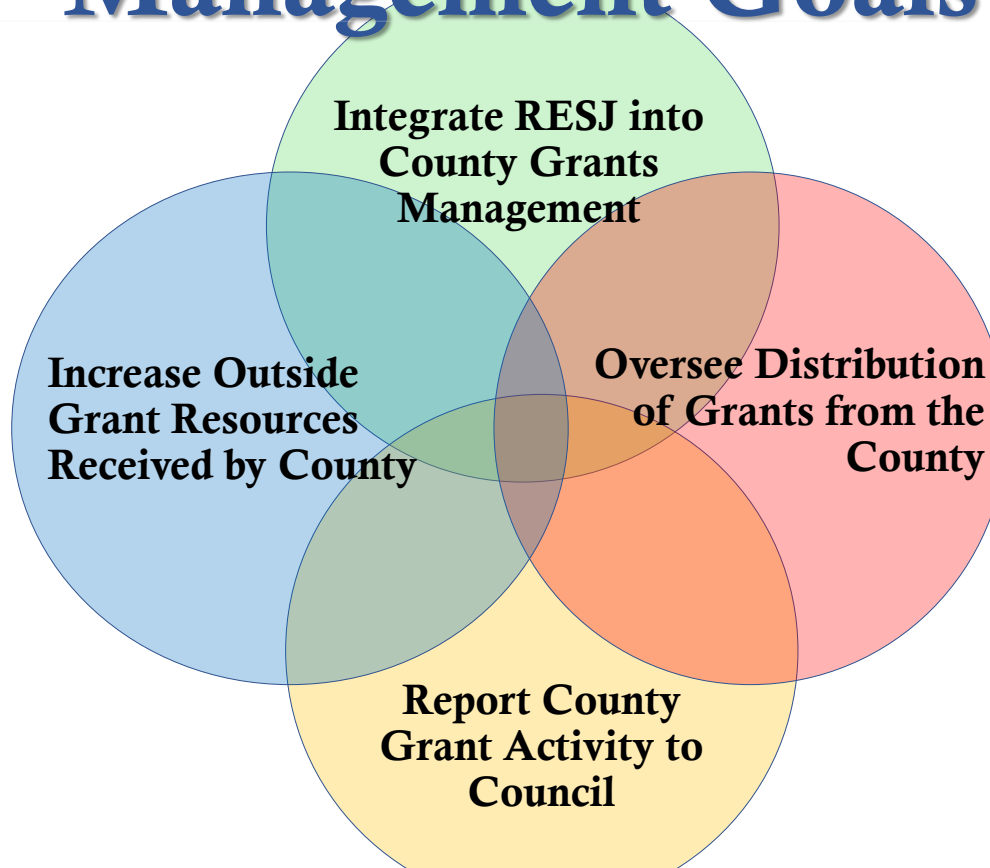**Montgomery County Office of Grants Management**

FY24 CE Recommended Budget Community Grants Non-Departmental Account (NDA)

March 22, 2023

Prepared by Montgomery County Office of Grants Management

Office of Grants Management Goals

Integrate RESJ into County Grants Management

Increase Outside Grant Resources Received by County

Oversee Distribution of Grants from the County

Report County Grant Activity to Council

What is the Community Grant Non-Departmental Account (NDA)?

FY23 Approved
Non-Competitive Contracts
to Nonprofits
(Over $120 million)

FY 23 Approved
Nonprofit Contracts in
the Community Grants
NDA ($11.0 million)

FY 23 Approved
Nonprofit Cost
Sharing Capital
Grants ($3.0
million)

Chart does **not** include:

- Competitive contracts won by Nonprofits
- FY23 Supplemental Appropriations with additional awards to Nonprofits
- FY23 Special Appropriations with additional awards to Nonprofits
- Base budget funded Nonprofit grant programs

FY23 Grant Opportunities Outside of the CG NDA

- Transportation and Specialized Mobility Capital Grant Program (DOT) – $640,000

- Transportation and Specialized Mobility Operating Grant Program (DOT) – $160,000

- Community Gardening and Local Resilience Grants Program (OFSR) - $50,000

- Market Money Grants Program (OFSR) - $125,000

- Abortion Access Grant Program (HHS) - $ 1.0 million

- Newcomers Grant Program (HHS) - $200,000

- Nonprofit Security Grants Program (OEMHS) - $700,000

CG NDA Funding History

Community Grants NDA and Related Funding Summary FY20 CC Approved - FY24 CE Recommended					
	FY20 CC Approved	FY21 CC Approved	FY22 CC Approved	FY23 CC Approved	FY24 CE Recommended
County Executive Community Grants	$ 8,999,187				
County Council Community Grants	$ 3,795,963				
NDA - Renewals and Enhancements		$ 10,356,387	$ 9,644,887	$ 8,437,486	$ -
NDA - HHS Community Services Grants	$ 82,416	$ 60,987	$ 60,987	$ 60,987	$ -
Department Bases - FY21 Shifts		$ 3,818,812	$ 3,818,812	$ 4,124,317	$ 4,248,046
Department Bases - FY22 Shifts		$ -	$ 711,500	$ 768,420	$ 791,473
Department Bases - FY23 Shifts		$ -	$ -	$ 2,306,670	$ 2,375,870
Department Bases - FY24 Shifts		$ -	$ -	$ -	$ 1,710,526
New Programs		$ -	$ -	$ 2,500,000	$ -
FY24 NDA Reorganization		$ -	$ -	$ -	$ 9,887,948
Community Grants Total	$ 12,877,566	$ 14,236,186	$ 14,236,186	$ 18,197,880	$ 19,013,863

Cost Sharing Capital Grants Funding Summary FY20 CC Approved - FY24 CE Recommended					
	FY20 CC Approved	FY21 CC Approved	FY22 CC Approved	FY23 CC Approved	FY24 CE Recommended
Capital Grants: County Executive	$ 1,300,000				
Capital Grants: County Council	$ 359,000				
County Capital Grants		$ 1,583,362	$ 500,000	$ 3,000,000	$ 3,000,000
Capital Grants Total	$ 1,659,000	$ 1,583,362	$ 500,000	$ 3,000,000	$ 3,000,000

CG NDA Reform History

- **September 25, 2018:** Office of Legislative Oversight Report 2018-9 – **Montgomery County Council Community Grants**
- **Summer – Winter 2019:** Montgomery County Government Internal Working Group & Nonprofit Montgomery Coordinated Nonprofit Focus Group – 6 Consensus Recommendations for Reform
- **July 13, 2021:** **Bill 36-19** creating OGM passed by Council; signed by CE on July 16, 2021;
- **July 1, 2022 (FY23):** OGM becomes active
- **January 4 – February 16, 2023:** Nonprofit Community Grants and Grants Management Reform Survey

6 MCG/Nonprofit Consensus Recommendations

	Recommendation	Status
1.	Combine County Executive and County Council Community Grant NDAs	✓ **Combined in FY21**
2.	Change the Community Grants Process to be Outcomes Driven	✓ **FY24 CE REC**
3.	Create a Grants Office to Manage the Community Grants Process	✓ **Bill 36-19** ✓ **OGM active in FY23**
4.	Create an Aspire Grant Program to help build Nonprofit Capacity	✓ **NTAMS Program in FY23** ✓ **Nonprofit Incubators in FY24 REC**
5.	Create a Grant Agreement Tool	✓ **Successfully piloted in FY23** ✓ **Bringing to scale in FY24**
6.	Move Certain Community Grants to the Base Budgets of Departments	✓ **Shifts made in FY21-FY23 with more in FY24 CE REC**

FY24 Budget Process

1. **July-December, 2022:** OGM collated existing recommendations and feedback while engaging with stakeholders to generate new feedback
2. **January 4-February 16, 2023:** OGM launched the Nonprofit Community Grants & Grants Management Reform survey
3. **Late February, 2023:** OGM analyzes responses and developed options and recommendations to the CE
4. **March 15, 2023:** CE decisions released within the FY24 Recommended Budget
5. **SPRING, 2023: COUNTY COUNCIL DELIBERATES ON AND MAKES CHANGES TO THE FY24 CE REC BUDGET**
6. Late May, 2023: Council passes the FY24 Approved Budget

FY24 CE REC
Office of Grants Management

- **Maintains all FY23 Approved funding:**
  - 3 positions: Director, Incoming Grants Program Manager, and Outgoing Grants Program Manager
  - Operating Expenses
- **Adds two new positions:**
  - Additional Outgoing Grants Program Manager
  - Administrative Services Coordinator
- **Goals of expansion:**
  - Manage the expected increased volume of competitive grant programs and grant agreements;
  - Support an intensive outgoing grants management training curriculum with a focus on monitoring and oversight; and
  - Provide equitable training and support to emerging organizations applying for County grants as part of the County's Racial Equity and Social Justice goals.

FY24 CE REC Community Grants NDA Reform Goals

- Act on long-standing, and new, recommendations and feedback from Council, OLO, Nonprofit communities, and MCG stakeholders
- Integrate Racial Equity & Social Justice considerations and best practices directly into Community Grants processes to improve accessibility
- Re-establish a more active and appropriate role for Council in shaping the Community Grants NDA that is in-line with the rest of budget process
- Create a budget space and funding process for innovative, flexible programs that meet community needs but don't fit neatly into a single department or actively cut across the missions of different departments
- Create space to realign funding with current needs instead of FY18 needs
- Make the Community Grants NDA more strategic by creating targeted grant programs within the NDA
- Segment some pools of funding by size of organization to create for smaller or volunteer led community organizations

- **Youth Support Grants:** $1.5 million will be available for programs targeting the needs of the County's youth community.
- **Senior Support Grants:** $1.5 million will be available for programs targeting the needs of the County's senior community.
- **Grants for Organizations Supporting Individuals with Disabilities:** $1.5 million will be available for programs targeting the needs of County residents who have disabilities.
- **Underserved Communities Project Grants:** $1,258,128 will be available to nonprofit organizations from underserved communities who have unique insights into their local challenges and can develop the best programmatic solutions address them.

- **Community Projects Fund Grants:** $1 million in one-time funding will be available for small, emerging, and volunteer led organizations to implement small, community focused projects, initiatives, and events with a quarterly application cycle.
- **Nonprofit Technical Assistance and Management Support Grants:** $1 million will be available to strengthen County nonprofit organizations with a prioritization of organizations based in underserved communities.
- **Nonprofit Incubators:** $560,987 will be available to pilot sustained, innovative, accessible, and community-based support for emerging nonprofit organizations with potential to serve the County's most hard-to-reach and underserved communities.
- **Place Based Management Grants:** $400,000 will be available to continue support for Place Based Management activities in the County using the Main Streets USA model.

FY24 CE REC Capital Grants

- **Arts Facility Capital Grants:** Major Projects/State Match Fund: $750,000 will be available to maximize leverage of State matches for major (over $100,000) County arts related capital projects.
- **Arts Facility Capital Grants:** Small Projects Fund: $250,000 will be available to support small ($100,000 and below) County arts related capital projects in underserved communities.
- **Cost Sharing Capital Grants:** Major Projects/State Match Fund: $1.25 million will be available to maximize leverage of State matches for major (over $100,000) County non-arts related capital projects.
- **Cost Sharing Capital Grants:** Small Projects Fund: $750,000 will be available to support small ($100,000 and below) County non-arts related capital projects in underserved communities.

FY24 CE REC
Shifts to Base Budgets

- 28 community grants programs (totaling $1.7 million) previously funded will be shifted into departmental base budgets ($1.7 million)
- Shifting programs will receive a 3% inflationary increase over their FY23 Approved funding level
- Shift criteria: *"A program is a good candidate for shifting into the base budge if it is aligned with broader departmental goals/initiatives and is better coordinated alongside similar programs instead of the grants process. The program should be performing well, have a strong partner, and be fulfilling an expected need into FY24."*
- Vast majority of programs remaining in the NDA did not have a clear fit with administering department's mission

FY24 CE REC Base Budgets vs CG NDA

- **Myth:** *"Moving a program to the base budget guarantees permanent funding."* Moving funding for a *service* just changes the decision from the CG NDA process to the department
- Departments may choose (or need to) cut, reduce, consolidate, or change base budget program funding to meet future reductions or to address new needs
- Organizations reapplying for funding through the Community Grants NDA will have the options of:
  - Resetting Funding Levels – Programs will not be bound to an inflationary increase or previous funding levels when requesting funds
  - Resetting Program Scope – Programs will have the option of revising their scope to address new or changing needs instead of carrying over an old contract scope into a new fiscal year
  - Resetting Overall Program – Organizations will have the option of submitting an entirely different program compared to previous funding

CG NDA Changes in
How vs *How Much*

- Simplified, lean "Common Application" for grants across programs
- Boosted grants management training and support to applicant, award winners, and departments
- Multi-year awards (subject to performance and future Council appropriations)
- Grants opportunity schedule

- Issuing of real grants agreements, instead of procurement contracts
- Unrestricted/Indirect Funding allowances
- Improved functionality and efficiency in the online grants application platform
- Tranche and lump sum payment options instead of reimbursements
- And more…

FY24 CE REC New CG Application Timeline

- Competitions will be launched almost immediately after Council passes the FY24 Approved Budget with applications due in late June
- Review Committees score applications and make award recommendations in early July
- OGM notifies award winners and begins processing awards into grant agreements in late July
- Award winners begin preparations for programs to begin on October 1
- New awards begin on October 1, 2023 and last to September 30, 2024
- New grant cycle will repeat in FY25 onwards on this cycle
- Reasons for shift:
  - Restore appropriate Council influence on Community Grants
  - Give proper spacing of competitions to award starts
  - Allow for Summer programming
  - Align with federal fiscal cycle

FY24 CE REC Bridge Funding

- Shifting from a July 1 to an October 1 award start date leaves potential gaps that would result in interruptions in service
- FY24 CE Recommended Budget includes $1.2 million in Bridge Funding to connect this gap or wind down programs if they are not renewed
- All FY23 Community Grants NDA funded programs that do not move into the base budget and that expire before October 1, 2023 will automatically receive 1-3 months of Bridge Funding
- Length of Bridge Funding will depend on when the FY23 award expires
- Amount will be prorated based on FY23 Approved funding plus 3%
- Award will be issued as a grant agreement, not as a procurement contract
- For example, an FY23 Approved $60,000 award that expires on June 30 would receive a $15,450 Bridge Fund grant.
- **OGM will coordinate a webinar focused on the Bridge Funding process**

FY24 Budget Process

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Resources

- **Full FY24 CE Recommended Budget Publication**
  - Office of Grants Management: Page 34-1
  - Community Grants NDA: Page 73-4
  - Community Grants to Base Budgets: Page 80-1
  - **FY24 CE REC Community Grants NDA Information Sheet**
- **FY23 Budget Resolution – Section G**: Pages 38-86
- Office of Grants Management Online Application Platform - **https://mcmdgrants.smapply.org/**
- **Office of Procurement Solicitations and Contracts**

Questions?

OGM Online Grant Application Platform
https://mcmdgrants.smapply.org/

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