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Attachments: 1. Coordinated Funding - Executive Summary final, 2. Email from M. Callan and Community Outcomes

Date	Ver.	Action By	Action	Result
11/7/2013	1	City Council	Approved	Pass

Resolution to Adopt FY 2015-16 Human Services Funding Process

Attached for your consideration is a resolution to approve funding needed for FY 2015-16 General Fund allocations for human services, and the administration of these funds by the Office of Community and Economic Development using the public-private *Coordinated Funding Model*.

The process proposed to distribute these funds will continue to coordinate funding priorities, non-profit applications and interventions, and proposal reviews between the City of Ann Arbor, Washtenaw County, the United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation (AAACF), while adding another significant local private funding entity, the RNR Foundation, to the model. Decision-making authority will remain separate, with City Council maintaining authority over City Funds, and the governing boards for each of the other funding bodies maintaining authority over their respective funds.

This process builds on the human services *Coordinated Funding Model* already adopted by the City of Ann Arbor, Washtenaw County, United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation (AAACF) by incorporating recommendations from the external process evaluation conducted by the TCC Group out of Philadelphia, PA and reported to the City Council in Spring 2013. By continuing this coordinated public-private funding process, City funds will:

- Leverage the investment made in local non-profits by at least fivefold;
- Minimize duplicative work and effort for non-profits applying for funding;
- Reduce overlap and redundancies between funding entities; and
- Maximize the effectiveness of City funds invested in targeted critical human services for the growing number of citizens struggling to meet basic needs.

At its meeting on October 10, 2013, the City's *Housing and Human Services Advisory Board* voted to

recommend that City Council approve this continuation of the public-private *Coordinated Funding* process and the six priority investment areas previously agreed to by all partners. Additional details about this process, priority investment areas, and the methodology used to determine funding proportions for each priority follow.

BACKGROUND

In 2010, the City of Ann Arbor, Washtenaw County, the United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation adopted the human services *Coordinated Funding Model*. According to an independent evaluation by the TCC Group completed in April 2013, this model has proven effective in supporting and improving the existing system of human services which includes planning/coordination, program operations, and capacity-building; targeting investments to six impact/priority areas (early childhood, aging, housing/homelessness, safety net health, school-aged children and youth, and food security/hunger relief); and supporting and better utilizing the expertise of existing planning/coordinating bodies such as the Blueprint for Aging, Success by Six Great Start Collaborative, the Washtenaw Alliance for Children and Youth, the Washtenaw Housing Alliance, Washtenaw Health Plan, and Food Gatherers.

Based on recommendations from the TCC evaluation, the proposed continuation of the *Coordinated Funding Model* will incorporate the following elements:

Funding for Program Operations

The Office of Community and Economic Development - working under the authority of the City, County and Urban County - and United Way will continue to use a shared process to determine each funder's independent allocation of funds for operations, while now adding the AAACF to that process. The *Coordinated Funding Model* will continue to use:

- A single overall set of guidelines describing the funds available from all funders;
- A single deadline to simultaneously request funds from all funders;
- A single review process, with representatives from each funding partner participating in the review;
- A single set of funding recommendations brought back separately to the governing board of each funding entity; and, for funded programs;
- A single, shared monitoring and reporting process.

The City, along with all participating entities, will continue to have full and complete autonomy over its own funding decisions. Decisions will continue to be made with the knowledge of what other funders are doing, and with the reassurance that dollars are being invested to maximum effect because they have been coordinated and leveraged with the other operating dollars.

Funding for Planning and Coordination

The AAACF and United Way staff will continue to jointly develop criteria and recommendations to their governing boards to direct the funding of the planning and coordinating bodies, such as the Blueprint for Aging and Success by Six Great Start Collaborative. Under this proposal, however, the RNR Foundation will also contribute funding to the six planning and coordinating bodies. Though the City is still not expected to provide direct funding to this area, the Office of Community and Economic Development will continue to be an active participant in shaping decisions about the work of planning

and coordinating bodies, as they will impact the City's investments in human service programs.

Funding for Capacity Building

Much like the shared application process for operating funds, this effort will continue to coordinate the capacity-building grants of AAACF and United Way by providing non-profits with a single application deadline with one overall set of guidelines, a simultaneous single application to both funders, and a side-by-side recommendation process. Under this proposal, however, the RNR Foundation and its staff will now be added to the process. The boards of all three funders will receive a set of recommendations regarding their own organization's funds that could be approved, modified or denied, as they currently do, but with the added knowledge of how their own decision fits with that of the other funder's, and within the system as a whole.

Though the City is still not expected to provide direct funding to this area, the Office of Community and Economic Development will continue to be an active participant in informing and shaping capacity-building needs, as they will impact the City's investments in human service programs.

Allocation and Review Process

The funding process and decisions will continue to align with the City's commitment to supporting the human services safety net; continue to emphasize sound practices with clear and measurable program outputs; and continue to encourage proposals that leverage additional funding and foster collaboration between agencies.

Under this proposal, however, as recommended by the process evaluation conducted by the TCC Group, the process will adopt a community impact model where program strategies must align with identified community-level outcomes in order to receive program operations funding. Community-level outcomes will be determined through planning and coordinating body recommendations and other evidence-based resources. Each planning and coordinating body has engaged key stakeholders, especially including service providing agencies.

Human Service funding will continue to focus on critical services for early childhood, aging, housing/homelessness, safety net health, school-aged children and youth, and food security/hunger relief. Under this proposal, this funding will not necessarily be allocated to these six priority areas in proportional amounts consistent with historic trends. Allocations to these six priority areas will be based on identified community-level outcomes, the strategies that align with them, and how each are prioritized.

Under this proposal, the application pre-screening process will be broadened to better accommodate smaller nonprofit organizations. New types of financial documentation will allow smaller agencies to illustrate their viability in the absence of an audit. Capacity-building grants would be available to target smaller agencies that need to improve their governance or financial structure to be eligible for the application process, with the goal of expanding the opportunities for all agencies providing human services in the City and County in an equitable fashion.

The proposed reviewers for program operating funding applications will include designees of the City Council, the County Board of Commissioners, the Board of the United Way of Washtenaw County, and the Urban County Executive Committee, along with Community and Economic Development and United Way staff. Historically, City Council has requested that the Housing and Human Services

Advisory Board appoint the City of Ann Arbor designees.

The review committee will make its recommendations to City Council - via the Community and Economic Development Director and the City Administrator - in May 2014, for funding to commence on July 1, 2014.

Prepared by: Mary Jo Callan, Community and Economic Development Director

Reviewed by: Sumedh Bahl, Community Services Area Administrator

Whereas, The process to distribute human service funds will continue to coordinate funding priorities, non-profit applications and interventions, and proposal reviews between the City of Ann Arbor, Washtenaw County, the United Way of Washtenaw County, the Washtenaw Urban County, the Ann Arbor Area Community Foundation (AAACF), while adding another significant local private funding entity, the RNR Foundation, to the model;

Whereas, Decision-making authority will remain separate, with City Council maintaining authority over City Funds, and the governing boards for each of the other funding bodies maintaining authority over their respective funds;

Whereas, This process builds on the human services *Coordinated Funding Model* already adopted by the City of Ann Arbor, Washtenaw County, the United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation (AAACF) by incorporating recommendations from an external process evaluation conducted by the TCC Group out of Philadelphia, PA;

Whereas, By continuing this coordinated public-private funding process, City funds will leverage the investment it makes in local non-profits by at least fivefold; minimize duplicative work and effort for non-profits applying for funding; reduce overlap and redundancies between funding entities; and maximize the effectiveness of City funds invested in targeted critical human services for the growing number of citizens struggling to meet basic needs;

Whereas, City Human Service funds will continue to be invested in program operations, and decisions for program operations funds will continue to align with the City's commitment to supporting the human services safety net;

Whereas, The *Coordinated Funding Model* will continue to emphasize sound practices with clear and measurable program outputs, while adopting a community impact model where program strategies must align with identified community-level outcomes;

Whereas, The *Coordinated Funding Model* will continue to encourage proposals that leverage additional funding and foster collaboration between agencies;

Whereas, Human Service funding will focus on critical services for early childhood, aging, housing/homelessness, safety net health, school-aged children and youth, and food security/hunger relief. Allocations to these six priority areas will be based on identified community-level outcomes, the strategies that align with them, and how each are prioritized;

Whereas, The application pre-screening process will be broadened to better accommodate smaller nonprofit organizations; and

Whereas, The proposed reviewers for program operations funding applications will include designees of the City Council, the County Board of Commissioners, the Board of the United Way of Washtenaw County, and the Urban County Executive Committee, along with Community and Economic Development and United Way staff. Historically, City Council has requested that the Housing and Human Services Advisory Board appoint two members to represent the City;

RESOLVED, That the City will utilize the public-private *Coordinated Funding Model* for FY 2015-16 General Fund allocations for human services;

RESOLVED, That the following priority investment areas will be utilized for FY 2015-16 General Fund human service funding: early childhood, aging, housing/homelessness, safety net health, school-aged children and youth, and food security/hunger relief; and

RESOLVED, That the City will delegate the authority for identifying the necessary review committee members for the Coordinated Funding Model to the Housing and Human Services Advisory Board.