

MEMORANDUM

September 30, 2014

TO: Health and Human Services Committee
FROM: Joan Schaffer, Council Grants Manager *JS*
SUBJECT: FY15 Grants Process

Those expected to attend this worksession include:

Uma Ahluwalia, Department of Health and Human Services
Luann Korona, Department of Housing and Community Affairs
Jedediah Millard, Office of Management and Budget
Gabriel Albornoz, Department of Recreation

The purpose of this session is to discuss three issues that affect funding of Community Grants. They include:

- Term Limits on Grant Eligibility
- Funding Approach for Highly-Regarded Programs
- Nonprofit Sustainability/Funding Diversity

Each is discussed below.

1. 'Term Limits' on Grant Eligibility

Given constrained funds, there is a natural tension between the desires to fund proven programs and to fund new innovative programs that show great promise. Staff works to balance these two competing priorities in its Council Grants recommendations each year. However, from time to time, discussions focus on the need for funding '*term limits*'.

Some funders do place term limits on grants, limiting the number of consecutive years in which an organization can receive funding. By doing so, they theorize that funds will reach a wider range of organizations in the community.

Does the Committee believe that term limits should be set for Council Grants?

Last spring, the Council provided funding for 82 programs through its Council Grants Program. 154 additional grants were also provided at the recommendation of the County Executive. Of the 82 Council Grants:

- Twelve programs have received funding for at least five consecutive years. These programs and their sponsoring organizations are identified on ©1
- Eleven additional programs, identified on ©2, have received funding in four of the past five years.

Of the 154 programs recommended by the County Executive, the 21 programs identified on ©3 have received funding each year for the past five years. The County Executive has recommended a considerably larger number of programs for funding in at least four of the past five years.

Additionally, a few nonprofits (e.g., Montgomery County Coalition for the Homeless, the National Center for Children and Families, Catholic Charities and the Conflict Resolution Center among others) have consistently received funding, though not for the same program each year.

Not surprisingly, most of these organizations and their funded programs provide valuable services to County residents and have demonstrated consistent positive outcomes.

In an effort to learn about best practices, staff canvassed the approach of several significant funders in our region. These funders include:

- The County's Community Development Block Grant (CDBG) program
- The Arts and Humanities Council of Montgomery County
- The Community Foundation – Montgomery County
- The Mead Family Foundation
- The Morris & Gwendolyn Cafritz Foundation
- The Philip L. Graham Fund
- The Trawick Foundation

Best Practices Findings:

CDBG: Funding is limited to three years to support new and expanding programs.

The Arts and Humanities Council: The Arts and Humanities Council has eight grant cycles. Of these, only the one to support individual artists has explicit term limits. Specifically, grants to individuals are limited to two consecutive years. The organization is contemplating funding limits on other types of grants.

The Philip L. Graham Fund: The Graham Fund only allows organizations to receive funds once every three years. This approach works because it limits its funding to support for one-time expenses, often to purchase technology equipment.

The Trawick Foundation: The Trawick Foundation funds two major grants each year, Team-Up and Youth in Transition. Each requires multiple non-profits to work together to develop integrated strategies for programs serving middle school age youth and youth in transition.

- The TeamUp grant is for \$150,000 annually for three years, based on successful outcomes. For the fourth year, a team could apply for a *challenge grant* for which they would have to match funds from other sources.
- For Youth in Transition, the Foundation awards a \$200,000 grant. For the second year of funding and after, the organizations could apply for a challenge grant for which they would have to match funds from other sources.

Some of the programs that began with Trawick Foundation funding have subsequently received Council or County Executive Community Grants.

Additionally, the foundation provides funding to a limited group of additional organizations with no limitations on the number of years they may be considered.

The remaining organizations (**Cafritz, the Community Foundation and the Mead Family Foundation**) report that they feel strongly that high performing programs should be eligible for funding so long as the programs are producing strong positive impacts in the community.

Staff Recommendation:

Staff recommends against such limits on grants, concurring with many of our local foundations that well-regarded programs providing desired services to County residents should be eligible to receive continued support.

2. Funding Approach for Highly-Regarded Programs

As noted above, the Council has consistently provided Community Grant funding for the programs identified on pages ©1 and ©2. While these programs have typically been included in the Staff List of recommended grants each spring, occasionally one or more of them has not been included. This is not because the programs are not worthwhile, but because of limited funding.

In most cases, particularly when the Council believes that program provides an important service to our community, it has acted to recommend the funding and added it to the Reconciliation List. From time-to-time, the Council has also acted to move program

funding to the base operating budget. Similarly, the County Executive has occasionally recommended that funding for some programs be moved to the base budget.

A review of programs moved to the base budget in recent years suggests recognition of the need for the *service* provided by the program. Examples include funding for programs of Bethesda Cares, The Collaboration Council, Nonprofit Montgomery, The Lt. Joseph P. Kennedy Institute, and The Second Chance Wildlife Center. Each of these programs had received several consecutive years of funding through the grants process before being moved to the base budget.

When should the Council consider moving the funding for well-regarded programs to the base budget? Once moved to the base, should there be an expectation that the service will be competitively bid in a future year?

Staff recommendations:

Staff recommends that programs which have received funding for five consecutive years be reviewed to determine the level of need for the services provided. Funding for services deemed necessary should be moved to the base budget, as appropriate. If multiple organizations are able to provide a similar service, the departments should be free to open up the service to competition in future years.

3. Sustainability/Funding Diversity

The Evaluation Criteria for Council Grants (see attachment on ©4) include consideration of a nonprofit's efforts to "leverage non-county government funding for the proposal or other programs". The Grants Advisory Group specifically looks to see if the "organization's financial statement shows a diversity of funding sources". However, the current Council standards do not require matching funds of any sort. A limited number of organizations get substantially all funding through Council and/or County Executive Community Grants.

Best practices:

- Most of the consulted funders have guidelines, but have not codified practices relating to sustainability/diversity of funding.
- Several commented that they only provide majority funding for a number of start-up programs to which they have a vested commitment.
- Most ensure that an organization is not overly dependent on any single source of funding. For example, if the county provided 70% of funding for a specific organization, a funder might be less likely to provide a portion of the remaining 30%. The concern is that if the County funding dried up, the organization would be unable to sustain itself.
- Most of the funders indicated that they are increasing their use of *challenge grants*, in which the nonprofit must obtain significant funding commitments from others before the funder will provide matching funds.

- The Arts and Humanities Council does have more specific requirements. While it does not have a specific matching requirement for very small or individual grantees, funding provided is limited to \$5,000. Substantial matches however, are required for medium and large organizations. Medium-sized organizations are limited to \$25,000 or 35% of their operating budget, whichever is smaller. Large organizations are eligible for a small percentage of total operating budget. Last year it was 5.4%

Does the Council wish to set a standard or strongly encourage applicants to have matching funds for the requested funding?

Staff Recommendations:

- Establish stronger guidelines for the Evaluation Criteria. For example, “Organizations incorporated for more than two years must provide a compelling rationale if requesting more than X% of total funding from County sources”.
- Explore the possibility of providing a limited number of challenge grants for which funding would not be available until after matching funds were raised.

**Council Grant Programs
Funded for Five or More Consecutive Years**

	Organization	Program
1	A Wider Circle	Salaries for Neighbor-to-Neighbor program
2	Child Care and Adult Service (dba Aspire Counseling)	Mental health counseling to uninsured and under-insured pregnant women and new mothers suffering from depression
3	Eastern Montgomery Emergency Assistance Network (EMEAN)	Eviction prevention/utility assistance and staff/operating expenses
4	Greater Washington Jewish Coalition Against Domestic Violence	Partial support for a legal advocate/case worker for abused individuals
5	Housing Unlimited, Inc.	Staff and other expenses for acquisition and property management of affordable housing for adults with disabilities
6	Interfaith Works	Staff expenses for services at Interfaith Clothing Center
7	Inwood House Development Corporation	Heavy chore cleaning and clutter management services to low-income disabled adults at Inwood House
8	Potomac Community Resources, Inc.	Respite care program for people with disabilities
9	Rebuilding Together Montgomery County, Inc	Critical needs program for large scale emergency repairs
10	Rockville Presbyterian Church (Rainbow Place)	Staff costs for emergency shelter for adult homeless women
11	Women Who Care Ministries	Partial staff salaries for children's weekend backpack food program
12	YMCA of Metropolitan Washington (Youth and Family Services)	Carroll Avenue and Quebec terrace Community Center after-school program

**Council Grant Programs
Funded for Four of the Past Five Years**

	Organization	Program
1	College Tracks	Expenses for program to improve college access for low-income high school students
2	Community Bridges	Expenses in support of programs that work with school-aged girls and their parents
3	Community Ministries of Rockville	Support for the Rockville Emergency Assistance Program
4	Crittenton Services of Washington	Youth development and pregnancy prevention programs for high school girls
5	Crossroads Community Food Network, Inc.	Staff, food subsidy and operating expenses for market's nutrition assistance program
6	Home Care Partners, Inc	Home care aide service program for frail elderly and individuals with disabilities
7	IMPACT Silver Spring	Out-of-school athletic program for youth in Long Branch and the East County
8	Liberty's Promise	Internship and civic education programs for low-income immigrant youth
9	Montgomery County MD Bar Foundation	Expenses for legal services to low-income residents through the Pro Bono Program
10	Rockville Economic Development, Inc	Expenses for Women's Business Center
11	Stepping Stones Shelter, Inc.	Employment counseling for shelter and transitional housing program residents.

**County Executive Community Grant Programs
Funded for Five or More Consecutive Years**

	Organization	Program
1	A Wider Circle	Rent and operating expenses
2	Bethesda Green	Green business incubator
3	Casa de Maryland	Economic and workforce development in Long Branch
3	Casa de Maryland	Social services case management and referral
5	Circle of Rights	Health disparities and stroke awareness training
6	Cultural And Diversity Enrichment Services	Tutoring, mentoring and enrichment for African and other immigrant youth
7	First African Methodist Episcopal Church	Groceries for needy families
8	Gandhi Brigade	Staff expenses for youth program
9	Gaithersburg Help	Food, diapers and baby formula for pantry distribution
10	GapBuster Learning Center	Support for Leaders-in-Training youth development program
11	Greater Washington Jewish Coalition Against Domestic Abuse	Staff and emergency victim assistance
12	Impact Silver Spring	Support for Neighborhood Opportunity Network
13	Jewish Community Center	Senior lunch program
14	Jewish Community Center	Lift-equipped buses for day camp program
15	Jewish Council for the Aging	Age 50+ employment expo
16	Jewish Council for the Aging	Employment training for seniors
17	Korean Community Service Center of Greater Washington	Keystone program support to address family abuse issues
18	Catholic Charities – Lt. Joseph P. Kennedy Institute	After-school program for children with developmental disabilities
19	Maryland/Israel Development Center	Outreach to Israeli businesses to promote development in Montgomery County
20	Montgomery County Muslim Foundation	Driver and administrative staff to provide transportation for elderly and frail Muslim residents
21	Nonprofit Village Center, Inc	Office space and administrative support

Appendix I
Fiscal Year 2015 Montgomery County Council Grant Application
Evaluation Criteria and Supporting Questions

Cost-benefit analysis

- a. What is the cost of the service or activity and number of recipients?
- b. What is the impact on the recipient relative to the cost?

Public benefit

- a. Is the need clearly identified and demonstrated?
- b. Is the target population clearly described and well served by this proposal?
- c. Is there justification for the program?

Strength of organization

- a. How long have these services been delivered by this agency and for how long has this program received public funds?
- b. What efforts have been made to recruit/utilize volunteers in the program and/or leverage community resources?
- c. What other partner organizations is the applicant working with to address the needs of those served?
- d. Has the organization leveraged other non-county government funding for the proposal or other programs? Does the organization's financial statement show a diversity of funding sources?
- e. Does the organization's financial statement indicate actual revenues and expenditures were in line with budgeted projections?
- f. Based on the budgetary information, does the organization have the capacity to carry out the proposed program?

Strength of proposal

- a. Does the proposal clearly describe what the project proposes to do and what recipients will get out of it?
- b. Does the proposal outline the anticipated outcomes of the program and are the outcomes measurable and relevant?
- c. If the proposal requests funds for an existing program, does it describe the results/outcomes achieved to date? Evaluate the results achieved to date.
- d. If the proposal requests funds for a new program, does it provide information on success of program in other jurisdictions, evidence of best practices, etc.?
- e. Are there specific plans for integration/coordination with other existing nonprofit organizations and County services?
- f. Does the proposal contain a sufficiently detailed program budget to be able to assess whether project budget is in line with proposed project?
- g. Does the proposal address plans for continuing support after the grant ends and the availability of other resources?
- h. Are there any major concerns with the budget?