




BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Department No.: 012
For Agenda Of: 03/15/16
Placement: Departmental
Estimated Time: 20 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Contact Info: Mona Miyasato, County Executive Officer, 568-3400 
Terri Nisich, Assistant CEO, 568-3400

SUBJECT: Funding Requests from Outside Agencies

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive a report and provide direction to staff regarding options to address funding requests from outside agencies during the budget process:
 - i. Option 1: Continue the existing process but post information early and enforce deadline for submission of requests; or
 - ii. Option 2: Require all outside agency requests be reviewed by Human Services Commission (for human service-related requests) and County Executive Office and/or other department staff (for other requests), with information provided to the Board for decisions at the June budget hearings; or
 - iii. Option 3: Direct that a defined level of discretionary General Fund be allocated for all outside agency funding requests and require that all outside agency requests be evaluated through a formal Notice of Availability (NOFA) process, using the Human Services Commission (for human service-related requests) and County Executive Office (for other requests) staff, who would make recommendations on the allocation to outside agencies at or before budget hearings; or
 - iv. Provide other direction to staff as appropriate; and,
- b) Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Sections 1378(b)(4) and 15378(b)(5) of the CEQA Guidelines, because they are government fiscal, organizational, or administrative activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

During the budget development process each year, unallocated, discretionary General Fund may be available for allocation to County departments for operational and capital needs or non-County agencies (“outside agencies”). Historically, funding requests from outside agencies are made without formal staff or committee review. This process, however, allows flexibility for agencies for unplanned or unexpected needs. In the past, agencies have submitted letters, sometimes on the day of the budget adoption hearings, requesting funding. The Board reviews these requests and makes certain allocations based on funds available. CEO or Department staff will then follow up by developing contracts with these organizations and ensuring stated goals are met.

Requests typically seek one-time support for a special project or urgent need; in recent years, requests have been for ongoing funding for continued support to augment their agency resources. Generally the requests can be placed in two categories: 1) human services requests and, 2) other general requests. Human services requests pertain to the need for food, clothing, shelter and safety-net programs. Other general outside agency requests pertain to business, economic development, and film and tourism programs. Some of the agencies also apply to the Human Services Commission (HSC) grant program. At times, the Board has directed that the requested funding be made ongoing, whereby it becomes part of the County’s baseline budget.

Per the Board’s request at its November 3, 2015 meeting, this item is on the agenda for the Board to consider options to potentially formalize the process in which outside agencies apply for unallocated, supplemental funding during the budget process. In order to develop options for the Board of Supervisors’ consideration, staff reviewed the current County of Santa Barbara process as well as processes in place in other agencies. In addition, staff met with members of the County HSC to obtain their perspective.

Background:

Recent funding to outside agencies

During the budget adoption process since FY 2010-11, the Board has awarded to agencies a range of \$189,100 to \$500,000, with an average annual allocation of \$323,089. The average individual grant award funded over this time period was \$64,000. A detail of all agencies funded during budget hearings since 2010 is included within Attachment A. Funding available for these outside agency requests varies from year to year and is not known until the budget hearings, typically after allocations are proposed for County service expansions, restorations or other Board-requested service needs.

Until recently, outside agency requests have for the most part been non-human services related. The human services requests during budget hearings have increased commensurate with additional funding availability and a FY 2015-16 strategically refined HSC process (detailed below) intended to provide fewer grants but greater, aligned outcomes.

Connection to Human Services Grant Program Process

Since 1977, the majority of human services programs have been funded on a three-year cycle through a NOFA process managed by the HSC. The Board utilizes the HSC to review applications and make formal recommendations to the Board. The amount of HSC grant funds budgeted through this process is currently \$1,200,000 per year, which includes administration, subject to appropriation by the Board.

During the previous three-year cycle ending June 30, 2014, the Board recommended that the HSC consider implementing a more strategic approach to funding that would result in greater impact. This meant recommending fewer grants with higher grant amounts to achieve greater overall impact. The human services grants were awarded to agencies for best practices (\$450,000); basic services (\$540,000) and small capacity building grants (\$59,000).

Several agencies not funded through this process appealed to the Board for funding during the FY 2015-16 budget hearings, and some received funding. This led to an appearance of inconsistency for those agencies that went through a rigorous HSC evaluation process.

Options for a revised process of providing discretionary General Fund revenue to outside agencies

To provide for 1) a review process of the funding requests, 2) provision of pertinent information to the Board of Supervisors for decision making, and 3) adequate notice to outside agencies with firm deadlines for submission, the following options were developed for the Board's consideration.

Option 1: Continue existing process of posting funding availability on CEO website to receive outside agency funding requests but post information early and enforce deadline for submission of requests.

The existing system is flexible and does not require much staff time on the front-end, except to compile the request letters, and offers ease to outside agencies to request funds. Board members can request additional information on the request from the agency at the Board hearing or workshops. The funding level is not pre-determined, and therefore, based on available, unallocated General Fund determined at the budget hearings after other needs are reviewed. By enforcing the deadline for submission, information can be provided early to the Board and public.

However, this provides little review or evaluation by staff to inform the Board of the request, and it may feel unfair to some agencies that have submitted applications for public funding through rigorous evaluation processes. Also, if the request is not clear enough and is still funded, it may be difficult to ensure appropriate performance and management of the project.

Should the Board select this option, it is recommended that requests be submitted by the April Budget Workshops (scheduled for April 11, 13, and 15). This would allow for review by the Board during the workshops similar to County Departmental requests; and then decisions would be made at the June budget hearings. The Board could also require that any request be presented at the workshops in order to be considered. Outside Agency requests are currently scheduled to be heard on April 15, 2016.

Option 2: Require all outside agency requests be reviewed by Human Services Commission (for human service-related requests) and County Executive Office and/or other department staff (for other requests); with information provided to the Board for decisions at the June budget hearings. Provide information early and enforce deadline for submission of requests.

The following are examples of input that could be provided to the Board:

- Ability to meet high priority needs of HSC (for HSC related requests) and Board of Supervisors
- If previously submitted through another process, report on findings and disposition of request
- Clear and quantifiable outcomes pertaining to the funding
- Urgent or unplanned need
- Financial stability of the agency
- One time or ongoing funding
- Prior year funding of agency and performance

- Other funding obtained by the agency for the particular need/project stated

This allows for a level of review without creating a new or onerous grant program. By involving the HSC, this option allows for improved alignment with the HSC grant program. Funding availability is the same as stated under Option 1. However, the process does not require the same level of review as other processes and would still be outside the existing HSC grant program.

Similar to Option 1, this option would require an early submission deadline to allow for review by the Board during the April budget workshops and review by the HSC and CEO staff.

Option 3: Direct that a defined level of General Fund be allocated in the FY 2016-17 budget for outside agency funding requests and require that all outside agency requests be evaluated through a formal Notice of Availability (NOFA) process, using the Human Services Commission (for human service-related requests) and County Executive Office (for other requests) staff. Recommendations on the allocation to outside agencies for funding would be made to the Board at or before budget hearings.

Under this option, a specified level of funding would be allocated to the HSC for its recommendations on human service-related requests and to the County Executive Office for other requests. The HSC would employ its current processes and criteria for selection. The HSC would incorporate the funding into its existing grant process.

The Commission is now moving into the second year of a three-year cycle (2015-2017) and has already completed its evaluation of funding proposals for FY 2016-17 (The Best Practices and Basic Services grants have been awarded for the full cycle and recommendations for the mini grants, awarded annually, have already been developed). For FY 2016-17, a NOFA would be issued in spring for the supplemental General Fund to be allocated. For FY 2017-18, the supplemental funds would be aligned with the HSC's annual NOFA (currently just for Mini Grants). FY 2018-20 begins the new three-year cycle of funding for the Commission and supplemental funds would become a part of the full NOFA, added to the existing \$1.2 million dollar allocation. Criteria and scoring could mirror what the Commission currently utilizes, which is attached as an example (Attachment B).

For FY 2016-17, \$275,000 would be available from funds currently allocated to the Children's Health Initiative, a General Fund supported contract that funds uninsured children. Recent changes in law will allow state coverage of this population; however, given there is a ramp up to this change over, it is projected that only \$275,000 of the County's \$1.0 million contribution to this program will be available in FY 2016-17.

The proportion of funding for human services versus other agencies varies widely from year to year. Overall, however, human service requests have equated to 41% (\$798k) of requests since FY 2010-11, and as a result, it is recommended that 41% of \$275,000, or \$113,000, be allocated to the HSC for human service-related requests and \$162,000 to the County Executive Office for other requests. Should the Board select this option, staff will incorporate the amount into the budget process.

This option would align additional human service-related requests with the existing HSC grant process and cycle. It would allow for a more similar review process to other grant programs in the County. This option would need all submitted outside agency requests to be funneled through this process for it to be successful. However, this option would require staff time to develop the NOFAs and review proposals. It would remove flexibility for outside agencies for truly unplanned or unexpected needs. By funding

the NOFA with a prescribed amount of funding each year, it would reduce the Board's options should other higher priority needs be identified or required. Given that Budget Workshops are in April, these needs have not yet been articulated to the Board.

If this option is selected, the timeframe would require a submission deadline of April 8th to provide staff enough time for evaluation with subsequent presentation at the June Budget Hearings.

Fiscal and Facilities Impacts:

Budgeted: No. Should the Board select an extensive review process and NOFA, it will require more staff time to develop a program and implement the review process. If Option 3 is selected, funding will need to be designated for the NOFA and included in the FY 2016-17 budget.

Attachments:

Attachment A: Outside Agency Requests (2010-2016)

Attachment B: Draft Criteria and Scoring

Authored by:

Terri Nisich, Assistant County Executive Officer, 568-3400

ATTACHMENT A

Outside Agency Funding Requests 2010-2016

Budget Yr	Agency	Purpose of Funding	\$ Requested	\$ Granted
2015-16	Casa Esperanza*	Homeless Shelter Operations	\$120,000	\$120,000
	SB Region Chamber of Commerce	Economic Vitality Team (EVT)	\$75,000	\$75,000
	Community Action Commission*	Healthy Senior Lunch Program	\$75,000	\$75,000
	Legal Aid Foundation of SB County*	Domestic Violence Prevention Program	\$60,000	\$60,000
	Los Alamos Cemetery Districct	1 Acre Land Swap for Gravesite Expansion	\$50,000	\$50,000
	Legal Aid Foundation of SB County*	Common Ground Homelessness Prog	\$40,000	\$40,000
	Santa Ynez Senior Citizens Foundation*	Meals on Wheels - Buellton	\$26,000	\$26,000
	SB Rape Crisis Center*	Sexual Assault Counseling and Education Program in Isla Vista	\$10,000	\$25,000
	City of Santa Barbara	Rental Housing Mediation Task Force	\$10,000	\$10,000
	New Beginnings*	Safe Parking Program	\$10,000	\$10,000
	University of California	Cooperative Extension Program	\$9,000	\$9,000
	TV Santa Barbara	Public and Educational Access Services for South SB County	\$50,000	\$0
	Committee for Social Justice	Emergency Jail Ride Program	\$10,000	\$0
	Los Olivos Business Organization	Porta Potties	\$25,000	\$0
	Total Outside Agency Requests		\$570,000	\$500,000

Budget Yr	Agency	Purpose of Funding	\$ Requested	\$ Granted
2014-15	Casa Esperanza*	Homeless Shelter Operations	\$380,203	\$120,000
	Legal Aid Foundation of SB County*	Legal Resource Centers and Family Violence Program	\$34,592	\$35,000
	Coastal Housing Partnership	Membership in Partnership	\$12,600	\$12,600
	Committee for Social Justice	Jail Ride Program	\$10,000	\$10,000
	University of California	Cooperative Extension Program	\$9,000	\$9,000
	City of Santa Barbara	Rental Housing Mediation Task Force	\$2,500	\$2,500
	Courthouse Legacy Foundation	Restoration of Courthouse Mural Room	\$40,000	\$0
	SB Region Chamber of Commerce	Ec onomic Vitality Team (EVT)	\$150,000	\$0
	SBCC	Small Business Development Centers	\$26,500	\$0
	TV Santa Barbara	Public & Educational Access Programming	\$100,000	\$0
	Visit Santa Barbara	Film Commission, Visitor Bureaus and Chambers of Commerce	\$235,000	\$0
	Total Outside Agency Requests		\$1,000,395	\$189,100

Budget Yr	Agency	Purpose of Funding	\$ Requested	\$ Granted
2013-14	Buellton Visitors Bureau & Chamber	Promote tourism & business	continued \$	\$200,000
	SB Conference & Visitors Bureau & Film Commission	Promote tourism & business	\$141,680	
	Solvang Chamber	Promote tourism & business	\$5,000	
	University of California	Cooperative Extension Program	\$153,000	\$153,000
	SB Courthouse Legacy Foundation	Restoration of Mural Room	\$40,000	\$40,000
	SBCC	Small Business Development Centers	\$26,736	\$27,000
	Freedom Warming Centers*	Warming Centers	\$72,000	\$25,000
	Total Outside Agency Requests		\$438,416	\$445,000

Budget Yr	Agency	Purpose of Funding	\$ Requested	\$ Granted
2012-13	Conf & Visitors Bureaus & Film Commission	Promote tourism & business	\$195,000	\$195,000

ATTACHMENT A

	Casa Esperanza*	Homeless Shelter Operations	\$127,960	\$0
	Total Outside Agency Requests		\$322,960	\$195,000

Budget Yr	Agency	Purpose of Funding	\$ Requested	\$ Granted
2011-12	Pro-Pay Program	Pro-Pay Program	\$200,000	\$200,000
	Film Commission	Promote tourism & business	\$75,000	\$25,000
	New Beginnings*	Safe Parking Program	\$25,000	\$0
	Total Outside Agency Requests		\$300,000	\$225,000
	(Also funded 150K for Children's Health Initiative)			

Budget Yr	Agency	Purpose of Funding	\$ Requested	\$ Granted
	Human Services*	Human Service Funding to non-profits	\$255,100	\$250,000
2010-2011	City of Santa Barbara	South Coast Gang Task Force	\$50,434	\$50,434
	Film Commission	Promote tourism & business	\$75,000	\$50,000
	Bringing our Community Home	Warming Centers	\$62,489	\$22,000
	New Beginnings*	Jail Prevention Program	\$12,000	\$12,000
	Federal Technology Center	Procurement Assistance Program for businesses	\$2,500	\$0
	Total Outside Agency Requests		\$457,523	\$384,434

*HSC Related Requests

ATTACHMENT B
Criteria and Scoring
1-3-5 (1= reservation about item; 3 – neutral; 5 = consider funding)

Name of Agency _____
 Amount of Request \$ _____
 Name of Proposal _____

Priority Ranking	Explanation of criteria	Score (1, 3, 5)
High priority	BOS high priority: Efficient, Responsive Government, Health & Safety, Quality of Life, Citizen Government and Families and Children; high demonstration of need	
Medium priority	Some BOS priority support and medium need <i>NOTE</i> : Operations = medium - is there a long term plan to address operations?	
Low priority	Non BOS priorities or non-urgent need, service	
High priority	Complete, clear, concise concept and strong proposal	
Medium priority	Medium strength proposal; competing with similar services?	
Low priority	Incomplete or poorly articulated concept	
High priority	Need one-time funding	
Medium priority	Need medium range financial support (1-3 years)	
Low priority	Need on-going financial support	
High priority	High number of clients served ;quantifiable accomplishment for the funding; offers leverage; has a high impact ROI	
Medium priority	Average number of clients served; some leverage/match; medium impact ROI	
Low priority	Low number of clients served; no leverage/match; no significant impact or ROI	
High priority	Clearly improves service access for diverse populations (e.g., non-English speaking, culturally & ethnically diverse)	

Medium priority	Some improvement in diverse client access to services	
Low priority	No improvement or clarity about improving access to diverse populations	
High priority	Strong administrative capacity (strong vision; good track record; extensive knowledge in the field; utilize volunteers and contribute in-kind resources; many years agency in operation; many years managing the program)	
Medium priority	Average administrative capacity and track record (knowledge of field/program; some volunteers or in-kind contributions)	
Low priority	New to field, minimal experience, new program/service; no volunteers, leverage or in-kind services	
High priority	Agency commits to on-going self-evaluations, data collection, assessments of need, surveys on performance	
Medium priority	Agency occasionally conducts needs assessments, data collection and self-evaluations	
Low priority	Agency has not conducted evaluations and needs assessments	
High priority	Performance targets and outcomes clear and quantifiable in terms of persons served and how they will benefit	
Medium priority	Some outcomes clear but not all quantifiable	
Low priority	No clear outcomes or targets	
High priority	Collaboration and partnerships (documented), strong partnership- i.e., with similar mainstream service providers	
Medium priority	Good collaboration (undocumented) with similar mainstream service providers and others	
Low priority	No known collaborative efforts	
High priority	Strong agency financials (audited, good cash reserves, no findings)	
Medium priority	Medium agency financials (audited/unaudited, low cash reserves, any findings or legal concerns)	
Low priority	Poor financials (audited/unaudited, very low cash reserves, outstanding findings or legal concerns)	
	Total	

NOTE: Clear substantiated evidence-based program (extra point)