

AGENDA ITEM #11
October 9, 2018

PUBLIC FORUM

MEMORANDUM

October 5, 2018

TO: County Council

FROM: Carolyn Chen, Legislative Analyst
Linda McMillan, Senior Legislative Analyst
Kristen Latham, Analyst, Office of Legislative Oversight (OLO)

SUBJECT: **Public Forum: Community Grants**

PURPOSE: Receive comments on Community Grants programs

For FY 2019, the County Council appropriated \$12,283,468 in Community Grants for non-profit organizations. This includes \$3,521,964 in Community Grants recommended through the Council Grants program and \$8,761,504 recommended through the County Executive Grants program. Each year, the Council adopts a resolution which outlines the parameters for applications for Council Grants and how Council Grants will be reviewed. The Council has expressed its interest in finding ways to improve the effectiveness and accountability for all Community Grants funding.

OLO has released report 2018-9, Montgomery County Council Community Grants. The Executive Summary is attached at © 1-2. The following is a link to the full report.

https://www.montgomerycountymd.gov/OLO/Resources/Files/2018%20Reports/OLOReport2018_9.pdf

The Joint Health and Human Services (HHS) and Government Operations and Fiscal Policy (GO) Committee will hold worksessions on the OLO report and the Community Grants Programs on Thursday, October 11, at 9:30 a.m. and Thursday, October 25, at 2:00 p.m. The Council felt that hearing from the community in this public forum would benefit their deliberations. The following are links to the press release for this forum and for seeking applicants for the Council's Grants Advisory Group. They are attached at © 3 and © 5 respectively.

https://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?Item_ID=22452

https://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?Item_ID=22479

The County Council and County Executive provide funding to non-profit organizations in the County each year through non-competitive "Community Grants" to provide health and human services and community services to Montgomery County residents. The purpose of this OLO report is to review the current Council community grants program and to identify opportunities to improve the accountability, transparency, accessibility, and fairness in the grants processes.

Community Grant Process

Both the County Executive and Council believe that a strong partnership with local non-profit organizations is critical to meeting the needs of County residents. Annually, each award community grants to address needs in a variety of program service areas such as youth development, mental health, or economic development. Both the Executive and the Council designate organizations in the budget – at their discretion – to receive grant funds. Currently, non-profit organizations can apply for a community grant from the Council, from the Executive, or from both.

Applications to the Council's community grants program are due in January of each year. Once received, applications are reviewed and interviews are conducted by a volunteer Grants Advisory Group of County residents, which then makes recommendations on grant awards. The Council Grants Administrator organizes and consolidates the Group's recommendations, which is officially presented to the Council a few days before budget adoption. The Council Grants Manager will then meet to with Councilmembers or their representatives to discuss and finalize the grants list. The final grant award list is at the discretion of the Council, although historically, the Council has approved the Grants Manager's recommendations along with adding additional proposals to the final list.

The Executive grants selection process includes a review of all applications by Office of Management and Budget staff, numerous meetings during which OMB staff and a Special Assistant to the Executive make funding recommendations, and a final meeting with the County Executive. The Executive's recommended community grants list is included in the annual Recommended Operating Budget. While the Council is not required to approve the Executive's recommendations, historically, the Council has approved all recommendations, with a few rare exceptions.

There is some collaboration and similarities between the Council and Executive grant programs:

- Council and OMB staff conduct joint workshops to provide information on the process to applicants;
- Each program requires applicants to apply online;
- Grants in each program are for one year only, although organizations may reapply for a grant every year;
- There is no limit on the number of grants or amount of funding an organization can apply for each year.

One difference between the two programs is the documentation required to apply. While the two applications are very similar, the Council requires organizations to submit additional documentation with their applications, including budget information, financial statements, and board of directors' information while the Executive does not. For applications that were applied for and recommended by the Executive but did not apply to the Council, a designated Citizen Advisory Group panel requests and reviews the additional information that is required for Council grants.

Grant Models in the County and Other Jurisdictions

The County currently administers several other competitive grant programs, all of which utilize a combination of County staff and community volunteers to review applications and make award recommendations. Some unique aspects of the various programs include: the Community Development Block Grant is limited to three years and both the Montgomery Coalition for Adult English Literacy and the Arts and Humanities Council have several grant cycles annually.

Several other local jurisdictions also have similar grant programs, including Rockville, Gaithersburg and Fairfax County. All of the jurisdictions use staff and citizen volunteer panels to review grant applications and make grant recommendations. The City of Gaithersburg and Fairfax County have made significant changes in recent years to their grant programs – establishing two-year grants, removing procurement from the grant processes, issuing grant solicitations based on set priorities, and diminishing the role of politics in the selection process.

Montgomery County Council Community Grants

OLO Report 2018-9

EXECUTIVE SUMMARY

September 25, 2018

Grant Data

Over the past five fiscal years, the number of grant applications funded, and the amount of funding awarded annually has increased (see table). While organizations can apply for community grants from the Executive, the Council, or both, between 77% and 87% of grant applications submitted to the Council were also submitted to the Executive from FY15 to FY19.

While the annual budget describes both programs as one-time grants, OLO found that many grant programs have received funding for multiple years. A total of 134 organizations received community grants at least four out of the five years from FY15 to FY19. In comparing annual data on grant funding for specific programs, OLO identified 114 projects that received Council or Executive community grant funding for at least four years during FY15-FY19.

Further, the Council has final authority to approve grant awards as discussed earlier, so the process

allows Councilmembers to add organizations to the list for funding even if the organization is not recommended for funding through the application evaluation process. OLO found that, annually, Councilmembers added an average of 31 grants and \$765,000 to the list of organizations recommended for funding.

Community Grants, FY15-FY19 (\$ in millions)

	FY15	FY16	FY17	FY18	FY19	% Change
Council Grants						
# of Grant Requests	219	274	322	345	365	+67%
# of Grant Awards	90	103	122	138	134	+49%
<i>% of Applications Funded</i>	41%	38%	38%	40%	37%	
Funds Requested	\$13.4	\$15.0	\$17.5	\$19.8	\$19.9	+49%
Funds Awarded	\$2.9	\$3.1	\$3.1	\$3.2	\$3.5	+20%
<i>% of Requested Funds Awarded</i>	22%	20%	18%	16%	18%	
Executive Grants						
# of Grant Requests	306	335	338	371	381	+25%
# of Grant Awards	153	177	198	221	231	+51%
<i>% of Applications Funded</i>	50%	53%	59%	60%	61%	
Funds Requested	\$17.5	\$20.3	\$22.0	\$21.5	\$29.5	+68%
Funds Awarded	\$5.5	\$5.9	\$7.5	\$7.8	\$8.7	+58%
<i>% of Requested Funds Awarded</i>	31%	29%	34%	36%	30%	

Stakeholder Feedback

There were two consistent points of feedback that OLO heard across all stakeholder groups:

- Representatives from non-profit organizations and volunteers on the Council Grants Advisory Group expressed confusion about the purpose, goals and relationship of both grant programs. They view the Council grants as funding for non-related programs with no cohesive priorities or comprehensive plan.
- While referred to as “grants,” funding is awarded via non-competitive contracts and awardees are subject to County procurement requirements for contracting, billing, and reporting. County staff and most non-profit organizations reported that the execution and monitoring of community grants contracts is burdensome and challenging.

Report Recommendations

Clarify/Define the Purpose and Goals of the Council Community Grants Program and Implement Changes to the Process in Alignment with those Goals. The goals of the program are not clearly defined for applicants, including whether they are one-time grants, alignment with department goals, and relationship to other grants. Once defined, the Council can discuss and implement changes to the process that align with the stated goal.

Implement Changes to the Council’s Community Grants Selection Process to Improve Accountability and Fairness. OLO recommends the Council implement the following changes to its grants process: (1) combine the Council and Executive application; (2) pre-screen applications; (3) publish a summary and timeline of the process; (4) recruit a more diverse volunteers; (5) provide a guideline for requesting indirect costs; (6) discuss the inclusion of department staff in the process.

Request an OLO Follow-up Report that Examines Contract Execution, Payment Policies, and Monitoring of Council Community Grant Contracts. While not the focus of this report, most interviews with stakeholders criticized the challenges of contract execution and monitoring processes for Community Grants. As a result, OLO recommends that the Council request a future OLO report to review and analyze current Community Grants contract processes and policies.

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Council Public Forum for Community Grants Program on October 9

For Immediate Release: Thursday, September 27, 2018

PUBLIC FORUM

The Montgomery County Council will hold a public forum on **Tuesday, October 9 at 7:30 p.m.** on the Community Grants Program and the Office of Legislative Oversight's report on the Montgomery County Council Community Grants:

The Montgomery County Council is seeking public comment on the Community Grants Program. All stakeholders are encouraged to share their experience with the Community Grants program and make recommendations on program changes. Nonprofit organizations, Grants Advisory Group members, County staff and other grant-making departments, and outside agencies are invited to participate.

On September 25 the Office of Legislative Oversight released its report on the Montgomery County Council Community Grants. To access the executive summary and full report, visit the reports section of the Office of Legislative Oversight's website.

The public forum will be held in the Third Floor Hearing Room of the Council Office Building, which is located at 100 Maryland Avenue in Rockville. The meeting will be televised live by County Cable Montgomery (CCM) on Xfinity channels 6 and 996, RCN channels 6 and 1056; and FiOS channel 30. It also will be available live via streaming through the Council website at <http://tinyurl.com/z9982v8>.

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Council Seeks Applicants for Grants Advisory Group (Application deadline is Nov. 2)

For Immediate Release: Thursday, October 4, 2018

ROCKVILLE, Md., Oct. 4, 2018 - The Montgomery County Council is seeking applicants for positions on its Fiscal Year 2020 Grants Advisory Group. The Council will appoint the volunteer community panel to review grant applications and advise it on proposals received from the non-profit community. Letters of interest with resumes from applicants must be received no later than 4 p.m. on Friday, November 2.

The Council believes that a strong partnership with non-profit organizations is critical in meeting the County's needs. The Council has established a grants process in which the Council accepts applications from non-profit organizations seeking funds, forwards proposals to the Grants Advisory Group for advice and comments and makes funding decisions during its spring budget deliberations.

The Grants Advisory Group will be appointed in December and be asked to report to the Council by the end of April 2019. The Council will designate the chair of the Grants Advisory Group. Panel members will need to attend training sessions and review relevant materials during late January and February. The application review process will take place between late February and April 15.

The Grants Advisory Group will be asked to provide the Council with written comments on each of the grant proposals. The workload will vary based on the number of applications received and panel members appointed. It is expected that each member will review approximately 20 - 25 applications. Panel members should anticipate approximately six to eight meetings between late January and early-April, with the potential for weekly meetings in March.



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Applicants for the Grants Advisory Group may not be employees of a non-profit organization applying for Council grant funding. Applications will be accepted from board members and from members of panels reviewing Community Development Block Grants or Community Service Grants, as well as from other advisory boards or community groups.

Interested applicants living or working in the County should submit their letter of interest with a resume and include any non-profit board affiliations to: Council President Hans Riemer, Montgomery County Council, 100 Maryland Avenue, Rockville, MD 20850 or via email to County.Council@montgomerycountymd.gov.

Letters of interest with resumes must be received no later than 4 p.m. on Friday, November 2. Questions regarding the Grants Advisory Group should be directed to the Council Grants Manager at 240-777-7935 or council.grants@montgomerycountymd.gov.

Community Grants

For more information about the Community Grants Program and to access previous Grants Advisory Group reports and lists of awarded grantees, please visit the Council Grants website at https://www.montgomerycountymd.gov/COUNCIL/grants/council_grants.html.

Sign-up to receive email updates about the Community Grants Program or visit the Council Grants website and select the email subscription link.

Release ID: 18-249

Media Contact: Sonya Healy 240-777-7926



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