



COUNTY OF DURHAM

WENDELL M. DAVIS
COUNTY MANAGER

January 25, 2018

Dear Nonprofit Community,

As the County continues to implement the Managing for Results (MFR) business model across the organization, we are now seeing the effects of these efforts in every facet of our enterprise. Through process improvements, performance analysis, and the realignment of County dollars to support higher priorities and operational efficiencies, we are seeing significant changes materialize. The foundation of this approach includes systematically distributing resources based on Strategic Plan alignment, performance evaluation, and cost efficiency to maximize use of public dollars. The County's MFR approach to the solicitation and financial support of nonprofit organizations is following the same path, as we have seen in the nonprofit process changes implemented over the last year.

In the fall of 2015, the County's Nonprofit Funding Program was benchmarked against our North Carolina peers to establish best practices and make process improvements where applicable. Those results were shared with the Board of County Commissioners and an approach was determined where the County would continue its support of nonprofit organizations by implementing key findings from the process review that align with the principles of MFR. During the last 20 years, the County has awarded approximately \$20 million through the Nonprofit Funding Program and we look forward to seeing these important relationships continue.

Of the process modifications that resulted from the benchmarking review, central among them were:

1. Soliciting nonprofits in a more focused manner rather than simply asking them to align with our Strategic Plan, and;
2. Elevating the decision-making authority of our own subject matter experts at the departmental level.

To achieve the first goal in FY 2017-18, specific elements of the Strategic Plan were identified as priorities where we would engage in relationships with nonprofit service providers. The types of prioritized services were called "Target Areas." To achieve the second goal in FY 2017-18, subject-matter experts reviewed applications both individually as well as a group, and community partners were brought in for the first time where we lacked in-house, subject-matter expertise.

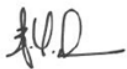
As we continue to incorporate MFR-related process improvements identified in the nonprofit process review, the FY 2018-19 budget cycle is yet another opportunity to further effectuate those ideas. One thing that has become abundantly clear is that an annual application cycle gives us little time to understand the investments that we have made in the prior year and to effectively compare those to new organizations' applications. By the time the application cycle closes, we only have six months of new data to evaluate before we make another round of funding decisions. Moreover, to truly understand where our support of nonprofit organizations is most needed, as informed by the Strategic Plan and our subject-matter experts, these priorities need to be defined through the budget process in coordination with the rest of the County's funding priorities. To that end, the following approach will be taken with regards to funding nonprofits in FY 2018-19.

For FY 2018-19:

1. The standard nonprofit application cycle that applies to Goals 1-4 will not be open for FY 2018-19. Instead, it will be replaced with targeted Requests for Proposals (RFPs), as identified through the budget process, that address the County's most pressing needs. RFPs will be facilitated at the departmental level and will be announced in April 2018. Currently funded nonprofits are welcome to apply for an RFP if they provide the service delivery type solicited in the RFP.
2. For currently funded nonprofits, program data will be reviewed after three quarters of data have been collected to assess funding for FY 2018-19. If measure targets are met or the data is appropriately explained, funding will remain flat for FY 2018-19. Modifications for FY 2018-19 funding may be made relative to funding availability, alignment to priority areas, and program performance.

We believe that these modifications to the nonprofit process will further bring about the broader Managing for Results process improvements that were articulated two years ago and will ultimately lead to making the most strategic investments with the most efficient use of public dollars. As with any change, we expect these modifications will generate questions not addressed in the information above. If that is the case, please contact Andy Miracle at amiracle@dconc.gov or 919-560-7065. To all of the County's nonprofit service providers, we appreciate the commitment that you have made to the betterment of the Durham community and look forward to continuing these important relationships.

Regards,



Wendell M. Davis