



## Legislation Details (With Text)

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| <b>Type:</b>          | Presentation                                                                                                                                                                                         | <b>Status:</b>       | Agenda Ready                                |
| <b>File created:</b>  | 3/8/2021                                                                                                                                                                                             | <b>In control:</b>   | Board of County Commissioners Study Session |
| <b>On agenda:</b>     | 3/30/2021                                                                                                                                                                                            | <b>Final action:</b> |                                             |
| <b>Title:</b>         | 11:00 AM *Aid to Agencies Program Evaluation                                                                                                                                                         |                      |                                             |
| <b>Sponsors:</b>      |                                                                                                                                                                                                      |                      |                                             |
| <b>Indexes:</b>       |                                                                                                                                                                                                      |                      |                                             |
| <b>Code sections:</b> |                                                                                                                                                                                                      |                      |                                             |
| <b>Attachments:</b>   | 1. Board Summary Report, 2. Presentation, 3. Survey Response Report, 4. Funding History 2008-2021, 5. 2021 Funding Spreadsheet, 6. 2021 Application, 7. 2021 Scoresheet, 8. Aid to Agencies Web Page |                      |                                             |

| Date | Ver. | Action By | Action | Result |
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**To:** Board of County Commissioners

**Through:** Michelle Halstead, Director, Commissioner's Office

**Prepared By:**

Jacquelyn Bayard, Administrative Specialist, Commissioner's Office

**Presenter:** Jacquelyn Bayard, Administrative Specialist, Commissioner's Office

**Subject:**

11:00 AM \*Aid to Agencies Program Evaluation

**Purpose and Request:**

Discussion of the Aid to Agencies grant program evaluation efforts and a request for direction from the Board of County Commissioners.

**Background and Discussion:**

The Board of County Commissioners have provided financial aid to non-profit agencies that serve Arapahoe County residents in the areas of mental health, seniors, drug or alcohol addiction rehabilitation, and other

vulnerable populations since at least 2008. Since then, over \$22 million has been awarded to more than 40 agencies. For the past two years, the Aid to Agencies budget has remained flat at \$1,679,500, but it has fluctuated considerably since the program's inception.

Grants are awarded annually to selected non-profit 501(C)(3) or 501(C) organizations serving Arapahoe County's at-risk and underserved populations. Funds cannot be used for religious or political purposes. A staff team reviews applications against established criteria, making funding recommendations to the Board of County Commissioners as part of the annual budget process. Once the budget is adopted, funds are made available to selected agencies. Please refer to the attached documents for additional historical context.

### ***Current Process***

A review team comprised of staff from Human Services, Community Resources, and the Commissioner's Office oversee the Aid to Agencies application and review process. The timeline typically begins in February or March when the team meets to discuss whether any updates should be made to the application or scoresheet. Historically, very few changes have been made which is why they have not been brought to the Board for approval before the 2021 grant cycle. Once the application is updated, it is posted on the Arapahoe County website in April with a submission deadline in June. The Communications team also puts out a news release announcing that the application is open.

Once the deadline has passed, submitted applications are distributed to the review team. If an applicant is already receiving money from another county program, this is noted and included in the final recommendations that are presented to the Board. In July, a subset of the review team meets to prescreen the applications to ensure they meet eligibility requirements. Any applicants that do not qualify are notified at this time. The remaining applications are reviewed and scored, and scores are submitted to Commissioner's Office staff. These scores are averaged and agencies are ranked accordingly. The review team meets in August to discuss the rankings and determine funding amounts.

Funding recommendations are brought to the Board at a study session in September. If the Board agrees with the recommendations, they are incorporated into the budget for approval at a public hearing in December. (In the event the Board were to disagree with the recommendations, the review team would reconvene to find alternatives.) In the interim, grant agreements and decision letters are prepared for distribution. Once the Board approves the budget, award decisions are sent out to all applicants. Before funds can be disbursed, agencies must submit a variety of documents (including a financial audit, a balance sheet, a quantitative statement of services provided in the previous year, certificate of liability insurance, and proof of non-profit status), all of which are outlined in the decision letter. Once all documents are received, funds are sent out, typically in late January/early February.

### ***Evaluation Request***

With no new significant revenue expected in the near term, the Board will need to make decisions to create a sustainable budget for the next 5-7 years. As part of that decision-making process, Arapahoe County is evaluating all programs and services - including Aid to Agencies - to implement fiscal belt-tightening in the

years ahead.

A staff team comprised of Directors from Human Services, Community Resources, and the Commissioners' Office as well as the Aid to Agencies review team identified key areas of concern, reviewed similar programs conducted by other agencies, surveyed agency recipients to solicit feedback, and identified potential options to better align the program with the Board's new strategic plan.

### ***Current Issues***

In reviewing the historical grant program, although some agencies only receive aid for one or two years, 11 organizations have been awarded funding every year since 2008. This has led to a perception that this grant is a guarantee rather than a competitive award. Despite repeated efforts to counter this belief, once an organization receives grant funding, almost all of them reapply annually and receive some level of funds. Many organizations rely heavily on this assistance and lack a contingency plan if funding were eliminated. When asked, *"If Aid to Agencies funding were to be discontinued, what would your contingency plan be to continue providing services to the population you serve?"* nearly all respondents said they would be forced to reduce services.

Another concern that has been expressed is the wide range of funding amounts. In 2021, awards ranged from \$2,000 to \$345,000. Several of the largest awards go to organizations focused on physical and mental health care despite many of their costs being eligible to be covered by Medicaid. Another significant portion of funds are allocated to a single organization.

Additionally, the current grant process historically takes 9-10 months to complete, as it has been tied to the county's budget process. This means that agencies could submit an application in April and not hear any news regarding their award decision until December. This timeline is significantly longer than other programs implemented by counties.

Finally, although the grant application does ask for information on how funds are being spent, the reporting is not as robust as similar programs. Detailed information on how funds are used is typically only provided after award decisions have been sent which require a quantitative statement before funds can be disbursed. These statements tend to be brief and the descriptions of services provided are often too vague to clearly understand what the funds are actually being used for.

While the team has identified these issues as areas of concern, they should by no means be interpreted that the grant program is invaluable. The program provides critical safety net programs and services for Arapahoe County residents, augmenting County services through nonprofit partners.

### ***Similar County Programs***

There are similar nonprofit grant programs implemented across the country, but they are not as widespread at a

County level. Both Douglas and Adams counties have programs which are run by their respective Foundations.

Adams County uses general fund dollars to support grants through the Adams County Foundation which is comprised of seven appointed community members. According to their 2018 Community Impact [presentation](https://www.adcofoundation.org/about.html) [<https://www.adcofoundation.org/about.html>](https://www.adcofoundation.org/about.html), they provided \$880,000 to seven local nonprofits.

Douglas County has a historical donation through the Phillip S. Miller grant program. Douglas County staff described the application and review process for this program and it closely mirrored the current Aid to Agencies process. However, their timeline is significantly shorter as applications are submitted in March and awards are disbursed over the summer. In 2020, 29 organizations received funding with award [amounts](https://www.douglas.co.us/documents/2020-miller-grant-recipients.pdf) [<https://www.douglas.co.us/documents/2020-miller-grant-recipients.pdf>](https://www.douglas.co.us/documents/2020-miller-grant-recipients.pdf) ranging from \$1,000 to \$25,000.

The City and County of Broomfield also has a similar program for agencies that “align with Health and Human Services Strategic Priorities and fill a health or human service need/gap for Broomfield residents.” Their application specifically requests that applicants explain how funds will be used for Broomfield residents (not schools, community, etc.). They also require a mid-year and year-end report to be submitted. Their timeline is also shorter than the Aid to Agencies timeline; the application is posted in September and funds are disbursed in January. In 2020, 32 agencies were [awarded](https://drive.google.com/file/d/1fqNizTGVICsR57meS1fDOQfhWKIW36LO/view) [<https://drive.google.com/file/d/1fqNizTGVICsR57meS1fDOQfhWKIW36LO/view>](https://drive.google.com/file/d/1fqNizTGVICsR57meS1fDOQfhWKIW36LO/view) grants totaling \$961,643.

In Lorain County, Ohio, grants are split up into different categories including Arts and Culture, Education and Youth, Health and Human Services, and Strengthening Lorain County. This segmentation lends itself to more specificity as to what grants can and cannot be used for. Interested agencies are also invited to a webinar where they can ask questions about the application process which improves transparency and efficiency.

In Onslow County, North Carolina, organizations have the opportunity to give a five-minute brief to the Budget Team and Commissioners about why they feel they should be awarded funds. This seems like it would help inform members outside of the review team as to what the organization does and how the award money would be spent.

### ***Stakeholder Feedback***

The Commissioners’ Office met with both internal and external stakeholders to find out what could be improved and sent a survey to agencies asking for their feedback on the program, with 21 total responses. A full report detailing survey responses is attached.

- 90.5% strongly agree the purpose and expectations of the program are well-defined
- 90.5% strongly agree getting answers to questions about applications or funding is easy
- 85.7% are very satisfied with the program and strongly agree the application process is straightforward
- 81% strongly agree the timeline for the process is clear
- 66.7% of respondents said they would be willing to submit regular reports on how funding is being used; 23.8% responded “Maybe” and 9.5% responded “No”
- Multiple responses were submitted to the question of how the program could be improved:
  - Add a question to the application related to the ability of an agency to provide culturally responsive care and address the needs of diverse populations

- There is a missed opportunity to provide media coverage of how grant funds are used to help the community
- Rather than submitting regular reports, each agency should present at Board meetings to provide real life examples of the impact of this funding
- Make funding decisions earlier because announcing in December impacts the ability to create an accurate budget for the new fiscal year
- Shorten the length of time from when award decisions are announced to the time funds are received

### ***Programmatic Considerations & Questions***

Although previous discussions about reducing award amounts have been controversial, staff has identified some programmatic considerations for any potential changes:

- Clarify what types of services the funding should be used for and what types of organizations are eligible, as vulnerable populations is very vague.
- Minimize the perception that funding is guaranteed.
- Improve communication with agencies on what work is being done with funds, including stricter reporting requirements.
- Continue to improve efficiency of application and review process.

Staff also identified some questions to help inform Board discussion and direction:

1. Are we still funding the right program gaps?
2. Is it really a grant program? If not, what do we want it to be?
3. Which agencies must be funded?
4. Should the amount of funds awarded be standardized?
5. Does the review process need to change? If so, how?

### ***Options for Consideration***

The following options could help address known concerns and better align the program more closely with the Board's new strategic plan. Note the list is not conditional upon each other, so the Board can choose which solution(s) they would like to implement, if any:

- Place a cap on the amount awarded to any specific agency. The recommendation from the review team is \$100,000.
- Set a time limit for how many years an agency is eligible to apply for funding as well as a time limit for how many years they are ineligible. The recommended amount of time from the review team is three (3) years on and three (3) years off.
- If there are agencies that must be funded, remove the application requirement and/or find a different funding source in order to make the grant program more competitive.
- Prioritize certain gaps in service and solicit applications from agencies serving those specific areas (ex: homelessness, food insecurity, affordable housing, etc.) These could be set for an amount of time or

change as needed.

- Place a greater focus on diversity and inclusivity to better align with the county's strategic plan.
- Clarify what specific types of services Aid to Agencies funding can be used for and what types of organizations are eligible. The current eligibility criteria include "vulnerable populations" which is very broad.
- Eliminate the Tier I and Tier II system of categorizing agencies. Currently, Tier I agencies are those that have previously received funding, while Tier II agencies are new applicants. However, this creates a hierarchy that favors existing agencies while new agencies struggle to break in.
- Shorten the timeline to 6-7 months (rather than 9-10 months) with the application being posted in June or July and decisions being announced in December when the budget is formally adopted.
- Adjust grant agreements to include more expectations around awareness and public education to better evaluate metrics and outcomes.
- Require agencies to submit reports on how funds are being used and what services are being provided. The recommended frequency is quarterly.

Based on the Board's feedback and final direction, future applications will be submitted and reviewed electronically through a new program called Award Force. This system was used effectively for the CARES business grant program and will help enforce application requirements as well as simplify the review process for the review team.

### **Fiscal Impact:**

If some of the proposed recommendations were implemented, the amount awarded each year would likely decrease which would result in more available money within the county's budget.

### **Alternatives:**

The Board has several alternatives to these proposals:

- Make no changes to the program and continue awarding agencies the same or reduced amounts within the allotted budget.
- Gradually reduce award amounts until a pre-determined threshold is reached.
- Discontinue the program altogether and fund essential services through an alternative funding source.

### **Alignment with Strategic Plan:**

☒ Be fiscally sustainable

☐ Provide essential and mandated service

☒ Be community focused

**Staff Recommendation:**

Staff recommends the Board of County Commissioners discuss the proposed options to improve the Aid to Agencies program. A follow-up study session is tentatively scheduled for April 20, 2021 to finalize direction for changes to be implemented with the 2022 grant cycle.

**Concurrence:**

Human Services; Community Resources