

TO: Juvenile Welfare Board Members

FROM: James E. Mills, Executive Director 
Lisa A. Sahulka, Director of Programs and Finance 

Discussion

Due to concerns regarding fiscal impact, precedent and policy integrity, the Board is requested to provide guidance to staff regarding a funding request for \$400,000 over a two-year period (\$200,000 per year). The proposal is a combination of service support (\$241,000) and organizational development (\$159,000).

Background

There are several policy issues associated with this request.

1. The Board has on previous occasions indicated concern with out-of-cycle funding requests. Staff currently is required, per Board direction, to submit to the Board every in-house request, with the exception of withdrawn applications. In addition, Board policy states that while JWB funding primarily is awarded through the competitive process, funds may be awarded non-competitively if no regular RFP cycle can accommodate the application.

Board policy 2-4.18 (attached) requires that out-of-cycle funding requests meet one of the following guidelines:

- Funds are available for currently JWB funded programs with unforeseen financial emergencies (Program Contingency);
- One time only or time-limited funding, but up to 3 years if multi-year funding is justified and consistent with established policies and the Strategic Plan; or
- Requests are for projects initiated by JWB for collaborative funding opportunities, community planning activities or research and demonstration initiatives.

There are several funds budgeted by the Board for out-of-cycle funding requests (Program Contingency, Community Contingency, and Merger/Consolidation). The Board has chosen to provide funding primarily through competitive processes such as New and Expanded and Equipment and Renovation to assure that funding is awarded to agencies most capable of providing the highest quality services and delivering effective outcomes. However, out-of-cycle funding has been used in order to be responsive to emerging community needs.

In FY 00-01 the Board considered 33 out-of-cycle funding requests, and funded 10 through community contingency funds. This year the Board funded three of four requests for community contingency funding totaling \$124,781.

Would the Board prefer to:

- consider a revised policy, which would further restrict out-of-cycle requests?
 - grant broader discretion to staff in matters brought to the Board?
 - maintain the current policy and practice?
2. Board policy 2-4.19 sets a number of parameters on those requests JWB will not fund.
 - A. Board policy states that JWB will not fund administrative costs which exceed 20% of the JWB program allocation. The proposal seeks funding in administrative services which would constitute 55% of the first year's grant and 82% of the second year's grant.

Does the Board wish the staff to:

- apply the policy?
- have staff negotiate with the applicant to bring the proposal more into line with established policy?
- separate the proposal into a services grant and an organizational development grant?

B. In the past JWB has selectively approved one time only organizational grants to build capacity in struggling programs. These grants have been approximately \$100,000 spread over 3 years and a decreasing amount in the second and third years (ie: \$50,000, \$35,000, \$15,000) to encourage assumption of the new capacity with ongoing funds. The proposal requests funding for administrative services totaling \$159,000 over two years.

Does the Board wish to:

- depart from past funding levels and structures?
- have staff negotiate with the applicant to bring the proposal more into line with past practices?

C. Policy 2-4.19 (14) states that JWB does not fund direct costs related to fund-raising. The proposal calls for the specific purchase of grant writing services. While grant writing costs have routinely been incorporated by agencies into their indirect costs which are paid by JWB, the direct purchase of these services is not routinely reimbursed. The JWB RFP's exclude reimbursement of the costs of preparing a grant should the grant eventually be funded. The staff is concerned about the precedent that directly paying for fund-raising would establish.

Does the Board wish to:

- depart from its policy of not paying the direct costs of fund-raising?
- If so, does the Board wish to establish parameters by which staff can evaluate this or future proposals?

3. The general conditions of the JWB contract allows subcontracting but only with the approval of JWB. The proposal has been prepared by one agency and submitted by a second agency. The intent of the proposal is that the second agency will subcontract back with the first agency for organizational development services. These services, constituting a significant share of the request, are identified in general terms. Specific duties, responsibilities and work products are not identified.

Does the Board wish to:

- have the sub-contract developed prior to its action on the proposal?
- wait until after action, and if approved, develop a sub-contract?

Staff Resource Persons: Susan Biszewski-Eber, Senior Contract Manager
Trenia L. Cox, Contract Manager
Rod Cyr, Contract Manager
Patricia S. Davis, Senior Contract Manager

Board Funding Policies 2-4.18 & 2.4-19 (as approved 10/11/01)

2-4.18 While it is the intent of the Juvenile Welfare Board to be responsive to emerging needs of the community, funding is primarily awarded through the competitive process. The Board may consider out-of-cycle funding requests, when such requests are not appropriate to the standard annual competitive funding practices. Out-of-cycle funding requests must be submitted in the standard JWB format or in a format agreed upon by JWB. In addition, out-of-cycle funding requests must: 1) be consistent with the Juvenile Welfare Board's internal organizational capacity to plan and coordinate services for children; 2) meet the provisions established in section 2-2; and 3) meet one or more of the following criteria for Board consideration:

Agency requests for out-of-cycle funding shall be limited to requests for:

1. Funds for currently funded programs, which experience an unforeseen financial emergency, which can be expected to seriously impair the effectiveness of the program if not relieved. These requests shall utilize the Program Contingency Fund category.
2. Time-limited funds for up to three (3) years to match newly available time-sensitive federal, state, local, or foundation funds. Requests for funding shall utilize the Community Contingency Fund category.
3. One-time-only or time-limited funding usually one year or less, but up to three years if multi-year funding is justified and consistent with established policies and the Strategic Plan. Requests for funding shall utilize the Community Contingency Fund.

The Juvenile Welfare Board reserves the right to initiate out-of-cycle Community Contingency Fund requests for:

1. Funds to support collaborative funding opportunities with other funding sources to enhance services to children and families in Pinellas County.
2. Funds to support community planning activities or the results thereof in which JWB has been an active participant.
3. Funds to support a research or demonstration project, from funds budgeted for that purpose.
4. Funds to support program/services previously approved through the JWB planning process.

2-4.19 JWB does not fund:

1. The acquisition of real property or payment of interest or related costs except for that which may occur through ordinary budgeted occupancy expenses.
2. Supplementation of operating reserves for an ongoing corporation or entity.
3. The supplantment of existing funding by another agency without the prior agreement of the Board. The Board may delay budgeting requests when anticipated funds from other sources may be influenced by the Board's decision.
4. The retirement of debt.
5. The payment of fines or assessed penalties.
6. The funding of personal expenses of board members, staff, or volunteers unless directly related to legitimate business purposes.
7. Expenses not otherwise approved through the budget or budget amendment process.
8. Expenses incurred in a JWB fiscal year that has been closed.
9. Expenses incurred in a previous fiscal year applied against a current allocation.
10. Expenses previously paid by another funding entity or agency resources.
11. Contributions to any political party or candidate or to another charitable purpose.
12. Legal fees in relationship to defense in any criminal matter where individual or corporation is found guilty.
13. Indirect administrative cost rates which exceed 20%; nor does it fund administrative costs which exceed 20% of the JWB program allocation.
14. Direct costs associated with fundraising activities.
15. The Board at their discretion may choose not to fund based on the best interest of the Juvenile Welfare Board.