



Legislation Text

File #: 10-1095, **Version:** 1

Resolution to Adopt FY 2012 Human Services Funding Process and Priority Area Allocations Attached for your consideration is a resolution to approve FY 2012 General Fund allocations for human services, and the administration of these funds by the Office of Community Development using the public-private *Coordinated Funding Model*.

The process proposed to distribute these funds is intended to coordinate funding priorities, non-profit applications and interventions, and proposal reviews between the City of Ann Arbor, Washtenaw County, United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation (AAACF). 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 *integrated funding model* already adopted by the City of Ann Arbor, Washtenaw County, and the Washtenaw Urban County, and will further improve the process by engaging the two major local private funding entities in the coordinated process for funding human services in our community. By formalizing a coordinated public-private funding process, City funds will:

- Leverage the investment it makes in local non-profits by fourfold;
- Minimize duplicative work and effort for non-profits applying for funding;
- Reduce overlap and redundancies between funding entities;
- 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 12, 2010, the City's *Housing and Human Services Advisory Board* voted to recommend that City Council approve this public-private *Coordinated Funding* process, the designated priority investment areas, and the method used to determine allocation levels. Additional details about this process, priority investment areas, and the methodology used to determine funding proportions for each priority follow.

BACKGROUND:

In 2008, the City adopted a funding model to coordinate its investments in local human service programs with other local governments. This model has been successful in reducing duplication of effort for non-profit applicants as well as County and City staff; increasing collaboration between non-profit entities and between funders; and increasing our focus on outcomes as a way to understand impact.

In an effort to further the improvements realized through the public coordinated funding process, representatives from the City, County, United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation came together to explore a public-private partnership to better organize investments in local human services. The group met regularly to

discuss and research the potential benefits and costs of such a model. The work included examining the current system for funding non-profits; convening meetings with local non-profits to hear feedback and questions; meeting with key donors, business leaders, and other stakeholders to get feedback; and ultimately developing a plan to establish a formal *Coordinated Funding Model*.

Key elements of the Public-Private *Coordinated Funding Model* include:

1. Supporting and improving the existing system of human services which has the three major parts of: planning/coordination; program operations; and capacity- building.
2. Targeting investments to six impact/priority areas to include School-aged Youth; Children Birth to Six; Health; Housing/Homelessness; Aging; and Food/Hunger Relief - all of which are consistent with historic City priorities and funding patterns.
3. Supporting and better utilizing existing planning/coordinating bodies such as the Blueprint for Aging, Success by Six, the Washtenaw Alliance for Children and Youth, the Washtenaw Housing Alliance, and the Safety Net Health Group. With financial support provided by the United Way and the AAACF, these entities will be asked to play a lead role in assessing needs, service gaps, and effective/best practices that will inform future funding for local non-profits. They will engage agencies and other experts, and consumers so that investments are aligned with and supportive of what is working and what is needed.

The *Coordinated Funding Model* is based on the reality that providing effective non-profit human services in the community involves three different kinds of funding:

1. Program operations: the day-to-day expenses of serving people in programs such as shelter, after school activities, family therapy, or safety net medical care;
2. Planning: the coordination and maximization of services among non-profits working in the same sector (e.g., housing, aging, health, etc.);
3. Capacity building: the occasional one-time costs for things like governance improvement, finance, program evaluation or other improvements, to help a non-profit thrive.

This model recognizes that the community is best served when vital services are sufficiently funded; when those services are coordinated among multiple non-profits; and when those non-profits themselves are strong and sustainable over the long term. This approach has been embedded in the community, and in the way local funders support the non-profits, for years. Program operations have long been funded by the City, the United Way, Washtenaw County, the Washtenaw Urban County, while planning and capacity building have been funded by AAACF and United Way.

Local funders invest in many of the same non-profits, and the same coordinating groups, at the same time. But they are doing so independently (even though they are demanding collaboration from the non-profits.) To remedy this problem and provide a stronger overall funding mechanism to the community, three collaborations are proposed, in line with the three funding categories listed above.

Funding for Program Operations

The Office of Community Development - working under the authority of the City, County and Urban County - and United Way will use a shared process to determine each funder's independent allocation of funds for operations. The Office of Community Development and United Way already use the same on-line application form, but use different deadlines, different sets of guidelines, different review criteria and processes, and different reporting and monitoring processes. In a

Coordinated Funding Model, there will be:

- 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 body 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. But, decisions will 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. This process will be like that employed by the County in the last human service funding cycle, but will add the funding and participation of United Way.

Funding for Planning and Coordination

Non-profits need to collaborate with one another to effectively deliver services and to identify their collective needs, and the needs of those they exist to help. This work already takes place in organizations like the Blueprint for Aging (coordinating senior services) and Washtenaw Success by 6 (early childhood development), to cite just two examples. It takes time and money for this planning to occur, which necessitates a partnership among the funders to pay for this work. Under this proposal, the AAACF and United Way staff would jointly develop criteria and recommendations to their governing boards to direct the funding of the issue-area collaboratives. Again, both funders are already supporting this work, based on recommendations from staff, but in isolation from one another. A joint recommendation to each board would ensure a coherent community-wide strategy.

Though the City is not expected to provide direct funding to this area, the Office of Community Development will be an active participant in shaping decisions about the work of planning collaboratives, 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 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. The boards of both 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 not expected to provide direct funding to this area, the Office of Community Development will 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 basic needs human services; continue to emphasize sound practices with clear and measurable program outcomes; and continue to encourage proposals that leverage additional funding and

collaborate with other agencies.

Human Service funding will continue to focus on critical services for pre-school and school-aged children and youth, seniors, housing/homelessness, safety net health, and food/hunger relief. This funding will be allocated to these six priority areas in proportional amounts consistent with the following five year historic funding trend:

- Pre-school Children - 12%
- School-aged Youth - 11%
- Aging - 7%
- Housing and Homelessness - 49%
- Safety Net Health - 13%
- Food/Hunger Relief - 8%

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 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.

The review committee will make its recommendations to City Council - via the Community Development Director and the Community Service Area Administrator - in April, 2011, for funding to commence on July 1, 2011.

Prepared by: Mary Jo Callan, Community Development Director

Reviewed by: Sumedh Bahl, Community Service Area Administrator

Whereas, The process proposed to distribute human service funds is intended to coordinate funding priorities, non-profit applications and interventions, and proposal reviews between the City of Ann Arbor, Washtenaw County, United Way of Washtenaw County, the Washtenaw Urban County, and the Ann Arbor Area Community Foundation (AAACF);

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 *integrated funding model* already adopted by the City of Ann Arbor, Washtenaw County, and the Washtenaw Urban County, and will further improve the process by engaging the two major local private funding entities in the coordinated process for funding human services in our community. By formalizing a coordinated public-private funding process, City funds will leverage the investment it makes in local non-profits by fourfold; 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, This Coordinated Funding model recognizes that the community is best served when vital services are sufficiently funded; when those services are coordinated among multiple non-profits; and when those non-profits themselves are strong and sustainable over the long term. This approach has been embedded in the community, and in the way local funders support the non-profits, for years. Program operations have long been funded by the City, the United Way, Washtenaw County,

the Washtenaw Urban County, while planning and capacity building have been funded by AAACF and United Way;

Whereas, Local funders invest in many of the same non-profits, and the same coordinating groups, at the same time. But they are doing so independently even though they are demanding collaboration from the nonprofits. A formalized coordination in the funding of community planning/coordination, program operations, and capacity-building will remedy this problem and provide a stronger overall funding mechanism to the community;

Whereas, City Human Service funds will be invested in program operations, and decisions for program operations funds will continue to align with the City's commitment to supporting basic needs human services; continue to emphasize sound practices with clear and measurable program outcomes; and continue to encourage proposals that leverage additional funding and collaborate with other agencies;

Whereas, Human Service funding will focus on critical services for pre-school and school-aged children and youth, seniors, housing/homelessness, safety net health, and food/hunger relief, and be allocated to these six priority areas in proportional amounts consistent with a five year historic funding trend as follows: Pre-school Children - 12%; School-aged Youth - 11%; Aging - 7%; Housing and Homelessness - 49%; Safety Net Health - 13%; Food/Hunger Relief - 8%; 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 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 process for FY 2012 General Fund allocations for human services; and

RESOLVED, That the following priority investment areas and proportional allocations will be utilized for FY 2012 General Fund human service funding: Pre-school Children - 12%; School-aged Youth - 11%; Aging - 7%; Housing and Homelessness - 49%; Safety Net Health - 13%; Food/Hunger Relief - 8%.