



## **Agenda Action Form Overview**

### Nonprofit Request for Proposal Update

#### **Background/Justification**

For many years, nonprofit funding has helped Durham County build strong strategic partnerships to address county needs. In 2015, steps occurred to streamline the approach used to facilitate the nonprofit program. After benchmarking against six peer local governments and engaging with Durham County Departments, the BOCC agreed on a new nonprofit funding process that began in FY 2017-18. The new nonprofit funding process used RFPs that solicit specific services aligned with target areas. This process allowed staff time to evaluate the impact of County nonprofit funding. In FY 2018-19 an additional sixth category was added to address food insecurity. Additional details on the study can be found as an attachment.

In November 2019, the Board received staff recommendations on the overall nonprofit RFP process and funds management. Suggested changes were resultant from a review of nonprofit awards spanning three fiscal years from 2017-18 to 2019-20. Forty-three nonprofit organizations were included in the review with \$2,058,000 allocated during the three-year period. The study yielded several findings including performances from the various nonprofit organizations were often disparate, defining return on investment was difficult when trying to align investments with designated outcomes and the need for an overarching measure of success in outcomes. It was also noted there was inconsistency with the funding processes and a need to improve staff coordination with administrating the nonprofit program.

Based on the review, several recommendations occurred including narrowing the RFP process to a maximum of four strategic outcomes. Administrative changes included moving funding and oversight to relevant departments and using increased subject matter experts for the application evaluation and monitoring process. Its anticipated the process changes would yield improved outcomes and improved monitoring by staff due to fewer targeted awards. The November 2019 update also recommended a position to manage the overall nonprofit community partnerships. Due to budget limitations, this process will now occur within the respective goal areas. Although a change from the original recommendation, the adjusted approach will still yield improved coordination.

The FY 2020-21 budget development process allocated \$753,000 to support the nonprofit funding. Of the amount, \$352,000 was allocated for existing nonprofits through December 31, 2020. The remaining amount was a placeholder for an RFP process. Due to current budget constraints resultant from COVID-19, the RFP categories have been scaled down from previous fiscal years to address highest priorities. Further the refinement aligns with a changed approach to allocate in a more strategic way to increase the overall community impact. Proposed categories include dollars to support Food Security, Children and Youth Enrichment, Workforce Development and Food Security. The RFP will occur mid-September with grant applications being awarded early December.



**Fiscal Impact**

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**Recommendation**

The County Manager recommends the Board receives the update on the nonprofit process and support the four categories that will be used for the RFP process.