCY
OF METROPOLITAN
WASHINGTON

Caring for Each Other

Cathy Brodsky
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Educational and
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3 Bethesda Metro Center
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www.jssa.org

Comments from JSSA, Jewish Social Service Agency, in response to the letter from Montgomery County Council President Praisner regarding the County Council grant process

JSSA found the process overall to be clear, fair and equitable. Based on our experience dealing with other jurisdictions, we believe it would be useful in Montgomery County to have available, prior to submission, a sense of the financial parameters in the grant process. We suggest that this include the size of the total funding pool, the number of applicants to be awarded, indication of the possibility of multi-year commitments, etc.

With this information, we believe that all applying for these funds will be able to tailor better their requests and to understand from the outset reasonable expectations around which they can plan and submit those requests.

Fitzgerald-Bare, Peggy

From: Enid Gonzalez [egonzalez@identity.ws]
Sent: Thursday, June 14, 2007 11:03 AM
To: Fitzgerald-Bare, Peggy
Subject: RE: council grants process survey

Dear Ms. Fitzgerald-Bare: following are the comments of our Executive Director, addressed to Ms. Praisner. Thank you for your assistance.

June 14, 2007

Marilyn J. Praisner, President
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Re: Comments regarding Proposal Review Process

Dear Ms. Praisner:

Thank you for requesting our comments on the Council's proposal review process. Overall we have been satisfi with the Council's handling of grant proposals: its selection of evaluation criteria, provision and clarity of instructions and with the application procedures. We do have some observations regarding the Grants Advisory Group's reports based on our experience this year.

Two proposals submitted by Identity this year received negative reports from the Advisory Group. The two rep misstated the content of our proposals, in important ways, seriously detracting from their merits. Furthermore th contained incorrect statements regarding our fulfillment of reporting requirements on previous grants. When we discussed this with Ms. Fitzgerald-Bare, she indicated that the Advisory Group had been informed of some, but n all, formerly submitted reports. She also said they were told clearly not to assume that prior reports had not beer made, even where no information on those reports had been given to them. It appears, from the evaluations of b our proposals, that that is exactly what they did.

We do not know just what led the Committee to misstate the content of our proposals or our record of complian with the Council. We are pleased that their recommendations were not the final word leading to the Council's decisions. However, it seems it would be helpful to investigate what led to these errors; and to take action to pre them in the future. Also, we hope that the Council will make efforts to include persons from all ethnic groups represented in the population of Montgomery County in future Advisory Groups.

We hope these comments will be useful to the Council.

Sincerely,
Candace Kattar
Executive Director
Identity, Inc.
414 East Diamond Avenue
Gaithersburg, MD 20877
Phone: (301) 963-5900, ext. 22
Fax: (301) 963 - 3621

MCDC
Metropolitan Community Development Corporation

June 11, 2007

Ms. Marilyn J. Praisner
Council President
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Ms. Praisner,

On behalf of the Metropolitan Community Development Corporation I would like to thank you and the Montgomery County Council for considering our grant proposal and for granting us our request for funding for our Summer Enrichment Programs. Many boys and girls from low-income, single parent and immigrant homes in Montgomery County, who would have otherwise stayed home because of their families' financial situations, will benefit immensely from this grant.

Participating in the grant application process has been an interesting experience for us. Our observations are as follows:

- We found the information session prior to writing and submitting our proposal very helpful. The information we received guided us as we applied for funding to operate our program.
- The "Question and Answer" Session we were invited to helped us to clarify any questions or concerns about our proposal.
- We found the Grant Advisory Committee members to be attentive and impartial. They seemed to pay attention to the details of each proposal, and they expressed genuine interest in the activities of each organization.

Based on our experience in applying for the County Council grant, we would like to make the following suggestions:

- That the information session prior to submitting the proposals continues. It is extremely informative and allows for interested participants to know what is expected in the application process.
- The question and answer session, which occurs after the Advisory Committee reviews the grants, should also be maintained. This session enables organizations that submit grant proposals to clarify and or further explain their Mission and Vision, and the purpose for which they are seeking funding.
- That the council considers making funds available to organizations that have been approved for funding based on the programs they run, and the programs budget.

MCDC is excited to collaborate with the County Council to serve our residents. Thanks for giving us the opportunity to do so. We look forward to fostering a rewarding relationship!

Sincerely,

Caroline B. Teage
Director, Educational Programs

8238 Georgia Avenue □ Silver Spring, MD 20910 □ 301.495.8970

Fitzgerald-Bare, Peggy

From: Miriam Gandell [mgandell@dwellingplaceinc.org]
Sent: Wednesday, June 13, 2007 3:42 PM
To: Council Grants
Subject: Council Grants Process

Any process that tries to serve many more people or organizations that it possibly can is going to be seen as flawed. I appreciate the time and effort that went into (and continues to occur) helping the process to evolve.

My major concerns are twofold: There is no limit on how much can be applied for and there is no direction for what the priorities are. As long as those two things are absent, it will always (in my opinion) be perceived as a process that "favors" particular agencies and causes of the County Council. I have only been in the county for two years, having come from the world of nonprofits in Southern California. In a very short time, however, I realized that this "fund" or pot of money or whatever you want to call it is perceived as a sort of slush fund that is given to those organizations that individual council members favor.

I'm sure that all of the organizations that apply are worthy of receiving money so I don't think any contract is not going to help in the community. It just seems as though a lot of the same organizations receive funding year after year. Maybe the answer is that an agency can't receive funding two years in a row or some other criteria like that.

I suggested at a recent meeting of nonprofits that there be a maximum contract amount for agencies under $500,000 budget and $1,000,000 and higher budget a different maximum. In that way, there would be more to go around. This idea was not approved of by the majority but is still in my opinion, a possible way to help with equality of grants.

I think Peggy Fitzgerald Bare did the best job she could as did the Citizens Advisory Group. They can only work with the framework they are given and they deserve praise for what they did.

Those are my thoughts...for what they're worth.

Miriam

Miriam Gandell
Executive Director
The Dwelling Place, Inc.
610 E. Diamond Avenue, Suite 300
Gaithersburg, MD 20877
(301) 948-1988 x103
mgandell@dwellingplaceinc.org

Fitzgerald-Bare, Peggy

From: Denise Chasin [d_chasin@hotmail.com]
Sent: Saturday, June 16, 2007 6:13 PM
To: Council Grants
Subject: Response re" Grant procedure

Thank you for giving us the opportunity to respond. I understand how difficult it is to create a fair process of evaluating different programs in the County and selecting which ones are most beneficial. I have a few comments about the process and how we are evaluated.

1. When I read our particular evaluation it was extremely mis-represented. Information was misunderstood, reported incorrectly and not clear.

2. It is my belief that the evaluators primarily used quantifiable information. Can you possibly have them look at the quality at what is being provided and not just the quantifiable information. In addition, even the quantifiable information that we provided was not reported correctly.

2. It was my understanding that you would support programs in the agricultural reserve. I would like to see more support of the very beneficial programs offered in the ag reserve. Especially those that reach many, many people in our County that have no opportunities to be in this type of environment other than through these programs.

3. When I attended the informational meeting, the Council representatives specifically said not to worry about not being able to quantify your cost/benefits and other numerical qualifications. It seems from reading your evaluations that this was VERY important.

4. We are a small program. Our family has financed our program which serves over 2,000 children a year. We do very little fundraising and do not charge for our program. I did not understand why it was a problem that we have not received ANY OTHER public funding. Is it a pre-requisite or advantage ot have other public funding to receive grant money? This was not clear to us.

Thank you again for giving us the opportunity to provide feedback about the process. We would like to apply again next year and hope to more informed as to the specific information you find most important. And hopefully to be more accurately evaluated.

Many thanks,
Denise Chasin
Community Director
Personal Ponies Ltd.
www.personalponies.org

Hotmail to go? Get your Hotmail, news, sports and much more!
http://mobile.msn.com

(10)

C·H·I Centers Inc.

Supporting people with disabilities since 1948

Lawrence J. Skok, Esq.
President

Alan Lovell, Ph.D.
Chief Executive Officer

June 18, 2007

Ms. Phyllis Fitzpatrick-Bare
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Phyllis:

I thank you for your solicitation of comments from non-profits regarding the Montgomery County Council Human Services Grants process. First, let me say that your leadership during the fiscal year 2008 Council Grants process was very much appreciated. Your ability to monitor the human services grants for fiscal year 2008 was a very positive experience.

The issues I would like for you to raise with the Montgomery County Council members are as follows:

(1) Setting priorities for Council grants in general areas such as disabilities, housing, employment, transportation - can the County Council consider percentages for awards in specific areas?

(2) Letting the non-profits have a better understanding of the Advisory Committee process. For example, how are the non-profit County Council grants grouped together for review by the Advisory Committee members, and what information would be useful for them to have about the mission of our agencies?

(3) What is the rating scale used by the Advisory Committee, and how can non-profits submit their application knowing how the rating scale process works?

10501 New Hampshire Avenue, Silver Spring, MD 20903-1122
Tel 301.445.3350 Fax 301.439.8117 TDD 301.439.5366
www.CHICenters.org Email Info@CHICenters.org

The Rehabilitation Accreditation Commission (CARF)
United Way Agency #8059

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(4) Should non-profits be limited to submitting a limited number of County Council grants?

(5) What is the relationship between the County Executive and County Council grants?

Thank you for submitting my comments.

Sincerely,

Alan C. Lovell
Chief Executive Officer

Nonprofit Montgomery!

....collective strength, visibility, and influence

June 19, 2007

Montgomery County Executive Ike Leggett
Executive Office Building
101 Monroe Street, 2nd Floor
Rockville, MD 20850

Montgomery County Council President Marilyn Praisner
And Council Members
Legislative Office Building
100 Maryland Avenue
Rockville, MD 20850

Dear County Executive Leggett and Council President Praisner:

On May 31, 2007, 98 nonprofit leaders gathered at the Casey Center in Gaithersburg under the sponsorship of **Nonprofit Montgomery!**. The purpose of the convening was to discuss ways in which Montgomery County government and the Montgomery County nonprofit sector can forge a strategic public-private relationship to identify and address community needs and improve the well-being of all residents of the county. In addition, these leaders began a deeper discussion of the ways in which funding processes can be improved for the benefit of the community, nonprofits and county government.

The nonprofit leaders at the convening selected three priorities we believe will have the most profound effect on the ability of county government and nonprofits to strengthen their joint effectiveness in serving community needs. True partnership, of course must involve mutual respect for the expertise and contributions of both parties.

- **Nonprofits and government need to be "at the table" together in joint strategic planning for current services and to identify new trends**. One of the roles of the nonprofit sector is to identify and expand knowledge in specialized areas and about specific community challenges. Because nonprofits are on the front line with particular groups of residents, they stay close to the needs of their constituents. It is well-recognized that "some of the most innovative public policies in this country have developed from programs and research performed by nonprofits."

- **Nonprofits need a single entry point for information about how to navigate county systems**. Nonprofit leaders recognize the creation of the new Office of Community Partnerships (OCP) as a major first step, and OCP has already begun to make it possible for the nonprofit sector and county government to work together on a variety of issues, including the critical area of procurement. But in addition, a common entry point for nonprofits to navigate county government systems and a "one stop shop" grants clearinghouse would create efficiencies for both county government staff and nonprofits, while making sure that the county is drawing on all possible sources of support to meet community needs. Further, it would prevent duplication of services as a best practice for meeting needs with limited funding. A useful first step would be a listing of the various county grant programs, with procedures, sources of information and deadlines for applications on the OCP website.

- **Funding for services should recognize the true cost of operating a program and the reality of inflation within the nonprofit industry**. No for-profit business, including small businesses or newer on-line business, would be expected to deliver a product without financial management, IT, and other key supportive infrastructure. Nonprofits need to be viewed through the same lens. We urge you to

(13)

acknowledge the reality of a nonprofit's cost of doing business by providing cost of living increases for competitive contracts and permitting an overhead percentage for competitive and noncompetitive contracts.

Nonprofit leaders at the convening represented large, mid-size and small organizations delivering critical services for Montgomery County. Some of the leaders present are at the helm of nonprofits with a long and rich tradition of exemplary provision of such services. Others, most often working in communities that embody the "new" Montgomery County, are delivering needed services that are not only of high quality but meet the particular requirements of ethnic, cultural and other communities. Nonprofit leaders throughout the county are concerned, particularly as the State budget problems devolve to counties, that the unique role of small and emerging nonprofits in delivering critical services is recognized. The use of the Community Empowerment grants program for this purpose has been discussed. We would also recommend consideration of a program similar to an MBE set-aside program for these groups.

Detailed recommendations from the convening on the county funding process for nonprofits are attached to this letter.

We are extremely appreciative of the opportunities for collaborative work already offered to us by both the county executive and the county council. The work we are doing with the executive branch, facilitated by OCP, on the "nuts and bolts" of contract solicitation, execution and administration processes is a wonderful opportunity to share practical, on-the-ground experience between nonprofit and government administrators. The council's interest in soliciting ideas from the nonprofit sector as staff considers options for funding processes is also a rich opportunity for mutual learning.

For us, perhaps the best single example of your government's interest in seeking ways to learn and work in partnership with Montgomery County's nonprofit sector was the attendance of several staff leaders from both the executive and the council at the May 31 convening. These county staff leaders participated directly in small group discussions and their engagement in these discussions was mentioned by many of the nonprofit leaders in attendance as adding real value to the convening.

We trust you will consider these recommendations from our May 31 convening as you review options for funding critical services for county residents. We stand ready to discuss the recommendations in detail with your staffs, and to produce any additional materials or documentation necessary to advance your deliberations.

Sincerely,

Jayne Park, Executive Director
Asian Pacific American Legal Resources Center
and
Becky Wagner, Executive Director
Community Ministry of Montgomery County

Co-chairs, Formation Committee
Nonprofit Montgomery!
c/o Montgomery County Community Foundation
8720 Georgia Avenue, Suite 202
Silver Spring, Maryland 20910

Nonprofit Montgomery!

....collective strength, visibility, and influence

VISION OF AN IMPROVED FUNDING PROCESS
MAY 31, 2007 CONVENING of 98 NONPROFIT LEADERS

On May 31, 2007, 98 nonprofit leaders gathered at the Casey Center in Gaithersburg under the sponsorship of **Nonprofit Montgomery!**. The purpose of the convening was to discuss ways in which Montgomery County government and the Montgomery County nonprofit sector can forge a strategic relationship to identify and address community needs and improve the well-being of all residents of the county. In addition, these leaders began a deeper discussion of the ways in which funding processes can be improved for the benefit of the community, nonprofits and county government. The recommended priorities for the strategic relationship are outlined in a letter dated June 19, 2007, to the County Executive and the County Council President. Ten recommendations regarding the funding process are detailed below.

1. **Nonprofit input in setting vision, strategic plans and priorities**

   Best practices in local government-nonprofit relationships stress the importance of nonprofits and local government working together to solve community problems and to leverage resources to solve those problems. This approach recognizes that the clients of nonprofits are community members deserving of resources, and that problems or needs belong to the whole community, not just to the nonprofits. Providing relevant data and information, easily available for everyone to use, is critically important in addressing current situations or in identifying new trends. Collaboration at this strategic planning stage will enable nonprofits and government to work together to identify the best sources of data and create a process to retrieve these data in usable form from all available sources, including MCPS and MNCPPC.

   Nonprofits can bring their "on the ground" knowledge to the discussion as they observe new developments and needs within the community. The nonprofit community can also bring evidence about what works and what does not in particular areas of service, including both local evidence and evidence from regional, state and national research carried out by the nonprofit sector. Lastly, nonprofits can bring their knowledge of community assets to the table in order to encourage a shared conversation about the power of asset-based planning. Both nonprofits and county government can learn from each other about good models going on within Montgomery County right now and can ensure, by working together, that these models are widely known.

2. **Identification of clear priorities for funding by the County Executive and the County Council, including departmental strategic plans**

   As described above, the nonprofit community hopes to be engaged actively with government in developing a vision for advancing the quality of life for Montgomery County residents in all their diversity – and in developing specific strategic plans and priorities for providing the most effective services to realize that vision. Logical reasons will always exist to support several different priority paths. However, once this work is concluded each year, nonprofit leaders want to understand as clearly as possible the specific priorities selected by the county executive and the county council for investment. A true public-private partnership can work to address service priorities, including the nonprofit sector's ability to

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leverage substantial resources from private and corporate philanthropy, volunteers, in-kind donations and other sources.

3. **Revealing the amount of money available for funding through county government**
Nonprofit leaders want to know the parameters of the decision-making process in order to minimize frustration, misunderstanding and mistrust. Although many nonprofits understand that the county's revenue flow schedule means that some financial decisions must be made at the very end of the budget process, leaders would like to see as much information as early as possible about the amounts of money available.

4. **A single entry point for information about how to navigate county systems**.
Ideally, the county should create a webpage that would serve as a "first-stop" for nonprofits. The page would provide information on partnership opportunities with the county. A detailed description and information about existing county government funding opportunities and processes, with links to applications, contact information, county contracting requirements, past awardees, etc. would be included and available in several languages. Timelines would be spelled out clearly on the site. A useful first step would be a listing of the various county grant programs, with procedures, sources of information and deadlines for applications on the OCP website

As the webpage develops, it could expand to include breaking news on funding opportunities from other levels of government, private foundations, national initiatives and awards programs. Further development might include additional information of interest to nonprofits with links to support organizations like MANO, CNA, the Nonprofit Finance Fund, the Foundation Center; links to other funders (e.g. MCCF, Arts and Humanities Council, Collaboration Council, private foundations); and training opportunities.

5. **Common Grant Application**
"Application processes become a barrier to effective working relationships when they are not consistently applied among agencies or not openly defined." Nonprofit leaders recommend that the county develop a common, simplified funding application to be used by both the executive and the county council. Methods for reduction of the burden of a "full" application should be explored, including a letter of inquiry or request for expressions of interest. This should be part of a larger effort at improving the contracting process through "best practices" research.

In addition, the nonprofit community recommends creation of a **centralized repository** for documents that are generally required by all county departments, so that nonprofits applying for funding through different county agencies do not have to submit multiple copies of the same supporting documentation, e.g. proof of nonprofit status, certificates of good standing, lists of boards of directors, current audits. Beyond creating a centralized repository, the county should consider establishment of a linked database (not unlike the current property database) that provides electronically available information linked to nonprofits and their Montgomery County contracts.

6. **"Up-front" disclosure of the process for proposal evaluation**
Many nonprofits, especially community-based organizations that are delivering critical services to diverse constituents, do not understand the process by which proposals are solicited and evaluated. Transparency of processes must always be the goal, but the means

to transparency can vary greatly from community to community and these variations need to be recognized and addressed. Nonprofit leaders in different communities can be a source of ideas as to how best to communicate the solicitation process for proposals. The full process needs to be laid out in detail, including the who, what, when, where and how. Nonprofits should also receive a clear definition of administrative and reporting requirements at the beginning of the application process.

Outside the context of a specific solicitation, there should be a proactive effort to learn the different strategies for transparency that are appropriate for different types of organizations. Nonprofit Montgomery! and the Montgomery County Office of Community Partnerships will be sponsoring a Funders EXPO in July, based on the successful County Funders EXPO held in 2005. The EXPO will provide an opportunity for nonprofits to talk directly with representatives from county government funding sources about specific funding opportunities and processes.

7. **Mutual development of a performance-based approach.**
Nonprofits and government share mutual accountability for providing services that advance the lives and opportunities for Montgomery County residents, especially our most vulnerable residents. Nonprofit leaders recommend that the county and the nonprofit sector work together to develop a performance-based approach, with performance measures that are realistic and appropriate to the size and scope of various types of services and constituents. Best practice research indicates that the most effective evaluation systems are those that focus on mutual learning: on the nonprofit's part, learning in a timely manner about what is working and what needs to be adjusted to improve results for those receiving services; on the funder's part, learning about what works and what does not so that timely modifications can be made in contracts and evidence collected that can inform strategic planning and funding decisions for the future. Performance measurement should always include the experiences and perspectives reported by community members who are recipients of services.

8. **Funds reserved for new needs not covered in the defined priorities**
Both nonprofits and county government seek to be nimble in responding quickly to a new need that might arise or evidence that an innovative approach has demonstrated success in improving outcomes. If the funding process is priority-driven, it is especially important that some funds are reserved for such responses.

9. **Employment of a variety of funding approaches, including multi-year funding**
Expansion of multi-year funding opportunities, with appropriate accountability measures, can benefit both the county and nonprofits in terms of both stability and time savings. With performance-based measures analyzed and discussed, multi-year funding also presents a rich opportunity for mutual learning and development of best practices.

10. **Clear process for referral to "base" budget**
Currently there is no process which allows for a program funded by County Council grants (or the Executive's Office) to be moved to the base budget of an appropriate County department. For example, an after school program may have been funded for several years in a row, have excellent outcomes and is serving an important gap in community services. Should this program become part of the base, or rely upon

winning grants through the current system? Nonprofits providing these critical services recommend a process by which they could make their case for addition to the base budget.

Fitzgerald-Bare, Peggy

From: SusanFilocco@aol.com
Sent: Tuesday, June 12, 2007 12:23 PM
To: Fitzgerald-Bare, Peggy
Subject: Re: Grants Advisory Group Comments Requested

Peggy-

I did receive your email requesting comments about the Advisory Group.

Thank you for an interesting and informative experience.

I believe that the process as well as the effectiveness of the Grants Awards would be helped by the Council selecting a theme for the grants awards. This theme could coincide or supplement any funding initiatives that the county is currently emphasizing.

The overall amount of money, is in the big scheme of the budget, quite small, and the effects are diluted by such small amounts being applied in a scattered manner.

I found your office to be extremely helpful, organized and professional.

Susan Filocco

See what's free at AOL.com.

Fitzgerald-Bare, Peggy

From: Rashid Makhdoom [rashidmakhdoom@hotmail.com]

Sent: Thursday, June 14, 2007 10:44 PM

To: Fitzgerald-Bare, Peggy; ymcarlton@verizon.net; hyt@erols.com; barbarafilner@aol.com; brenda.meredith@us.army.mil; strummercat@aol.com; christina.williams@dc.gov; constancestreet@aol.com; davidtobin@starpower.net; donaldsasscer@hotmail.com; liz@meral.com; jogg@cfncr.org; jnrosen@mintz.com; jlev@hotmail.com; judy_boggess@yahoo.com; katillo@verizon.net; kdcjones@aol.com; guerrido_lee@yahoo.com; llicht@verizon.net; msullivan@cbanet.org; ntgold@hotmail.com; pnsmithey@comcast.net; rbull@suburbanhospital.org; sandrarenner@comcast.net; steve9603@comcast.net; susanfilocco@aol.com; rjaffe4010@aol.com; tomcastonguay@comcast.net; mtptnrs@aol.com; wkfleming@qst-inc.com; Goodwin.William@verizon.net; lmalamud@hotmail.com; ijames@socialsolutions.biz

Subject: RE: Grants Advisory Group Comments Requested

Peggy:
Thank you for providing us an opportunity to comment on the Grants Review Process. My comments follow:

1. The current application length limit of five pages should be reduced to three (3) pages, typed in # 12 font. The current instructions seem to be taken by the applicants to mean to fill five pages. Secondly, there is a general belief that the thicker the application the more chances of its acceptance. To fill five pages the applicants resort to repetition, redundancy and information not directly related to the justification, purpose or cause of the grant. Information, programs and accomplishments of their parent organizations are provided to fill the pages. Three (3) pages limit will result in succinct, factual and to-the-point applications without much fat to trim. This will make the job of the writer and the reviewer easy, effective and constructive.

2. Some of the applicants have made multiple application for the same or similar projects to various offices of the county or the county grant programs. Under a separate heading the grant applicants should be asked to list all grant applications made to any and all of the Montgomery County programs and department for any grant during the following three timeframes: (i) The current year (2008) starting with the grant application they are filling out. (ii) During the past calendar year (2007) to know if they have a grant-funded project under completion. (iii) Received in the three prior years, that is, before the above two years (2006, 2005 & 2004). The time frame of a calendar year is preferred over a fiscal year as some of the small businesses may not know or understand the start and end dates of a fiscal year as different fiscal years have different start and end dates.

3. The practice of institionalizing specific purposes for applying for grants be vouched for and discouraged. For example a mega-organization has applied, every year for the past five years, for $25,000 for computers. Could it be that the relevant success of grants for computers have encouraged a shrewd applicant to apply for computers every year?

4. Some mega organizations with annual revenues of a million dollars or a major fraction thereof, have applied on a regular basis for grants for rather petty amounts of $15,00 to $25,000 to buy a van or computers, etc. Granted these mega organization would be doing mega public service programs but a moral question comes up. Would the "little guy" who is struggling to do public service with meager resources is more deserving of these limited grant dollars than the mega organizations with multi-million dollar assets and revenues? The mega organizations with professional grant writers or with years of grant writing experience easily outdo the "little guy" and get the grant dollars. The mega

organizations usually justify such request on the grounds that it did not budget for this expense. In the budget process the highest priority or importance project gets funded first and down the line until all the money is gone. The oregoing justification means that the mega organization did not consider the item or purpose for which grant money is being sought, to be important enough to make the priority cut to be funded. In addition to the community service criteria, the County Council should also consider the assets, resources, revenue base and the financial strength of the organizations applying for grants. This is a suggestion for County Council's consideration.

5. On the evaluation criteria form, the Cost-Benefit criteria was not well defined resulting in different individuals interpreting or applying it differently. To ensure uniformity of evaluation it should be explained better.

6. The idea of three sets of eyes evaluation each grant application is good as it eliminates chances of favoritism.

7. the idea of short pre-prescribed and fixed time interviews with the grant applicants is good as it lets the evaluators clarify and the applicants to explain any aspects of their applications.

8. The practice of each Team to select and recommend three best applications is not equitable and some of the larger dollar applications could get shortchanged. The accumulative request amount of the three applications recommended may range from less than $20,000 to in excess of $ 200,000. A more equitable criteria could be the dollar amount obtained by applying last year's proportion of total grant-dollars granted to the grant-dollars requests received. This ratios should be used in determining the dollar amount of the grant applications recommended by each three-member team.

9. The purpose and function of the two Grants Evaluation Tems' Leaders(?) needs to be re-evaluated. What is their function and powers and what is the criteria of their selection and who and how they are selceted.? Can they override three-member teams' recommendations? Each member of the tree-member team has spent two to three hours on each application for a total of six to eight hours by the three-member team on each application, reviewing, discussing, interviewing, exchanging information, building consensus, and finally typing in a format and forwarding, etc. How much time have these Leaders spent on each application? What is the basis of their recommendation? It could start favoritism and cronyism, etc.
Rashid A. Makhdoom

Fitzgerald-Bare, Peggy

From: Judy Boggess [judy_boggess@yahoo.com]
Sent: Friday, June 15, 2007 8:36 AM
To: Rashid Makhdoom; Fitzgerald-Bare, Peggy;

Subject: RE: Grants Advisory Group Comments Requested

My thanks for the opportunity to comment as well. I concur with most of the thoughts expressed here and would ask that the County Council authorize this group to explore establishing a more concise and clear process over the next six months. we each have learned much from the experience and those willing to continue to serve have much to offer. Community interests will be better served by this sort of review and the production of recommendations. I would add that the leadership for this endeavor be selected by the group---the process by which "chairs" were designated for the work just completed left many questions unanswered.

I am willing to serve in this context.

best,

Judy Boggess

Fitzgerald-Bare, Peggy

From: lee mason [guerrido_lee@yahoo.com]

Sent: Friday, June 15, 2007 10:35 AM

To: Judy Boggess; Rashid Makhdoom; Fitzgerald-Bare, Peggy; ymcarlton@verizon.net; hyt@erols.com; barbarafilner@aol.com; brenda.meredith@us.army.mil; strummercat@aol.com; christina.williams@dc.gov; constancestreet@aol.com; davidtobin@starpower.net; donaldsasscer@hotmail.com; liz@meral.com; jogg@cfncr.org; jnrosen@mintz.com; jlev@hotmail.com; katillo@verizon.net; kdcjones@aol.com; llicht@verizon.net; msullivan@cbanet.org; ntgold@hotmail.com; pnsmithey@comcast.net; rbull@suburbanhospital.org; sandrarenner@comcast.net; steve9603@comcast.net; susanfilocco@aol.com; rjaffe4010@aol.com; tomcastonguay@comcast.net; mtptnrs@aol.com; wkfleming@qst-inc.com; Goodwin.William@verizon.net; lmalamud@hotmail.com; ijames@socialsolutions.biz

Subject: RE: Grants Advisory Group Comments Requested

Hi Peggy,

The comments I read here are very thougthful and concise I would concur with the sentiments expressed. The only addition I could suggest is that the Advisory Group serve for at least two years, there is a tremendous amount of knowledge gained through participating in this process and should be taken advantage of for continuity of the process.

Best,
lee

Fitzgerald-Bare, Peggy

From: Rebecca Bull [RBull@SuburbanHospital.org]

Sent: Friday, June 15, 2007 10:34 AM

To: Judy Boggess; Rashid Makhdoom; Fitzgerald-Bare, Peggy; ymcarlton@verizon.net; hyt@erols.com; barbarafilner@aol.com; brenda.meredith@us.army.mil; strummercat@aol.com; christina.williams@dc.gov; constancestreet@aol.com; davidtobin@starpower.net; donaldsasscer@hotmail.com; liz@meral.com; jogg@cfncr.org; jnrosen@mintz.com; jlev@hotmail.com; katillo@verizon.net; kdcjones@aol.com; guerrido_lee@yahoo.com; llicht@verizon.net; msullivan@cbanet.org; ntgold@hotmail.com; pnsmithey@comcast.net; sandrarenner@comcast.net; steve9603@comcast.net; susanfilocco@aol.com; rjaffe4010@aol.com; tomcastonguay@comcast.net; mtptnrs@aol.com; wkfleming@qst-inc.com; Goodwin.William@verizon.net; lmalamud@hotmail.com; ijames@socialsolutions.biz

Subject: RE: Grants Advisory Group Comments Requested

Peggy –

Thank you for offering the opportunity to comment on the process. The main point I would like to make is that many of the comments shared during the group evaluation process and in e-mails make it clear to me that the advisory group does not understand how a non-profit operates. There were many comments made regarding the amount of money a non-profit has in their reserve account and that it seems to be too much as compared to the grant request. The advisory group needs to understand that the money is there for emergencies (i.e. 9/11, Hurricane Katrina, etc.) so that the non-profit is not in a position to have to consolidate staff or worse close its doors. Non-profits fight very hard day in and day out to reach their goal to fund their priorities. Sometimes the best planning, prospecting and cultivating is not enough. So while, a request for a van may seem like a small request from an organization, other priorities need to be funded. The purpose of applying for a grant is just that....asking for funds to fund a project where there is simply no money in the budget. It doesn't matter if the organization is big, medium or small. The committee needs to focus on the request and the number of people served, regardless of who is making the request. The funding from the County only enhances the services the non-profit provides to the community.

Thanks for indulging me.

All my best,

Becky

Becky Bull

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Fitzgerald-Bare, Peggy

From: sandrarenner [sandrarenner@comcast.net]
Sent: Friday, June 15, 2007 10:49 AM
To: 'Rebecca Bull'
Cc: Fitzgerald-Bare, Peggy
Subject: RE: Grants Advisory Group Comments Requested

I agree. Also, just because a nonprofit shouldn't be penalized for having a strong financial situation but should be rewarded for good management. Some of the nonprofits are just not managed very well and are not effective regardless of size. sandra

Fitzgerald-Bare, Peggy

From: warren fleming [wkfleming@qst-inc.com]
Sent: Friday, June 15, 2007 1:01 PM
To: Fitzgerald-Bare, Peggy
Subject: From Warren Fleming

Hi Peggy:
Thanks for giving us the opportunity to respond to the process. I don't agree with the selection process that is now in place. I notice holes in some of the selection process and how thing were determined which grant got selected. I've been working on a plan that would allow more flexibility that will allow all ethnic groups to share the same process.

My main concern is that the process rules and regulations needs to be modified. From my understanding there are two categories which determine the urgent of a grant. (1)It's base on how the monies will enhance the community, (2)Does the grant meet the terms and conditions of the grant regulations. I'll like to share my past experience on what occurred during my teams selection process.

Thanks

Warren Fleming
Historical Preservation Commissioner.

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cc
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MONTGOMERY COUNTY COUNCIL

2006 DEC 12 PM 12:10

Montgomery County Government

ROCKVILLE, MARYLAND 20850

025801

To: Councilmembers
From: Valerie Ervin
Date: December 8, 2006
Re: Council's Grants Program

On Tuesday, the Council will be asked to make recommendations regarding the FY08 Council grants process. The Council will take action to appoint the FY08 Grants Advisory Group and to issue guidance on how the group should evaluate the FY08 grants process. While I understand that certain actions need to be taken to select the board and publish the applications in time for the 2007 grants cycle, I believe that some fundamental issues remain that need further discussion, including whether the Council should be involved in the grant making process, and if so, what role they should have in the process. I am requesting that the MFP and HHS Committees review the following alternative proposal, as soon as the Council returns from recess in January.

I am proposing the following changes to the grants process. The first part of the program would consist of having an independent community panel, appointed by the Council, which would review and allocate funds according to Council priorities that would be established each year by the Council. For example, the Council may chose to recommend that this independent panel fund child care, education, and public safety initiatives. This approach would give the panel guidance in their decision making and restrict the types of grants that are awarded. These priorities would change from year to year as the needs of the County change.

The second piece of the program would consist of a finite amount of funds that would be allocated by Councilmembers at their discretion to fund small "mini-grants". I envision that these types of grants would be for one-time expenditures that non-profits generally have a difficult time getting funding for (i.e. the purchase of new windows, a bus for a day camp, or supplies).

This change is important because the current program requires that Councilmembers spend an inordinate amount of time assessing and evaluating the merits of a myriad of competing programs. In addition, having to decide on how to spend millions of dollars places Councilmembers in the precarious position of being either a hero or a villain depending on what types of awards are made and which groups receive funding. In addition, Councilmembers have no special abilities to determine what types of awards are meritorious.

The requirements for the current program are only that an applicant be a non-profit organization and be located the County. This approach has resulted in an increasingly large number of applications, and I expect the number of applications will continue to grow. In fact, there has been a 100 percent growth rate in the number of applications from the first to the second year of the program. This rate of growth is simply unsustainable. The current database of non-profit organizations interested in information about the Council process is more than 700 individual organizations. A similar, but not identical approach has been used in Fairfax County

over a number of years. Fairfax has consolidated its discretionary funds for health and human services and community development activities into one funding pool called the Fairfax County Consolidated Community Funding Pool. This pool contains funds from County, State, and Federal sources, including CDBG funds. Each year the Board of Supervisors determines the amount of funds available for the pool. An independent board manages all aspects of the program from application review to funding decisions and maintains its own staff.

This is clearly the result of a long process that Fairfax County has undertaken to address its own needs. While I am not advocating this complete course of action at this time, this is an example of how legislative bodies can affect their policy goals through independent community groups.

How the Program Would Work

Part I

The Council would appoint a panel to manage the Council Grants Program. The Council would determine its priorities for grant funding. I recommend narrowing the focus so that the panel can achieve our desired outcomes and goals. The Council would appropriate one line-item amount for grant funding and could designate certain percentages for certain priorities. With this charge, the panel would then review applications and make funding recommendations. The panel would then return to the Council with its recommendations. As is the practice with the CDBG process in this County, the expectation would be that the Council would honor the hard work and expertise of the panel in making its recommendations.

The Executive Branch also has discretionary funding for grants. I would hope that the new County Executive would consider this alternative and could either create his own independent panel or could rely on the expertise of the board appointed by the Council. The Council may also want to consider splitting the number of appointments with the Executive Branch, if the Executive is willing to send the majority of his discretionary funding to this group for evaluation.

Part II

I also recognize that Councilmembers may need some level of discretion in making awards and the flexibility to respond to constituent concerns or other funding priorities. I recommend establishing a "mini-grant" program at the Council. The Council would receive brief letters of interest or one page applications for one-time-only funding requests of less than $20,000. These requests would not go to a panel, but would be catalogued and listed on a spreadsheet for Councilmembers to review and make final awards during the budget cycle. For FY08, I would recommend capping the "mini-grant" program at $300,000. I would also request that the County Executive consider limiting his discretionary spending to this amount.

While this approach does not solve all of the issues associated with the grants process, I believe it is an important first step towards having a greater level of confidence that the grant dollars spent are for worthy endeavors that meet the ever-changing needs of the County.

ADDENDUM
HHS/MFP #1
June 28, 2007

To: HHS/MFP Committee

From: Peggy Fitzgerald-Bare PFB

Subject: Addendum to June 28 Committee packet

Please bring to tomorrow's Committee worksession the attached addendum.

It contains two attachments:

1. Councilmember Trachtenberg's January 2007 grants memo and proposal previously submitted to the Council;

2. The final letter from Nonprofit Montgomery! (the staff packet inadvertently has an earlier version of the letter.)

We will also have copies of these attachments for committee members and the public at tomorrow's worksession.

ADDENDUM

MFP/HHS # 1

MEMORANDUM June 28, 2007

DATE: January 24, 2007

TO: Councilmembers

FROM: Duchy Trachtenberg, Chair, MFP Committee

Re: Grants Advisory Group

I share my colleagues' determination that the grants process be as transparent, equitable and removed from politics as possible. The last Council made diligent effort to address these issues and as the new Chair of MFP, I intend to build on that progress. We all understand that these grants are contracts in every sense of the word. No doubt, a process that provides continuity and encourages grant selection on the basis of overall policy objectives and community needs is our priority.

I am attaching a draft proposal which in brief detail describes a Grants Office, centralized within the County Executive's office. The highlights of my proposal are:

- Establishing a small committee (perhaps of 5 to 6 members) of invited professionals who possess some grants research or management experience and who reside in the county. This group would also include a County Council representative (perhaps our current manager, Peggy Fitzgerald-Bare); a staff representative from the Office of County Executive; and relevant department administrators.

- A scoring system will be determined by those sitting on this select committee based on the highest standards and practices. Their recommendations are made directly to the County Executive who, in turn, includes them (or not) in his final budget instrument which is of course, reviewed and approved by the County Council.

- Centralizing funding resources will be a priority to offer support - to grant-seekers, and also to assist our community non-profit partners through a comprehensive effort to identify and secure additional funds: state program funding; federal grant opportunities; and private foundation opportunities.

- In other words, a big-picture conversation and process would help develop a more strategic application of county resources/dollars. Such an approach and centralized office has been used successfully in a number of localities, including New York City.

I recognize the interest among Councilmembers in utilizing the strengths of the currently seated (but very large) committee. I am therefore offering the following modification for this budget cycle only:

- Continue a review process with the seated committee;
- maintain the County Council's representation through our Grants Manager, Peggy Fitzgerald-Bare;
- request a representative from the County Executive office participate; and
- require adequate participation by relevant department administrators.

I believe the most responsive and transparent course to follow is to let the recommendations determined by this entire committee be forwarded to our County Executive who will make all proposals in a supplemental appropriation (after his budget submission and this one time only). At this time, after deliberation, the County Council can approve/deny the budget requests. This is an interim step towards fully centralizing this function. Allowing Peggy Fitzgerald-Bare to oversee the applications process and fielding questions from applicants helps remove any hint of politics from the process during this budget cycle. If this process is selected, the suggested ranking for these contracts would not be in numerical form, which I agree has been a problem in the past but rather in the simple form of categories and recommended or not recommended grading (based on completeness, need, urgency, past performance).

I firmly believe this compromise proposal for this budget cycle would keep us moving in the right direction. It would allow us to start the much-needed process of evaluation in the area of contract procurement and it would guarantee that as we craft our fiscal priorities, both *comprehensive need* and *policy objectives* would be critical factors during our budget cycle.

I am happy to further elaborate on other grant models I have identified and researched over the course of the last month or so. I anticipate a more thorough discussion on those models and this proposal during a joint MFP/HHS worksession scheduled for this coming Thursday.

COUNTY GRANT-MAKING PROGRAM OVERVIEW

The Montgomery County Grant Management Process reflects established policies and regulations and is designed to ensure that grants serve the public's interests and needs in well-managed grant programs. Specifically, the process ensures that:

grants are properly planned;

competition is open and fair;

proposed budgets are carefully scrutinized;

grant awards are negotiated and structured to protect the interests of the government program responsible for that area;

recipients are given the assistance and support they need to succeed;

awarded grants are carefully monitored and adjustments made, as necessary, to solve problems that arise;

and conflicts with recipients and/or clients are constructively resolved.

GRANT APPLICATION REVIEW PROCESS

The Montgomery County Grant Application Review Process, also known as objective review, requires strict adherence to published county policy, and compliance with a formal review and evaluation process. Objective review is essential to ensure selection of applications that best meet the needs of the program, consistent with established criteria, and to assure to the public the evaluation and selection process was impartial and fair. Objective review is best accomplished by peer review with careful screening of the reviewers for conflicts of interest. One emphasis for reviewers should be on existing grantees with no applications in the current cycle. Might consider having 1-2 relevant members of the relevant department as nonvoting members of review committee. Might also try to recruit volunteer federal employees for reviews in their areas of expertise. Review should be supervised by a "Review Administrator" from the Grants Office (might ask volunteers from NIH/CSR for technical assistance). Reviewers should use standardized scoring system such as NIH or other existing system. Review criteria should be proposed by the relevant department, possibly reviewed/approved by the Council, and included in the funding announcement RFA.

The review criteria should include:

1) Program-specific criteria explicitly supplied for that announcement;

2) Definition of the specific problem(s) to be addressed, goals and objectives measurable and responsive to the announcement;

3) Feasibility and reasonable budget (neither too high nor too low) and adequacy of the planned approach;

4) Track record of the applicant organization and/or qualifications of the personnel (especially for new organizations or existing organizations going into new areas);

5) Good definition of the population for whom the service is needed and how they will be reached/recruited;

6) Relevant and measurable evaluation objectives (if not already specified in the announcement) and feasibility of evaluation process;

7) Cultural competence and plans for addressing linguistic or other cultural barriers;

8) Specific plans for integration/coordination with other existing nonprofit or county services; Letter of support from key partners. Extra credit for one-stop shopping; and

9) Extra credit for innovation (often desirable, but not always necessary).

The application review process is competitive and involves multiple steps. First, an initial screening of an application is conducted (by the relevant department program experts) to ensure it provides adequate information and complies with the requirements set forth in the county's funding opportunity announcement. After the initial screening is complete, the application is submitted to an independent panel of peers and experts (named by Executive OR we could use our Advisory group right now) for review in accordance with the evaluation criteria included in the funding opportunity announcement. This committee should be composed of qualified subject matter experts with in-depth knowledge of program issues directly relating to the relevant county agency's mission. Perhaps, a County Council liaison could be seated on this committee as well. The group is convened by a Review Administrator who is responsible for:

1) Determining which reviewers will be invited to participate, assessing their availability, expertise and conflicts of interest; scheduling the review meeting, and assignment of primary and secondary reviewers;

2) Sending review materials and instructions to the reviewers ahead of time and receiving and compiling brief written reviews from primary and secondary reviewers;

3) Keeping the discussion at the review on track;

4) Reminding the reviewers of the criteria and preventing extraneous criteria from diverting the discussion;

5) Compiling the reviewers' individual scores and generating a combined score for each proposal; and

6) Creation of a list, in order of review score, for transmission to the Agency leadership and later to the Council.

Once the application review is complete, written recommendations are provided by the agency's leadership to the County Executive's office. If applications are being recommended for funding out of order or applications are "passed over" than a justification is provided in relation to Agency priorities and public needs. The County Executive then makes a determination regarding available funding and concurrence with Agency priorities and identifies recommended grant awards in the annual budget. The Council is provided with the executive's justification for any grants recommended "out of order." Funding decisions on recommended grants are finalized by the County Council. The recommended grants are all included on a "consent calendar." Any Councilmember may pull any grant off the calendar for individual discussion. Those are voted on individually. The remaining grants are then approved by the Council with one vote.

RECOMMENDATIONS FOR OUTREACH:

1) Full page on county website providing forms/instructions but also listing other grant resources;

2) County-produced brochure outlining forms and process, as well as resources and contact information for resources (universal policy);

3) Quarterly Grants Workshop (open to the public, specifically our non-profit community) hosted by BOTH the Executive and Council branches of government. Process will be outlined and needs identified by county experts; and

4) Community Excellence Awards will be provided annually to those grant recipients whose grant activities satisfy identified county objectives and produced superior performance. These awards should be made by the County Council after discussion and input from relevant agency management and the County Executive.

NONPROFIT MONTGOMERY!

....collective strength, visibility, and influence

June 19, 2007

Montgomery County Executive Isiah Leggett
Executive Office Building
101 Monroe Street, 2nd Floor
Rockville, MD 20850

Montgomery County Council President Marilyn Praisner
and Council Members
Legislative Office Building
100 Maryland Avenue
Rockville, MD 20850

Dear County Executive Leggett and Council President Praisner:

On May 31, 2007, 98 nonprofit leaders gathered at the Casey Center in Gaithersburg under the sponsorship of **Nonprofit Montgomery!**. The purpose of the convening was to discuss ways in which Montgomery County government and the Montgomery County nonprofit sector can forge a strategic public-private relationship to identify and address community needs and improve the well-being of all residents of the county. In addition, these leaders began a deeper discussion of the ways in which funding processes can be improved for the benefit of the community, nonprofits and county government.

The nonprofit leaders at the convening selected three priorities we believe will have the most profound effect on the ability of county government and nonprofits to strengthen their joint effectiveness in serving community needs. True partnership, of course must involve mutual respect for the expertise and contributions of both parties.

- **Nonprofits and government need to be "at the table" together in joint strategic planning for current services and to identify new trends**. One of the roles of the nonprofit sector is to identify and expand knowledge in specialized areas and about specific community challenges. Because nonprofits are on the front line with particular groups of residents, they stay close to the needs of their constituents. It is well-recognized that "some of the most innovative public policies in this country have developed from programs and research performed by nonprofits."

- **Nonprofits need a single entry point for information about how to navigate county systems**. Nonprofit leaders recognize the creation of the new Office of Community Partnerships (OCP) as a major first step, and OCP has already begun to make it possible for the nonprofit sector and county government to work together on a variety of issues, including the critical area of procurement. But in addition, a common entry point for nonprofits to navigate county government systems and a "one stop shop" grants clearinghouse would create efficiencies for both county government staff and nonprofits, while making sure that the county is drawing on all possible sources of support to meet community needs. Further, it would prevent duplication of services as a best practice for meeting needs with limited funding. A useful first step would be a listing of the various county grant programs, with procedures, sources of information and deadlines for applications on the OCP website.

- **Funding for services should recognize the true cost of operating a program and the reality of inflation within the nonprofit industry**. We recognize that all of us, whether in business, government or the nonprofit sector, face the challenges of rising costs – clearly this is not a problem unique to the nonprofit sector. At the same time, no for-profit business, including small businesses or

newer on-line businesses, would be expected to deliver a product without financial management, IT, and other key supportive infrastructure. In other words, for-profits are very clear on the difference between the cost of producing their product and the price they set to sell it. Nonprofits need to be viewed through the same lens. We urge you to acknowledge the true cost of delivering a service by permitting an overhead percentage for competitive and noncompetitive contracts. At the same time, we, as nonprofit leaders, acknowledge our responsibility for calculating and sharing information on the true cost of providing a service. Another important element in the program (cost) versus the contract (price) dilemma is the lack of cost of living increases in competitive contracts. Nonprofit leaders urge the county to reconsider this approach as a very high priority.

Nonprofit leaders at the convening represented large, mid-size and small organizations delivering critical services for Montgomery County. Some of the leaders present are at the helm of nonprofits with a long and rich tradition of exemplary provision of such services. Others, most often working in communities that embody the "new" Montgomery County, are delivering needed services that are not only of high quality but meet the particular requirements of ethnic, cultural and other communities. Nonprofit leaders throughout the county are concerned, particularly as the State budget problems devolve to counties, that the unique role of small and emerging nonprofits in delivering critical services is recognized. The use of the Community Empowerment grants program for this purpose has been discussed. We would also recommend consideration of a program similar to an MBE set-aside program for these groups. Lastly, we would like to work together with you to identify ways to make smaller organizations fully competitive in contract solicitation processes.

Ten recommendations from the convening on the county funding process for nonprofits are attached to this letter.

We are extremely appreciative of the opportunities for collaborative work already offered to us by both the county executive and the county council. The work we are doing with the executive branch, facilitated by OCP, on the "nuts and bolts" of contract solicitation, execution and administration processes is a wonderful opportunity to share practical, on-the-ground experience between nonprofit and government administrators. The council's interest in soliciting ideas from the nonprofit sector as staff considers options for funding processes is also a rich opportunity for mutual learning.

For us, perhaps the best single example of your government's interest in seeking ways to learn and work in partnership with Montgomery County's nonprofit sector was the attendance of several staff leaders from both the executive and the council at the May 31 convening. These county staff leaders participated directly in small group discussions and their engagement in these discussions was mentioned by many of the nonprofit leaders in attendance as adding real value to the convening.

We trust you will consider these recommendations from our May 31 convening as you review options for funding critical services for county residents. We stand ready to discuss the recommendations in detail with your staffs, and to produce any additional materials or documentation necessary to advance your deliberations.

Sincerely,

Jayne Park, Executive Director
Asian Pacific American Legal Resources Center
and
Becky Wagner, Executive Director
Community Ministry of Montgomery County

Co-chairs, Formation Committee
Nonprofit Montgomery!
c/o Montgomery County Community Foundation
8720 Georgia Avenue, Suite 202
Silver Spring, Maryland 20910

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NONPROFIT MONTGOMERY!

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VISION OF AN IMPROVED FUNDING PROCESS
TOP 10 RECOMMENDATIONS FROM CONVENING of 98 NONPROFIT LEADERS

On May 31, 2007, 98 nonprofit leaders gathered at the Casey Center in Gaithersburg under the sponsorship of **Nonprofit Montgomery!**. The purpose of the convening was to discuss ways in which Montgomery County government and the Montgomery County nonprofit sector can forge a strategic relationship to identify and address community needs and improve the well-being of all residents of the county. In addition, these leaders began a deeper discussion of the ways in which funding processes can be improved for the benefit of Montgomery County residents, nonprofits and county government. The recommended priorities for the strategic relationship are outlined in a letter dated June 19, 2007, to the County Executive and the County Council President. The ten recommendations regarding the funding process are detailed below.

1. **Nonprofit input in setting vision, strategic plans and priorities**

   Best practices in local government-nonprofit relationships stress the importance of nonprofits and local government working together to solve community problems and to leverage resources to solve those problems. This approach recognizes that the clients of nonprofits are community members deserving of resources, and that problems or needs belong to the whole community, not just to the nonprofits. Providing relevant data and information, easily available for everyone to use, is critically important in addressing current situations or in identifying new trends. Collaboration at this strategic planning stage will enable nonprofits and government to work together to identify the best sources of data and create a process to retrieve these data in usable form from all available sources, including MCPS and MNCPPC.

   Nonprofits can bring their "on the ground" knowledge to the discussion as they observe new developments and needs within the community. The nonprofit community can also bring evidence about what works and what does not in particular areas of service, including both local evidence and evidence from regional, state and national research carried out by the nonprofit sector. Lastly, nonprofits can bring their knowledge of community assets to the table in order to encourage a shared conversation about the power of asset-based planning. Both nonprofits and county government can learn from each other about good models going on within Montgomery County right now and can ensure, by working together, that these models are widely known.

2. **County-nonprofit collaboration in identifying and using evidence-based approaches to planning and evaluation**

   Leaders in county government and the nonprofit sector share a concern that their resources are being used well. Evaluation of practices and programs is essential..And yet the money required for high-level program evaluation is rarely available. Therefore, nonprofits and

c/o The Montgomery County Community Foundation
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Silver Spring, Maryland
(301) 588-0263

funders around the country have adopted an "evidence-based" approach, building on the knowledge generated in situations where large-scale evaluative research has been applied. Generally speaking, the more a program has been evaluated using the highest level of research standards (comparison groups, objective measurement tools, etc.) and has been found to positively impact participants with certain identified characteristics in the specific areas (knowledge, skills, attitude, behavior) that the program intended, the more likely the program will work in other similar situations: hence, the term "research or evidence-based." Nonprofit leaders hope to work with the county to identify and use this evidence-based approach in both strategic planning and evaluation.

One example of taking an evidence-based approach is the work done some time ago at the Center for the Study and Prevention of Violence (CSPV), at the University of Colorado at Boulder when it designed and launched a national violence prevention initiative to identify violence prevention programs that are effective. The project, called Blueprints for Violence Prevention, has identified 11 prevention and intervention programs that meet a strict scientific standard of program effectiveness. The 11 model programs, called Blueprints, have been effective in reducing adolescent violent crime, aggression, delinquency, and substance abuse. Another 18 programs have been identified as promising programs. To date, more than 600 programs have been reviewed, and the Center continues to look for programs which meet the selection criteria. This work, then represents a rich source of information that can be reviewed by nonprofits and government together in order to determine what works what does not.

3. **Identification of clear priorities for funding by the County Executive and the County Council, including departmental strategic plans**

   As described above, the nonprofit community hopes to be engaged actively with government in developing a vision for advancing the quality of life for Montgomery County residents in all their diversity – and in developing specific strategic plans and priorities for providing the most effective services to realize that vision. Logical reasons will always exist to support several different priority paths. However, once this work is concluded each year, nonprofit leaders want to understand as clearly as possible the specific priorities selected by the county executive and the county council for investment. A true public-private partnership can work to address service priorities, including the nonprofit sector's ability to leverage substantial resources from private and corporate philanthropy, volunteers, in-kind donations and other sources.

4. **Revealing the amount of money available for funding through county government as early in the process as possible**

   Nonprofit leaders want to know the parameters of the decision-making process in order to minimize frustration, misunderstanding and mistrust. Although many nonprofits understand that the county's revenue flow schedule means that some financial decisions must be made at the very end of the budget process, leaders would like to see as much information as early as possible about the amounts of money available.

5. **A single entry point for information about how to navigate county systems**.

   Ideally, the county should create a webpage that would serve as a "first-stop" for nonprofits. The page would provide information on partnership opportunities with the county. A detailed description and information about existing county government funding opportunities and processes, with links to applications, contact information, county contracting requirements, past awardees, etc. would be included and available in several languages. Timelines would be spelled out clearly on the site. A useful first step would be a

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listing of the various county grant programs, with procedures, sources of information and deadlines for applications on the OCP website

As the webpage develops, it could expand to include breaking news on funding opportunities from other levels of government, private foundations, national initiatives and awards programs. Further development might include additional information of interest to nonprofits with links to support organizations like MANO, CNA, the Nonprofit Finance Fund, the Foundation Center; links to other funders (e.g. MCCF, Arts and Humanities Council, Collaboration Council, private foundations); and training opportunities.

5. **Common Grant Application**

"Application processes become a barrier to effective working relationships when they are not consistently applied among agencies or not openly defined." Nonprofit leaders recommend that the county develop a common, simplified funding application to be used by both the executive and the county council. In some jurisdictions around the nation, counties have worked with their United Way and the local community foundation to make the common funding application work for all three funding sources. Methods for reduction of the burden of a "full" application should be explored, including a letter of inquiry or request for expressions of interest. This should be part of a larger effort at improving the contracting process through "best practices" research.

In addition, the nonprofit community recommends creation of a **centralized repository** for documents that are generally required by all county departments, so that nonprofits applying for funding through different county agencies do not have to submit multiple copies of the same supporting documentation, e.g. proof of nonprofit status, certificates of good standing, lists of boards of directors, current audits. Beyond creating a centralized repository, the county should consider establishment of a linked database (not unlike the current property database) that provides electronically available information linked to nonprofits and their Montgomery County contracts.

6. **"Up-front" disclosure of the process for proposal evaluation**

Many nonprofits, especially community-based organizations that are delivering critical services to diverse constituents, do not understand the process by which proposals are solicited and evaluated. Transparency of processes must always be the goal, but the means to transparency can vary greatly from community to community and these variations need to be recognized and addressed. Nonprofit leaders in different communities can be a source of ideas as to how best to communicate the solicitation process for proposals. The full process needs to be laid out in detail, including the who, what, when, where and how. Nonprofits should also receive a clear definition of administrative and reporting requirements at the beginning of the application process.

Nonprofit Montgomery! and the Montgomery County Office of Community Partnerships (OCP) will be sponsoring a Funders EXPO in July, based on the successful County Funders EXPO held in 2005. The EXPO will provide an opportunity for nonprofits to talk directly with representatives from county government funding sources about specific funding opportunities and processes. Outside the context of a specific solicitation, there should be a proactive effort to learn the different strategies for transparency that are appropriate for different types of organizations.

7. **Mutual development of a performance-based approach.**

Nonprofits and government share mutual accountability for providing services that advance the lives and opportunities for Montgomery County residents, especially our most vulnerable

residents. Nonprofit leaders recommend that the county and the nonprofit sector work together to develop a performance-based approach, with performance measures that are realistic and appropriate to the size and scope of various types of services and constituents. Best practice research indicates that the most effective evaluation systems are those that focus on mutual learning: on the nonprofit's part, learning in a timely manner about what is working and what needs to be adjusted to improve results for those receiving services; on the funder's part, learning about what works and what does not so that timely modifications can be made in contracts and evidence collected that can inform strategic planning and funding decisions for the future. In the current system, mid-course corrections based on observation and collection of information on service results cannot be realistically accomplished. Performance measurement, of course, should always include the experiences and perspectives reported by community members who are recipients of services.

8. **Funds reserved for new needs not covered in the defined priorities**
Both nonprofits and county government seek to be nimble in responding quickly to a new need that might arise or evidence that an innovative approach has demonstrated success in improving outcomes. If the funding process is priority-driven, it is especially important that some funds are reserved for such responses.

9. **Employment of a variety of funding approaches, including multi-year funding**
Expansion of multi-year funding opportunities, with appropriate accountability measures, can benefit both the county and nonprofits in terms of both stability and time savings. With performance-based measures analyzed and discussed, multi-year funding also presents a rich opportunity for mutual learning and development of best practices.

10. **Clear process for referral to "base" budget**
Currently there is no process which allows for a program funded by County Council grants (or the Executive's Office) to be moved to the base budget of an appropriate County department. For example, an after school program may have been funded for several years in a row, have excellent outcomes and is serving an important gap in community services. Should this program become part of the base, or rely upon winning grants through the current system? Nonprofits providing these critical services recommend that a process be instituted by which they could make their case for addition to the base budget.

HHS/MFP#1
6/28/07

MEMORANDUM

June 27, 2007

TO: Councilmembers

FROM: Councilmember Duchy Trachtenberg

RE: Grants process

Introduction

After much discussion and review of existing models, I am proposing a County Grants Fund similar to the current Housing Initiative Fund. The County Grants Fund provides the County with resources to assist for-profit and non-profit organizations who provide a wide array of social services. The goals of this fund would be defined by both the Executive and County Council and a fund ceiling would be set by the Council and Executive as well. The Grants Administrator, named by the Executive, would work with a Review Committee named by both the Executive and County Council. The Grants Administrator would provide grant recommendations to the Executive after a comprehensive Grant Application Review Process.

Grant Application Review Process, also known as objective review, would require strict adherence to published county policy, and compliance with a formal review and evaluation process. Objective review would be essential to ensure selection of applications that best meet the needs of the program, consistent with established criteria, and to assure to the public the evaluation and selection process was impartial and fair. Objective review would be best accomplished by peer review with careful screening of the reviewers for conflicts of interest.

Grants Administrator

The application review process would be overseen by a Grants Administrator who is responsible for:

- Determining which reviewers will be invited to participate, assessing their availability, expertise and conflicts of interest; scheduling the review meeting, and assignment of primary and secondary reviewers;
- Sending review materials and instructions to the reviewers ahead of time and receiving and compiling brief written reviews from primary and secondary reviewers;
- Keeping the discussion at the review on track;
- Reminding the reviewers of the criteria and preventing extraneous criteria from diverting the discussion;

- Compiling the reviewers' individual scores and generating a combined score for each proposal; and
- Creation of a list, in order of review score, for transmission to both the County Executive and the Council.

Peer Review Committees

The Grants Administrator convenes peer review committees with subject-matter expertise relevant to specific grant applications or classes of grant applications. The Grants Administrator may recruit committee members from (for example):

- Existing grantees with no applications in the current cycle;
- Volunteer federal employees with relevant expertise;
- 1 or 2 people from the relevant County agency could serve as non-voting members of a committee; and
- 2 representatives named by the County Council with voting status.

The Process

The application review process is competitive and involves multiple steps.

1. First, an initial screening of an application is conducted by the relevant department program experts to ensure it provides adequate information and complies with the requirements set forth in the county's funding opportunity announcement.
2. After the initial screening is complete, the application is submitted to the peer review committee convened by the Grants Administrator. The peer review committee should use a standardized scoring system such as that used by NIH. Review criteria should include:
   a. Program-specific criteria explicitly supplied for that announcement;
   b. Definition of the specific problem(s) to be addressed, goals and objectives measurable and responsive to the announcement;
   c. Feasibility and reasonable budget (neither too high nor too low) and adequacy of the planned approach;
   d. Track record of the applicant organization and/or qualifications of the personnel (especially for new organizations or existing organizations going into new areas);
   e. Good definition of the population for whom the service is needed and how they will be reached/recruited;
   f. Relevant and measurable evaluation objectives (if not already specified in the announcement) and feasibility of evaluation process;
   g. Cultural competence and plans for addressing linguistic or other cultural barriers;
   h. Specific plans for integration/coordination with other existing nonprofit or county services; Letter of support from key partners. Extra credit for one-stop shopping; and
   i. Extra credit for innovation (often desirable, but not always necessary).

3. The Grants Administrator compiles the reviewers' individual scores and generates a combined score for each proposal.
4. The Grants Administrator creates a list, in order of review score, for transmission to the County Executive.
5. The County Executive makes a determination regarding available funding and concurrence with department priorities and identifies recommended grant awards.
6. The County Grants Fund is included in the operating budget and final approval is provided by the County Council.

Recommendations for Outreach

1) Full page on county website providing forms/instructions but also listing other grant resources;

2) County-produced brochure outlining forms and process, as well as resources and contact information for resources (universal policy);

3) Quarterly Grants Workshop (open to the public, specifically our non-profit community) hosted by both the Executive and Council branches of government. Process will be outlined and needs identified by county experts; and

4) Community Excellence Awards will be provided annually to those grant recipients whose grant activities satisfy identified county objectives and produced superior performance. These awards should be made by the County Council after discussion and input from relevant agency management and the County Executive.