

# **Report of the Alexandria Fund for Human Services Review Committee**

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### **Acknowledgements**

The Review Committee would like to thank the dedicated City staff that supported the review, especially Mr. Ronald Frazier, Director of the Office of Youth Services, Department of Community and Human Services. The Committee also wants to thank the many guests that came before the group and answered questions. The findings and recommendations conveyed in this report are those of the Committee and are not necessarily endorsed by the City of Alexandria Department of Community and Human Services.

## **Executive Summary**

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The Alexandria Fund for Human Services (AFHS) is the umbrella fund through which the Alexandria Department of Community and Human Services (DCHS) coordinates and administers grants for two human services grant funds: the Children's and Youth Fund and the Community Partnership Fund. The Alexandria City Council appropriates funds for the AFHS through its annual budget process. Review panels appointed by the City Manager evaluate proposals and make funding determinations. AFHS allocations for FY 2014 were: Children's Priorities \$907,202; Youth Priorities \$277,147; and Community Partnership Fund \$848,910.

Based upon past assessments of the AFHS and recent feedback from the non-profit community, the Fund receives favorable reviews from the community. In particular, many have reported that the Fund is well-administered, helps Alexandrians in need, demonstrates the City's commitment to serving the community, supports the non-profit community and builds collaborative and innovative partnerships.

Despite this positive feedback and recent successes of many of its sponsored programs, some observers have suggested that the AFHS may be further strengthened to better align it with the City's Strategic Plan and more effectively distribute funds to achieve desired objectives. In particular, several challenges have been raised to include the perceived:

- Negative impact of partial funding of initiatives;
- Crowding out of new applicants/solutions by long-standing programs that may better serve the City through a procurement process;
- Lack of alignment with the City Strategic Plan); and,
- Inability of awardees to plan programs longer term due to short (1-year) grant cycle.

To conduct a thorough evaluation of the Fund and address these perceived challenges, the City Manager established a Citizen Review Committee that met weekly beginning in August 2013. The Committee structured its review around a series of questions and collected perspectives (data) from the non-profit community, City staff, community members and other jurisdictions. It addressed the review questions and offered a series of recommendations, based upon the review, to further strengthen the

AFHS. The recommendations of the Review Committee (detailed throughout this report) include:

1. Promote stronger alignment between AFHS awards and the City of Alexandria's Strategic Plan.
2. Consolidate the three AFHS funds into a single fund with established priorities to focus on children, youth, and community needs.
3. Establish a narrow procurement process that extends contracts to selected awardees meeting specified criteria.
4. Provide City Council with lessons learned from each grant cycle and recommendations for the next cycle alongside the report on grant awards.
5. Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications and new solutions.
6. Establish a multi-year (2- to 5-year) cycle for grant awards.
7. Strengthen the review process to promote and reward innovative solutions. (Specific recommendations provided.)
8. Improve oversight, monitoring, and measuring of grant performance to ensure grants are achieving the desired objectives. (Specific recommendations provided.)
9. Establish a funding "floor" or level below which applications will not be considered.
10. Introduce additional technological changes to the online application process to improve its effectiveness (login/PIN, ability to save and review, Excel budget, online evaluation process, etc.).

This report details the process by which the Committee developed these recommendations and offers next steps for implementing them. The Committee believes doing so accomplishes the City Council and City Manager's directives to strengthen the AFHS so that it supports the City's goals and desired outcomes.

# Contents

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1. Introduction.....	1
A. Review Committee Charter .....	1
B. Approach/Methodology .....	2
C. Review Questions .....	3
D. Organization of the Report .....	3
2. Alexandria Fund for Human Services Background.....	5
A. History of the Alexandria Fund for Human Services .....	5
B. Current Approach for Administering Fund .....	6
C. Recent Reforms to the Fund .....	6
D. Strengths and Testimonials.....	7
E. Perceived Challenges .....	9
3. Addressing Review Questions .....	11
A. What is the Value of the Alexandria Fund for Human Services and How Do Funded Programs Relate to the City Priorities? .....	11
B. What are the Best Options for Structuring the AFHS Moving Forward to Make It More Effective? .....	12
C. Does the Application Process Promote Competition and Accountability? .....	13
D. What are the Strengths and Weaknesses of the Current Application and Evaluation Process?.....	14
4. Findings and Recommendations .....	17
5. Conclusion .....	23

## Appendices

Appendix A . Committee Membership.....	A-1
Appendix B . Discussions/Guests .....	B-1
Appendix C . Evaluation of Recommendations.....	C-1
Appendix D . References .....	D-1

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# **1. Introduction**

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The Alexandria Fund for Human Services (AFHS) is a fund administered by the Alexandria Department of Community and Human Services (DCHS). The Fund is aimed at sponsoring programs that provide important services to Alexandrians in need. Citizen review panels appointed by the City Manager make the grant award determinations. The AFHS has evolved over the years to become what it is today (see Chapter 2).

Despite the success of its programs in recent years, some observers raise questions about the Fund's operation and have suggested reforms. To assess its current operation and consider recommendations for improvement, the Alexandria City Manager appointed a Citizen Review Committee to evaluate AFHS performance and address whether or not it is achieving its mission. The Committee consisted of citizen members: Jason Dechant, Kendra Gillespie, Sonia Price, Clarence Tong, and Joseph Valenti. This report conveys the findings and recommendations of the Committee.

## **A. Review Committee Charter**

In a memorandum to the Alexandria City Council on July 22, 2013, the City Manager established a Citizen Review Committee charged with evaluating the Alexandria Fund for Human Services. The evaluation was to inform the City's broader assessment of the fund "to ensure alignment with the forthcoming core measures and indicators based upon the City's Strategic Plan."<sup>1</sup> In addition, the Committee was to address calls by members of City Council to "review, reexamine, and explore new directions, concepts and mechanisms for the AFHS."<sup>2</sup>

The Committee was to meet weekly supported by Department of Community and Human Services (DCHS) staff and to complete its work by November 2013. The first meeting of the Committee was on August 12, 2013 and it met weekly until its last full meeting on October 28, 2013. As directed by the City Manager, topics addressed by the Committee included, but were not limited to:

- Review of Committee objectives;
- AFHS history and overview;

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<sup>1</sup> Rashad M. Young, "Update to the Status of the Alexandria Fund for Human Services," memorandum to the City of Alexandria Mayor and City Council, July 22, 2013.

<sup>2</sup> Justin Wilson and Paul Smedberg, "Alexandria Fund for Human Services," memorandum to the City of Alexandria Mayor and City Council, June 11, 2013.

- Contract and grant-making processes (discussions with the Purchasing staff and City Attorney);
- Review of funding processes from other localities;
- Alignment of AFHS with City Council Strategic Plan (discussion with City staff); and
- Performance measurement and grant monitoring.

## **B. Approach/Methodology**

The Review Committee convened on August 12, 2013 to conduct a full assessment of the AFHS grant process and to determine whether AFHS grant awards and outcomes are aligned with the City's Strategic Plan. At that meeting, the Review Committee, with the support of DCHS Staff, adopted a purposeful approach to collaborate with non-profit organizations, meet with the City's Contract Specialist, research and consult with other jurisdictions, consult with community representatives and share our own unique perspectives on the AFHS review process.

The Committee developed several study questions and sub-questions regarding every aspect of the AFHS process. Over the course of eight weeks, the Committee met with individuals, held a public forum and met members from the Alexandria Council of Human Services Organizations Collaborators' Group, conferenced with Fairfax County Contracts Supervisor for the Consolidated Funding Pool, considered the City of Seattle Human Services Grants Process and discussed the benefits and challenges of grant funding versus contracting services for the entire AFHS process as well as for organizations who are repeatedly awarded grants for programs and services. Additionally, the Review Committee sent out a series of questions to non-profits to solicit their feedback and experiences regarding the AFHS grant allocation process and invited all to submit written responses and attend a special meeting on September 26, 2013 to share some of their comments. The Committee received written responses from ten organizations. Sixteen organizations made comments at the September meeting.

During their weekly deliberations, the Review Committee considered the efficiency of administering funds, transparency in the recommended process, the small percentage of overall costs represented by budget awards and oversight of allocated funds and performance outcomes. Most importantly, the Review Committee remained keenly aware of the impact on children, youth, families, the elderly and individuals with disabilities and ensuring that the proposed recommendations are aligned with the City's Strategic Goals and Community Priorities.

Based upon these deliberations and the data collected (from stakeholders, city staff, guests, and other sources), the Committee generated a series of recommendations for addressing concerns raised by some observers and strengthening the operation of the AFHS. These recommendations are presented in Chapters 3 and 4 of this report and more fully detailed in Appendix C. Each of the recommendations enjoys support by most or all of the Committee members, but not all of them received unanimous support.



## **C. Review Questions**

To address the City Manager and City Council's direction, the Review Committee framed a series of questions to solicit feedback and insight throughout the assessment. The following questions were used to evaluate the fund and grant allocation process, determine whether AFHS priorities are aligned with the City's Strategic Goals and Community Indicators, and consider options for structuring the AFHS in a more efficient and effective manner. The responses to these questions are a compilation from stakeholders including non-profit agencies, staff members, interviews and community representatives with personal experience and insight with the AFHS Grant Review process (detailed in Chapter 3). The review questions included:

- What is the value of the Alexandria Fund for Human Services and how do funded programs relate to the City's Strategic Plan and Community Priorities?
- What are the best options for structuring the AFHS moving forward to make it more effective?
- Does the application process promote competition and accountability?
- What are the strengths and weaknesses of the current application and evaluation process?

## **D. Organization of the Report**

This chapter provides an overview of the Review Committee and its background. Chapter 2 presents the history of the AFHS, its evolution, strengths, and perceived challenges. Chapter 3 addresses each of the review questions introduced above based upon data collected throughout the review. Chapter 4 details each of the recommendations of the Committee. The final chapter offers suggested next steps for strengthening the AFHS.

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## **2. Alexandria Fund for Human Services Background**

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The Alexandria Fund for Human Services is the umbrella fund through which the Department of Community and Human Services staff coordinates and administers grants and special initiatives for the two human services grant funds: the Children's and Youth Fund (CYF); and the Community Partnership Fund (CPF). The goal of the AFHS is to award funding through a competitive process to organizations providing services to Alexandria residents. The CYF assists organizations in providing quality early childhood education programs and comprehensive services for at-risk children, birth through age five; and supports programs, services and activities that promote positive youth development for youth, ages six to 21. The CPF supports human service priorities that address self-sufficiency, prevention, protection and treatment.

The Alexandria City Council appropriates funds for AFHS through its annual budget process. Review panels appointed by the City Manager evaluate proposals and make funding determinations. AFHS allocations for FY 2014 are as follows: Community Partnership Fund \$848,910; Youth Fund \$277,147; and Children's Fund \$907,202.

### **A. History of the Alexandria Fund for Human Services**

The City Council established the Community Partnership Fund for Human Services on October 14, 1997, to address identified human service priorities. In July 2005, the administration of this fund was transferred from the Office of Management and Budget to DCHS. In October 2005, the City Council made several broad human service priorities in the Community Partnership Fund permanent. Proposals may address services that are to be provided Citywide or in any neighborhood or community in the City.

In 2012, the City established the Children and Youth Fund within the AFHS addressing birth through 21 years of age. Proposals for the CYF are funded in two primary priority areas: Children's Priority (birth to five) and the Youth Priority (ages six to 21). Priorities for the former Children's Fund were established by the Alexandria City Council in November 1992 to assist in meeting the needs of at-risk children, birth to age five, including quality early childhood programs and comprehensive services. Approximately half of the priorities in the former Children's Fund require a minimum of a dollar for dollar match from funding sources outside the City's General Fund.

The Alexandria City Council first allocated funding to serve youth in grades 6 through 12 in May 2001, through the former Youth Fund. In September 2002, the funding was expanded to include youth from ages 6 to 21, using the Developmental Asset approach as a framework for positive youth development.

## **B. Current Approach for Administering Fund**

The AFHS has a unified application process for both of its funds, the Community Partnership Fund and the Children and Youth Fund, and utilizes a quantified rating system with specific categories and assigned points. AFHS has broad human service funding priorities and prospective grant recipients submit grant proposals that propose specific services or programs that address these priorities.

Staff from the DCHS receive, process and distribute grant applications to other City staff who are the content experts in the respective human service areas. Though staff do not score or rate the proposals, they provide comments to the respective review committees. The DCHS Grants and Contract Coordinator provides a report to the review committees on the grant applicants' previous year's grant outcomes.

The actual scoring of proposals is completed by citizen review committees comprised of City board and commission and community representatives. The reviewers develop consensus scores and determine the amount of each award. Grant agreements are executed between the City and the recipients, which outline anticipated outcomes and recipients provide regular financial and performance reports.

It is important to note that there are a few distinctions among the three programs under the Alexandria Fund for Human Services. They are:

- The Children and Youth Fund –Children's Priorities requires that approximately half of the grant recipients provide a one-to-one match of non-City funding for City funds provided through the grant.
- The maximum grant awarded through the Children and Youth Fund – Youth Priorities is \$50,000, with the average grant award of approximately \$18,000.
- There is no maximum grant award limit for the Children and Youth Fund – Children's Priorities or the Community Partnership Fund.

## **C. Recent Reforms to the Fund**

In July 2005, the administration of the CPF was transferred from the Office of Management and Budget to the then Department of Human Services. After consulting with previous grant applicants, nonprofit agencies, the Early Childhood Commission (ECC), and the Youth Policy Commission (YPC), staff implemented the following changes to the grant process:

- Consolidated the Children's Fund, Youth Fund and Community Partnership Fund under the umbrella name of the Alexandria Fund for Human Services (AFHS).
- Changed the fiscal year of the Community Partnership Fund and the Youth Fund to coincide with the City's Fiscal Year and the Children's Fund's program year (July 1 to June 30).

- Developed a unified application process for all three grants, including a quantified rating system with specific categories and assigned points.
- Posted the Notification of Opportunity and Request for Grant Proposals for all three grants on the City web page.
- Achieved cross-pollination in the grant review process by having a member of the former Youth Policy and the Early Childhood Commissions serve on all three grant review panels.
- Amended the FY 2007 priorities of the CPF and made them the permanent priorities of the Fund (because they were considered to be broad enough to address most human service needs, and in light of the fact the priorities had essentially remained the same from year to year). This recommendation ended the requirement to report annually on the priorities. Staff continues to report on the Fund distribution.
- Conducted an external review of the Fund's allocation process by representatives from other funders, including the United Way, ACT, Arts Commission and Northern Virginia Health Foundation, at City Council's request. They affirmed the process. After the review, the funders decided to work more collaboratively together in order to become consistent in funding requirements and identify ways to collectively lessen the administrative burdens on nonprofit organizations. They continue to meet monthly to collaborate and plan capacity building workshops for nonprofit organizations.
- Changed the grant notification to the end of May in order to allow organizations additional time to prepare for the subsequent fiscal year, at the request of several nonprofit agency grant applicants.
- Consulted with National League of Cities and reviewed processes of Cincinnati, OH, DuPage County, IL, and Nashville, TN. Also reviewed grant processes of other Virginia localities, including Arlington, Fairfax, Prince William, Charlottesville/Albemarle, and Hampton.
- Met with the City Attorney and former Purchasing Agent to review the AFHS grant-making process and discuss the advantages and disadvantages of implementing alternative methods of purchasing services, where they affirmed the current process.
- Initiated a two-year period (funds in the second year are contingent upon City Council appropriations to the AFHS). The City returned to a one-year funding cycle for FY 2010 and 2011, in recognition of the economic downturn and the need to be flexible in targeting funds. For the CPF, special funding consideration was given to programs that provide essential safety net services for the City's most vulnerable clients. The AFHS reinstituted the two-year cycle in FY 2012, but returned to the one-year for FY 2014 to allow for the review of the Fund.
- Developed and implemented an on-line application process for FY 2014 grant proposals.

## **D. Strengths and Testimonials**

Since its inception in 2005, and through several measures introduced since then to improve it, the AFHS has funded programs that have served Alexandrians with a variety of needs. Over this time, City groups and stakeholders from the non-profit community alike have recognized many strengths of the

AFHS. These strengths were identified by the Committee through a survey of prior assessments of the AFHS and the Stakeholder Discussion conducted as part of the review. The committee found that:

The AFHS is well-administered. The program is well structured with a staff dedicated to administering the funds to ensure they are well spent. It compares favorably to other programs in neighboring jurisdictions. In fact, the Budget and Fiscal Affairs Advisory Committee noted in their report on the City Manager's proposed budget for FY 2009 (pg. 6) that the "grants from the Alexandria Fund for Human Services and from the Commission for the Arts appear to be well-administered."

The AFHS helps Alexandrians in need. Across its three funds, the AFHS provides resources to programs that support a variety of communities throughout the City. One of the groups speaking at the Stakeholder discussion noted that, " [With AFHS funding] we help low-income children get the start they deserve in life: a fair shake at opportunities for them and their families that so many of us take for granted. We've helped almost 3,000 young children receive high-quality preschool education, and helped their families improve their health, find better housing and jobs, and advocate for their children. *It has been an honor to partner with the Children's Fund since 1992.*"

The AFHS demonstrates the City's commitment to serving the community. In addition to providing resources for programs that support those in need, the AFHS demonstrates the City's commitment to serving the community. Another non-profit stakeholder stated that, "This fund represents an important opportunity for the City to demonstrate its commitment to those less able to otherwise pay for services designed to improve their educational, social, and economic circumstances."

The AFHS supports the non-profit community in Alexandria. One of the original goals of the AFHS was to strengthen the non-profit sector in Alexandria and grow its capacity to serve those in need. A primary way of doing this is by providing commitment and resources that may be used to leverage additional contributions, often far greater than what the AFHS provides, from other donors. As one non-profit noted in written comments submitted to the Committee, "AFHS funding is vitally important to our program... [We have] leveraged AFHS funding to successfully solicit support from private foundations, corporations and individuals. With AFHS' "stamp of approval" [our] program is given credibility that inspires the trust of community members and other funders."

The AFHS builds collaborative and innovative partnerships. The fund was established in part to develop partnerships across the non-profit community and also between the community and the City. Furthermore, the AFHS seeks to promote innovative solutions to existing challenges. Several recipients of awards contend it accomplishes this. One recipient stated that, "We treasure our partnership with AFHS. *It is a shining example of a private public partnership, and our vibrant, collaborative relationship* with the Human Services department staff." Another attendee of the Stakeholder Discussion noted that, "We feel that the AFHS Community Partnership Grant is best used to expand existing programs or to encourage new services. The grant process can help nonprofits and City departments *think outside the box with innovation and creativity* that do not always accompany a need to keep costs down."

## E. Perceived Challenges

Despite its many strengths, the AFHS has also been the subject of some criticism by participants and observers. These perceived challenges were identified by the Committee through a review of City Council memos and deliberations and the Stakeholder discussion conducted as part of the review. The Committee found that the following perceived challenges of the AFHS exist:

The partial funding of AFHS grants may have a negative impact. Most of the applicants receive less than the total funding they requested, some considerably less. However, this raises a concern about whether the programs are scalable and can still serve the population in need if they receive, for example, only 60% of the requested funding.<sup>3</sup> It is unclear what the negative impact of partial funding may be and the City rarely, if ever, hears from awardees that are given a fraction of their original request.

Regular funding of long-standing programs crowds out funding of new applicants or solutions. Some observers perceive that regular funding of programs that have been funded by AFHS for many years competes with new applicants or solutions that may be more deserving of the grants.<sup>4</sup> The result is that this practice may decrease the overall competitiveness of the awards due to the apparent preference (of grant review panels) for established programs over new applicants. This is compounded by the fact that these long-standing programs have a strong following and provide “essential” services to the City, according to some observers.<sup>5</sup> To that end, it has been suggested that non-profits receiving grants for the same program year after year may be better served through a Purchasing Department managed procurement process and included in the annual budget if the program is deemed a valued City service. This way repeated awardees would be less likely to crowd out new deserving grant applications (as long as AFHS funds are not decremented in the process).

The grant awards do not appear to be aligned with City priorities (or the strategic plan). The City of Alexandria has a Strategic Plan that presents the City’s priorities. The plan is used by Council and other City elements to prioritize investments and initiatives. Some observe that there is no such linkage between the AFHS awards and the Strategic Plan but that there should be. Given that the City is increasingly tracking its expenditures based upon outcome goals developed by the City Manager, a stronger linkage between grant awards and the Strategic Plan would support the City’s goals.

Shorter (one year) cycles limit the ability of awardees to do long-term program planning. Although AFHS cycles are typically two years, the most recent cycle was one year due to City budget matters. According to several AFHS stakeholders, these shorter cycles hamper their ability to do long-term planning because, if awarded a grant, they don’t know whether they will have additional

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<sup>3</sup> This point has been raised by Alexandria City Council, most recently, at the May 28, 2013 City Council legislative meeting where Council members engaged in a lengthy discussion regarding the FY2014 grant awards. Comments are available on the webcast of the meeting at [http://alexandria.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=2493](http://alexandria.granicus.com/MediaPlayer.php?view_id=2&clip_id=2493).

<sup>4</sup> Ibid. This has been raised over the years and conveyed by Council in recent remarks.

<sup>5</sup> For example, see Justin Wilson and Paul Smedberg, “Alexandria Fund for Human Services,” memorandum to the City of Alexandria Mayor and City Council, June 11, 2013.

resources in 12 months thus forcing their planning to be near-term. For example, one stakeholder noted that, “The new process of shifting from two-year awards to one-year awards is significant in terms of time spent on the grant application process. Incorporating a one-year option to extend the grant pending the grantee has met its stated outcomes would help improve service delivery.”

Given the aforementioned strengths and perceived challenges of the AFHS, the Review Committee conducted an investigation into several key questions to determine how to build upon the strengths to address any potential shortcomings. This was performed through extensive engagement with City staff and the stakeholder community. The results of this process are presented in the next chapter.



### 3. Addressing Review Questions

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The Review Committee sought to build upon the strengths of the AFHS and address perceived challenges by organizing its review around a series of questions. Each of the questions had a series of subordinate questions that the Committee sought answers to over the course of its review. Those questions included:

- *What is the value of the Alexandria Fund for Human Services and how do funded programs relate to City priorities?*
- *What are the best options for structuring the AFHS moving forward to make it more effective?*
- *Does the application process promote competition and accountability?*
- *What are the strengths and weaknesses of the current evaluation process?*

These questions were addressed by the Committee through an examination of the AFHS, the non-profit community it sponsors, and other grant programs with similar goals (from neighboring jurisdictions and model programs such as Seattle's). This was accomplished through a series of discussions and interactions over the course of ten meetings. The interactions were with City staff responsible for administering AFHS, awardee stakeholders, non-profit professionals, and administrators of other grant programs. Based upon these many interactions, the Committee answered the review questions and generated several recommendations aimed at building upon AFHS strengths and addressing perceived challenges. Answers to each of the questions are provided below along with recommendations for strengthening the AFHS.

#### **A. What is the Value of the Alexandria Fund for Human Services and How Do Funded Programs Relate to the City Priorities?**

The Alexandria Fund for Human Services represents a small portion of an organization's overall funding base but is a key leverage opportunity. Indeed, one awardee reported that the grant represents only ten percent of the program's cash expenses and five percent of total costs, including in-kind support. However, in the words of the awardee, "this funding from the City is critical to: 1) demonstrate the City's valuing the program; 2) match funding for our state/federal grants; and 3) annual sustainability, funding the organization can somewhat 'count on' – at least on alternate years during a 2-year cycle – when planning."

By participating in the City's grant programs, nonprofit organizations are able to better illustrate to donors that their programs are sound, rigorously reviewed and held accountable. One awardee noted that, "We have been successful attracting foundation, corporate, and individual support for programs as a direct result of grants received from the Human Services fund." Awardees also mentioned that these grants could be used for operating costs, which is a purpose precluded by many other grant funders. This capability provides added flexibility and stability to organizations.

As the City identifies long-term objectives tied to its strategic plan, the programs supported by the Fund appear to be well aligned with City priorities. These programs largely fall under Strategic Goal #4, “Alexandria is a community that supports and enhances the well-being, success, and achievement of children, youth, and families.” The Fund also supports a diverse range of awardees.

To improve the value of the Fund, we recommend the following:

- Promote stronger alignment between AFHS awards and the City of Alexandria’s Strategic Plan. This may be accomplished by adding questions about linkage to the Strategic Plan to the grant applications and criteria for review panels to use.

## **B. What are the Best Options for Structuring the AFHS Moving Forward to Make It More Effective?**

One concern frequently raised by the Committee was the complexity of having multiple funds with their own particular structures and requirements. While this reflects the process by which each fund has evolved over time, it contributes to inconsistencies and administrative complexity

There was a nearly universal skepticism of the effectiveness of shifting to a procurement process. One concern raised by stakeholders was budgetary. In the words of one awardee, “The City will have to address the fact that [it] rarely (if ever) pays 100% of the costs of the services currently provided through the AFHS grants. Typically, our City’s nonprofits leverage far more value than the AFHS award through other funding (foundation, corporate, individuals) and through volunteer hours/services, pro bono services, and in-kind contributions. This might complicate the procurement process.”

Some objections to procurement were also made on the grounds of organizational flexibility. In the words of one stakeholder, “Since the grant process is already competitive and awards are made based on the merits of proposals submitted, we wonder what additional benefits are gained by using a procurement process. It has been our experience that procurement processes may be better suited for services that are prescribed by the funding source leaving very little room for grantees to fashion services in ways that respond to the unique needs of clients based on their own experience delivering a given service.”

Additionally, the use of a procurement process to fund specific categories of services could potentially favor some organizations and disfavor others. One stakeholder noted, “When there is one organization providing a particular service, the reality is that the recipient in a procurement process would be preselected.” Stakeholders were concerned that procurement would not be any more impartial than the current process. For example, in the words of one awardee, “This process might make the grants more susceptible to politics and staff favorites. It would work, if the procurements were based on an actual nonbiased survey of where the real needs are.” Some organizations expressed concern that their programs would not neatly fit into the categories of services to be procured, resulting in the loss of public support.

The use of a procurement process was also viewed as potentially penalizing smaller organizations. One stakeholder noted that procurement would, “reduce the opportunity for new, emerging or expanding organizations to make the case that they provide/propose a needed/valuable service.” Another noted that the lack of organizational infrastructure and limited staffing would make it more difficult to compete under a procurement process.

At the same time, there are areas where procurement could work to provide more consistent funding to certain valued services. One stakeholder argued that it would be sensible for services that the City would “inevitably” support. In these cases, “a procurement process would benefit the nonprofits selected for annual grant awards by allowing for more planning and efficiency by reducing the burden of the application process and the uncertainty of annual or biannual grant awards.” Procurement would potentially work well in some limited situations, but would not work well in others.

To make the grant programs more effective, we recommend the following:

- Consolidate the three AFHS funds into a single fund with established priorities to focus on children, youth, and community needs.
- Establish a narrow procurement process that extends contracts to selected awardees meeting specified criteria.
- Provide City Council with lessons learned from each grant cycle and recommendations for the next cycle alongside the report on grant awards.

### **C. Does the Application Process Promote Competition and Accountability?**

Stakeholders generally perceived the application process as being fair and clear. Participants reported that grant processes are “equitable.” In the words of one awardee, “No one is given an unfair advantage or provided an “inside track” to receiving funding. Other grant processes seem to encourage some groups while discouraging other groups to participate.” Stakeholders also reported that grant information is well presented during the process, “The informational meeting and the detailed instruction packets help applicants clearly meet the requirements of the request for proposals each year.”

Stakeholders also praised the shift to an electronic submission process as an easier and more environmentally sustainable approach to applications. At the same time, technological improvements could be made to further streamline the application. Many stakeholders stated that shifting to a system with individual logins and personal identification numbers, or PINs, would be a vast improvement by enabling applicants to gradually compile and complete sections of the application without losing their data. Similarly, the ability to submit a budget in Microsoft Excel format would be a time-saver for applicants.

Multiple stakeholders identified major concerns with one-year awards. While awardees recognize the City’s fiscal situation, they reported that an annual process represents a significant burden. In the

words of one awardee, “In the current economy and with the rising costs of running a non-profit in today’s world, a 2-year grant cycle would allow more time and foresight for efficient, creative, and long-term planning.” Similarly, another awardee suggested permitting one-year grant extensions rather than annual reapplications to reduce the administrative burden: “We ask that you consider grant terms that allow for a one year option to extend, pending available funds that don’t require agencies to submit full proposals, provided they demonstrate progress toward stated outcomes.”

Recognizing the limited resources and staff time for both nonprofit organizations and the City, there was a significant amount of interest in collaborative applications. Encouraging collaborative applications would prevent duplication of applications from multiple agencies offering similar services. It would result in a less time-consuming application process for each individual agency, as well as reduce the amount of time needed for City staff and reviewers to process applications. One stakeholder suggested the following approach, “If the City values collaboration among nonprofits and between the nonprofits and the City’s human services programs, it should consider awarding evaluation points for membership in ACHSO, community leadership positions held by the organization’s staff, etc.”

Innovation was also mentioned as a possible concern. Some stakeholders mentioned during this process that the same organizations continue to receive awards annually, suggesting that new organizations or programs would have a high bar to overcome in order to receive funding. Indeed, one awardee mentioned that the year an application was submitted for a dynamic and new type of program, this application was rejected. The debate between funding “tried and true” programs that are already proven and new initiatives that organizations propose was not resolved by the Review Committee other than to recognize a balance between the two was needed.

To make the process more competitive and accountable, we recommend the following:

- Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications and new solutions.
- Establish a multi-year (2- to 5-year) cycle for grant awards.

#### **D. What are the Strengths and Weaknesses of the Current Application and Evaluation Process?**

Several awardees mentioned the value of site visits during the evaluation process and expressed concern that site visits had not been made to many (or most) grant-funded programs. In the words of one awardee, “It concerns me that none of the city’s grant officer/administrator/reviewer come to see or hear about our programs. Even the largest and most prestigious foundations send grant administrators to visit our programs so that when the grant request is reviewed, they can speak about the programs with firsthand knowledge.” Staff acknowledged the potential value of site visits but also noted the significant commitment of staff time that would be involved. Citizen site visits would be one potential alternative given proper training to ensure these visits would be substantive rather than

superficial and that third parties unfamiliar with human services programs would not unfairly judge organizations.

While the application process is considered to be fair, as noted above, the process for scoring and determining award amounts does not appear to be sufficiently transparent. One stakeholder reported the following, “As understood, organizations are evaluated and assigned a score based on their proposal. It is unknown, however, what criteria is used in scoring and indeed, what score is given to an organization. Any requests for feedback regarding specific grant proposals have also gone unanswered. The lack of clarity and response do propose challenges to creating and submitting dynamic and appropriate future proposals.” There appear to be tradeoffs between reviewer anonymity and impartiality and the goal of greater disclosure about why awardees received particular grant amounts, or did not receive an award at all.

It was also acknowledged that the review process suffers from a very short time frame for staff and reviewers alike to process applications, complete reviews, and make awards. This results in a less thorough review than might be possible. Additionally, the lack of consistent reviewers from year to year means that institutional knowledge of how citizens should conduct reviews is limited. The lack of detailed review protocols also means that citizen reviewers are not entirely sure how to go about the process even in the presence of professional guidance by City staff. Given the large number of applications in recent years, as well as the number of small grant amounts, staff members also expressed concern about processing time. Managing each grant demands a significant time commitment no matter how large or small the grant may be.

To improve the application and evaluation process, we recommend the following:

- Strengthen the process for reviewing applications to promote and reward innovative solutions by: standardizing review panel formation and composition; developing additional guidelines for reviewers; providing a minimum of two weeks for the review process; making reviewer ratings public where practical; and disclosing to reviewers any applicant organizations already participating in city contracts.
- Improve oversight, monitoring and measuring of grant performance to ensure grants are achieving the desired objectives by: strengthening mechanisms that measure or capture the impact of grant awards; allocating new resources for dedicated DCHS staff to manage AFHS grants (and/or contracts); conducting annual site visits to awardees (above a threshold); and enlisting and training volunteers from boards and commissions to augment City staff.
- Establish a funding “floor” or level below which applications will not be considered.
- Introduce additional technological changes to the application process, including the development of a login/PIN system, the ability to save and review submissions, submit an Excel budget and participate in online evaluations.

This chapter offered answers to each of the review questions, based upon information collected by the Committee over the course of its deliberations. The following chapter presents an overview of the findings of the Committee and more details on the recommendations introduced above.

## 4. Findings and Recommendations

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Based upon the preceding analysis and the deliberations of the Committee, it concluded that the AFHS:

- Is a well-administered program that compares favorably to similar processes employed by other jurisdictions;
- Has helped nurture and grow Alexandria's non-profit community;
- Is used by the non-profit community to leverage resources from other donors;
- Is well-regarded by the awardees;
- Could benefit from transitioning a narrow portion of its awards to a procurement process; and
- Could be better aligned with the City's Strategic Plan.

Although most of these findings were favorable, the Committee found that there is an opportunity to build upon past success and further strengthen the AFHS. This could be accomplished by implementing most or all of the recommendations below. These recommendations correspond with those in the preceding chapter but offer more detail on rationale and implementation. Additional details on the pros and cons of each recommendation are provided in Appendix C.

To improve the AFHS and its implementation, the Committee recommends that the fund should:

1. *Promote stronger alignment between AFHS awards and the City of Alexandria's Strategic Plan.*

Historically non-profit awardees have maintained a strong relationship with the Alexandria City government. However, the grant application and criteria for AFHS awards does not include specific alignment with strategic goals for the City. Stronger alignment can be achieved by requiring applicants to tie their applications to the relevant goals in the Strategic Plan and specifically to the long-term outcomes associated with each of the goals. It may also be accomplished by adding questions about linkage to the Strategic Plan to the criteria for used by review panels. Taking such steps would result in stronger alignment between use of City funds and strategic goals and supports the investment priorities of the City.

2. *Consolidate the three AFHS funds into a single fund with established priorities to focus on children, youth and community needs.*

The AFHS is divided into three funds, with specific guidelines and communities they serve. However, the need for the distinction may be unnecessary and the funds may be combined instead of administered separately. Doing so would increase the pool of resources available to align City priorities, instead of fencing some off for specific communities. It

would provide greater flexibility to shift priorities instead of being limited by the artificial separation of funds. Consolidating the three funds would also streamline the review and administration of the AFHS, even though the initial consolidation will have to be managed carefully.

3. *Establish a narrow procurement process that extends contracts to selected awardees meeting specified criteria.*

The AFHS award pool, around two million dollar per year, is currently composed of mostly small awards (under \$25K) to community organizations. However, there are a small number of large awards (above \$200K) that have been granted to well-established organizations with a history of long-standing service to City residents. The awards falling in this category would benefit from a mechanism that provides a longer-term award, while providing greater accountability to the taxpayers. Going to a procurement process could improve program continuity and reduce disruptions of important services, depending on the length of the contracts.

4. *Provide City Council with lessons learned from each grant cycle and recommendations for the next cycle alongside the report on grant awards.*

Providing City Council with lessons learned from the review cycle will enable the AFHS to institute a continuous improvement process and guidelines for future reviewers. It provides a recurring opportunity to engage with City Council to get their feedback on the Fund and report changes to address the lessons. It also draws upon the expertise and perspectives of the reviewers who may have recommendations for further strengthening the process.

5. *Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications and new solutions.*

While the process is open to all community organizations, there is a perception that the current process favors traditional awardees thus crowding out potential new, innovative applications. This recommendation demonstrates the City's willingness to consider creative and innovative programs and services that can successfully meet the priorities and needs of the City. Specific recommendations for accomplishing this include:

- 5a. *Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications.*

A leading way for accomplishing this is by adding criteria to the application and review process that weight joint applications more heavily. Such a measure would promote and encourage collaboration across Alexandria's non-profit community. It also increases efficiency for nonprofits and City staff alike by encouraging applicants to share the administrative burden rather than submitting separate applications.

- 5b. *Create a mechanism for promoting innovative solutions to existing challenges through solicitation of new solutions.*



This can be achieved by carving out a specific part of the budget or adding criteria that weight new solutions more heavily. This recommendation demonstrates the City's willingness to consider innovative programs and services that can successfully meet the priorities and needs of the City.

*6. Establish a multi-year (2 to 5-year) cycle for grant awards.*

An annual cycle requires considerable staff time and presents programmatic uncertainty to organizations attempting to plan for multi-year programs. A multi-year grant cycle should be employed instead. In addition, the AFHS should consider a staggered or tiered program to accept some number of new applicants every year and also encourage programs of different sizes. Such a multi-year approach would provide greater continuity of services by providing guaranteed funding. In addition, the renewal process would be less burdensome for City staff and applicants alike. Finally, the approach permits more time to conduct qualitative performance assessments including site visits.

*7. Strengthen the review process in order to promote and reward innovative solutions, the process for reviewing applications should be strengthened.*

Although the current review panel process is commendable and more formal than many others, there are several steps that could be taken to strengthen it and permit more careful review of the grants to promote innovative solutions. Specific recommendations for accomplishing this include:

*7a. Standardize AFHS review panel formation and composition.*

Currently, the selection of the AFHS review panels differs slightly across funds and standardizing them could improve the overall process. Specifically, all review panels should include 5-6 panelists and the appointment process should be standardized, along with the criteria for reviewing and allocating resources. Doing so would help ensure consistency across funds. It also guarantees that there are sufficient numbers of panelists to divide the applications amongst them in funds with a high number of applicants.

*7b. Strengthen and develop additional guidelines for grant reviewers for ranking grants and allocating resources.*

There is a perception that some non-profits receive a higher score and, as a result, receive grant awards based upon long-standing partnerships with the City. However, there are published guidelines for the reviewers and criteria for scoring grant proposals. Steps can be taken to ensure consistent scoring by reviewers across funds and across years. Such steps would promote transparency by making guidelines for evaluation available for the public to see. It would also strengthen the analytic approach to evaluation and the reporting of final results.

*7c. Provide more time (a minimum of two weeks) for grant review panel to review the grants under consideration and require panel rankings prior to meeting.*

The panels are often given considerably less time than needed to review a significant number of grants resulting in a limited review of submissions. For example, for FY 2013, the Community Partnership Fund involved a review of 35+ grants in approximately a week. Providing more time would permit a more thorough and thoughtful review of proposals. It would also strengthen the confidence in results and permit more time to tie evaluations to the City's goals and objectives. Importantly, it would likely increase the retention of quality reviewers from year-to-year.

- 7d. *Ratings/scoring of applications should, to some extent, be made public to encourage transparency and collaboration.*

Grant applicants and awardees should be aware of the criteria and evaluation of their AFHS application, including how reviewers scored their individual application. Making the final scores available would improve transparency of and increases public confidence in the process. It also increases the quality of grant submissions given that applicants will receive feedback on their submissions.

- 7e. *Organizations already receiving city contracts for services should be identified as such during the review process to prevent supplementing existing contracts.*

During the review process, City staff acknowledged there are AFHS grant recipients who also receive city contracts to provide the same service. City staff is trying to understand the universe of awardees in this category and committed to working on this issue during the FY 2015 budget process to hopefully limit use of AFHS funding to supplement existing contracts when it could instead support programs that do not receive other City funding. However, future grant review panels should be made aware of grants used to supplement existing contracts so this may be factored into their scoring of the applications.

8. *Improve oversight, monitoring, and measuring of grant performance to ensure grants are achieving the desired objectives.*

Several practices are already in place to provide oversight, monitoring, and measurement of grant performance. However, a number of additional steps for doing so have been identified. Specific recommendations for accomplishing this include the following:

- 8a. *AFHS should strengthen mechanisms that measure or capture the impact of grant awards as well as conduct rigorous oversight of awards to ensure that stated objectives and goals are being met.*

As the City continues efforts to align its budget to the City Strategic Plan and to place an increasing emphasis performance management, AFHS should be prepared to encourage grant applicants to provide quantifiable measures of their impact in the community. The City should also conducting more oversight and monitoring of award recipients to ensure they are set to achieve their stated objectives and goals. Although many programs already have evaluation plans in place, improving such measures and oversight will promote accountability

across the non-profit community receiving AFHS funding. Furthermore, it promotes awareness of the positive impact that AFHS funds and awards are making to the Alexandria community.

8b. *Allocate new resources for dedicated DCHS staff to manage AFHS grants (and/or contracts).*

Each year, AFHS awards upwards of \$2 million but does not have a dedicated staffer within DCHS to oversee all awards. Neighboring counties have dedicated staff to manage similar human service awards and contracts—the City of Alexandria should have the same. However, the resources for staffing the position should be new, and not drawn from already thin existing DCHS resources. Adding a dedicated position to oversee AFHS would bring greater oversight and accountability for grant/contract management in addition to strengthening the overall AFHS operation.

8c. *Conduct annual site visits to awardees (above a threshold); enlist and train volunteers from boards and commissions to augment City staff.*

Site visits ensure allocated funds are being used for the purpose intended, show performance metrics are being met or addressed, and reinforce the City’s oversight role of the allocated funds. Additionally, they enable the City to provide a risk assessment or progress report based on personal/agent interaction. The non-profit community benefits because many awardees welcome site visits by City staff to better understand their operation. Properly trained citizen volunteers could also perform these site visits.

9. *Establish a funding “floor” or level below which applications will not be considered.*

Currently, there are many awards (primarily in the Community Partnership Fund) that are relatively small. They draw resources away from larger awards and take considerable time to both prepare and review/administer. Establishing a funding floor of \$10K, \$15K, or \$20K would address this. It would also free up resources to fully fund larger applications that typically yield larger, more measurable results. Furthermore, it promotes collaboration by requiring smaller applications to partner with larger efforts to qualify.

10. *Introduce additional technological changes to the online application process to improve its effectiveness (login/PIN, ability to save and review, Excel budget, online evaluation process, etc.).*

Feedback from the AFHS stakeholders during the Review Process indicated a strong interest in continuing the online application process, including a user-friendlier login. Additional suggested enhancements included the ability to save and review, perform budgeting using Excel, and performing periodic evaluation reporting electronically. By providing such tools to the non-profit community, more of their time can be spent on executing awards instead preparing applications and completing forms. This can also increase the quality of the applications by improving the functionality of the online process.

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## 5. Conclusion

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The AFHS has served the City of Alexandria well by sponsoring a variety of programs aimed at providing important services to citizens in need. It has also helped to grow the non-profit community in the City and permitted them to leverage City funds to attract other, often times larger, and donors.

The AFHS Review Committee was directed by the City Manager to address a number of questions raised by observers of the AFHS. It did so by structuring a review and engaging the community of experts and participants capable of assessing the AFHS and offering perspectives on its performance. The report documents the findings of the Committee and offers recommendations for strengthening the fund. However, accomplishing the goals of the Committee does not end with the issuance of this report. Rather, several logical next steps need to be pursued by the City Manager and City Staff alike. These steps include:

1. Selecting the recommendations in this report to be implemented. Although the Committee believes that all of the recommendations presented should be adopted to enhance the Fund, the City may choose to implement them selectively given practical constraints.
2. Extending the current grant cycle another year. Due to the City budget cycle and other matters, this past year's cycle went from a two-year cycle to a one-year cycle. Given that the recommendations presented will take some time to properly implement and certainly can't be introduced in time to impact the FY 2015 cycle, the Committee recommends that the grant agreements for well-performing programs be extended one year through FY 2015 and that the changes be introduced in the next cycle that begins in FY 2016.
3. Developing an implementation plan for executing the Committee's recommendation. Although the recommendations presented include some details on implementation, each would have to be more fully developed by City staff responsible for implementing them. There are important details involved with some of the recommendations that need to be further developed before implementation.
4. Aligning current and future AFHS programs with the City's Strategic Plan. Aligning future programs with the Strategic Plan is one of the recommendations offered by the Committee. However, the same sort of alignment could be done using the existing programs. It would be aided by using the existing long-term outcome goals, tied to the Strategic Plan, to determine how well the current program supports City priorities. The data for performing such alignment is readily available and could help develop guidelines for aligning the programs in future cycles.

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## **Appendix A. Committee Membership**

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The Review Committee was comprised of:

Jason Dechant, Chair

Member and former Chair, Alexandria Social Services Advisory Board. Review panelist for Alexandria Community Partnership Fund, FY 2014.

Joseph Valenti, Vice-Chair

Vice Chair, Alexandria Economic Opportunities Commission. Review panelist for Alexandria Community Partnership Fund, FY 2014.

Kendra Gillespie

Member of the Alexandria Commission on Employment. Former member of the Alexandria Social Services Advisory Board. Review panelist for Alexandria Community Partnership Fund, FY 2014.

Sonia Price

Member of the Children, Youth, and Families Collaborative Commission. Review panelist for the Children and Youth Fund—Children’s Priorities, FY2014.

Clarence Tong

Member of the Budget and Fiscal Affairs Advisory Committee. Former member of the Alexandria Social Services Advisory Board.

The Committee benefited from active involvement of the following Alexandria Department of Community and Human Services Staff:

Debbie Anderson

Contracts and Grants Coordinator, Department of Community and Human Services, City of Alexandria

Suzanne Chis

Executive Deputy Director and Director of Social Services, Department of Community and Human Services, City of Alexandria

Carol Farrell

Chief, Early Childhood Division, Department of Community and Human Services, City of Alexandria

Ronald Frazier

Director, Office of Youth Services, Department of Community and Human Services, City of Alexandria

Deborah Warren

Director, Center for Children and Families, Department of Community and Human Services, City of Alexandria and Executive Director, Children, Youth & Families Collaborative Commission

Questions regarding this report and its contents may be directed to Jason Dechant, [jasondechant@gmail.com](mailto:jasondechant@gmail.com), 703-861-4493.



## **Appendix B. Discussions/Guests**

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Ronald Frazier, Director of the Office of Youth Services, Department of Community and Human Services, City of Alexandria, “Alexandria Fund for Human Services Overview,” August, 12, 2013.

Debbie Anderson, Contracts and Grants Coordinator, Department of Community and Human Services, City of Alexandria, “Department of Community and Human Services Grant Reporting,” August 22, 2013.

Stephen Taylor, Acting Purchasing Agent, Finance Department, City of Alexandria, “Granting Versus Contracting,” September 5, 2013.

Allen Lomax, formerly with Alexandria Regional Council for the United Way of the National Capital Area, “Discussion with the Alexandria Council of Human Services Organizations Collaborators’ Group,” September 19, 2013.

Cheryl Ann Colton, Alexandria Commission for the Arts Grant Program, “Discussion with the Collaborators’ Group,” September 19, 2013.

Alice Morris, Contracts Supervisor for Fairfax County Consolidated Community Funding Pool, “Background on the Consolidated Community Funding Pool,” September 19, 2013 (by conference call).

“Stakeholder Conversations,” AFHS Perspectives Event, September 26, 2013. Presenters included:

- Fay Slotnick, Board Chairman, Parent Leadership Training Institute
- Charlene Haskell, Development Officer, The Art League
- Mary Lee Anderson, Executive Director, Senior Services of Alexandria
- Gail Arnall, Executive Director, Offender Aid and Restoration
- Cynthia Dinkens, President/CEO, Northern Virginia Urban League
- Sonia Quinonez, Executive Director, SCAN of Northern Virginia
- J. Glenn Hopkins, President/CEO, Hopkins House
- Malinda Langford, VP of Programs, Northern Virginia Family Services
- Margaret Patterson, CEO/Executive Director, Children and Family Network Centers
- Mari Lou Livingood, Executive Director, Alexandria Seaport Foundation
- Bonnie Baxley, Executive Director, Community Lodgings
- Susan Wilson, Coordinator of Grants, T.C. Williams High School

- Jay Beckhorn, Immediate Past Chairman, The Campagna Center
- Ken Naser, Executive Director, ALIVE!
- Carol Sun, Director of Development, The Arc of Northern Virginia
- Mary Ann Talbott, President, National Rehabilitation and Rediscovery Foundation

In addition to the above presentations, written comments were also provided by:

- Bonnie Baxley, Executive Director, Community Lodgings
- Margaret Patterson, CEO/Executive Director, Children and Family Network Centers
- Sonia Quinonez, Executive Director, SCAN of Northern Virginia
- Tammy Mann, President and CEO, The Campagna Center
- Neely Oplinger, Executive Director, Metropolitan Washington Ear
- Tressie Knowlton, Grants Coordinator, Alexandria Seaport Foundation
- Janelle Holt, Legal Services of Northern Virginia
- Ken Naser, Executive Director, ALIVE!
- Donna Walker James, Deputy Director, Senior Services of Alexandria
- Fay Slotnick, Board Chairman, Parent Leadership Training Institute

Elizabeth Davis, Performance Analyst, Office of Performance and Accountability, City of Alexandria, “Alignment of AFHS with City’s Strategic Plan,” October 3, 2013.

Matthew Behrens, Analyst, Budget Office, City of Alexandria, “Budget Questions and AFHS,” October 3, 2013. He also attended the October 10 and October 17, 2013 review committee meetings.

## Appendix C. Evaluation of Recommendations

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Over the course of the Review Committee meetings, several recommendations were generated and explored in detail. Those recommendations are conveyed in the body of this report. This appendix restates them along with the major pros/cons associated with each as discussed by the Committee and City staff. The drawbacks of each recommendation should be considered before adopting them and especially during implementation where steps should be taken to mitigate potential drawbacks of the recommendations. Some details on the implementation of the recommendation are provided in areas where the Committee felt important, but in most cases the Committee believed the details were better left to staff and/or a more detailed implementation plan.

Organized by each of the review questions addressed, the recommendations, background/rationale, and pros and cons associated with each, are:

### What is the value of the Alexandria Fund for Human Services, and how do the funded programs relate to City priorities?

<b>Recommendation 1:</b> Promote stronger alignment between AFHS awards and the City of Alexandria’s Strategic Plan. This may be accomplished by adding questions about linkage to the Strategic Plan to the grant applications and criteria for review panels to use.	
<b>Background/Rationale:</b> Historically non-profit awardees have maintained a strong relationship with the Alexandria City Government. However, the grant application and criteria for AFHS awards does not include specific alignment with strategic goals for the City. Stronger alignment can be achieved by requiring applicants to tie their applications to the relevant goals in the Strategic Plan and specifically to the long-term outcomes associated with each of the goals.	
Pros	Cons
<ul style="list-style-type: none"><li>• Stronger alignment between use of City funds and strategic goals</li><li>• Supports investment priorities</li></ul>	<ul style="list-style-type: none"><li>• Potential difficulty in making direct linkages between the value added to City by work provided by awardees and the City Strategic Plan</li><li>• May be difficult to implement in current cycle</li></ul>

## What are the best options for structuring the AFHS moving forward to make it more effective?

**Recommendation 2:** Consolidate the three AFHS funds into a single fund with established priorities to focus on children, youth, and community needs.

**Background/Rationale:** The AFHS is divided into three funds with specific guidelines and communities they serve. However, the need for the distinction may be unnecessary, and the funds may be combined instead of administered separately.

Pros	Cons
<ul style="list-style-type: none"> <li>Provides greater flexibility to shift priorities rather than be limited by artificial separation of funds</li> <li>Streamlines review and administration of AFHS through consolidation</li> </ul>	<ul style="list-style-type: none"> <li>Could result in the diminishment of funds for one area in order to increase spending in another.</li> </ul>

**Recommendation 3:** Establish a narrow procurement process that extends contracts to selected awardees meeting specified criteria.

**Background/Rationale:** The AFHS award pool, around two million dollar per year, is currently composed of mostly small awards (under \$25K) to community organizations. However, there are a small number of large awards (above \$200K) that have been granted to be well-established organizations with a history of long-standing service to City residents. Such awards falling in this category would benefit from a mechanism that provides a longer-term award, while providing greater accountability to the taxpayers.

Pros	Cons
<ul style="list-style-type: none"> <li>Could improve continuity and reduce program disruptions of important services provided to City residents depending on length of contract</li> <li>May promote competition for funding through AFHS City services</li> </ul>	<ul style="list-style-type: none"> <li>Would require staff work to change award from grant to contract</li> <li>May change relationship of long-standing Alexandria non-profit organizations with the City</li> <li>Program may get lost when it rolls into budget and makes it more vulnerable to cuts; lose advocacy</li> </ul>

<b>Recommendation 4:</b> Provide City Council with lessons learned from each grant cycle and recommendations for the next cycle alongside the report on grant awards.	
<b>Background/Rationale:</b> Providing AFHS and City Council with lessons learned from the review cycle will enable AFHS to institute a continuous improvement process and guidelines for future reviewers.	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>• Allows for continuous improvement and feedback platform for future reviews</li> <li>• Reinforces community trust of having a fair, transparent and inclusive reputation</li> <li>• Provides input to future recommendations and key considerations for future reviewers</li> </ul>	<ul style="list-style-type: none"> <li>• May promote micromanagement of AFHS process</li> <li>• May lead to continuous changes that diminish previous progress with multiple reviewers over each cycle</li> </ul>

### Does the application process promote competition and accountability?

<b>Recommendation 5:</b> Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications and new solutions.
<b>Background/Rationale:</b> There is a perception that the current process favors traditional awardees thus crowding out potential new, innovative applications. This recommendation demonstrates the City's willingness to consider creative and innovative programs and services that can successfully meet the priorities and needs of the City.

<b>Recommendation 5a:</b> Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications. This can be achieved by adding criteria that weight joint applications more heavily.	
<b>Background/Rationale:</b> There is a perception that the current process favors traditional awardees thus crowding out collaborative efforts. This recommendation demonstrates the City's willingness to consider innovative programs and services that can successfully meet the priorities and needs of the City.	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>• Demonstrates the City's commitment to considering any and all applicants who can demonstrate and document measurable outcomes in meeting the needs of Alexandrians</li> <li>• Promotes and encourages collaboration</li> <li>• Nonprofits will be motivated to collaborate and work with first time grant applicants where services or programs complement each</li> </ul>	<ul style="list-style-type: none"> <li>• Favors joint applicants over traditional single applicants; could crowd out long-standing programs</li> </ul>

other to address a need <ul style="list-style-type: none"> <li>Increases efficiency by encouraging applicants to collaborate</li> </ul>	
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**Recommendation 5b:** Create a mechanism for promoting innovative solutions to existing challenges through solicitation of new solutions. This can be achieved by carving out a specific part of the budget or adding criteria that weight new solutions more heavily.

**Background/Rationale:** There is a perception that the current process favors traditional awardees thus crowding out new solutions. This recommendation demonstrates the City’s willingness to consider innovative programs and services that can successfully meet the priorities and needs of the City.

Pros	Cons
<ul style="list-style-type: none"> <li>Demonstrates the City’s commitment to considering any and all applicants who can demonstrate and document measurable outcomes in meeting the needs of Alexandrians</li> <li>Nonprofits will be motivated to collaborate and work with first time grant applicants where services or programs complement each other to address a need</li> </ul>	<ul style="list-style-type: none"> <li>Rewards applicants that haven’t demonstrated success</li> <li>Could take resources from existing, proven programs</li> <li>Stifles competition by favoring one over the other</li> </ul>

**Recommendation 6:** Establish a multi-year (2- to 5-year) cycle for grant awards.

**Background/Rationale:** An annual cycle requires considerable staff time and presents programmatic uncertainty to organizations attempting to plan for multi-year programs. May consider a staggered or tiered program to accept some number of new applicants every year and also encourage programs of different sizes.

Pros	Cons
<ul style="list-style-type: none"> <li>Supports continuity of services by providing guaranteed funding.</li> <li>Renewal requirement is less burdensome for staff and applicants</li> <li>Allows for additional qualitative assessments, to include onsite visits</li> </ul>	<ul style="list-style-type: none"> <li>Without proper oversight could extend underperforming programs</li> <li>May create entry barrier for emerging, or new programs</li> </ul>

## What are the strengths and weaknesses of the current application and evaluation process?

**Recommendation 7:** Strengthen the review process to promote and reward innovative solutions. Specific recommendations for doing so follow.

**Background/Rationale:** Although the current review panel process is commendable and more formal than many others, there are several steps that could be taken to strengthen it and permit more careful review of the grants to promote innovative solutions. Specific recommendations for accomplishing this include the following...

**Recommendation 7a:** Standardize AFHS review panel formation and composition.

**Background/Rationale:** Currently, the selection of AFHS review panels differs slightly across funds and standardizing them could strengthen the overall process. Specifically, all review panels should include 5-6 panelists; the appointment process should be standardized, along with the criteria for reviewing and allocating resources.

Pros	Cons
<ul style="list-style-type: none"> <li>Ensures consistency across funds</li> <li>Provides sufficient number of reviewers to split number of applications across them (for funds with many applicants)</li> <li>Improves defensibility of results when all funds use same allocation criteria</li> </ul>	<ul style="list-style-type: none"> <li>Increases the number of individuals to be recruited for the role</li> <li>Limits the flexibility of each panel to establish their own criteria</li> </ul>

**Recommendation 7b:** Strengthen and develop additional guidelines for grant reviewers for ranking grants and allocating resources.

**Background/Rationale:** There is a perception that some non-profits receive a higher score and, as a result, receive grant awards based upon long-standing partnerships with the City. However, there are published guidelines for the reviewers and criteria for scoring grant proposals. Steps can be taken to ensure consistent scoring by reviewers across funds and across years.

Pros	Cons
<ul style="list-style-type: none"> <li>Promotes transparency</li> <li>Maintains public trust</li> <li>Demonstrates that the non-profits are ranked based on scores</li> <li>Aids consistency across funds and across years</li> <li>Allows for improved analytics and reporting</li> </ul>	<ul style="list-style-type: none"> <li>Staff capacity to handle questions and concerns regarding the review and scoring process</li> <li>Could be too prescriptive and limit panel flexibility</li> </ul>

<b>Recommendation 7c:</b> Provide more time (a minimum of two weeks) for grant review panel to review the grants under consideration and require panel rankings prior to meeting.	
<b>Background/Rationale:</b> The panels are often given considerably less time than needed to review a significant number of grants resulting in a limited review of submissions. For example, the Community Partnership fund involved a review of 35+ grants in about a week.	
Pros	Cons
<ul style="list-style-type: none"> <li>• Permits more thorough and thoughtful review of grant proposals</li> <li>• Increases confidence in results and strengthens ties to goals/objectives</li> <li>• Will increase retention of quality reviewers</li> </ul>	<ul style="list-style-type: none"> <li>• Cuts into the time the applicants have to prepare submission and city staff has to turn around the materials to the panel</li> <li>• Require issuing request for grant proposal by Nov/Dec; may be difficult for current cycle</li> <li>• May impact staggered deadlines</li> </ul>

<b>Recommendation 7d:</b> Ratings/scoring of applications should, to some extent, be made public to encourage transparency and collaboration.	
<b>Background/Rationale:</b> Grant applicants and awardees should be aware of the criteria and evaluation of their AFHS application, including how reviewers scored their individual application.	
Pros	Cons
<ul style="list-style-type: none"> <li>• Good government practice improving transparency</li> <li>• Increases confidence in the process</li> <li>• Improves quality of submissions given applicants will receive feedback</li> </ul>	<ul style="list-style-type: none"> <li>• If individual reviewers are identified through this process, resulting in loss of confidentiality, reviewers may not be as open about their evaluation of proposal</li> <li>• Scores themselves are of limited utility to applicants without rationale or explanation</li> <li>• Publishing the scores may invite claims that the scoring is flawed based on a reviewer's misinterpretation, or claims that the score of a 9 should be a score of 10.</li> </ul>



<b>Recommendation 7e:</b> Organizations already receiving city contracts for services should be identified as such during the review process to prevent supplementing existing contracts.	
<b>Background/Rationale:</b> During the review process, City staff acknowledged there are AFHS grant recipients who also receive city contracts to provide the same service. City staff is trying to understand the universe of awardees in this category and committed to working on this issue during the FY15 budget process to hopefully limit use of AFHS to supplement existing contracts.	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>Improves transparency and visibility of City funds awarded to contractors and grant recipients</li> </ul>	<ul style="list-style-type: none"> <li>May put important services at risk by cutting the AFHS-funded portion of the service</li> </ul>

<b>Recommendation 8:</b> Improve oversight, monitoring, and measuring of grant performance to ensure grants are achieving the desired outcomes. Specific recommendations for doing so follow.	
<b>Background/Rationale:</b> Several practices are already in place to provide oversight, monitoring, and measurement of grant performance. However, a number of additional steps for doing so have been identified. Specific recommendations for accomplishing this include the following...	

<b>Recommendation 8a:</b> AFHS should strengthen mechanisms that measure or capture the impact of grant awards as well as conduct rigorous oversight of awards to ensure that stated objectives and goals are being met.	
<b>Background/Rationale:</b> As the City continues efforts to align its budget to the City Strategic Plan and to place an increasing emphasis performance management, AFHS should be prepared to encourage grant applicants to provide quantifiable measures of their impact in the community. The City should also conduct more oversight and monitoring of award recipients to ensure they are set to achieve their stated objectives and goals.	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>Promotes transparency and accountability</li> <li>Promotes awareness of the positive impact that AFHS funds and awards are making to the Alexandria community</li> </ul>	<ul style="list-style-type: none"> <li>Some programs objectives and goals may be difficult to quantify</li> <li>Requires additional resources—additional staff or existing staff time</li> </ul>

<b>Recommendation 8b:</b> Allocate new resources for dedicated DCHS staff to manage AFHS grants (and/or contracts).	
<b>Background/Rationale:</b> AFHS awards each year upwards of \$2 million, but yet does not have a dedicated staffer within DCHS to oversee all awards. Neighboring counties have dedicated staff to manage similar human service awards and contracts.	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>• Brings greater oversight and accountability for grant/contract management</li> <li>• Strengthens overall AFHS process</li> </ul>	<ul style="list-style-type: none"> <li>• Trades off with other funding</li> </ul>

<b>Recommendation 8c:</b> Conduct annual site visits to awardees (above a threshold); enlist and train volunteers from boards and commissions to augment City staff.	
<b>Background/Rationale:</b> Site visits ensure allocated funds are being used for the purpose intended, show performance metrics are being met or addressed, and reinforce the City’s oversight role of the allocated funds. Additionally, enable the City to provide a risk assessment or progress report based on personal/agent interaction.	
<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>• Ensure that City’s funds are being used for the program or service intended.</li> <li>• Ensure that organization is filing and maintaining proper documentation.</li> <li>• If using volunteers, save City resources and increase citizen participation</li> <li>• Important input to evaluation</li> <li>• Satisfies applicants’ desire for visibility by DCHS</li> </ul>	<ul style="list-style-type: none"> <li>• Staff capacity to perform standard or random site visits</li> <li>• Program staff may prefer expert evaluators or staff, not volunteers who may not be trained</li> <li>• Additional resources would be required to hire evaluators, staff, or train volunteers</li> </ul>

<b>Recommendation 9:</b> Establish a funding “floor” or level below which applications will not be considered.	
<b>Background/Rationale:</b> Currently, there are many awards (primarily in the Community Partnership Fund) that are relatively small. They draw resources away from larger awards and take considerable time to both prepare and review/administer. Establishing a funding floor of \$10K, \$15K, or \$20K would address this.	
Pros	Cons
<ul style="list-style-type: none"> <li>• Frees up resources to fully fund larger applications that typically yield larger, more measurable results</li> <li>• Reduces staff time involved with reviewing and administering smaller awards</li> <li>• Increases review and oversight of larger awards</li> <li>• Allows non-profits to focus on larger grants by saving staff time spent on small awards</li> <li>• Promotes collaboration by requiring smaller applications to partner with larger efforts to qualify</li> </ul>	<ul style="list-style-type: none"> <li>• Prevents entry of new start-ups that may have limited demands</li> <li>• Could lead to organizations artificially inflating their applications to exceed funding floor.</li> </ul>

<b>Recommendation 10:</b> Introduce additional technological changes to the online application process to improve its effectiveness (login/PIN, ability to save and review, Excel budget, online evaluation process, etc.).	
<b>Background/Rationale:</b> Feedback from AFHS stakeholders during the Review Process indicated a strong interest in continuing the online application process, including a more user-friendly login.	
Pros	Cons
<ul style="list-style-type: none"> <li>• Further streamlines AFHS grant applications and ease of use</li> <li>• Improves quality of submissions because it permits applicants to spend more time and return to application</li> </ul>	<ul style="list-style-type: none"> <li>• May be expensive depending on whether an off-the-shelf product or amount of work City IT determined would be involved</li> </ul>

### List of Recommendations:

1. Promote stronger alignment between AFHS awards and the City of Alexandria's Strategic Plan.
2. Consolidate the three AFHS funds into a single fund with established priorities to focus on children, youth, and community needs.
3. Establish a narrow procurement process that extends contracts to selected awardees meeting specified criteria.
4. Provide City Council with lessons learned from each grant cycle and recommendations for the next cycle alongside the report on grant awards.
5. Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications and new solutions.
  - 5a. Create a mechanism for promoting innovative solutions to existing challenges through solicitation of joint applications.
  - 5b. Create a mechanism for promoting innovative solutions to existing challenges through solicitation of new solutions.
6. Establish a multi-year (2- to 5-year) cycle for grant awards.
7. Strengthen the review process to promote and reward innovative solutions.
  - 7a. Standardize AFHS review panel formation and composition.
  - 7b. Strengthen and develop additional guidelines for grant reviewers for ranking grants and allocating resources.
  - 7c. Provide more time (a minimum of two weeks) for grant review panel to review the grants under consideration and require panel rankings prior to meeting.
  - 7d. Ratings/scoring of applications should, to some extent, be made public to encourage transparency and collaboration.
  - 7e. Organizations already receiving city contracts for services should be identified as such during the review process to prevent supplementing existing contract.
8. Improve oversight, monitoring, and measuring of grant performance to ensure grants are achieving the desired objectives.
  - 8a. AFHS should strengthen mechanisms that measure or capture the impact of grant awards as well as conduct rigorous oversight of awards to ensure that stated objectives and goals are being met.
  - 8b. Allocate new resources for dedicated DCHS staff to manage AFHS grants (and/or contracts).
  - 8c. Conduct site visits to awardees (above a threshold) a standard part of annual review; enlist and train volunteers from boards and commissions.
9. Establish a funding "floor" or level below which applications will not be considered.
10. Introduce additional technological changes to the online application process to improve its effectiveness (login/PIN, ability to save and review, Excel budget, online evaluation process, etc.).

## **Appendix D. References**

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Alexandria City Council Legislative Meeting, May 28, 2013. Available at [http://alexandria.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=2493](http://alexandria.granicus.com/MediaPlayer.php?view_id=2&clip_id=2493), last accessed October 2013.

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