


MEMORANDUM

TO: Government Operations & Fiscal Policy [GO] Committee

FROM: Carolyn Chen, Legislative Analyst 

SUBJECT: **FY24 Recommended Operating Budget:**

- Office of Grants Management [OGM]
- Non-Departmental Account [NDA]: Community Grants

FY24 Recommended CIP Budget (Current Revenue):

- Cost Sharing: Montgomery County Government [MCG]

PURPOSE: Review and make recommendations for Council consideration – vote expected.

Expected Participants:

- Rafael Murphy, Director, OGM
 - Taman Morris, Fiscal & Policy Analyst, Office of Management and Budget [OMB]
 - Alicia Singh, Fiscal & Policy Analyst, OMB
 - Mary Beck, Capital Budget Manager, OMB
- The GO Committee held the first of two worksessions on OGM, NDA: Community Grants and Cost Sharing: MCG [[Agenda Items #7-9](#)] on [Monday, May 1, 2023](#).
 - For GO Committee's second worksession on OGM, NDA: Community Grants and Cost Sharing: MCG, OGM provided the following information (see pages ©1-5):

#8: [Office of Grants Management \[OGM\]](#)

- Justification for two additional positions by illustrating the level of growth expected with competitive grant programs, funding for these programs, and grant agreements that will need to be drafted and approved through OGM (see page ©2).
 - FTEs will increase from three to five representing \$192,192 or 72% of the FY24 recommended increase in OGM of \$268,069.
- ★ Add an **Outgoing Grants Program Manager II** and an **Administrative Specialist** to manage the expected increased volume of competitive grant programs and grant agreements, support an intensive outgoing grants management training curriculum with a focus on monitoring and oversight, and provide equitable training and support to emerging organizations applying for County grants as part of the County's Racial Equity and Social Justice goals.

| FY24 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY23 Approved | 89,596 | 1.00 |
| Shift: From Director's Office to Grant's Management - OGM Budget Consolidation | 251,713 | 2.00 |
| Add: Outgoing Grants Compliance Program Manager II | 115,601 | 1.00 |
| Add: Grants Management Administrative Specialist III | 76,591 | 1.00 |
| Shift: From OMB to Office of Grants Management for Software and Database Subscriptions | 9,020 | 0.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 66,857 | 0.00 |
| FY24 Recommended | 609,378 | 5.00 |

[Council Staff Recommendation](#) → Add two positions to Council reconciliation list **[High Priority]**

#9: Non-Departmental Account [NDA]: Community Grants

- Community Grants process FY24 timeline including Bridge Funding timing (see page ©1) to extend to all impacted programs into October 1, 2023, with each nonprofit organization receiving a range of one to three months, depending on contract termination date.
 - Possible extended scenario of extending Bridge Funding to December 30, 2023, is estimated to approximately double the currently budgeted amount.
 - Bridge Funding assumes a 3% inflationary increase with supplemental inflationary decisions directly impacting this total.

| Proposed New Community Grant Timeline | | |
|---------------------------------------|---|--|
| Timeframe | FY24 CE Recommended Proposed Timeline* | Proposed FY25 and Future Fiscal Years* |
| | Action | Action |
| March 15 | FY24 CE Recommended Budget transmitted to the County Council | CE Recommended Budget Transmitted to County Council |
| March - Early May | County Council deliberates the FY24 CE Recommended Budget and makes changes as desired OGM prepares Community Grant competitions and Bridge Funding awards based on County Council deliberations | County Council deliberates the CE Recommended Budget and makes changes as desired OGM prepares Community Grant competitions based on County Council deliberations |
| Mid-May | County Council passes FY24 Approved budget | County Council passes Approved budget |
| Late May | OGM adjusts Community Grant competitions to fit FY24 Approved Budget and launches competitions OGM prepares and begins issuing Bridge Funding awards in line with FY24 Approved Budget | OGM adjusts Community Grant competitions to fit Approved Budget and launches competitions (No Bridge Funding with all programs on new cycle) |
| June | Nonprofits prepare applications for Community Grants competitions OGM and lead departments recruit and prepare Review Committees for Community Grant competitions All Bridge Funding grants signed by June 30, 2023 | Nonprofits prepare applications for Community Grants competitions OGM and lead departments recruit and prepare Review Committees for Community Grant competitions Multi-year awards renewed in line with Approved Budget |
| July 1 | Bridge Fund grants activate for FY23 awards expiring before August 1, 2023 | (No Bridge Funding with all programs on new cycle) |
| Early - Mid July | Review Committees score applications and make award recommendations OGM notifies award winners | Review Committees score applications and make award recommendations OGM notifies award winners |
| Mid - Late July | OGM begins processing award decisions into draft grant agreements with performance period start dates of October 1, 2023 | OGM begins processing award decisions into draft grant agreements with performance period start dates of October 1 |
| August 1 | Bridge Fund grants activate for FY23 awards expiring before September 1, 2023 | (No Bridge Funding with all programs on new cycle) |
| August | OGM and award winners sign final grant agreements by August 30, 2023 | OGM and award winners sign final grant agreements by August 30 |
| September 1 | Bridge Fund grants activate for FY23 awards expiring before October 1, 2023 | (No Bridge Funding with all programs on new cycle) |
| September | Award winners prepare for implementation of FY24 awards | Award winners prepare for implementation of awards |
| October 1 | FY24 Community Grant awards become active | Current FY Community Grant awards become active |

[Council Staff Recommendation](#) → [Repeat FY3 recommendation](#) from May 12, 2022. Shift remaining community grants contracts to department base budgets and appropriate agencies to administer.

- Community Grants as a Non-Departmental Account is a legacy government process over three County Executive administrations spanning ~28 years; with many nonprofit contracts funded over 15 consecutive years.
- Administrative restructuring by shifting to departments that have been administering the same contract and leveraging umbrella agencies¹ will facilitate consistent messaging and communication to nonprofit organization and residents.

¹ State of Maryland's Local Management Board: Collaboration Council for Children, Youth and Families; Arts and Humanities Council of Montgomery County, WorkSource Montgomery

#10: Cost Sharing: Montgomery County Government [MCG]²

- See page ©5 for OGM’s analysis of the State of Maryland’s Other Legislative Initiatives awarded in FY24. The chart summarizes to success of the [Office of Intergovernmental Relations](#) [OIR] and Montgomery County’s State Delegation [to secure \\$12.4M in capital grant funding](#) for nonprofit organizations.

| FY24 MD State Other Legislative Initiatives Analysis | | | | |
|---|------------------------|--|--|--|
| Project/Organization | State Bond Bill Amount | Potential Funding Gap Based Bond Bill vs. Total Cost | Indicated Intent for County Request in Information Sheet | Notes |
| 4010 Randolph | \$ 250,000 | \$ 114,000 | \$ - | \$114k requested from Feds but unconfirmed |
| BlackRock Center for the Arts | \$ 350,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| CaringMatters | \$ 65,000 | \$ 10,000 | \$ - | \$10k gap to be covered by fundraising |
| CSAAC Senior Autistic Adult Redevelopment Program | \$ 250,000 | \$ 325,000 | \$ - | \$325k gap to be covered by CSAAC |
| Don Bosco Cristo Rey High School | \$ 1,000,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| Infant and Toddlers Facility | \$ 250,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| Islamic Education Center (IEC) Islamic Education Center | \$ 75,000 | \$ - | \$ - | Fully funded by State |
| Jewish Federation of Greater Washington | \$ 640,000 | \$ 960,000 | \$ 130,000 | \$130k County request indicated, remaining gap |

- OGM provided an **initial review** of funding gaps between total project costs submitted and State funding *based on incomplete public information* for illustrative purposes yet provides context for potential requests to come³. Historical data and [listing of past State Bond Bill awards from FY2007 to FY2023](#) secured by the Montgomery County State Delegation can be found on OIR’s website.

| Office of Intergovernmental Relations | | | | | | | | | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Documents from Prior Years | | | | | | | | | | | | | | | | | |
| All documents are in Portable Document Format (PDF). For Montgomery County's Legislative Tracking Database, check the application. | | | | | | | | | | | | | | | | | |
| Document Description | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Montgomery County's Federal Priorities | | | | | | | | | | | | | | | | | |
| Montgomery County's State Priorities | | | | | | | | | | | | | | | | | |
| Montgomery County's Transportation Priorities Letter to the State | | | | | | | | | | | | | | | | | |
| Montgomery County's Legislative Tracking Database | | | | | | | | | | | | | | | | | |
| End of State Legislative Session Summary | | | | | | | | | | | | | | | | | |
| State Grants for Capital Projects Located in Montgomery County (Non-Transportation) | | | | | | | | | | | | | | | | | |
| State Aid Allocated to Montgomery County | | | | | | | | | | | | | | | | | |

[GO Committee Recommendation](#) (3-0) → Approve \$3M in cost sharing funding for FY24 and schedule follow-up worksession with OGM to launch cost sharing/capital grant application process.

² May 1, 2023 GO worksession [Council Staff Recommendation](#) → [Repeat FY3 recommendation](#) Council Staff Recommendation Repeat FY3 recommendation from May 12, 2022. Delay capital grants until FY25 and reduce capital grant FY24 budget by \$3M.

³ Additional discussion topics for future worksessions: multi-year analysis on State Bond Bill awards by organization, audit of County funds accessed/liiquidated, racial equity and social justice analysis on capital grant application process, jurisdictional landscape review of municipal capital grant funding compared to asset acquisitions.

| | |
|---|--------|
| FY24 County Executive [CE] Recommended Budget: <u>Community Grants Non-Departmental Account (NDA) Information Sheet</u> | ©1-4 |
| OGM March 22, 2023, Presentation with Nonprofit Montgomery..... | ©5-9 |
| FY24 CE Recommended Operating Budget: Office of Grants Management | ©10-14 |
| Non-Departmental Account [NDA]: Community Grants | ©15-17 |
| Cost Sharing: Montgomery County Government [MCG] [P720601] | ©18-23 |
| OGM FY24 Operating Budget Equity Responses [ORESJ Rating: 3]..... | ©24-27 |
| FY24 CE Recommended Community Grants to Base Budget | ©28 |
| FY23, FY22, & FY21 CC Approved Community Grants to Base Budget..... | ©29-34 |

This packet contains:

| | |
|--|------|
| Office of Grants Management [OGM] May 3, 2023, GO Committee Memo | ©1-4 |
| Proposed New Community Grants Timeline – FY24, FY25 and Beyond | ©1 |
| OGM Positions: Growing Grants w/Equity, Efficiency, & Accountability..... | ©2-4 |
| Summary of Projected Competitive Grant Programs Facilitated by OGM..... | ©4 |
| OGM FY24 Maryland State: Other Legislative Initiatives Analysis | ©5 |
| Office of Intergovernmental Relations [OIR]: FY24 Montgomery County Capital Projects | |
| OIR: FY07-23 Montgomery County Capital Projects | |
| April 11, 2023, Public Hearing Testimony : Lavontte Chatmon, Nonprofit Montgomery..... | ©6-7 |



Montgomery County Office of Grants Management

Proposed New Community Grant Timeline

| FY24 CE Recommended Proposed Timeline * | | Proposed FY25 and Future Fiscal Years* |
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* The proposed timeline does not include other competitive grant programs sitting in department base budgets that will be implemented through OGM.



Montgomery County Office of Grants Management

OGM Positions Needed for Growing Grants with Equity, Efficiency, & Accountability

- Context of Growth:** Bill 36-19 establishes OGM's role as helping all County entities compete and issue grant agreements. Even only considering the Community Grants NDA and other base budget identified grant programs, OGM expects in FY24 to facilitate through its processes *at least* 18 competitive grant programs utilizing \$13.7 million in funding with an estimated 370 grants agreements issued. This is an **expected increase of 9 competitive grant programs (100% increase), \$9.1 million in funding (198% increase), and 290 grant agreements (363% increase) over FY23**. This figure will likely grow as OGM trains departments on our new grants tools and they identify additional services and programs more appropriately competed and provided as grant agreements instead of procurement contracts.

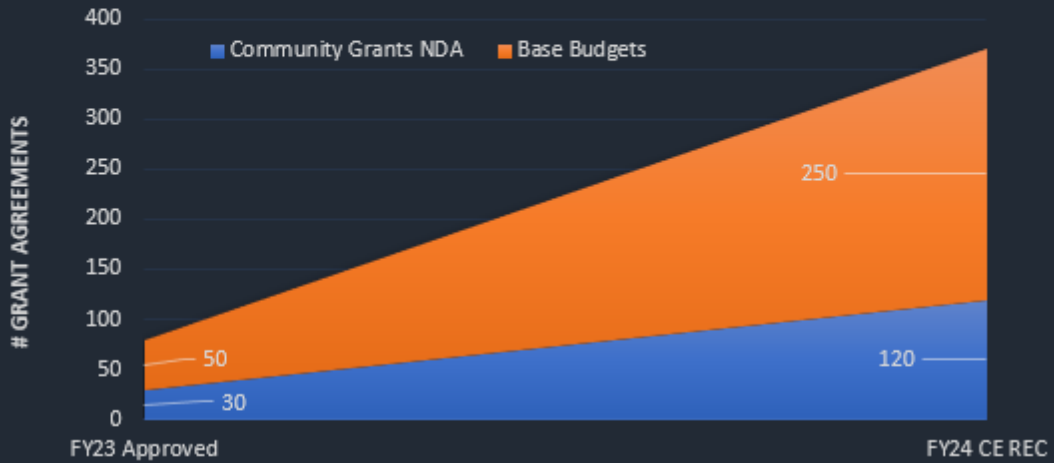
| Competitive Grant Programs Facilitated by OGM (Projected) | | | | | | |
|--|------------------------|--------------|-------|-----------------------|--------------|--------|
| | FY23 Approved | | | FY24 CE REC | | |
| | Community Grants NDA | Base Budgets | Total | Community Grants NDA | Base Budgets | Total |
| Programs | 4 | 5 | 9 | 8 | 10 | 18 |
| Funding (millions) | \$2.5 | \$2.1 | \$4.6 | \$8.7 | \$5.0 | \$13.7 |
| Grant Agreements (estimated, programs in progress) | 30 | 50 | 80 | 120 | 250 | 370 |
| FY23 to FY24 \$ Growth | | | | | | |
| | FY23 to FY24 \$ Growth | | | FY23 to FY24 % Growth | | |
| | Community Grants NDA | Base Budgets | Total | Community Grants NDA | Base Budgets | Total |
| Programs | 4 | 5 | 9 | 100% | 100% | 100% |
| Funding (millions) | \$6.2 | \$2.9 | \$9.1 | 248% | 138% | 198% |
| Grant Agreements (estimated, programs in progress) | 90 | 200 | 290 | 300% | 400% | 363% |

- An additional Outgoing Grants Program Manager II** is required to handle this expected increase by:
 - Supporting departments in the design and implementation of grant programs;
 - Drafting unique grant agreement templates for each program and vetting individual awards;
 - Overseeing grant agreement approval workflows and administering OGM grant awards;
 - Implementing an intensive RESJ informed grants management training for departments;
 - Delivering intensive RESJ informed training and support to applicants during competitions;
 - On-going coaching and support for departments and awardees on issued grants agreements; and
 - Providing analysis and reporting to ensure transparency and inform future grant cycles.
- A new Administrative Specialist III** is also required to handle this expected increase in volume by:
 - Planning logistics and schedules for competitive grant programs, trainings, and outreach;
 - Drafting administrative documentation and facilitate its flow through MCG processes;
 - Providing more responsive public engagement and customer support on basic grants related items;
 - Supporting the submission of approval packages into OGM workflows and “pushing” stuck items;
 - Expediting action on Incoming Grants related contracts to improve support to departments;
 - Managing purely administrative tasks not covered by OMB Shared Services Team; and
 - Freeing up the Director and Program Manager IIs (who currently cover these functions)** to focus on strategy, budget management, policy development, oversight, training, communication, customer support, technical support to departments, and other tasks that require their expertise.

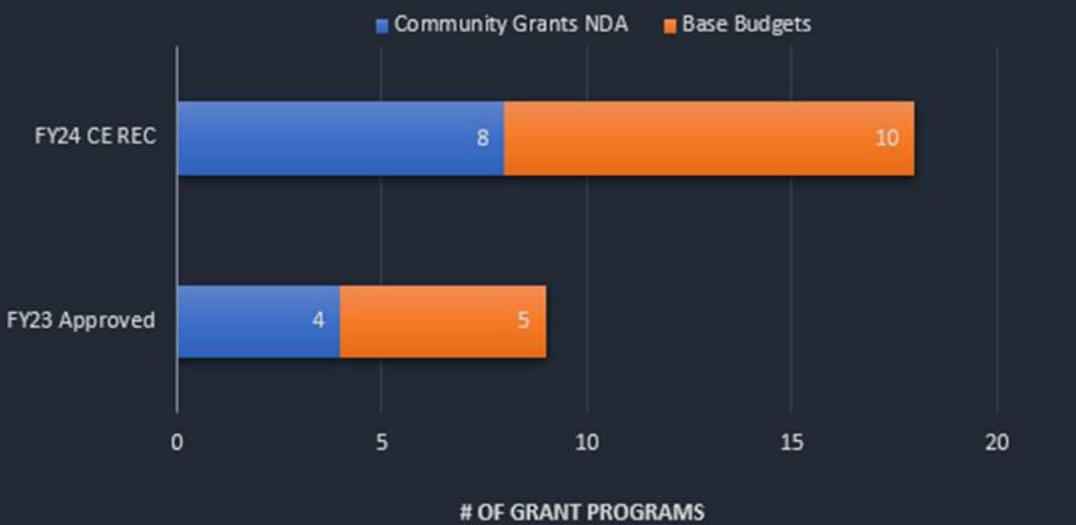


Montgomery County Office of Grants Management

363% increase expected in number of Grant Agreements OGM distributes to Montgomery County Nonprofits

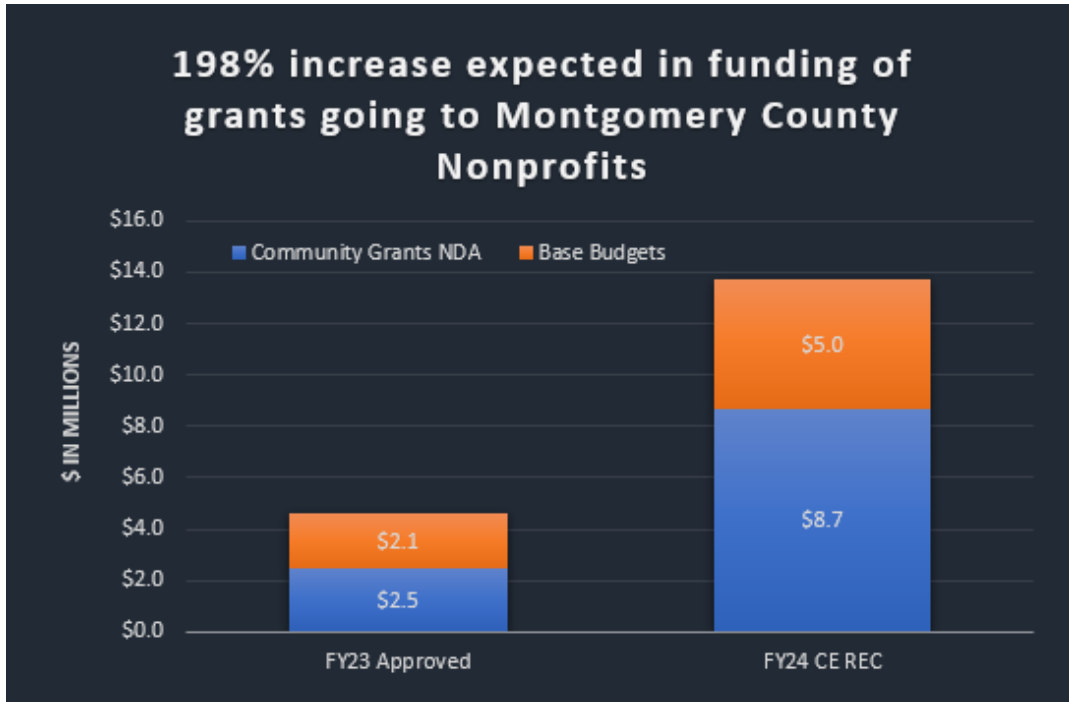


Number of Outgoing Grant Programs administered by OGM expected to double





Montgomery County Office of Grants Management



| Summary of Projected Competitive Grant Programs Facilitated by OGM | | |
|---|---|---|
| | Community Grants NDA Funded | Department Base/Other NDA Funded |
| FY23 Competitive Grant Programs Facilitated By OGM | <ul style="list-style-type: none"> Underserved Communities Project Grants: \$750,000 Nonprofit Technical Assistance and Management Support Grants: \$750,000 Place Based Management Grants: \$400,000 Emerging Business District Grants: \$600,000 | <ul style="list-style-type: none"> Transportation and Specialized Mobility Capital Grant Program (DOT): \$640,000 Transportation and Specialized Mobility Operating Grant Program (DOT): \$160,000 Community Gardening and Local Resilience Grants Program (OFSR): \$100,000 Abortion Access Grant Program (HHS): \$1.0 m Newcomers Grant Program (HHS): \$200,000 |
| Expected FY24 CE REC Competitive Grant Programs Facilitated by OGM | <ul style="list-style-type: none"> Youth Support Grants: \$1.5 million Senior Support Grants: \$1.5 million Grants for Organizations Supporting Individuals with Disabilities: \$1.5 million Underserved Communities Project Grants: \$1,258,128 Community Projects Fund Grants: \$1 million Nonprofit Technical Assistance and Management Support Grants: \$1 million Nonprofit Incubators: \$560,987 Place Based Management Grants: \$400,000 | <ul style="list-style-type: none"> Arts Facility Capital Grants - Major Projects/State Match Fund (Cost Sharing: MCG): \$750,000 Arts Facility Capital Grants - Small Projects Fund (Cost Sharing: MCG): \$250,000 Cost Sharing Capital Grants - Major Projects/State Match Fund (Cost Sharing: MCG): \$1.25 m Cost Sharing Capital Grants - Small Projects Fund (Cost Sharing: MCG): \$750,000 Emerging Business District Grants (CEC): \$600,000 Climate Change Grants (DEP): \$250,000 Nonprofit Security Grants (OEMHS): \$1.0 m Community Gardening and Local Resilience Grants (OFSR): \$50,000 Market Money Grants (OFSR): \$100,000 Community Development Block Grants (DHCA): Funding amount TBD |

FY24 MD State Other Legislative Initiatives Analysis

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| Jewish Federation of Greater Washington | \$ 640,000 | \$ 960,000 | \$ 130,000 | \$130k County request indicated, remaining gap funded from other sources |
| Junior Achievement of Greater Washington | \$ 300,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| Leisure World Community Corporation | \$ 800,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| Makom UpCounty Property | \$ 150,000 | \$ 100,000 | \$ 100,000 | \$100k County request indicated, no other sources |
| Montgomery History Center | \$ 500,000 | \$ 1,500,000 | \$ 300,000 | \$300k County request indicated, remaining portions covered by organization funds and other bond bills |
| Multipurpose Youth Facility | \$ 400,000 | \$ 3,600,000 | \$ - | \$3.6m gap with \$3.1m not identified |
| NECC Barn Renovation | \$ 150,000 | \$ 350,000 | \$ - | \$350k gap with no funding source identified |
| Progress Place Reflection Gazebo | \$ 100,000 | \$ 115,000 | \$ - | \$115k gap with some covered by other sources |
| Project Neighbor Care | \$ 75,000 | \$ 145,000 | \$ - | \$145k funding cap with sources undetermined |
| Quality Childcare Development Center | \$ 1,250,000 | \$ - | \$ - | Fully funded from a variety of sources, County portion already in FY24 CE REC |
| Quality Time Learning Center | \$ 50,000 | \$ 450,000 | \$ - | \$450k gap with undetermined funding source |
| Riverworks Art Center | \$ 100,000 | \$ 2,140,000 | \$ 30,000 | \$2.1 m gap to be funded by variety of sources, \$30k from County |
| Rotary Club of Olney | \$ 50,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| Round House Theatre | \$ 1,000,000 | \$ - | \$ - | No State Information Sheet, unclear potential County match needs |
| Sandy Spring Odd Fellows Lodge | \$ 35,000 | \$ - | \$ - | \$10k gap to be funded by org in info sheet but fully funded in final list |
| Sandy Spring Slave Museum and African Art Gallery | \$ 1,650,000 | \$ - | \$ - | Info sheet does not match, only \$150k requested but \$1.7m given, assumed fully funded |
| So What Else, Inc. Food Pantry | \$ 150,000 | \$ 2,300,000 | \$ - | \$2.3m gap to be filled by fundraising |
| Springsong Museum | \$ 1,250,000 | \$ 3,300,000 | \$ - | \$3.3m gap to be filled by fundraising and corporate gifts |
| The Clarksburg Yard | \$ 150,000 | \$ 70,000 | \$ - | \$70k gap to be funded by org |
| The Flats at Knowles Station | \$ 800,000 | \$ - | \$ - | Fully funded by Bond Bill, \$800k in FY24 |
| The Ivy Mount School | \$ 250,000 | \$ 100,000 | \$ - | \$100k gap to be funded by org and/or fundraising |
| Torah School of Greater Washington | \$ 150,000 | \$ - | \$ - | Funded by State \$50k above their request in information sheet |
| UpCounty Hub | \$ 141,000 | \$ - | \$ - | \$52k funded by Bond Bill above actual request, no need for County funds |
| Totals: | \$ 15,579,000 | \$ 560,000 | | |



April 11, 2023
FY23 Budget Hearing Testimony

Hello Council President Glass, Vice President Friedson, and members of the County Council.

My name is Lavontte Chatmon, and I am the Executive Director of Nonprofit Montgomery. On behalf of our 200 member organizations and the tens of thousands of Montgomery County residents they serve, thank you for giving me the opportunity to testify today.

Budgets are important documents. They not only provide a snapshot of financial expectations, they also highlight priorities. We know that Montgomery County values its partnership with nonprofits, and we ask that the Council ensure the FY 2024 budget reflects the critical nature of that partnership. We appreciate the 3% increase that the County Executive included in his budget proposal, but as he himself said, year-on-year, the consumer price index has risen 6.6%. We ask you to add an additional 3.6% increase, across the board, in the FY 2024 budget to enable nonprofits to keep up with the high demand for services and the rising costs of providing those services to County residents.

The nonprofit sector continues to be on the front lines of responding to the high level of need in the County. According to the Office of Food Systems Resilience, 35-40% of Montgomery County's children are at risk of hunger. The Council is fully aware of the disaster that will strike many families as COVID-19 rent subsidies end; knowing that 130,000 Montgomery County households struggle to pay rent every month, the Council unanimously voted in support of the proposed emergency rental assistance fund at the state level earlier this year. We are all painfully conscious of the fact that the pandemic adversely affected student learning, particularly for Black, Hispanic, and economically disadvantaged students; we have a shared responsibility to help these students catch up. And that is just the tip of the iceberg.

Like other businesses in the County, nonprofits are feeling squeezed by rising prices. Our members report transportation costs rising by 20%, insurance increasing by 11%, and transitional housing costs increasing by 50% or more. With the high cost of living in the

County, and constrained resources, nonprofits can not pay competitive salaries. We are losing good people to the private sector. We can't provide consistent high-quality services if we can't attract and retain qualified, motivated staff.

We want to express our strong support for the efforts by the Office of Grants Management and the Administration to implement reforms to the County's grants process. As a community, we have been discussing the need to transform the grants process for years. The recommendations in the County Executive's budget align with feedback Nonprofit Montgomery has received from members about the need to make County funding more transparent and accessible to a broader range of organizations, including small, community-based organizations, many of which are led by people of color. We believe that the proposed changes will lead to more equitable outcomes. They will also lessen the burden of the application process, leaving nonprofits more time to do their essential work. Additionally, we are excited about the potential for partnering with the OGM and the County to bring more public and private funding into the County to expand nonprofit services and programming.

We recognize the challenges we face as a community given the drop off in federal and state funding and the volatility of the economy. Help us make sure that the safety net provided by the nonprofit community is strong and secure. Please include the additional 3.6% for nonprofits in the FY 2024 budget.

Thank you.



Lavontte Chatmon
Executive Director
Nonprofit Montgomery