

M E M O R A N D U M

February 24, 2025

TO: Government Operations and Fiscal Policy Committee

FROM: Tara Clemons Johnson, Legislative Analyst

SUBJECT: Office of Grants Management Follow-Up

PURPOSE: Receive a briefing

Expected participants:

- Rafael Murphy, Director, Office of Grants Management (OGM)

At this session, the GO Committee will receive an update from the Office of Grants Management following the November 2024 meeting and requested information.

Background

The GO Committee held a briefing on the Office of Grants Management on November 12, 2024. During the discussion, committee members highlighted the need for enhanced communication with non-profits and greater transparency regarding the grant process. Persistent systemic issues have been evident since the establishment of OGM including the timeliness of grants decisions and communication with applicants, the high volume of applications and associated workload for OGM, and coordination with the Executive branch.

The Director acknowledged the unexpected challenges in managing the broad scope of the FY24 Community Grants NDA and the application review process for the FY24 Cost Sharing: CIP grants. Committee members shared their frustration in the slow process for certain grants and questioned how the Council could help facilitate a better process.

Following the meeting, a memo was sent to the OGM/Executive Branch on December 3rd (see ©5-7) requesting the following information:

- What is the strategic plan for the next multi-year Community Grant process and how can criteria be adjusted to facilitate a better process?

- Provide a plan for the FY25 Legacy Awards including how to mitigate the impact to non-profits if they no longer receive a grant award after FY25 ends.
- Provide a definitive timeline for the FY24 Cost Sharing: CIP grants process including the timeline of review of the applications and awards.

The Chief Administrative Officer (CAO) provided a response to the GO Committee on February 19, 2025. It is available at ©1-4.

Office of Grants Management Updates

Since the November 2024 meeting, the OGM has launched new grant programs, assisted county departments with both incoming and outgoing grant opportunities, and implemented new communication tools to for county organizations and the public.

- Outgoing grants – there are three grant programs launching in February (including the FY25 Cost Sharing grant) and three grant programs launching March 2025.
- Incoming grants - recent awards includes three different grants total \$1.9 million. They will support projects with the Department of Transportation, Department of Environmental Protection and the Department of Housing and Community Affairs.
- Monthly Forums – the OGM began hosting monthly forums for the community in December 2024. It is an opportunity to provide updates on the office operations, preview upcoming grant programs, discuss priority issues and address any questions.
- Newsletter - a weekly Montgomery County Grants Opportunities Newsletter has been established to “provide grant seeking stakeholders with a concrete schedule of new, currently open, and soon to be launched grant programs as well as status updates for closed grant programs. The newsletter also highlights OGM events, non-County grant opportunities, and other events/news items of interest to grant seeking stakeholders.”
 - In addition, the OGM maintains a [FY25 Grant Program Forecast](#) that provides a long term projection of County grant opportunities. The latest version is available at ©8-10.
- New grant platform – the OGM has transitioned from SM Apply to Euna Grants (eCivis) as the grant application and award management platform. To support this transition, various resources have been provided to the community including virtual and in-person office hours, training videos, PowerPoint presentations, and user guides.
- Federal grants – the office is actively monitoring the federal grant landscape and the potential impact on the county and non-profit organizations.

This report contains:

CAO Response to the GO Committee regarding the OGM

©1-4

GO Committee Memo to the CAO

©5-7

Grants Program Forecast – February 18, 2025

©8-10



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Richard S. Madaleno
Chief Administrative Officer

MEMORANDUM

February 19, 2025

TO: Kate Stewart, Council President & GO Committee Chair
Andrew Friedson, Councilmember
Sidney Katz, Councilmember

FROM: Richard S. Madaleno, Chief Administrative Officer *RSM*

SUBJECT: CAO Response to the GO Committee work session with the Office of Grants Management

We appreciate your questions regarding the Grants process and hope that this letter helps clarify some of the issues and next steps.

Background:

Community Grants. As you know, prior to 2023, funding was set aside in the operating budget each year for categories informally referred to as “County Executive (CE) Grants” and “County Council (CC) Grants”. The Office of Management and Budget reviewed the allocation of the CE Grants, which were approved by the CE and included in his recommended budget that was sent to the Council. Separately, the County Council recommended and approved their grants.

During the Summer of 2023 the Office of Grants Management (OGM) launched the FY24 Community Grants competition collecting over 300 applications from both new and traditional partners and programs. The volume and diversity of applications resulting from an open-ended set of criteria combined with limited volunteer reviewers greatly delayed the review. Eventually enough reviewers were recruited, and the OGM used a data-driven approach based on the scoring criteria set in the application materials to rank applications across funding categories. In addition, OGM statistically rescaled scores to mitigate reviewer variances and take away the luck factor of receiving a strict or generous reviewer during the scoring process. Support was recommended for 119 applications but only 47 proposals received funding because of limited funds (\$5.25 million).

The final results were extraordinary competitive with an average rescaled winning score 98.18 out of 100 with some funding categories having average winning re-scaled scores over 100.

During the same time period (FY24), OGM facilitated eleven separate department funded competitive grant programs that averaged two to three months for full execution of the competitive process versus the nearly ten months for Community Grants (competition opened on June 29, 2023, and Notification Letters

were distributed on May 3, 2024). The main difference was that these other grant programs were much more specifically targeted at certain outcomes, needs, or geographic areas so there were fewer applicants and more clear priorities and eligibility criteria.

Legacy Grants. 102 non-profits that had received funding since at least FY18 via the County Executive and County Council grants, did not get funding via the FY24 Community Grants competition even while many of their applications scored very high. The average winning score in the FY24 Community Grants was over 98 out of 100. By comparison, most FY24 competitive grant programs that were run out of departments in FY24 had a cut off score for award winners in the low 80s. While their applications were highly competitive and these organizations had been providing valuable services to the county, there simply were not enough funds in the Community Grants pool, and so their funding was extended for one year and became known as Legacy Grants.

In your memo of December 3, 2024, you raised the following questions about the community grants:

- How can we adjust the criteria for the grants to facilitate a better process while maintaining the original purpose of the grant program?

CAO Response. Given the tight budget at this moment, we do not recommend issuing a community grants competition every year; it should be recomputed every 3 years. In the interim, the performance will be reviewed by grant monitors, but absent concerns about delivery or performance, the recipients should count on 3 years of funding. If the Council wanted to implement a more frequent process, more money would have to be added to the budget. While an every 3 year cycle may present fewer opportunities for organizations to compete, it does provide some stability for those who have received awards. During this time period, we will work with grant monitors and OGM to determine clearer criteria for community grants so that next time the selection process will not be as arduous. We intend to begin by reviewing the existing grant recipients and trying to identify categories for applicants, such as youth services, health care, and environmental protection.

- What other recommendations does Mr. Murphy have to improve the process?

CAO Response. Mr. Murphy has noted that such a wide-open grant application invites an enormous number of applicants with a wide variation of purpose and requires an inordinate number of reviewers. It is also difficult to recruit or match subject matter experts with each unique application allowing for the same level of review across all applications. He notes that grant competitions with narrower and more clearly defined scopes are much easier to review, prioritize, and award.

- Are there additional resources needed to administer the Community Grants program every three years, such as additional staff, contractor or using a consultant to the process applications?

CAO Response. This is likely not a good use of public funds especially given the difficult budget year. OGM has been very successful at issuing and helping organize review and execution of targeted grants across a range of sectors and departments including the following:

- FY24 Emerging Business District (EBD) Grant Program – Community Engagement Cluster.
- FY24 Healthy, Efficient, Electrified, Climate-Adapted Pilot (HEECAP) Homes Grants Program – Department of Environmental Protection.
- FY25 Food As Medicine (FAM) Grant Program – Department of Health and Human Services.

- FY25 Community Food Assistance (CFA) Grant Program – Office of Food Systems Resilience.

You raise the following questions about the FY25 Legacy Awards:

- What is the Executive Branch plan for the Legacy Awards?
- How do we help mitigate the impact to non-profits if they no longer receive an award after June 30, 2025?

CAO Response. These two questions are related. Many of these organizations have been providing valuable services that do not fit easily into other County government services, which has been the strategic intent of the Community Grants pool of funds. Many of these projects scored very high in the competition and had consensus recommendations to fund by reviewers. However, the extraordinarily competitive nature of the grant program pushed them out of funding availability. Given the value of their services generally combined with the extreme uncertainty of this year, we recommend continuing funding Legacy Grants for another year. We will use that time to review the services provided to determine whether we recommend that those services be a part of a department's budget or whether they should continue to be provided via a grant competition.

We intend to review both Community and Legacy grants to recommend categories for more targeted grant programs that could be reviewed, assessed, and awarded more efficiently. This criteria could focus on target zipcodes, populations, sectors, and/or a different set of criteria. It could also include more distinct categories like youth services, aging & disability, natural resources, community engagement, and workforce development.

While we understand that it may seem to some that a revised grant process has been in limbo for a long time, we are moving in the right direction and supporting non-profits that are delivering valuable services to the community. Importantly, all of the recipients have benefited from no longer having to work with a procurement contract to receive funds and instead are able to use a grant agreement, which is easier and faster for disbursement of funds.

In summary, this two-track approach would require an appropriation in FY26 for the Legacy Awards, and the next Community Grants appropriation and application process would be in FY28, in keeping with the 3-year terms of those grants.

Cost sharing: CIP Grants

- Please provide a definitive timeline for the FY24 grant process including the timeline of review of the applications and awards.

CAO Response. All FY24 Cost Sharing Capital Grants (CSCG) funding categories have been reviewed and awarded with winners notified of the results. The OGM and the Department of General Services (DGS) are working with awardees on developing grant agreements with a focus on providing the grantees flexibility due to the large gap between the initial application and the awarding of funds.

OGM has notified the nonprofit community through its weekly Montgomery County Grants Opportunity Newsletter and FY25 Grant Program Forecast of its intent to launch the FY25 Cost Sharing Capital Grants (CSCG) competition in the first half of this month. Due to the high volume of State capital nonprofit awards, the competition will be limited to organizations who have a State capital award in-

hand. Even with the small pool of applications, we expect to have far more requests than funding available for just State matches. Based on the prior number of State capital awards provided, this eligibility criteria will limit the pool to roughly 15-20 applications across both the Arts Facility and Non-Arts Capital Projects. OGM received only 17 total State Matched applications across both categories for the FY24 Cost Sharing Capital Grants competition. A small team of reviewers will be able to review and score the applications in two weeks with results distributed by the end of March or early April at the latest. Leveraging State capital resources will continue to be a funding priority for County capital nonprofit funding and will in turn keep the competition at a manageable size. For FY26, we are working to have even less time between the awarding of State grants and the County's matching cost sharing capital grant.

I hope this information is helpful and we look forward to working with you.

cc: Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Debbie Spielberg, Special Assistant to the County Executive
Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive
Jennifer Bryant, Director, Office of Management and Budget, Office of the County Executive
Rafael Murphy, Director, Office of Grants Management, Office of the County Executive



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MEMORANDUM

December 3, 2024

TO: Marc Elrich, County Executive
Rich Madaleno, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
Rafael Murphy, Director, Office of Grants Management (OGM)

FROM: Kate Stewart, Council President & GO Committee Chair
Andrew Friedson, Councilmember
Sidney Katz, Councilmember

SUBJECT: Follow up to the GO Committee worksession with the Office of Grants Management

On November 14, 2024, the Government and Fiscal Policy (GO) Committee held a worksession to discuss the status of the FY24/FY25 Cost Sharing Capital grants, the long-term plan for the FY24 multi-year Community Grants and the FY25 Legacy Community Grants awards. The Committee heard from Rafael Murphy, Director, Office of Grants Management (OGM). However, several questions and concerns raised by the Committee remained unresolved.

The GO Committee recognizes that the County Grants process, encompassing both incoming and outgoing grants, continues to face significant challenges that directly affect the non-profit community and the residents they serve. Persistent systemic issues have been evident since the establishment of the Office including the timeliness of grants decisions, the high volume of applications and associated workload for OGM, and coordination with the Executive branch.

FY24 Community Grants Awards

After much delay, the FY24 Community Awards were awarded to organizations in FY25, with a start date of July 1, 2024. With this delay, the FY24 grants are truly the FY25 – FY27 multi-year Community Grant awards (pending annual appropriation for funding).

- **Please provide the strategic plan for the next Community Grant awards process.** Based on the timeline, new grants would be awarded FY28 – June 1, 2027. The grant review and award notification process would need to take place in FY27.

- It was reported by Mr. Murphy, during the Committee meeting this November and in prior meetings, that the categories for the application process were too broad and led to obstacles during the review process. The Committee raised concerns that the intended purpose of Community Grants is to provide an open and flexible pool of funding for non-profits and to help expand the pool of funded groups to better adhere to our racial equity goals. The Committee asked Mr. Murphy if there was a way to advance the original goal of the Community Awards and address the concerns he raised. During the discussion, he indicated that he believed it would be possible.
 - How can we adjust the criteria for the grants to facilitate a better process while maintaining the original purpose of the grant program?
 - What other recommendations does Mr. Murphy have to improve the process?
 - Are there additional resources needed to administer the Community Grants program every three years, such as additional staff, contractor or using a consultant to the process applications?
- The Committee is requesting that the Executive provide the above information by February 7, 2025. This will allow the Committee to review the responses and have a follow-up discussion if needed before the FY26 budget conversations begin.

FY25 Legacy Awards

The Legacy Awards affect 102 non-profits across the County, a greater number than those awarded through the FY25–FY27 Community Grant program. The Committee emphasized that a response of "we'll see what happens in the budget" is neither appropriate nor acceptable for the non-profit community or the Council.

- What is the Executive Branch plan for the Legacy awards?
- How do we help mitigate the impact to non-profits if they no longer receive an award after June 30, 2025?

Cost Sharing: CIP Grants

The Cost Sharing: CIP project states that FY24 and FY25 grants will be awarded through a formal grant review and approval process overseen by the OGM.

- Please provide a definitive timeline for the FY24 grants process including the timeline of review of the applications and awards. As this process is a year plus delayed, the Committee is requesting that the FY24 process be finalized by Feb. 2025 and the NOFO for the FY25 Cost Sharing grant is released at the same time.
- The Committee is requesting that the Executive provide this information by February 7, 2025.

The GO Committee members and all Councilmembers understand the frustration to our non-profit constituents and partners in the grant making process for the past several years. Please let us and our staff know your response to the above requests and how we can improve the process for our non-profits and the residents they serve.

Copy to:

Tricia Swanson, Director, Strategic Partnerships, Office of the County Executive
Gabe Albornoz, Councilmember
Marilyn Balcombe, Councilmember
Natali Fani- González, Councilmember
Evan Glass, Councilmember
Will Jawando, Council Vice President
Dawn Luedtke, Councilmember
Kristin Mink, Councilmember
Laurie-Anne Sayles, Councilmember
Craig Howard, Executive Director, Montgomery County Council
Tara Clemons Johnson, Legislative Analyst, Montgomery County Council



FY 2025 GRANT PROGRAM FORECAST

The FY2025 Grant Program Forecast provides an estimated schedule of known, upcoming Montgomery County Government grant programs so that stakeholders can better predict and prepare for applicable funding opportunities. **The Grant Program Forecast is a living document and subject to change.** The Office of Grants Management will review and, if necessary, update the Grant Program Forecast on a weekly basis as program details and resources become available, changes occur, and/or new grant programs are added to the schedule. If more information is available, you may click on the grant program's title to view its application page.

February 2025

- **FY25 Cost Sharing Capital Grants Program:** *(Anticipated Launch: Mid February 2025).* The FY25 competition will be limited only to projects that have an existing State capital award for the same project. While small changes may be made for FY25, see the [FY24 Cost Sharing Capital Grants Program application page](#) for information on last year's competition and application structure. Launch of this program has been delayed while OGM has focused on responding to changes in the federal funding landscape.
- **FY25 Community Youth Mental Health and Substance Use Initiatives Grants Program:** *(Anticipated Launch: Mid February 2025).* Pending a Council appropriation, the department of Health and Human Services will solicit grant applications Award up to \$1.3 million in Juul and Altria settlement funds to support youth programming initiatives focused on vaping cessation, mental health, and substance use prevention. HHS anticipates up to three awards ranging from \$250,000 to \$500,000 each. Legislation for this grant program is pending Council approval and changes may be made.
- **FY25 Community Projects Fund Administration Grant Program:** *(Anticipated Launch: Mid February 2025)* The goal of this grant program is to compete out to a nonprofit provider the administration of the Community Project Fund pool of resources. The award winner will also be responsible for providing coaching, mentoring, and sustained technical assistance to small, emerging, and volunteer led nonprofit applicants and award winners for this pool of resources. \$1.2 million is available for this grant program and OGM anticipates making a single award to one partner.



Montgomery County Office of Grants Management

FY2025 Grant Program Forecast

Last Reviewed: **February 18, 2025**

Last Updated: **February 18, 2025**

March 2025

- **FY25 Fentanyl Use, Overdose, and Death Reduction (FUODR) Grant Program:** *(Anticipated Launch: Early March 2025)* The Department of Health and Human Services has allocated \$100,000 of Opioid Abatement Funds for a grants program that aims to reduce the number of persons using, overdosing and dying from the use of fentanyl in Montgomery County, MD. While changes may be made in FY25, see the [FY24 FUODR application page](#) for information on last year's competition. HHS anticipates making 1-2 awards with a \$50,000 minimum and \$100,000 maximum.
- **FY25 Nonprofit Incubators Grants Program:** *(Anticipated Launch: Mid March 2025)*. The goal of this grant program is to compete out funds to nonprofit providers for the administration of Nonprofit Incubators serving nonprofits throughout the County. OGM seeks innovative proposals that explore administrative shared serves, micro-grants administrative needs, common workspaces, as well as sustained coaching, mentoring, and community building for incubator participants. \$1 million is available for this grant program with OGM anticipating 2-3 multi-year awards ranging from \$300,000 to \$500,000 per year.
- **FY25 SNAP Outreach Grant Program:** *(Anticipated Launch: March 2025)*: The FY25 [SNAP Outreach Program](#) will solicit grant applications for qualified state-designated community-based organizations (CBOs) to conduct Supplemental Nutrition Assistance Program (SNAP) outreach, application, and enrollment assistance to Montgomery County families with children. These programs reach Montgomery County families that are eligible, but not yet enrolled in SNAP.

April 2025

- **FY25 Nonprofit Nonprofit Technical Assistance and Management Support Grants Program:** *(Anticipated Launch: Early April 2025)*. The goal of this grant program is to compete out funds to nonprofit providers for the administration of Nonprofit Incubators serving nonprofits throughout the County. OGM will seek innovative proposals that help prepare County nonprofits to independently and successfully apply for win, implement, and comply with County, other local jurisdiction, private, State, and federal awards. This award may include a sub-granting component. \$2 million is available for this grant program with OGM anticipating 4-5 multi-year awards ranging from \$300,000 to \$500,000 per year. Portions of this funding pool may be integrated into the FY25 Nonprofit Incubator and FY24 Community Projects Fund Administration Grant Programs.



Montgomery County Office of Grants Management

FY2025 Grant Program Forecast

Last Reviewed: **February 18, 2025**

Last Updated: **February 18, 2025**

To Be Scheduled

- **FY25 Emerging Business District Grant Program:** *The launch date for this grant program is still under consideration.* The Community Engagement Cluster (CEC) is soliciting grant applications under the County's FY 2024 Emerging Business Districts Grants Program, which aims to establish Business Improvement Districts or Urban District Corporations within Montgomery County by subsidizing the formation and support of non-profit commercial district management entities to conduct place making, place management, branding, and economic development activities in a designated neighborhood. While changes may be made in FY25, see the [FY24 Emerging Business District Grant Program application page](#) for information on last year's competition.
- **FY25 Community Reinvestment and Repair Fund Grant Program:** Bill 4-24 "Community Reinvestment and Repair Fund Commission – Established," allows a portion of cannabis tax revenue to be directed to Montgomery County communities most harmed by the so-called War On Drugs. Through this grant program the County will support community-based initiatives intended to benefit low-income communities and that serve disproportionately impacted areas of the County. Total awards are estimated at \$1 million for FY25.

The Office of Grants Management continues to engage with multiple Montgomery County Government departments on considering using or developing other grant programs. Check the most up-to-date version of the [FY25 Grant Program Forecast](#) for potentially weekly updates and to see if new, relevant grant programs have been added to this list.