

Chatham County Nonprofit Funding Process

TASK FORCE RECOMMENDATIONS

Task Force

Triangle Community Foundation

- Champions of capacity building for agencies in the Triangle area; Leaders in promoting collaborative approaches for agencies and funders

United Way

- The county has always had a strong partnership with UW Chatham.

Department Heads (Human Services) & Chatham County Schools

- On the front line of service and best understand gaps in services, comprehensive plan, BOC goals

Volunteers – (Residents)

- Expertise in the nonprofit sector; Experience with the county and UW processes; Experience with human services

Staff

Brief overview of the current process

Funds are appropriated for the next fiscal year in December of the current year

Allocations are announced in January and the county solicits volunteers

Agencies are trained both for UW and County application

UW/County conduct certification process

County staff assigns panels, schedules & trains volunteers, reviews applications and budgets, facilitates all panel meetings, reviews reports

UW prepares binders, schedules meetings, sets up the rooms, administers the allocation

Panels review applications, visit agencies, hear presentations, make funding recommendations

The Situation Today

For the most part, the same agencies have been funded for the same programs year after year

2012 - 2014

- Funding was directed to programs, administration phased out
- Commissioners requested more input from department head
- At least 55% of funding was earmarked for HHH

2015 - 2016

- Panels made funding recommendations, panel chairs refine decision
- Commissioners chose to eliminate their discretionary spending
- Collaborative grant introduced

2017

- Hold everything constant and revise the process

The Situation Today (continued)

Many agencies depend on the county funding to continue operations

Agencies find it challenging to tackle problems collaboratively; the independent approach is less likely to produce lasting change.

- Frequently the applications submitted for the collaborative grant are not true collaborations

Department head input is frequently misunderstood by panels and sometimes by agencies

SWOT Analysis

Acronym for Strengths, Weaknesses, Opportunities, Threats

A structured planning method that evaluates these elements of an organization, project, or venture

Internal

- Strengths: Capitalize on them
- Weaknesses: Shore them up

External

- Opportunities: Leverage them
- Threats: Monitor them

Strengths of the process

Invites participation by residents

Attempts to fill gaps in county services

Uses a certification process to ensure financial health and adherence to legislation concerning nonprofits

Uses a joint application process with United Way

County nonprofit funding policy provides guidance

County partners with UW and TCF on capacity building event

- \$1,500 is allocated for capacity building each year.

Weaknesses of the process

Difficult to get a diverse set of volunteers and to find panel chairs

Scheduling a week of panel meetings is difficult and panels vary in expertise

Not enough time or expertise to drill down on agency organizational health

'Gaps in county services' not prioritized or well-defined

Workload difficult to staff during the budget process

Evaluation criteria gets stale & department head input is frequently misunderstood

Agencies struggle to provide meaningful outcome measures

Due to repeat funding, many agencies have come to depend on county funds to remain in operation

The process does not demonstrate changed outcomes with regard to the problems people are experiencing or the problems agencies are experiencing

Opportunities

Rapidly growing focus on collaborative efforts, among funders and among agencies

- Council on Aging developed a model program that addresses home repair for the elderly
- Chatham Reads - Collaboration of Chatham County Schools and Chatham Education Foundatoin and many community agencies and organizations
 - Shared mission of fostering partnerships to ensure that literacy and reading resources are available to all Chatham residents
 - Joined national campaign for grade-level reading

Self-sufficiency

- FSG (Collective Impact Forum), United Way of North Carolina are mobilizing to lift people out of the cycle of poverty (Self sufficiency standard article)
- The concept of self-sufficiency can also be applied to agencies (Time to Reboot Grantmaking article)

Software is increasingly available that facilitates collaboration

Threats

County demographics

- Aging population; East/West

Agency sustainability

- Several dynamic EDs are close to retirement
- Grass-roots agencies have great ideas but little training
- Difficult to find, develop and retain qualified board members
- Fundraising is difficult - not enough donor support, donor fatigue, “leakage”
- No funding for foundational capacity

Cutbacks in state and federal funding, or at least no increase as service demands and cost of service grow

New tax laws expected to have negative impact on charitable giving

Goal for this task force

Recommend process changes for Board of Commissioner approval that:

- Address the current problems and weaknesses
- Streamline the approach to be **less time and labor intensive on** volunteers, county staff, and agencies
- Ensure sound stewardship of public funds and adherence to statutory obligations

Other Jurisdictions

Durham County

Prior to 2015, their process was much like ours

2015 announced a new process to be phased in the next 2 years

- RFP format to target specific community issues
- Target areas are issues of strategic importance where the county will partner with the agency to achieve impactful outcomes
- Align with county strategic plan goals and objectives
- The funding is transitioned to budget of department that manages the contract
- Funded nonprofits must submit quarterly financial and programmatic reports
- Site visits performed annually to verify data collection methodology

Recommended \$650,000 out of requested \$1,561,656

Orange County

Application process is similar to ours

County Manager incorporates feedback from participating departments, advisory boards, and Financial Services department to finalize funding recommendation

Funds agencies that can deliver a service more effectively or cost-efficiently

Supports the social safety net

No more than 50% of the agency budget should come from the county

\$1,353,401 recommended for FY 18, \$1,887,153 requested

Lee County

Applications reviewed by the County Manager and his designees

Programs must

- Complement or enhance a vital county service at lower cost
- Provide service or program more cost-effectively than the county could deliver it
- Fill a critical gap between county service and community need

Funded 8 of 9 requested applications

Total \$34,000 funded out of \$85,500 requested

Agency feedback

Agency Feedback

32 respondents

- 34% currently funded
- Remainder either have never applied or were funded at one time but not now

Application can be confusing because the questions not the same on UW and County portions

Budget questions are too time-consuming

Can't define goals and objectives according to the template

The application can be time-consuming for small agencies with volunteer staffs

Barriers to collaboration

- Limited staff and resources to develop and manage the project

Barriers to increasing donor contributions

- Limited staff and volunteers (86%)
- Competition for donors (29%)

Recommendations

The goal drives the process

What is the county's purpose in funding nonprofit agencies?

Possible Goals

1. To provide funding to support and help maintain good local agencies doing good work
2. To make a measurable impact on community needs

The goal drives the process

Overarching assumptions:

Agencies can and should work separately with CITs when/if indicated on specific projects

The county partnership with UW is highly valued and will continue although it may change

Option 1: Allocation Process

Goal: To support agencies

Continue to use current process

Contract with United Way or hire staff to manage the process

- Improve the volunteer recruitment process to encourage diversity
- Provide education for agencies to improve sustainability
- Educate new Chatham residents to help establish relationships with local agencies

Advantages:

- Additional staff/contract support would make the workload manageable
- Most agencies will be funded

Disadvantages

- No targeted strategy to change community outcomes
- No incentive for agencies to develop new approaches

Option 2: Services focused RFP

Goal: To support agencies

Appoint standing committee to monitor agencies, report status, identify issues

Develop yearly allocation based on services desired

- **Human Services CIT** in partnership with departments, staff, UW define services needed

Publish RFP with services the county wants to fund

- Continue to earmark 55% of the funds for HHH services
- State the measures and outcomes desired
- Continue the certification process but develop a streamlined short application for services

Partner with United Way to guide the application and certification process

Advantages:

- More competitive but many agencies will be funded
- Standing committee draws on residents and helps with monitoring legwork

Disadvantages

- Agencies may need training on project accounting

Option 3: Collaborative RFP

Goal: Use funding to make an impact

Direct **all** funding to the top 1-3 priority needs identified in the Health Department Assessment and other data sources

- Bring agencies to the table to discuss how to address needs collaboratively
- Publish RFP that seeks to fund a collaborative effort that is driven by a lead agency
 - Include targeted measurable objectives
- If possible, fund a multi-year effort to allow time for change & align with 3-year cycle of Community Assessment

Advantages

- Funding is directed at top community needs
- Impact - Measurable objectives defined and tracked

Disadvantages

- Would require additional county staff to educate, plan, strategize, monitor
- Several agencies would not be funded
- Difficult for agencies to adopt different mindset and broader goal

Option 4: Develop a strategy to get to 3 Goal: Use funding to make an impact

Direct staff and the Human Services CIT to develop a strategy to implement Option 3 by FY 2022 (next refresh of the Health Department Community Assessment)

Strategy to include:

- Define UW role in our partnership
- Scope of work of new/existing county staff
- Training plan for agencies
- How to track and monitor progress towards goals

Advantages

- Same as Option 3 with additional runway to be ensure sound strategy and implementation

Disadvantages

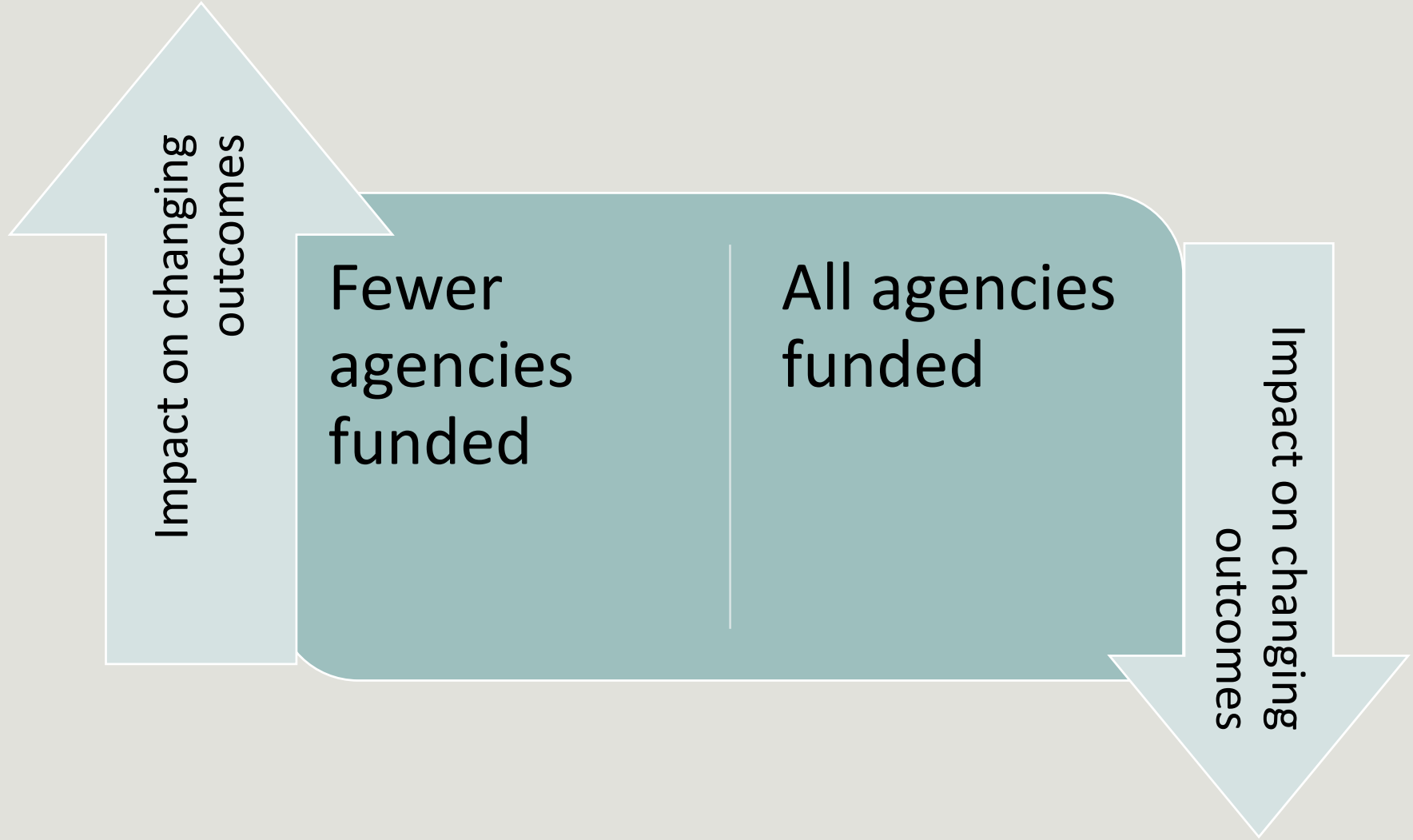
- Would require prioritization by staff/CIT

Impact on changing
outcomes

Fewer
agencies
funded

All agencies
funded

Impact on changing
outcomes



“We are continually faced with great opportunities brilliantly disguised as unsolvable problems.”

Task Force Recommendation

Option 4 – Plan the transition to a collaborative RFP to make an impact

