Community Development Division Funding Process Study

Submitted by Forward Community Investments
to the City of Madison, Community Development Division

March 31, 2016

FORWARD
community investments

Acknowledgements

Table of Contents

I. Context for the Funding Process Study

Purpose of the Funding Process Study

Two key research studies—the Wisconsin Council on Children and Families' "Race to Equity Report" and "Strategic Improvement in Madison's Social Sector" by Joiner Sandbrook LLC—highlighted the changing landscape of poverty and wellbeing in Madison and Dane County in 2013.[1] In response, the Mayor and Common Council appropriated funds to analyze existing Community Development Division (CDD) policies and practices and make recommendations for improving them.

The goal of this effort is to offer technical assistance to achieve the following:

1. Identify a clear and focused set of policy goals and objectives for CDD funding.

2. Design the structure of a funding process for use by the Community Development Division that will effectively and transparently allocate financial resources to community-based organizations best able to use them to achieve the City's stated goals and objectives. This process should be one that promotes innovation, encourages collaboration, and minimizes procedural requirements that might restrict access to funding by new organizations.

3. Work with CDD leadership and staff to align Division functions with the newly defined goals and objectives and related principles of quality improvement.

4. Develop strategies to improve communication and coordination between the City and other major social sector funders.

5. Explore potential roles the City might play with the nonprofit community in nurturing organizational development and improvement.

The CDD is engaged in work to redesign and improve the way in which it plans for and carries out these activities. Forward Community Investments (FCI) was selected through an open RFP process to provide technical assistance in support of this initiative.

---

1   Joiner Sandbrook LLC. "Strategic Improvement in Madison's Social Sector: How Funding in Madison Supports Innovation in the Social Sector." 2013. Wisconsin Council on Children and Families (WCCF). "Race to Equity: A Baseline Report on the State of Racial Disparities in Dane County." 2013.

Background

The City of Madison's Community Development Division has a long-standing commitment to addressing community development challenges through a competitive funding process. Madison is ahead of the curve when it comes to its competitive funding process. A recent report examining best practices in municipal government funding processes found that unlike Madison, a number of cities have only recently begun to employ a competitive funding process in support of community development efforts.[2]

Through its funding process, CDD allocates approximately $12 million annually through investments in services and projects that support City and CDD goals. Over the years, Madison residents have certainly benefitted from these investments. However, it's not clear that these investments have yielded maximum benefit for residents, especially those who need it the most. Indeed, there is clear and compelling evidence that racial disparities in a number of key poverty, education, and wellness indicators have reached crisis proportions.[3] At the same time, CDD is having to do more with less, as annual budget cuts loom over its work. Ensuring maximum possible benefit from every dollar spent on community development is even more critical in this environment. It requires getting the process of making funding decisions right, thinking creatively about how to integrate systems and better leverage existing assets in the community, and identifying the right funding priorities and goals.

CDD has an opportunity to get the funding process right and, through this, to be a leader in advancing racial equity, reducing poverty, promoting social justice, and maximizing community development outcomes. To do this, CDD needs to establish a funding process that is responsive and efficient in meeting the needs of the community; that consistently engages the community in a meaningful way; that is integrated and collaborative; and in which the interaction between government and agencies reflects transparency, fairness, and mutual accountability.[4] Before it can achieve any of this, CDD needs to better integrate the various parts of the division so that they are functioning together as a single unit and able to leverage all of their assets to the fullest extent. The experience of working closely on the funding

2   Center on Wisconsin Strategy (COWS). *"Best Practices in Local Government Funding Processes,"* 2016. Hereafter, refered to as the Best Practices in Local Government Funding Report.

3   WCCF, "Race to Equity," 2013. Forward Community Investments (FCI). "An Analysis of the Community Development Context in Madison," 2016.

4   Donors Forum, "Fair and Accountable Partnership Principles for a Sustainable Human Services System," 2010.

process study has helped to catalyze this integration, and implementation of many guiding principles and recommendations for reform provide an opportunity to further integrate the division.

FCI was contracted by the City of Madison's Community Development Division to provide technical assistance in support of their efforts to improve their funding process. This report presents FCI's recommendations to CDD on how to advance this goal.

The report is organized in five sections. The first section presents the methodology used by FCI for the funding process study. The second section is a set of guiding principles and a theory of change. Together, these represent a framework for how CDD will realize its mission. The third and fourth sections put forward the proposed funding priorities and proposed goals and objectives for CDD. The final section presents FCI's recommendations for reform of CDD's funding process. The following detailed appendices are included under separate cover: FCI's analysis of the community development context in the City of Madison, summary information on focus group participants and interviewees, and the emerging themes report that captured results from the focus groups and interviews (Appendix A); the report entitled, "Research on Best Practices in Local Government Funding Processes," (Appendix B); and relevant tools, other resources, and references (Appendix C).

II. Methodology

FCI began the project in June 2014 with work divided into four phases. FCI completed the first three phases by July 2015. The first phase involved engaging as many voices as possible to build understanding of the existing funding process. These community conversations informed discussions of what can be improved in the future.

In the first phase, FCI conducted 31 separate conversations (focus groups, small group meetings, one-on-one discussions) with stakeholders representing CDD staff, CDD committees, partner City agencies, the Mayor, Common Council, related Dane County agencies, funders, grantees and applicants, faith-based organizations, the University of Wisconsin, Madison Metropolitan School District, and the Capital Area Regional Planning Commission. (See the "FCI Conversation Themes Report" to review the full findings).

In Phases II and III the feedback, insights, and takeaways from the first phase were incorporated into a draft theory of change and strategic framework for reaching CDD's goals (See "FCI Funding Process Study Update").

Beginning August 2015, Phase IV shifted focus to development of detailed recommendations on: (1) funding priorities, guiding principles, and a final theory of change for CDD, as well as (2) funding process reform. This final phase built upon the previous three phases and incorporated additional input from a broad, diverse segment of the community, CDD staff and management, appointed committee members, and elected City officials. The results of this process appear in the Guiding Principles and Theory of Change, Proposed Funding Priorities, Proposed Goals and Objectives, and Funding Process Recommendations found in this report. FCI used a three-pronged approach to identify the proposed funding priorities and guiding principles.

First, FCI collected and analyzed quantitative and qualitative data on the community development context in the City of Madison. The quantitative data analysis focused on metrics indicative of opportunities and gaps in wellbeing for Madison residents such as employment, housing, education, income, neighborhood livability (see Appendix A: "An Analysis of the City of Madison's Community Development Context"). The qualitative data focused on a number of recent reports with recommendations on key investments in the social sector. FCI compared these recommendations to those that resulted from its quantitative data analysis and a list of areas funded by CDD in the past five years. This comparison generated an initial broad list of areas that would be important for investment consideration.

Second, FCI conducted a series of strategic focus groups and interviews to triangulate and supplement initial findings from the data analysis on funding priorities. Between October and December 2015, FCI conducted eight focus group conversations and a number of interviews aimed at identifying funding priorities for the City of Madison's Community Development Division (CDD). A total of 61 focus group participants and interviewees, representing grassroots and established nonprofits, community based organizations, residents, subject matter experts/academics, CDD staff, alderpersons, and CDD Policy Committee members participated in these meetings (see Appendix A: "Summary Information on Focus Group Participants and Interviewees" for more details on participants). At these meetings, FCI shared the results of the data analysis and asked participants to

identify and rank the top five strategies or investments where CDD can have the biggest impact (see Appendix A: "Emerging Themes Report" for initial results of focus groups). Most of these meetings generated rich discussions that resulted in an initial set of priorities as well as a set of guiding principles. Finally, participants also provided feedback on funding process shortcomings, and ideas for improvements.

Third, FCI reviewed best practices and engaged CDD management and staff to identify recommendations for funding priorities. FCI examined the results from the focus groups and interviews in light of best practices in community development funding and feedback from CDD management and staff. FCI met regularly with the CDD Management Team and, in addition to hosting a focus group for CDD staff, FCI also held a meeting in January to present and obtain feedback on the proposed funding priorities. CDD staff were also given other opportunities to provide feedback.

Similarly, FCI used a three-pronged approach to identify recommendations for funding process reform (see Funding Process Reform Recommendations in this report). **First, FCI reviewed CDD's funding process. Second, FCI reviewed feedback received during the focus groups and interviews. Third, FCI reviewed best practices in local government funding processes.** FCI relied heavily, although not exclusively, on the "Best Practices in Local Government Funding Processes" report (see Appendix C: "Best Practices in Local Government Funding Processes").[5] As part of this process, FCI also consulted closely with the CDD Management Team and obtained feedback from CDD staff on a number of occasions.

---

5   The Center on Wisconsin Strategy was contracted by FCI to conduct research on best practices in local government funding processes. COWS was selected by FCI to conduct this research because they have deep research experience, knowledge of local community development funding processes in the City of Madison, and their work with local governments across the country through the Mayors Innovation Project provides them with knowledge of and access to a number of cities that can give lessons learned and examples of best practices in local government funding processes.

III. Guiding Principles and Theory of Change

Guiding Principles

FCI's analysis of the community development context in Madison, best practices in municipal community development funding, and stakeholder focus group conversations and interviews generated compelling recommendations for CDD in terms of planning and implementing its community development strategies. The guiding principles are meant to inform the development and selection of focus areas. They also serve as the overarching framework with which CDD should shape its funding process.

It is important to note that the guiding principles, along with the theory of change (see discussion on pages 9-10), provide a framework for how CDD can realize its mission. The order in which these principles appear do not in any way suggest order of priority.

Guiding Principles

Proposed Goal I   Proposed Goal II   Proposed Goal III

CDD MISSION & VISION
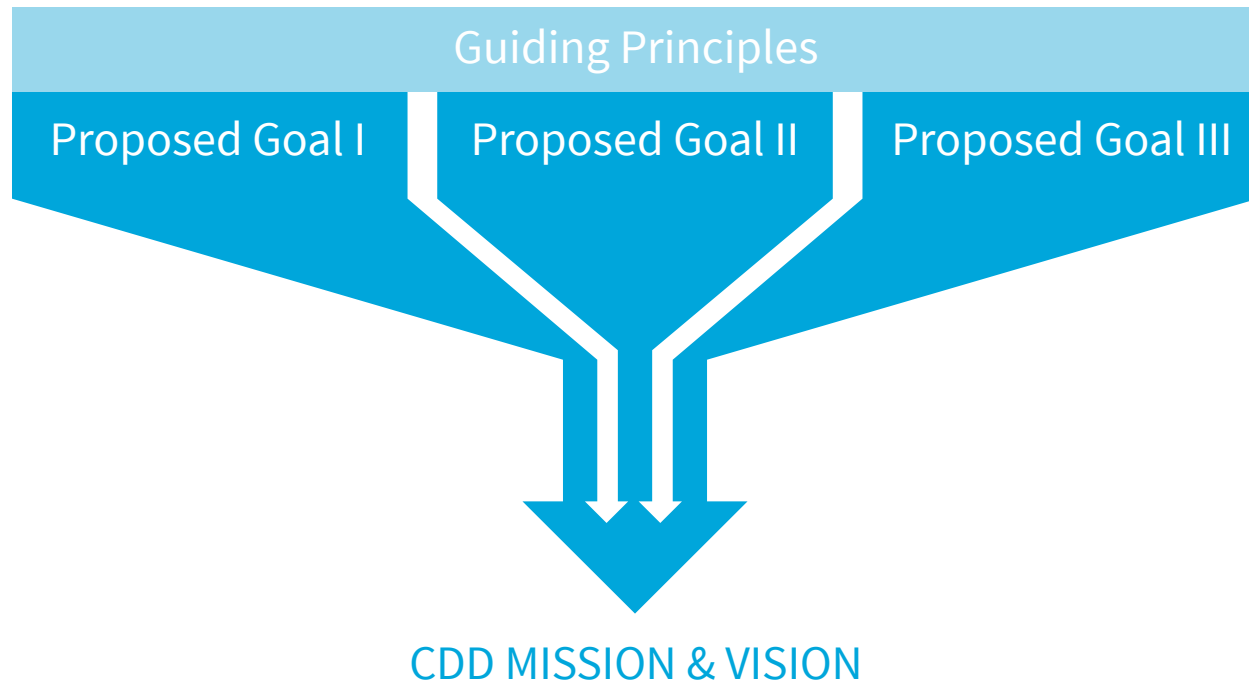
1. Advancing Racial Equity

Building on the City of Madison's Racial Equity and Social Justice Initiative (RESJI) framework, which seeks to eliminate racial and social inequities in municipal government, CDD recognizes that advancing community development goals in the City of Madison goes hand in hand with **advancing racial equity.** This requires using an equity lens that informs efforts to ensure the removal of barriers to opportunity for people of color and providing **culturally and linguistically relevant services.**

2. Integrated People- and Place-Based Strategies

Mounting evidence suggests that a holistic and seamless approach to community development that integrates both people- and place-based strategies informed by deep community engagement represents a best practice in community development. CDD's vision and plan recognize that people- and place-based strategies complement and reinforce each other. CDD also recognizes that a holistic approach is ambitious, complex, and requires bold and intentional action.

Place-based strategies are real estate and infrastructure-based activities in neighborhoods. They include quality affordable housing, community facilities, and neighborhood-focused resources informed by a community engagement process and aimed at strengthening communities and neighborhoods, making them more livable and vibrant for all residents. In that way, these strategies are consistent with focus group feedback calling for support to neighborhood/community centers with demonstrated service to the neighborhood in which they are located; provide culturally appropriate services that are accessible (i.e., free or low-fee); and employ staff that better reflect the communities and neighborhoods they serve.

A focus group participant suggested that they would like to see "fewer priorities, encompassing more parts connected to more flexible funding, allowing for nimble deployment."

People-based strategies include strategies that are focused on specific households and individuals that cumulatively will have an impact on improving the quality of life in neighborhoods. For example, quality childcare, job training and placement, youth development, case management and crisis services, and services that address household stability, mobility, and homelessness. Again, service planning and delivery should be informed by community engagement and be culturally responsive.

3. Integration, Collaboration, and Coordination

The figure above represents the proposed funding priorities for CDD and should be read as a system where the various parts are integrated. As discussed, CDD supports efforts that create a more holistic and seamless approach to addressing community development needs that rejects silos. CDD will improve the wellbeing of the entire community by collaborating and integrating strategies and services that improve outcomes for people of color, those living in poverty, and vulnerable populations.[6] This includes facilitating **coordinated service delivery, equitable access to resources, a multi-generational approach to community development, agency collaboration,[7] and CDD**

---

6   This report generally follows the definition used by the City of Madison where vulnerable residents/populations can include, but are not limited to, young children, youth, and older adults.

7   While agency collaboration is encouraged, it should be recognized that successful collaboration requires dedicated planning resources.

collaboration with other city and county departments/agencies (e.g., Public Health Madison and Dane County, County Department of Human Services, Metro Transit, City Planning Department, and Madison Metropolitan School District, inter alia). It also includes a recognition that CDD funding is part of an ecosystem of funders supporting community development services delivery and that **funder communication and, ideally, coordination are critical** to advancing community development goals.

4. Meaningful Community Engagement

Realizing CDD's community development mission, vision, and goals requires consistent, deep, and meaningful **community engagement** on the part of CDD staff and partner agencies. Community engagement is a public participation process that "involves residents in problem-solving or decision-making processes. It is a multifaceted, ongoing process…" that fosters trusting relationships with community members and community cohesion.[8] Good community engagement puts residents at the center of community development efforts and results in programs and initiatives that reflect community input. Depending on the situation, there are various types of community engagement that can be used, including informing the community, consulting with the community, collaborating with the community, and empowering the community in decision making.[9] Focus group feedback highlighted the need for consistent and meaningful community engagement through an **asset-based/ground up approach** that **puts residents from challenged neighborhoods at the center** of helping to define the issues, coming up with solutions, and working to implement them. Building the capacity of resident leaders and engaging resident-led organizations to identify issues and implement solutions are key to ensuring effective engagement of the residents in the development of their community.

5. Mutual Accountability through Transparency and Metrics

The focus groups and FCI's analysis emphasized the need for **mutual accountability,** both agency accountability through meaningful performance monitoring and reporting and CDD accountability through **evidence-based programming, competency-based selection processes informed by data, and transparency** in the funding process. The importance placed by the focus groups on **data, metrics, performance monitoring, and evidence-based programming** cannot be understated. At the same time, participants suggested that the type of performance monitoring and reporting they are currently required to do does not do a good job of capturing meaningful results. Indeed, CDD recognizes that there is an opportunity to align a more robust performance monitoring and evaluation system with the City's outcome-based budgeting, once completed. This suggests that a need for further review of CDD's performance monitoring and evaluation reporting system.

---

8   **http://www.health.state.mn.us/communityeng/intro/**

9   See International Association for Public Participation (IAP2) Public Participation Spectrum.

Theory of Change

A theory of change is a means of defining all of the building blocks required to bring about a given long-term goal. Its purpose can be used to illustrate how, why, and where CDD will lead change with clearly stated goals and priorities. The theory of change also lays out CDD's role, to effectively steward City resources by serving as a funder, partner, advocate, and evaluator. As an organizational tool, the theory of change can guide how CDD is structured and how agencies' work supports CDD goals. It can also serve as a tool to connect with key stakeholders (e.g., other funders) to understand areas of shared or overlapping interest. CDD's theory of change emerged from FCI's stakeholder consultations, data analysis, analysis of best practices, input from CDD staff, City elected officials, and policy committee members.

CDD has clarified its focus by emphasizing impact on racial equity, poverty, and social justice. To operationalize use of this focus, the CDD can apply a preliminary lens—"How does this action advance equity in Madison?" —to all policies and decisions (including funding decisions, but also just as importantly, internal organization alignment and decisions).

Vision, mission and equity lens

Vision:
All Madison residents and neighborhoods have access to resources and opportunities necessary to help them realize their full potential.

Mission:
The Community Development Division collaborates with residents, neighborhoods, and other community stakeholders to overcome barriers to opportunity in order to support a vibrant community, shared prosperity, and resident and community wellbeing.

Community Development Division Theory of Change

Vision:	**All Madison residents and neighborhoods have access to resources and opportunities necessary to help them realize their full potential.**		
Lens:	Impact on Racial Equity, Poverty, and Social Justice		
Community Goals:	**Resident & Community Wellbeing:** Stable Households & Access to Resources	**Vibrant Community:** Deepening Social Capital & Neighborhood Assets	**Shared Prosperity:** Building Human Capital and Economic Development
Proposed Focus Areas:	Workforce Development	Community Building	Children and Youth Development
	Equitable Access to Resources	Neighborhood Planning	Individual, Family, and Household Stabilization
	Access to Quality Affordable Housing	Small Business Development	
Who We Focus on Serving:	Low-Income Individuals and Families, Residents of Color, and Vulnerable Populations		
CDD Staff Roles:	Effectively steward City resources by serving as a funder, partner, advocate, and evaluator.		
Guiding Principles for accomplishing the work:	Advancing Racial Equity	Integrated People and Place Based Strategies	Mutual Accountability through Transparency and Metrics
	Integration, Collaboration, and Coordination	Meaningful Community Engagement	
Mission:	**The Community Development Division collaborates with residents, neighborhoods and other community stakeholders to overcome barriers to opportunity in order to support a vibrant community, shared prosperity, and resident and community wellbeing.**		

Continuous Improvement

IV. Proposed CDD Funding Priorities

The proposed CDD funding priorities[10] represent FCI's recommendations based on the outcome of its analysis of the community development context in Madison (this included both quantitative and qualitative data) and best practices; 61 individuals that participated in focus groups and interviews;[11] and feedback from the City of Madison's Community Development Division. Three "Community Goals," or overarching funding goals with related focus areas, resulted from this input process. The priority funding goals and focus areas are not mutually exclusive; rather they establish an approach to community development that rejects silos and embraces a more holistic and integrated approach to community development (see CDD Guiding Principles and Theory of Change for more details). In this regard, it is important to note that while there is no specific focus area that exclusively covers seniors, they are integrated throughout the focus areas.

To the degree possible, the allocation of funds among these proposed goals and focus areas should take into account:

1. City neighborhoods and target populations have varying needs, so City staff need to be attuned to these needs (through community engagement and data) and adjust programming priorities accordingly.

2. A focus on target populations: low-income individuals and families; residents of color; and vulnerable populations.

3. The City's broader budget and policy goals and opportunities for alignment.

4. What works with a focus on best practice, evidence-based service models, and improved performance measurement and tracking.

5. A significant portion of CDD's funding come from state and federal sources, which have specific rules and regulations associated for allocation, management, and reporting.

City investments in community development must be allocated in the most efficient and effective manner possible. Decisions around funding priorities and related funding allocation do not belong to CDD alone, but involve the City of Madison's Common Council, the CDD policy committees, and the community.

---

10 Note that the order in which the proposed funding priorities appear do not suggest order of priority.

11 Between October and December 2015, FCI conducted eight focus group conversations and a number of interviews aimed at identifying funding priorities for the City of Madison's Community Development Division. The focus groups included nonprofits (both grassroots and established), community based organizations, residents, academics, CDD staff, City elected officials, and CDD Policy Committee members) (see "Appendix A: Summary of Focus Groups and Interviewees" for more details on the mix of groups and individuals that participated). In these meetings, FCI shared the results of our analysis and asked participants to identify and rank the top five strategies where CDD can have the biggest impact.

Proposed Community Goal I:
Vibrant Community

Proposed Community Goal II:
Shared Prosperity

Proposed Community Goal III:
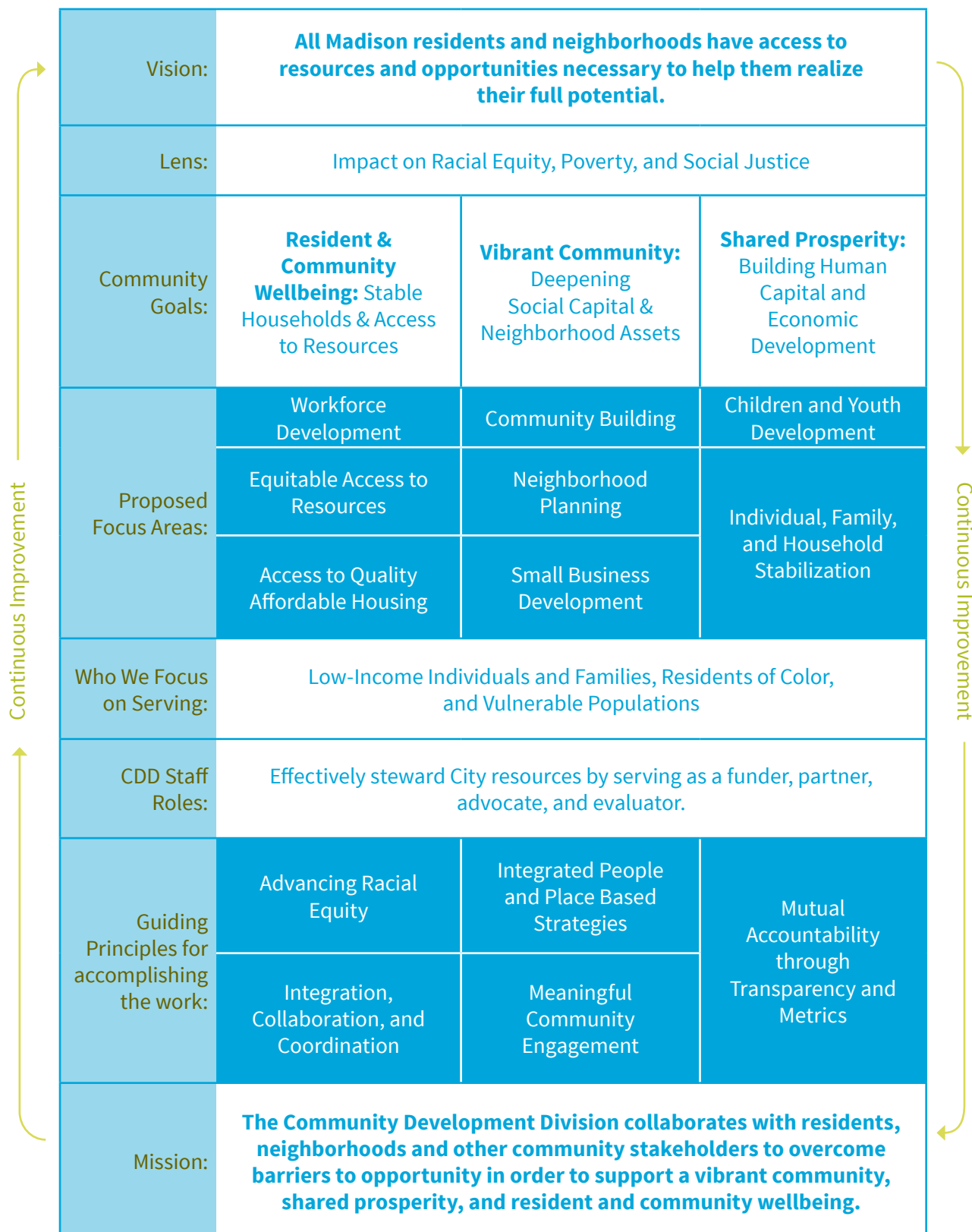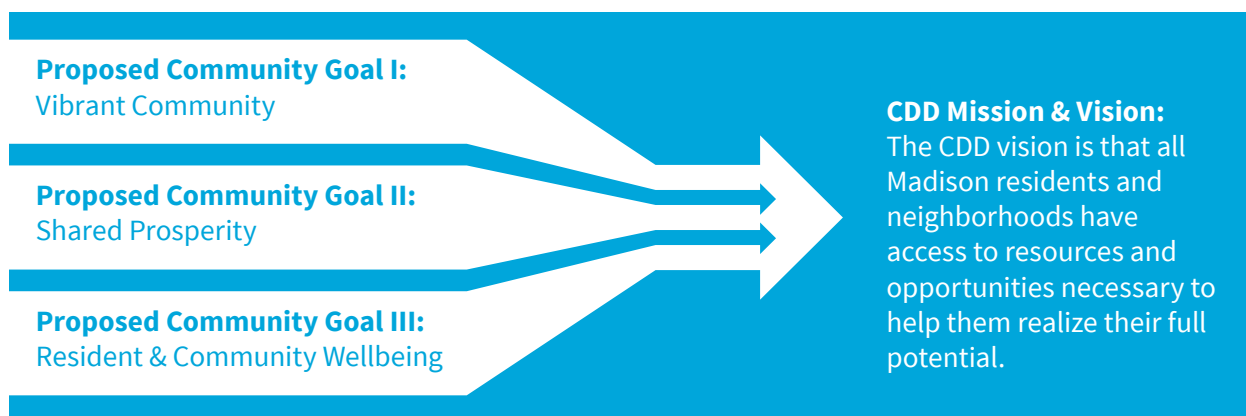Resident & Community Wellbeing

CDD Mission & Vision:
The CDD vision is that all Madison residents and neighborhoods have access to resources and opportunities necessary to help them realize their full potential.

Proposed Community Goal I:

Vibrant community through deepening social capital and neighborhood assets—strengthen a sense of community and build community assets to make neighborhoods more supportive, connected, resilient, and livable for all residents.

Focus 1: Community Building

Support resident leadership development and decision making; network building; and civic engagement through participation in City processes and service opportunities.

Focus 2: Neighborhood Planning

Promote strong and sustainable neighborhoods by preparing and implementing neighborhood plans that engage residents in identifying issues, setting goals, and designing strategies and plans to develop and maintain a built environment and other resources or services that contribute to a high quality of life.[12]

Focus 3: Neighborhood-Focused Resources

Support resources, facilities, businesses, and other amenities that serve as neighborhood focal points, enhancing neighborhood stability and community cohesion by supporting residents' ability to engage with their community and to access services and resources that will meet basic needs and improve the quality of their lives.

Focus 4: Access To Quality Affordable Housing Options

Enhance community and neighborhood vitality by preserving, improving, and expanding the supply of quality housing stock and ensuring its availability to a diverse group of homeowners and renters.

---

12 The term "built environment" refers to "the human-made space in which people live, work, and recreate on a day-to-day basis."

Proposed Community Goal II:

Shared prosperity through building human capital and economic development—children, youth, and adults are prepared for lifelong success.

Focus 1: Children And Youth Development

Support a continuum of services that provide and support quality early childhood education, elementary school age care, and positive youth development for middle school- and high school-aged youth during out-of-school time.

Focus 2: Workforce Development

Support a continuum of services that support high school graduation and GED attainment, career guidance, pre- and post-employment training and services, and work placement for youth and adults facing barriers to employment.

Focus 3: Small Business Development

Assist underrepresented residents seeking to start or expand small businesses, particularly those that provide employment opportunities for low and moderate income residents.

CDD Vision

All Madison residents and neighborhoods have access to resources and opportunities necessary to help them realize their full potential.

Proposed Community Goal III:

Resident and community wellbeing through individual, family, and household stabilization and equitable access to resources—connect vulnerable and marginalized residents with resources designed to avoid homelessness or other crisis situations, promote household stability, and maintain personal independence.

Focus 1: Individual, Family, And Household Stabilization

Promote strategies and services for persons and families in crisis to address homelessness and other issues affecting personal safety, trauma, and individual, family, and household stability.

Focus 2: Equitable Access To Resources

Promote strategies and services such as information, referrals, and case management that offer equitable access to resources and contribute to individual and family stability.

V. Proposed Goals and Objectives

This section presents the proposed goals and objectives for consideration by CDD. The goals and objectives follow directly from the proposed funding priorities and provide more detail on what CDD seeks to achieve (goals) and how it proposes to meet these goals (objectives). FCI also provides a list of illustrative indicators of success for potential use in assessing progress and attainment of goals. CDD will determine which and how these goals and objectives will be implemented.

Proposed Community Goal I
Vibrant Community through Deepening Social Capital and Neighborhood Assets

Strengthen a sense of community and build community assets to make neighborhoods more supportive, connected, resilient, and livable for all residents.

Necessary Conditions for Success

Achieving a vibrant community where Madison residents and neighborhoods have access to resources and opportunities necessary to realize their full potential requires an integrated approach that combines a people-based strategy (i.e., deepening social capital, building networks) and a place-based strategy (i.e., enhancing neighborhood assets). On the one hand, this approach builds resident capacity and puts residents from challenged neighborhoods at the center of neighborhood and community building. On the other hand, this approach values place-based strategies that emphasize strengthening supportive and livable environments by enhancing physical assets such as neighborhood centers and other community facilities, quality affordable housing, and supporting planning and revitalization efforts. The City of Madison's Community Development Division's (CDD's) programming supports a vibrant community by intentionally bringing together people- and place-based strategies and encouraging resident, community, and agency collaboration. CDD's activities are reviewed through the lens of their impact on poverty, racial equity, and social justice. Activities target residents of color, low-income individuals, and vulnerable populations and are designed to be culturally and linguistically responsive.[13]

---

13 This report generally follows the definition used by the City of Madison where vulnerable residents/populations can include, but are not limited to, young children, youth, and older adults.

Focus 1. Community Building

Proposed Goal

Support resident leadership development and decision making; network building; and civic engagement through participation in city processes and service opportunities.

Proposed Objectives

1.1   Provide resident leadership development and decision making capacity-building opportunities that also include civic engagement through participation in City processes as part of the training. It is expected that a sustainable support network of emerging neighborhood leaders will be established.

1.2   Provide service opportunities for residents, including youth, adults, and seniors to contribute to their community by sharing their talents and skills through meaningful connections with multiple generations.

Illustrative Community Indicators of Success

- Number of residents who complete leadership development capacity building programs.
- Establishment of a network of emerging resident leaders that meets on a quarterly basis.
- Types of community-building activities that residents who participated in the leadership development and civic engagement capacity-building program led or participated in.
- Number of residents who volunteer to share their talents and skills in support of their community.
- Number of residents who benefitted from volunteers disaggregated by neighborhood and population.
- Types of services provided by volunteers.

Focus 2. Neighborhood Planning

Proposed Goal

Promote strong and sustainable neighborhoods by preparing and implementing neighborhood plans that engage residents in identifying issues, setting goals, and designing strategies and plans to develop and maintain a built environment[14] and other resources or services that contribute to a high quality of life.

Proposed Objective

2.1   Engage residents in identifying issues, setting goals, and designing neighborhood- focused strategies and plans that support efforts to develop and maintain a built environment and other resources or services that improve the quality of life. The neighborhood focused plans should be shaped by residents and be utilized as the basis for subsequent actions.

---

14   The term "built environment" refers to "the human-made space in which people live, work, and recreate on a day-to-day basis."

Illustrative Community Indicators of Success

- Number of neighborhoods that have resident-developed plans.
- Number of community development projects that are informed by the plans.
- Types of activities identified by the plans and subsequently implemented.
- Number of residents involved in developing neighborhood plans.
- Depth and breadth of residents' involvement in development and implementation of neighborhood plans.
- Qualitative data on benefits of the process for residents and their neighborhoods.

Focus 3. Neighborhood-Focused Resources

Proposed Goal

Ensure the availability of resources, facilities, businesses, and other amenities that serve as neighborhood focal points, enhancing neighborhood stability and community cohesion by supporting residents' ability to engage with their community and to access services and resources that will meet basic needs and improve residents' quality of life.

Proposed Objectives

3.1   Provide access to resources that will meet basic needs, improving residents' quality of life and strengthening neighborhood stability and community cohesion. For example, provide older adults access to senior activities/education programs that improve: 1) their physical and cognitive health; 2) their ability to engage with their community; and 3) their ability to avoid disease and disability.

3.2   In coordination with other entities, create, enhance or sustain the development and operation of facilities, such as neighborhood centers or other physical amenities that bring people of diverse backgrounds together, serve as neighborhood focal points, or help residents develop skills or take advantage of opportunities that will strengthen neighborhoods.

3.3   Support the establishment and strengthening of neighborhood-based small businesses that meet residents' basic needs, improving their quality of life and strengthening neighborhood stability and community cohesion.

Illustrative Community Indicators of Success

- Number of neighborhood centers that received support, by type of support.
- Number of unduplicated residents served by neighborhood center programs and services, disaggregated by demographics (race, age, etc.), and proximity of their residence to the neighborhood center.
- Outcomes of programs provided by neighborhood centers.
- Outcome of residents' satisfaction survey with neighborhood center programs and services.
- Number of businesses created that address unmet, resident-defined needs.

Focus 4. Access to Quality and Affordable Housing Options

Proposed Goal

Enhance community and neighborhood vitality by preserving, improving, and expanding the supply of quality housing stock and insuring its availability to a diverse group of homeowners and renters.

Assistance will be targeted geographically to:

    a. Maximize access to jobs, workforce housing, transit, education, and other key amenities.

    b. Implement neighborhood revitalization plans.

    c. Stabilize or improve areas of priority to the City, including NRTs.

    d. Expand the number of mixed-income communities.[15]

Proposed Objectives

4.1   Provide support for quality and affordable housing opportunities for low- and moderate-income households. This includes owner-occupied repair and rehab assistance, rental housing development, and owner-occupied housing development.

4.2   Provide housing assistance that improves housing stability for homebuyers, renters, and special needs populations by expanding homeownership opportunities and stabilizing renter households.

4.3   Provide supporting services that reduce barriers to fair housing choice and provide individuals with the information and/or skills necessary to obtain and maintain stable housing.

Illustrative Community Indicators of Success[16, 17]

- Proportion of all households that spend more than 30% of income on housing.
- Proportion of households earning less than 200% of the poverty threshold that spend more than 30% of income on housing.
- Proportion of all households that spend more than 50% of income on housing.
- Proportion of renter households that spend more than 50% of income on housing.

---

15   In addition, comprehensive, holistic strategies reflective of best practices and innovations should be considered in addressing housing instability.

16   The indicators above are illustrative and taken from Healthy People 2020: Approach to Social Determinants of Health. **https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-of-health**

17   In addition to these indicators, there is an opportunity to establish and apply indicators that reflect the equity goals given the disparate housing outcomes in Madison.

Community Goal II
Shared Prosperity through Building Human Capital and Economic Development

Children, youth, families, adults are prepared for success from cradle to career.

Necessary Conditions for Success

Building human capital and supporting economic development efforts that are connected to good jobs and educational attainment represent necessary conditions for Madison residents to realize their full potential. The City of Madison's Community Development Division's (CDD's) programming is reviewed through the lens of its impact on poverty, racial equity, and social justice. CDD supports an evidenced-based holistic approach that includes coordinated service delivery to ensure that residents are able to access relevant services. Activities target low-income individuals, residents of color, and vulnerable populations, and are designed to be culturally and linguistically responsive to residents.

Focus 1. Children and Youth Development [18]

Proposed Goal

A continuum of quality, affordable early childhood education and care, elementary school-age care, and programs that support positive youth development for middle and high school aged during out-of-school time is available for low-income children and youth, especially those of color.

Proposed Objectives

1.1   Provide for the availability of affordable, stable, quality early childhood education and care, and neighborhood-based elementary school-age care for low-income children (birth to 12), children of color, and homeless children.

1.2   Provide low-income youth and youth of color in middle school and high school access to programs that complement in-school learning and development during out-of-school time, including, for example, innovative activities that provide guidance and help to establish solid social networks and life management skills (e.g., responsible decision making, socio-emotional skills, and self-efficacy) and youth leadership development and community participation.

1.3   Provide opportunities for youth who commit violations to participate in restorative justice activities.

---

18 CDD invests in a continuum of services that help ensure children have access to developmentally appropriate, quality, affordable childcare, preparing them for optimal growth and development. CDD also invests in programs that support positive youth development for middle school- and high school-aged youth during out-of-school time.

Illustrative Community Indicators of Success[19]

- Increase in proportion of low-income children and children of color provided quality, affordable, and culturally competent child care options.

- Increase in proportion of young low-income children and children of color who exhibit developmentally-appropriate language, learning, cognitive, and literacy skills.

- Increase in proportion of young low-income children and children of color with social-emotional competence.

- Increase in youth asset and leadership development for low-income youth or youth of color.

- Increase in proportion of low-income youth and youth of color who complete a mentoring and life management program.

- Increase in proportion of low-income youth and youth of color who have access to peer youth court or similar programs.

- Increase in proportion of low-income youth and youth of color who successfully participate in peer youth court or similar programs.

- The diversity within the organizations providing adult workforce development and children and youth development services (boards, staff) reflects the demographics of the population served.

- Improved third grade math and reading scores, by race and ethnicity

- Improved eighth grade math and reading scores, by race and ethnicity.

- Increase in high school graduation rate, by race and ethnicity.

Focus 2. Workforce Development[20]

Proposed Goal

A continuum of services that support high school graduation and GED attainment, career guidance, pre- and post-employment training and services, and work placement for are available youth and adults facing barriers to employment.

---

19 The first two indicators are illustrative and taken from *Healthy People 2020: Approach to Social Determinants of Health.* **https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-of-health**

20 Education, career guidance, job skills, and job placement are key to building the human capital required to access to good jobs that lead to economic stability and prosperity CDD therefore invests in a continuum of services to improve opportunities for economic stability and prosperity for residents encountering barriers to employment including a criminal background, language barriers, long-term poverty, homelessness, lack of skills, and/or formal education. In addition, CDD supports services that prepare youth for adult life, increased economic opportunity, and successful careers.

Proposed Objectives

2.1 Provide employment related services and supports to unemployed or underemployed individuals (especially parents)[21] who face multiple barriers to employment with the goal of connecting them to good jobs.[22] These services will be available to adults and may include education and literacy, language skills, life skills, career guidance, pre- and post-employment services and/or employment support, transitional and permanent placement in good jobs, and GED support.

2.2 Provide low-income youth (ages 15 to 24), especially disconnected youth, with life skills training that includes communication and teamwork as well as time management and financial literacy; career guidance and internships that provide them with exposure and access to a range of career opportunities (from technical to professional) that have the potential to lead to living wage jobs; and job placement and post-employment support.

Illustrative Community Indicators of Success

- Number of residents who complete basic adult literacy.
- Number of residents who improve their language skills.
- Number of residents who obtain a GED.
- Number of residents who complete workforce training.
- Number of lower-income individuals acquiring the skills to maintain stable housing and/or employment.
- Number of individuals who obtain full-time, transitional employment at a living wage or family supporting wage.
- Number of individuals who obtain full-time, permanent employment at a living wage or family supporting wage.
- Number of children aged 0-17 years living with at least one parent employed year found, full time.[23]
- The diversity within the organizations providing workforce development services (boards, staff) reflects the demographics of the population to be served.
- Decrease in the proportion of low-income youth and youth of color who are disconnected.
- Number of youth who complete the life skills training.
- Number of youth that participate in career guidance.
- Number of youth that participate in internships.
- Number of low-income youth and youth of color who complete workforce training.
- Number of private sector partners committed to participating in/supporting youth workforce development efforts.

---

21 The emphasis on parents is because improving their welfare maximizes the impact of services by addressing the needs of multiple people and generations in the household, including children and/or youth. Research has shown that improving the welfare of children and youth has a long-term positive impact on their welfare and that of their community. See UNICEF, "Child Poverty in Perspective: An Overview of Child Wellbeing in Rich Countries," 2007. **http://www.unicef.org/media/files/ChildPovertyReport.pdf** or see also WCCF, "Race to Equity," 2013, which argues that job market outreach and training should be particularly targeted to unemployed or underemployed parents of at-risk children of color (p. 18).

22 The term "good jobs" refers to full-time employment at a living wage or family-supporting wage.

23 This indicator is taken from *Healthy People 2020: Approach to Social Determinants of Health.*

- Number of low-income youth and youth of color who are placed in a permanent job at a living wage.

Focus 3. Economic Development[24]

Proposed Goal

Assist low- to moderate-income and underrepresented residents seeking to start or expand small businesses.

Proposed Objective

1.1 Provide technical assistance and loans to assist low- to moderate-income and underrepresented residents to start or expand small businesses.

Illustrative Community Indicators of Success

- Number of small businesses that received technical assistance and average value of technical assistance.
- Number of small businesses owned by people of color that received technical assistance and average value of technical assistance.
- Number of small businesses that received loans and average size of loan, by race and ethnicity.
- Number of new businesses started, by race and ethnicity.
- Number of individuals served, by neighborhood.
- Percent of individuals served qualifying as moderate income, by race and ethnicity.
- Percent of individuals served qualifying as low income, by race and ethnicity.
- Number of full- and part-time jobs created, by neighborhood, by race and ethnicity.
- Number of residents of color employed by jobs created.
- Average wage paid to employees, by neighborhood.
- Average wage paid to employees, by race and ethnicity.

---

24 Small business development can be a powerful engine of economic growth and job creation for the business owners and others, many of whom are disadvantaged. This economic development strategy complements workforce development efforts, providing alternative sources of local employment, financial security, and prosperity for entrepreneurial residents and the residents of neighborhoods in which their businesses are located. CDD therefore supports the development of small businesses that create jobs, particularly through assistance to low- to moderate-income and underrepresented residents, including but not limited to people of color or diverse ethnicities and women seeking to start businesses. See Edgcomb and Thetford, "Microenterprise Development as Job Creation," The Aspen Institute. **http://fieldus.org/Publications/jobcreation.pdf**

Community Goal III
Resident and Community Wellbeing through Individual, Family, and Household Stabilization and Equitable Access to Resources

Connect vulnerable and marginalized residents with resources designed to avoid homelessness or other crisis situations, promote household stability, and maintain personal independence.

Necessary Conditions for Success

Ensuring the wellbeing of Madison's most vulnerable residents requires a focus on housing stabilization for homeless individuals and families and targeted safety nets for residents in crisis. The City of Madison's Community Development Division's (CDD's) activities are designed to address these pressing needs and provide the most vulnerable with resources to help them overcome crises and move toward stabilizing their lives. CDD uses a holistic approach that includes coordinated service delivery to ensure that residents are able to access relevant services that address immediate needs and identify pathways for longer-term stabilization. The CDD's programming is reviewed through the lens of its impact on poverty, racial equity, and social justice. CDD supports an evidence-based holistic approach that includes coordinated service delivery to ensure that residents are able to access relevant services. Activities target low-income individuals, residents of color, and vulnerable populations, and are designed to be culturally and linguistically responsive to residents.

Focus 1. Individual, Family, and Household Stabilization

Proposed Goal

Increase resident and community wellbeing through a continuum of strategies and services for persons and families in crisis to address homelessness and other issues affecting personal safety, trauma, and individual, family and household stability.

Proposed Objectives

1.1   Maintain the independence of senior adults in their homes of choice.

1.2   Provide safety, shelter, and support services to those impacted by family violence, sexual assault, and other crisis situations.

1.3   Provide homelessness prevention services.

1.4   Provide supportive services tailored to the unique needs of homeless individuals and families to help them stabilize their immediate situation.

1.5   Provide housing assistance for persons and families who are homeless.

1.6   Support innovative programming aimed at helping homeless individuals and families remain housed, once housed or advance on a pathway out of homelessness.

Illustrative Community Indicators of Success

- Number of residents impacted by violence that use shelter services
  (data disaggregated by individual, single-parent led family, family size, age of children).

- Average length of shelter stay.

- Types of services accessed by residents.

- Number of residents with long-term plan connected to support services/resources.

- Increase in proportion of young low-income children and children of color who exhibit developmentally-appropriate language, learning, cognitive and literacy skills.

- Number of homeless individuals and families receiving emergency shelter.

- Number of homeless individuals and families receiving supportive services.

- Number of homeless individuals that accessed wrap around service, by service type.

- Number of individuals that were able to stay in their home with the help of homelessness prevention services.

- Number of previously homeless individuals and families that have stabilized their long-term housing.

- Number of lower-income individuals acquiring the skills to maintain stable housing.

Focus 2. Equitable Access to Resources

Proposed Goal

Strategies and services such as information, referrals, and case management that offer equitable access to resources and contribute to individual and family stability are available to residents.

Proposed Objectives

2.1   Provide information and referrals that facilitate resident access to services that contribute to individual, family, and household stability.

2.2   Provide case management services to residents, including senior adults and their families that facilitate access to services that contribute to individual, family, and household stability.

Illustrative Community Indicators of Success

- Number of residents that request and/or are provided information about service access, by service type and population.

- Number of residents whose welfare improved as a result of being connected to services through the information and referral services.

- Number of residents that request and/or are provided referrals, by service type and population.

- Number of residents that use case management services, by population.

- Number of residents whose welfare improved as a result of being connected to services through case management services.

VI. Funding Process Reform Recommendations

This section presents FCI's funding process reform recommendations. The recommendations are informed by FCI's focus group meetings and interviews, FCI's analysis of CDD's existing funding process, and best practices in local government funding processes.

While there is a minority of stakeholders that believes "there is nothing wrong with the funding process," in FCI's conversations with various stakeholders around the City, the overwhelming sense is that the funding process needs reform so that it is more responsive to the needs of the community. FCI has heard that the funding process is "paralyzed" and that "it's broken." The perceived and identified shortcomings of CDD's funding process include:

1. Despite the fact that there is a competitive process in place, the funding process doesn't always result in competitive outcomes. Part of the blame lies with the lack of consistency and transparency in the funding process between the RFP, application, staff review, committee evaluation, and funding decisions. This lack of consistency and full transparency in the process leads to suspicion about why some agencies get funding and others don't and it opens up the process to a type of paralysis that results in a tendency to fund agencies that have previously received funding, thereby restricting access to funding by new agencies and dampening innovation.

2. "The current application process is burdensome on both agencies and CDD staff. The amount of required input (applications and review) greatly outweighs the resulting output (funding amounts)."[25]

3. The amount of time allotted for agency presentations is insufficient and agencies don't have an opportunity to present their proposal to the evaluation committees in advance of initial recommendations.

4. When federal and City funding sources are combined, reporting and other requirements become more stringent. Agencies reported that this results in more resources spent on meeting reporting requirements and administrative responsibilities as opposed to being used to support the intended purpose of the award.

5. While there is resident involvement in the CDD Citizen Committees, the demographic makeup of the committees that evaluate the proposals isn't typically reflective of the City or the population this funding serves.[26] This engenders a sense of being disconnected from a key aspect of the funding process and results in mistrust of the City funding process because it is "doing to us, rather than with us."

---

25 FCI, "CDD Funding Process Study Update," 2015, 11.

26 The CDD Citizen Committees include Early Childhood Care and Education Committee (ECCEC), Committee on Aging (COA), CDBG Committee, Community Services Committee (CSC), and Conference Committee (CSC and CDBG Committees combined). It should be noted that the CDBG Committee is currently fairly diverse in terms of its racial and gender makeup.

6. The current CDD Citizen Committee structure "is cumbersome, discourages innovation and perpetuates the divided legacy between Community Development and Community Services (CS). This is demoralizing for all involved. Creating an inclusive system is paramount for effective community engagement."[27]

7. The lack of a formal appeals process results in informal appeals and encourages agencies to circumvent the process when decisions are unfavorable, doing tremendous damage to the credibility and integrity of the process.

8. There is a lack of meaningful community engagement in the funding process. Residents and agencies complain that while the City will conduct ad hoc outreach efforts to community members to ask what they need, community input is seldom reflected in programming, resulting in frustration and lack of trust in the process. This is related to the sense that the funding process operates in a community deficit mode as opposed to one that recognizes and leverages existing community assets.[28]

9. Currently, the metrics reported by agencies are focused on outputs (e.g., numbers of people served, demographics of those served, etc.) with very little attention given to outcomes that get at the question, "what has changed in the lives of those served as a result of this program?" As such, the benefits of CDD's investments in the community are not clear. At another level, it is not possible to consistently gauge an agency's performance and subsequently use this information to inform decisions around contract award and/or contract extensions. This is highly problematic because it weakens CDD and agency accountability vis-à-vis City investments in community development. While it is difficult to measure outcomes and virtually impossible to do so in a one-year timeframe, a longer time horizon for contracts combined with a concerted effort designed to capture outcome measures will certainly improve CDD's ability to measure progress against CDD's community goals and individual project goals, and go a long way toward increasing accountability.[29]

10. Community development work takes time. Progress is incremental and often connected to long-term outcomes. This suggests the need for a clear commitment to a longer funding horizon.[30]

11. Questions exist about the value and effectiveness of the Emerging Opportunities Program (EOP) with concerns expressed that it diverts funds from the pool of resources dedicated to community development efforts and the EOP process is overly burdensome to staff and agencies, especially given the small size of the award.

---

27 FCI, "CDD Funding Process Study Update," 2015, 11.

28 For additional details, see discussion in CDD's Guiding Principles.

29 Federal reporting requirements shape much of the CDBG units' performance monitoring. Extensive and detailed reporting is required by HUD and it is done on an ongoing and annual basis. Even so, an additional layer of performance measurement focused on outcomes rather than output would be extremely helpful, especially if it allows for shared, consistent measures across CDD.

30 Note that the exception is the federally funded development of housing that uses loan agreements with a very long duration (e.g., 15 to 30 years).

CDD has an opportunity to get the funding process right and, through this, to be a leader in advancing racial equity, reducing poverty, promoting social justice, and maximizing community development outcomes. To do this, CDD needs to establish a system that is responsive and efficient in meeting the needs of the community and in which the interaction between government and agencies reflects transparency, fairness, and mutual accountability.[31] FCI was contracted by the City of Madison's Community Development Division to recommend a structure for a funding process that will advance this goal.

It should be recognized that this funding process evaluation and subsequent efforts to implement the recommendations represent the first step toward achieving this goal. Some elements of the funding process warrant a deeper evaluation and further consideration in order to truly maximize CDD investments (i.e., idiosyncrasies related to CDBG's funding requirements, the Emerging Opportunities Program (EOP), and CDD coordination with other funders). Further, a recent report examining best practices in local government funding confirmed that funding process reform is a deliberate and multi-layered effort that can take years.[32] It requires committed leadership by both City staff and elected officials willing to stand by agreed upon principles and plans, and course-correct, when needed.

The following represents FCI's recommendations for key elements of the funding process that should be reformed.[33] These recommendations apply broadly to CDD's entire funding allocation process.[34] FCI's recommendations are based on a review of best practices in community development funding, our analysis of CDD's funding process, and consultations with stakeholders. FCI's recommendations will be followed by a roadmap or suggested implementation plan for the funding process reform recommendations.

---

31 Donors Forum, "Fair and Accountable Partnership Principles for a Sustainable Human Services System," 2010.

32 COWS, "Best Practices in Local Government Funding Processes," 2016.
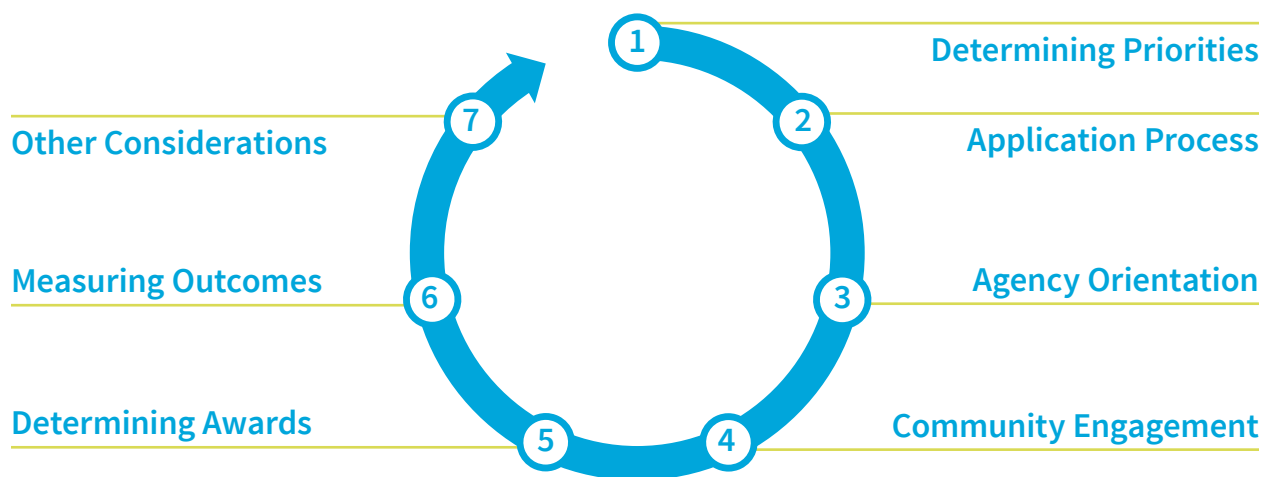
33 It is important to recognize that there isn't a singular funding process that CDD administers (e.g., there are larger core funding processes and supplemental funding processes such as the Reserve Fund for development projects). However, for simplicity, throughout the report reference will be made to "the funding process."

34 However, given the range of funding processes, the degree to which some of the recommendations apply and could be implemented may vary.

Recommendations

The *Best Practices in Local Government Funding Processes Report* identified six basic elements that make up a competitive funding process cycle (Figure 1).[35] These include: (1) determining City priorities; (2) the application process or how the City administers its applications; (3) agency orientation or how the City orients agencies to the process; (4) resident engagement or how the City incorporates residents or volunteers in the process;[36] (5) determining awards or how the City decides what gets funded; and (6) measuring outcomes.[37] The funding process represents a cycle of continuous improvement where outcome measurements help to determine and shape subsequent steps in the next funding cycle.[38] FCI's funding process recommendations are organized around these elements of the funding process cycle.

Figure 1. Competitive Funding Process Cycle

Determining Priorities — 1
Application Process — 2
Agency Orientation — 3
Community Engagement — 4
Determining Awards — 5
Measuring Outcomes — 6
Other Considerations — 7

---

35 COWS, "Best Practices in Local Government Funding Processes," 2016.

36 Depending on the type of community engagement that a city undertakes, the process of identifying residents to participate in determining what gets funded may come prior to agency orientation. Indeed, community engagement may be two-pronged with one type of engagement focused on determining priorities and the other focused on determining funding awards.

37 COWS, 2016.

38 Ibid.

1. Determining Priorities: Transparent Process Based on Data and Community Engagement

Effective community development efforts must balance the changing needs of a community with the need to make longer-term investments in order to yield results. Establishing a **transparent** planning process that is consistent with City priorities,[39] **data-driven, evidence-based,** includes **meaningful community engagement,** and has built-in feedback loops is key to achieving the proper balance and maximizing the community benefit of CDD investments.

1.1 Identify funding priorities through a transparent planning process based on data and community engagement. Coordinate needs assessment with other funders.

    1.1.1 Conduct a needs assessment grounded in community engagement and data every 5 years (or approximately, every two to three funding cycles) that, using City priorities[40] as a starting point, identifies specific community development funding priorities that reflect the needs of residents and their communities.[41]

        1.1.1.1 The needs assessment should analyze data that sheds light on community needs and identifies assets. Additional qualitative data such as relevant reports on community development needs in Madison should also be assessed.

        1.1.1.2 The community engagement piece of the needs assessment should include surveys, focus groups, and interviews of intended beneficiaries and community leaders aimed at identifying community needs and assets. It should include a diversity of stakeholder opinions from agencies and other community-based organizations (with varying degrees of exposure to the funding process), City staff and elected officials, academics, and subject matter experts.

    1.1.2 Coordinate needs assessment with other funders, both internal and external to the City, in order to ensure maximum benefit, identify critical gaps, and minimize duplication of effort.

---

39 The term City priorities refers to those priorities that will be determined by the outcome-based budgeting process, when it comes online.

40 Again, this reference is to the priorities that emerge from the City's outcome-based budgeting process, when it is implemented.

41 It is useful to conduct this type of macro assessment of all priority funding areas because it allows for an integrated vision to emerge. However, an alternative to conducting a thorough macro needs assessment every five years would be to rotate between conducting a macro needs assessment initially and the next time conduct a needs-, goal-, or priority area-focused assessment to provide more targeted information.

1.1.3 Conduct a mid-term review of funding priorities to ensure that programs are having the intended/promised impact and that priorities are still relevant.

    1.1.3.1 Evaluation of individual program performance data and an assessment of CDD's progress toward overall goals is critical to demonstrating that CDD investments are having the intended impact, making needed adjustments when they're not, and directing funds away from programs that consistently fail to deliver.

    1.1.3.2 Ongoing community engagement efforts combined with more targeted focus groups and interviews of community leaders and residents and other stakeholders by CDD and relevant policy committees should inform whether priorities remain relevant or should be adjusted.

Best Practice
Partnering with Local Anchor Institutions to Conduct Needs Assessment

The City of Chapel Hill relies on graduate students from the University of North Carolina to conduct its needs assessment. "This removed the financial barrier for the city and provided a real-world project for students." Partnering with a local anchor institution like a university leverages an anchor asset in the community, relieves the financial barrier to the city of conducting needs assessments, deepens local capacity and relationships, and imparts credibility to the process.

Source: COWS, "Best Practices in Local Government Funding," 2016, 5.

2. Application Process: Transparent, Aligned, Streamlined, and Collaborative

The way in which the City administers its application process directly influences its ability to makes investments in quality services that maximize community welfare. Best practices include process transparency so that all potential applicants have access to information needed to participate in a competitive process; process alignment from RFP to award so that awards not only reflect the RFPs, but also clearly demonstrate agencies' ability to deliver based on clear evaluation criteria and objective scoring systems; and encouraging collaboration to maximize impact and reduce overlap.[42] Finally, the contract bidding process should be streamlined to make it more efficient and accessible to qualified agencies.

2.1 Ensure process transparency: Make information easily available and online in a central location.

    2.1.1 Best practice calls for consistently ensuring that funding-process related documents such as: eligibility requirements, instructions for Letters of Interest (LOIs), request for proposals (RFPs), due dates, past funding decisions, a comprehensive timeline with the entire process and critical dates, and reporting requirements are available in a timely manner and easily accessible in a central online location. Best practice also includes providing electronic funding process updates to interested agencies. This is an area where CDD already implements best practice. Given the importance of consistent, effective, and transparent communication with potential RFP respondents, the current practice of making information available online and providing opportunities for electronic updates should continue and be enhanced.

    2.1.2 Make the rubric that clarifies what programs are CDBG-eligible versus CS-eligible more easily accessible online for the benefit of potential applicants.

    2.1.3 Best practice calls for establishing clear evaluation criteria, a scoring system, and a contract award processes early on that align with the RFP. While CDD regularly establishes evaluation criteria, a scoring system, and a contract award process as part of its competitive funding process, an effort should be made to consistently align these with the RFP.

    2.1.4 Evaluation criteria should include past performance and qualifications; use of relevant evidence-based best practice or promising model that addresses goals identified in the RFP; a clear and realistic plan for successful completion of the project; experience with the target population; community and cultural competency; a plan to effectively measure success; and a budget appropriate to the scope.[43] The criteria should also establish a preference for proposals that show clear coordination between agencies (e.g., MOUs).

---

42 Donors Forum, "Fair and Accountable Partnership Principles for a Sustainable Human Services System," 2010.

43 Ibid.

2.2 Streamline where it makes sense.[44]

2.2.1   Rather than creating two applications, CDD could develop a common application for CS funding and CDBG funding that captures all of the basic information needed, while requiring supplemental documents (or a more detailed application, as needed) for CDBG to ensure wider access to funding. Requiring the same more stringent federal eligibility status for all groups may exclude smaller organizations that don't have the time, personnel or documentation to qualify for federal programs. In developing a common application, CDD must carefully consider whether this will actually streamline services or create significantly more work by requiring staff to work to fit funded programs to appropriate funding streams.[45]

2.2.2   Commingling funds (i.e., CS and CDBG) can be useful in that it allows for more integrated and streamlined programming on the front end. However, it must be carefully weighed against the downside that the more stringent CDBG requirements translate into an additional reporting burden to groups used to just receiving CS funds. The amount of processing and paperwork should be commensurate with the amount of funding, except where federal funding requires otherwise. Another important consideration is the restrictions on the use of funds.

2.3 Promote collaboration and reduce overlap.[46]

2.3.1   Make submitted LOIs publicly available to applicants during a pre-screening process so that organizations are more aware of overlap and able to address it in a final application.[47]

2.3.2   Make identifying overlap between organizations and programs part of the mandatory application process and give preference to applications that include evidence of agency coordination (e.g., MOU).[48]

Best Practice:
Transparency Via Online One Stop Shop for Process-Related Information

The basic structure of Tallahassee's competitive program has been in place for 20 years. "Tallahassee allows interested outside agencies to sign up ahead of time to receive updates about their Competitive Human Services Partnership (CHSP) program, like upcoming informational sessions and application due dates. The program is administered through a separate portal on the city's website, and uses one application to apply for funding from the city, county, and United Way. The CHSP Portal is a one stop shop for access to eligibility requirements, due dates, past funding decisions, reporting requirements, and volunteer resources."

Source: COWS, "Best Practices in Local Government Funding," 2016, 7.

---

44 COWS, "Best Practices in Local Government Funding Processes," 2016, 19.

45 Best practice: Chapel Hill, see COWS, 2016, 7.

46 COWS, 2016, 20.

47 Ibid.

48 Best practice: Chattanooga, see COWS, 2016, 8.

3. Agency Orientation: Promoting Quality Applications and Access

How the City orients agencies to the application process has implications for the quality of the applications, agency access, and ultimately community development outcomes. The Best Practices in Local Government Funding Report suggests that "the process should be designed to give agencies the best chance of providing complete/well-written offers that directly address the outcome areas the City has chosen to prioritize."[49] Best practices in agency orientation include mandatory agency orientation workshops, a pre-screening process, extending the application period to include a feedback period, and requiring agencies to present their applications to the reviewing body.

3.1 Establish mandatory agency orientations, a pre-screening process, a feedback period, and agency presentations.

    3.1.1   Make the currently held informative agency orientation mandatory. CDD already holds agency orientations that implement best practice in terms of content, which includes, at a minimum: an overview of the eligibility requirements and the RFP, discussion of funding sources, evaluation criteria, deadlines, reporting, and Q&A.[50]

    3.1.2   Establish a pre-screening process such as an LOI prior to a formal application for all funding opportunities to ensure that agencies do not waste their resources pursuing funding not applicable to them and the CDD does not waste time reviewing and responding to them. CDD staff would review the LOIs to ensure that they meet eligibility requirements, sort them by funding source, and invite only qualified programs/projects to submit a full application. Once the RFP is released, a separate application can be released for City-funded opportunities and another for CDBG-funded opportunities.[51]

    3.1.3   Provide a feedback period between initial application submittal and final submission, during which CDD staff work with agencies to improve their applications. This helps agencies to improve their applications and the City by ensuring complete and relevant applications. It also allows the groups competing for funding to look at opportunities to collaborate and further strengthen their applications.[52]

    3.1.4   Require agencies to present their technical proposals to the reviewing body in advance of initial recommendations being made. Offer more time than currently available and specific parameters for those presentations so that review teams can compare apples to apples, and offer resources and tips to agencies on how to create a successful presentation.[53]

---

49 Presentation of COWS' report on "Best Practices in Local Government Funding Processes," to CDD staff on January 19, 2016.

50 Best practice: Tallahassee, see COWS, 2016, 8.

51 Best practice: Chattanooga's 200-word statement of interest, see COWS, 2016, 8.

52 Best practice: Chattanooga, see COWS, 2016, 8.

53 Best practice: Tallahassee, see COWS, 2016, 7.

Best Practice:
Mandatory Workshops for Agencies Levels The Playing Field

"Tallahassee holds a mandatory workshop for all outside agencies, requiring at least one staff person from each group attend at least one of three available sessions." The mandatory workshops mean that "everyone starts with an equal knowledge of expectations. This in turn sets the precedent for strictly enforced rules of submittal, etc.—groups cannot complain about lack of knowledge/access to the application."

Source: COWS, "Best Practices in Local Government, Annex," 2016, 23.

4. Community Engagement: Partnership, Trust, Credibility, and Ownership through Diversity

Best practices in community development recognize that efforts must be data-driven/evidence-based and engage the community as active partners in order to be successful.[54] This requires building relationships based on trust and can only happen through meaningful community engagement.[55] Community engagement efforts range from inviting community feedback and input to empowering community members with decision making authority. The Best Practices in Local Government Funding Report found that "there is a growing awareness that in order to see better outcomes for their residents, cities and counties need to be more strategic in their application and delivery processes and need to consider ways for the diversity of their communities to be reflected in their funding allocation process."[56] An important step toward building trust and achieving meaningful community engagement in the funding process is to ensure that there is diverse resident input in the decision-making process. In particular, replacing the Citizen Committees with Resident Review Teams (RRTs) that better reflect the communities/demographic served would go a long way toward improving the credibility of the process and sense of community ownership. In other cities, RRTs have become allies of the community development funding process. In order for the CDD Citizen Committees to function effectively, they also need to be restructured and streamlined.

4.1 Redesign and streamline the CDD Committees and adjust staff roles in funding process.[57]

4.1.1 Merge the CDBG and CSC Committees into a single policy body focused on community development and services, and eliminate the Conference Committee. This will streamline the application evaluation process and advance efforts to integrate Community Development and Community Services.

4.1.2 Shift the focus of the Committee on Aging (COA) and the Early Childhood Care and Education Committee (ECCEC) away from funding allocation and toward policy and program recommendations in their respective areas.

4.1.3 Staff's deep knowledge of agencies, programs, and best practice in their respective areas will be employed in the: (1) development of the RFPs and mandatory substantive orientations for agencies; (2) development of evaluation criteria; (3) review of LOIs; (4) feedback to agencies on their applications; (5) development of past performance score and reporting this score to the RRT for use in the application evaluation process; (6) identification, assembly, and training of RRTs; and (7) the single staff slot per RRT (see below).

---

54 Barnes and Schmitz, 2016.

55 See section on Guiding Principles for additional discussion of the role of community engagement in the funding process.

56 COWS, 2016, 19.

57 Note: implementing this recommendation will likely require an ordinance amendment.

4.2 Use Resident Review Teams that benefit from diverse input to evaluate applications.[58]

4.2.1 Replace the reviewing role of the existing committees (CDBG, CSC, COA, and ECCEC) and CDD staff with Resident Review Teams (RRTs) charged with reviewing applications and making recommendations to City Council. The RRTs should be structured in such a way to ensure that every community/demographic served is also reflected in the decision-making process.[59] Shift from a year-round appointed committee to short-term RRTs to provide resident input on funding decisions. This reduced time commitment may increase the diversity of CDD's volunteer pool.[60] In addition, this approach reduces a heavy burden on CDD staff of evaluating applications, allowing them to focus on providing feedback to ensure quality applications (see 3.1.3).

4.2.1.1 Establish a cross-division working group on community engagement to lead CDD's effort around meaningful community engagement and guide the recruitment of individuals for the RRTs. In order for this group to be effective there needs to be a commitment to building the internal capacity. That means an investment in staff training, time, and resources to carry out this effort, and hiring staff with community engagement experience.

4.2.1.2 Recruit heavily in every community: attend neighborhood meetings, board meetings, etc. and ask difficult questions. The level of effort required to effectively recruit volunteers should not be underestimated.[61] At the same time, there are City efforts, such as the Neighborhood Resource Teams (NRTs) as well as a number of leadership development programs,[62] and neighborhood/community and other centers that could prove to be tremendous resources when it comes to recruitment.

4.2.1.3 Provide mandatory training and orientation sessions for new volunteers. These should include orientation on, for example, the jurisdiction of the City, the role and responsibilities of the RRT in the funding process, respective roles of staff and non-staff RRT members, and training in facilitation. As part of this, best practices in meeting management and facilitation in order to engender a more interactive, inclusive, dynamic, and efficient meeting should be explored.

---

58 Note: Implementing this recommendation will likely require an ordinance amendment.

59 This recommendation is drawn from COWS, 2016, 9-10, 20. It is feasible that Early Childhood Care and Education Committee (ECCEC) and the Committee on Aging (COA) continue as funding review and policy committees. If this is the case, these committees should also diversify along the lines of what is proposed above.

60 Best practice: Tallahassee's Citizen Review Teams, see COWS, 2016, 9.

61 Best practice: Tallahassee's Citizen Review Teams, see COWS, 2016, 9.

62 Dane County Extension has begun developing an inventory of different programs meant to build community-based leadership.

4.2.1.4   Assign between eight to ten RRT members to each CDD Community Goal. The demographic of the teams should mirror those of the population served and each team should include relevant professional expertise in each group.[63] In particular, the RRTs should include one individual from the relevant policy committee (i.e., COA, ECCEC or the merged CDBG-CS Committee), one individual from another major community funder, one from an agency not competing in the round, one CDD staff member, at least three from the impacted community, and the remaining individuals should ensure relevant professional subject matter expertise, gender, geographic, racial/ethnic and other diversity.

4.2.1.5   Have the RRTs conduct site visits to the applicant agencies to evaluate "organizations on things like administrative procedures, personnel issues, and their demonstrated capacity to deliver the services they've proposed." [64]

Best Practice
Tallahassee Citizen Review Teams in Action

"Tallahassee recruits a large volunteer pool for the purposes of reviewing applications, conducting site visits to agencies, and making recommendations to the city council. These teams exist for this purpose only and are dissolved each year when funding decisions are made. These Citizen Review Teams (CRTs) and the care with which they treat them appear to be one of the city's biggest assets and allies in human services funding allocation. Administrators here have worked hard in the past to recruit representatives from all different communities and occupations and do so on a continual basis. The city takes care to assign these volunteers such that each team has a range of experience related to the subject they are reviewing. While there are not designated seats on each team, staff try and place someone with legal experience, someone with educational experience, someone from the population served, and someone from the city, the county, and the United Way on each team. They also try and get the demographics of the teams to reflect those of the city. This process involves asking a lot of personal questions about race, background, and occupation during the volunteer screening process."

Source: COWS, "Best Practices in Local Government Funding Processes," 2016, 9.

---

63 COWS, 2016, 9.

64 Ibid. 12.

5. Determining Awards: Transparent and Competency- Based Selection Process

Determining awards refers to how decisions are made about what gets funded. Who makes the final decision? What are the criteria and how is scoring done? And how transparent is the decision-making process? These questions are critical to ensuring a competency-based selection process that is transparent and results in the most effective services for residents.

5.1 Ensure that the decision-making process is transparent, aligned, and streamlined.[65]

5.1.1 Ensure that the evaluation criteria, which should be aligned with and detailed in the RFP, are consistently applied by the various review teams across applications in the determination of awards.

5.1.2 Facilitate the transparency of this process by making eligibility requirements and assessment criteria easily accessible (for more details see discussion on Application Process).

5.1.3 Many cities use scoring sheets to judge applications and presentations, and use final scores to help determine what gets funded. FCI cautions that if decisions are based on scores alone, the scores must equate to funding decisions. If there are other factors taken into consideration outside of scoring sheets, these must be made explicit and a weight given to them so that final decisions are clear and clearly aligned with evaluation criteria.

5.1.4 The RRT should review and score applications and then pass their recommendations on to the City Council, which has final authority.

5.2 Institute a competency-based selection process where contracts are consistently awarded to agencies that best demonstrate ability to achieve desired outcomes.[66]

5.2.1 Criteria for selecting providers should establish competency and include past performance and qualifications, such as use of relevant evidence-based best practice or promising models that address goals identified in the RFP, etc. (See section on Application Process for more details).

5.2.2 Staff will provide the RRTs with evidence-based past performance metrics for applicants who have previously received CDD funding. The RRTs will include this data as part of their overall application evaluation. The past performance scores should be based on a scoring system that is informed by agencies' performance reports, which have been validated by CDD staff with knowledge of the effort.

5.2.3 Establish a formal appeals process for transparently addressing disputed awards.[67]

---

65 Note: This recommendation draws heavily from the presentation of COWS' report on "Best Practices in Local Government Funding," to CDD staff on January 19, 2016.

66 Donors Forum, "Fair and Accountable Partnership Principles for a Sustainable Human Services System," 2010, 8.

67 Note: Implementing this recommendation may require an ordinance amendment.

Best Practice
Treat All Documents as Public

Assume that all the documents used in the evaluation process are public and design your process with that in mind

Source: Presentation of COWS' report, "Best Practices in Local Government Funding Processes," to CDD staff, January 19, 2016.

6. Measuring Outcomes: Advancing an Accountable and Outcomes-Oriented Process

Reporting and performance monitoring and evaluation systems hold agencies accountable for the quality of the services they deliver and CDD accountable for the investments it makes. Robust performance monitoring and evaluation systems are also key to identifying what works and what doesn't, and to effectively implementing a continuous improvement process. Ultimately, the focus of such a system should be on maximizing outcomes for the community. "Government should direct more attention to meeting the…needs of consumers, rather than on managing service providers. Service providers should spend more resources and attention on meeting the…needs of consumers, rather than on paperwork."[68]

6.1 Establish a more robust performance monitoring and evaluation system.

The City of Madison has applied for a "What Works Cities" grant. The What Works Cities initiative was launched in April 2015 by Bloomberg Philanthropies to help 100 mid-sized American cities enhance their use of data and evidence to engage residents, make government more effective, and improve residents' lives.[69] This represents an exciting opportunity for the City and CDD, in particular. If the City is awarded this grant, all of the recommendations below need to be considered in light of this resource. It will be critical for any CDD effort around performance monitoring and evaluation to work closely with this effort.

6.1.1 Establish a cross-division working group that helps to develop a performance monitoring tool/outcome-based evaluation system that is coordinated with the City-wide efforts around outcome-based budgeting. It should include a system to track measurable outcomes and create clear and consistent reporting methods so that it is easy to determine whether agencies are providing the services they promise. This working group can also lead efforts to track progress toward meeting CDD's goals and identifying best and promising practices for the division. This working group should train CDD staff on the tool so that staff work with agencies to develop their performance monitoring plans and conduct onsite monitoring.

6.1.2 Consider moving toward an outcome-based evaluation system to measure the impact and effectiveness of program services.[70] An outcome-based evaluation system answers the question, "what has changed in the lives of those served as a result of this program?" It allows for the development of process and outcome indicators. Further, it can also facilitate coordination with an outcome-based budgeting process, if/when the City adopts one.[71] Whatever performance monitoring and evaluation system emerges, it should not add a significant reporting burden to funded agencies.

---

68 Donors Forum, "Fair and Accountable Partnership Principles for a Sustainable Human Services System," 2010, 11.

69 See **http://whatworkscities.bloomberg.org/** Participating cities to date include: Anchorage, AK; Bellevue, WA; Cambridge, MA; Chattanooga, TN; Denton, TX; Denver, CO; Independence, MO; Jackson, MS; Kansas City, MO; Las Vegas, NV; Lexington, KY; Louisville, KY; Mesa, AZ; New Orleans, LA; Saint Paul, MN; San Jose, CA; San Francisco, CA; Seattle, WA; Tacoma, WA; Tulsa, OK; Waco, TX.

70 As previously mentioned, the CDBG unit has federal performance reporting requirements with which they comply. Even so, an additional layer of performance measurement focused on outcomes rather than output would be extremely helpful, especially if it is consistently applied across CDD.

71 Best practice: Tacoma and Chattanooga, see COWS, 12-13. Also see City of Tacoma , Washington's Outcome-Based Evaluation **https://www.cityoftacoma.org/government/city_departments/neighborhood_and_community_ services/human_services_division/human_services_contracting/outcome_based_evaluation**

6.1.3   Consider establishing a quality improvement process to wrap around the evaluation system. There are various types of quality improvement tools, including FADE, Six Sigma, Continuous Quality Improvement, and Total Quality Management. While the details may vary, what they have in common is that they provide a systematic approach to the analysis of—and efforts to achieve continuous improvement in—performance.[72] Whatever tool is chosen, it should be tailored to CDD needs and reflect input from CDD staff, community, agencies, and the City.

6.1.4   Consider hiring a Performance Manager for CDD (or to be shared Citywide) whose job is to monitor progress on outcomes identified in the applications.[73]

6.1.5   Agencies should work with CDD staff to develop a performance monitoring plan that monitors progress toward desired outcomes and City/CDD priorities on a quarterly basis for their projects that include measurable indicators. These indicators should be ambitious, yet realistic. They need to be ambitious to move the needle in the right direction and at the same time they need to be realistic. Overpromising results helps no one; neither the residents/consumers who don't see or feel improvements in their lives nor the agencies whose performance evaluation will suffer. At the same time, CDD understands that circumstances outside agencies' control may change during implementation, negatively affecting their ability to deliver agreed upon results. Being adaptive to emergent situations is challenging, but an important part of the work of CDD staff. By being closely engaged partners to the agencies, CDD staff will be in a position to determine whether adjustments to the performance monitoring goals should be made because of changing/unforeseen circumstances outside of agencies' control or whether agencies are simply underperforming.

6.1.6   Performance and agency accountability might be incentivized by providing multi-year contracts to agencies that must be renewed annually, contingent on performance. Indeed, as CDD staff roles shift to more of an engaged partner, staff will be involved more consistently in monitoring agencies' performance. As such, they will be in a position to identify under-performing agencies early on. Alternatively, payment of a portion of the contract might be tied to performance similar to what the City of Tacoma, Washington does. Specifically, payment is "associated with service deliverables, with 60% of the budget equally disbursed over the course of the contract period (5% each month) for operation of the program and the remaining 40% dispersed as each payment point is met."

Best Practice:
Tacoma's Outcome-Based Budgeting Linked to Agency Accountability

"In Tacoma, the city works with the agencies being contracted to develop an 'Outcome Based Evaluation System to measure the impact and effectiveness of program services.' Consequently, payment is 'associated with service deliverables, with 60% of the budget equally disbursed over the course of the contract period (5% each month) for operation of the program and the remaining 40% dispersed as each payment point is met.' Essentially, the city works with each agency to develop measurable and desirable goals, and then asks them to be directly accountable to those goals to continue receiving funding."

Source: COWS, "Best Practices in Local Government Funding Processes," 2016, 13.

---

72 See, for example, **http://patientsafetyed.duhs.duke.edu/module_a/introduction/introduction.html**

73 Best Practice: Chattanooga, see COWS, 2016, 13.

7. Other Considerations

Aside from the six elements in the funding process discussed above, the following are some additional issues for consideration that have implications for the funding process.

7.1   Establish longer contract terms (3-4 years).

7.1.1   Most cities operate on an annual budget cycle, but there is a general trend toward longer contracts in order to give organizations more time to make an impact and to reduce the burden of the funding process for agencies and City staff alike.[74] While contracts should be longer, there should be an annual review to determine whether agencies receive continued funding and there should be a formal process to reallocate funds, if an agency fails to deliver.[75]

7.1.2   In the interest of transparency, CDD needs to develop a policy on how funding cuts from year to year will be applied. For example, they might be applied evenly across the board or the dollar amount might be applied to the lowest performing agencies. Either way, there needs to be clarity upfront on how these cuts will affect contracts. This is especially important in the context of multi-year funding.

7.2   Conduct an evaluation of the Emerging Opportunities Program.

7.2.1   In 2013 CDD launched its Emerging Opportunities Program (EOP) "to support projects and activities that address emerging needs or unanticipated opportunities that arise outside of the Community Development Division's (CDD) multi-year Purchase of Service process."[76] EOP also provides support for projects or initiatives that try new or innovative approaches to community development. Proposals should demonstrate resident and community engagement and preference is given to new organizations.

7.2.2   Between fall 2013 and fall 2015, an average of two RFP processes were held annually.[77] The awards were generally small, with sixty percent of the contracts awarded at $10,000 or less. The largest awards ranged between $26,500 and $28,000; only seven percent of awardees received awards in this range. Agencies and staff alike have raised concerns about the relative effectiveness of EOP. Agencies are concerned with it diverting already limited funds and with the overly heavy administrative burden (lengthy application and extensive contractual obligations) and reporting requirements. Staff are concerned with the inefficiency in the extremely high level of effort involved in evaluating the large number of lengthy and complex applications relative to the small awards. Given this situation, a dedicated, but compressed evaluation of the EOP is recommended. It should identify the program's outcomes, weigh them against the program costs, and identify lessons learned.

---

74 COWS, 2016, 18.

75 As noted previously, federally funded development of housing uses loan agreements with a very long duration (e.g., 15 to 30 years) as opposed to much shorter duration purchase of service contracts.

76 **http://www.cityofmadison.com/dpced/communitydevelopment/funding/2016-fall-eop-guidelines/164/**

77 On average, each RFP process distributed approximately $185,000 over the 2013-2015 period. The 2016 Fall EOP Guidelines indicate that there will only be one EOP RFP process in 2016 and it will distribute up to $150,000. For details, see **http://www.cityofmadison.com/dpced/communitydevelopment/funding/2016-fall-eop-guidelines/164/**

7.3 Address innovation, access, and rapid response to emerging needs through simplified grants.

7.3.1 The EOP evaluation will uncover important lessons learned that should be applied to any program with similar aims.

7.3.2 CDD should seek to replace the EOP with a small grants program, targeting opportunities to pilot approaches, providing quick responses to emerging/unanticipated needs, and providing access (and possibly capacity building) to new agencies and community-based organizations. The small grants program proposed here would be different from the EOP because it would award a grant and not a purchase of service contract. The benefit is that it could be designed to: (1) significantly minimize the application and review process; (2) reduce the administrative burden related to contracting (i.e., rather than a 25- page contract and onerous proof of insurance and other requirements, awardees would receive a short letter indicating the terms of the award); and (3) minimize the reporting requirement.[78] Reporting should be aimed at showing what the grantees did with the award and if a novel approach was piloted, sharing the results of the pilot.[79]

7.3.3 The small grants program could be designed to promote transformative new solutions, enabling the CDD's investments to go to high impact, innovative projects. For example, CDD could design an open grant competition for innovative community development ideas and pilots. (See Best Practice text box below).

7.4 Reconsider CDD staff roles and restructure and better integrate CDD.

7.4.1 Successful implementation of funding process reform will engender a process of adaptive change that requires partner agencies to change the way they operate and CDD staff to change how they relate and engage with agencies and the community. The set of recommendations in this section, as well as the Guiding Principles, Theory of Change and CDD Funding Priorities presented in earlier sections, represent a new direction and way of doing business that is both technical (e.g., developing performance monitoring systems and new types of grants) and cultural (e.g., establishing a deeper community engagement process, and shifting values).[80] CDD staff members and agencies will be at the forefront of this new direction. Given this context, CDD staff roles will be more effective if they include a different set of responsibilities that emphasize the roles of partner, evaluator, and advocate. These new responsibilities should be reflected in new position descriptions, and a new organizational structure that facilitates the integration of CS and CDBG, as well as the new direction of CDD. CDD has open positions and anticipates additional openings in the short- to medium-term as staff retire. CDD should hire for the new roles. That is, individuals who can perform in the roles as partner, evaluator, and advocate, rather than simply focusing on lengthy experience with specific programs. Further, an outside entity should be secured to help develop the new organizational structure and make relevant recommendations. Capacity building of CDD staff aimed at supporting their new roles and new way of operating is key to ensuring success. For example, given staff's new role

---

78 Note: Implementing this recommendation may require an ordinance amendment.

79 For example, the City of Madison, Food Policy Council's Seed Grants.
   http://www.cityofmadison.com/news/madison-food-policy-council-launches-2014-seed-grants

80 Barnes and Schmitz, 2016.

as partner and advocate, facilitation training would be important. Ultimately, effective innovation and reform are best realized through the guidance and buy-in of those tasked with implementing the changes.

7.5 Hire a funding process reform manager/advocate

7.5.1   Successful implementation of funding process reform alongside the recommended changes to CDD funding priorities will require a major commitment of CDD and City leadership to reorienting CDD's work. They must be willing to invest resources in driving this process, commit to standing by agreed upon principles and plans, and course-correct, when needed. Given the magnitude of the reform project and the significant effort it will require to undertake, a funding process reform manager whose mandate is to implement the funding process reform and guide the reorganization of the division, including staff capacity-building efforts, should be hired.[81] This person should work very closely with the CDD management team and staff and should report to the City of Madison's Director of Planning, Community, and Economic Development.

Best Practice:
Social Innovation Challenge Grants

For the past few years, the U.S. Agency for International Development (USAID) has successfully developed social innovation challenge grants. "Development Innovation Ventures (DIV) supports breakthrough solutions to the world's most intractable development challenges by finding and testing bold ideas that could change millions of lives at a fraction of the usual cost. The DIV model begins with an open grant competition for innovative ideas, pilots and tests them using cutting-edge analytical methods, and scales solutions that demonstrate widespread impact and cost-effectiveness…

DIV's approach is unique in three ways:

1. DIV recognizes that good ideas can come from anywhere, so we welcome a wide range of potential partners to propose their concepts for high-impact development solutions.

2. Borrowing from the experience of venture capital, DIV takes advantage of a staged financing model. We pilot promising new ideas with small amounts of money, and we scale only those solutions that rigorously demonstrate their impact.

3. DIV emphasizes a high standard of evidence, including the use of impact evaluations and randomized control trials whenever possible."

Source: https://www.usaid.gov/div/faqs#about1

---

81 To clarify, this person would be responsible for managing the reorganization and capacity-building efforts, which ideally would be advised by an outside entity as proposed in recommendation 7.4.1.
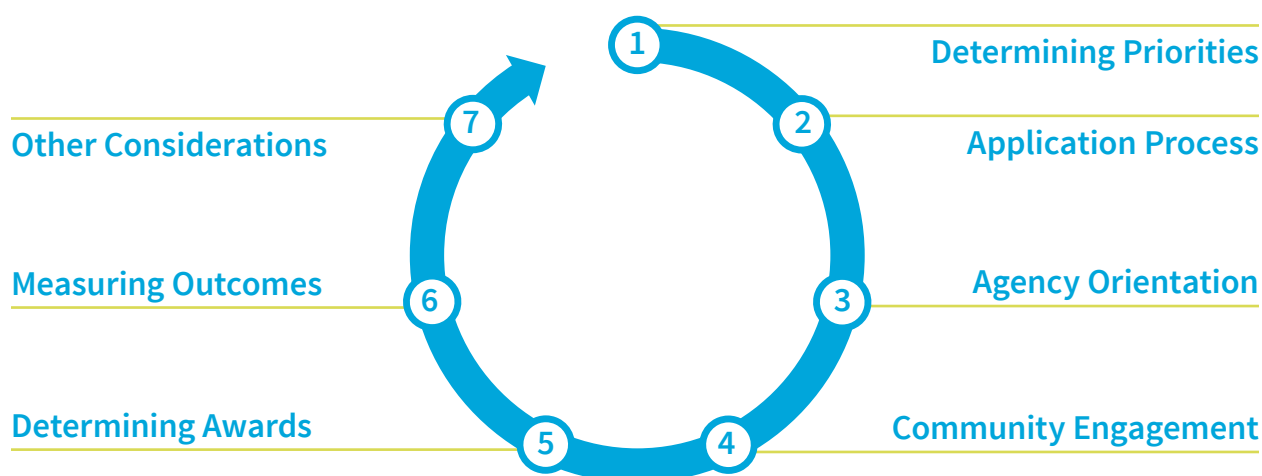
FUNDING PROCESS REFORM ROADMAP

This section of the report lays out the suggested sequence (immediate, short-, medium-, or long-term) for initiating the recommended actions, policies, systems reforms, and investments in the previous section (Table 1).[82] The roadmap is ambitious where it needs to be, advancing key reforms that will set the stage for the remaining reforms to be implemented. At the same time, it's realistic and takes into consideration the length of time and level of effort it typically takes to implement such a reform.

In the development of this roadmap, it was assumed that there will be a competitive funding process held in the summer of 2016.[83] As such, FCI's roadmap identifies a number of actions that should be initiated in the immediate period in order to improve the process for staff and agencies, yield more competitive outcomes, and provide better results for Madison residents. The following considerations also factored into the determination of the sequencing of tasks:

• Low-hanging fruit (high-impact, low-cost). These tasks provide quick wins at a relatively low cost (level of effort and social and political capital).

• Strategic (high-impact, higher-cost). There are strategic reforms that can be done quickly and others that take a longer period of time to line up the social and political capital and other resources needed to implement.

Some of the recommended changes are a one-time effort (i.e., merging the CDBG and CSC Committees), while others are recurring (i.e., coordinating needs assessment with other funders or ensuring that documents are accessible online) and establish a clear funding process system to be followed. Some of the changes can be completed quickly and others require a consistent effort over a longer period of time. In recognition of that, some tasks will occur in more than one timeframe (e.g., short-term and medium-term).

Other Considerations

Measuring Outcomes

Determining Awards

Determining Priorities

Application Process

Agency Orientation

Community Engagement

---

82 While the various tasks are to be initiated in the recommended sequence it should be clear that they may or may not be completed within the timeframe in which they are initiated. This is taken into account in the sequencing determination.

83 If there isn't a competitive funding process held in the summer of 2016, then the following tasks should shift from the "Immediate" category to "Short-term": 2.1.1-2.1.4; 2.3.1-2.3.2; 3.1.1-3.1.4; 5.1.1-5.1.3; 5.2.1; and 7.1.1.

Table 1. Funding Process Roadmap

Intervention	Immediate	Short-term (6-12 months)	Medium-term (12-36 months)	Long-term (3 years+)
1.1 Identify funding priorities through transparent planning process		1.1.2 Coordinate needs assessment with other funders	1.1.3 Conduct a mid-term review of funding priorities [1.1.3.1-1.1.3.2]	1.1.1 Conduct a needs assessment [1.1.11-1.1.12]
2.1 Ensure process transparency	2.1.1 Ensure that funding process-related documents are accessible online and agencies can sign up for automatic updates 2.1.2 Make the CDBG-eligible vs. CS-eligible rubric more easily accessible online 2.1.3-2.1.4 Establish clear evaluation criteria that include past performance, etc.			
2.2 Streamline where it makes sense		2.2.1 Develop a common application 2.2.2 Evaluation of best way to co-mingle CS and CDBG funds		
2.3 Promote collaboration and reduce overlap	2.3.1 Make submitted LOI's publicly available 2.3.2 Make identifying overlap part of the application process			
3.1 Establish mandatory agency orientations, a pre-screening process, a feedback period, and agency presentations	3.1.1 Mandatory agency orientation 3.1.2 Establish a pre-screening process 3.1.3 Provide a feedback period 3.1.4 Require agencies to present technical proposal			
4.1 Redesign and streamline the CDD Committees and adjust staff roles in funding process	4.1.1 Merge the CDBG and CSC Committees into single committee	4.1.1 *Continue* Merge the CDBG and CSC Committees into single committee 4.1.2 Shift the focus of COA, ECCEC away from funding allocation and toward policy and program 4.1.3 Adjust staff roles in funding process	4.1.2 *Continue* the effort to shift the focus of COA, ECCEC away from funding allocation and toward policy and program 4.1.3 *Continue* Adjust staff roles in funding process	
4.2 Use Resident Review Teams that benefit from diverse input to evaluate applications		4.2.1 Use Resident Review Teams that benefit from diverse input to evaluate applications [4.2.1.1]	4.2.1 *Continue* Use Resident Review Teams that benefit from diverse input to evaluate applications [4.2.1.2 - 4.2.1.5]	
5.1 Ensure that the decision-making process is transparent, aligned, and streamlined	5.1.1 Evaluation criteria is aligned with RFP 5.1.2 Eligibility requirements and assessment criteria easily available 5.1.3 Design scoring sheets		5.1.4 RRT review applications and pass recommendation to City Council (funding process post-2016).	

Table 1. Funding Process Roadmap continued

Intervention	Immediate	Short-term (6-12 months)	Medium-term (12-36 months)	Long-term (3 years+)
5.2 Institute a competency-based selection process	5.2.1 Ensure criteria for selecting providers should establish competency, etc.	5.2.2 Staff will provide the RRTs with evidence-based past performance metrics 5.2.3 Establish an appeals process		
6.1 Establish a more robust performance M&E system	6.1.1 Establish a cross-division performance M&E working group	6.1.2 Cross-division working group along with CDD management consider moving to an outcome-based or other evaluation system 6.1.3 Cross-division working group along with CDD management consider establishing a quality improvement process 6.1.4 Cross-division working group along with CDD management consider hiring a Performance Manager for CDD 6.1.5 CDD staff work with agencies on more rigorous and meaningful performance measurement	6.1.2 Implementation of agreed upon system 6.1.3 Implementation, if it is agreed that a quality improvement process is useful 6.1.4 Performance Manager is hired, if it is agreed that this position is needed and resources are secured 6.1.5 *Continue* CDD staff work with agencies on more rigorous and meaningful performance measurement 6.1.6 Provide multi-year contracts, contingent on performance or tie a portion of agencies' payment to meeting service deliverables	
7.1 Establish longer contract terms	7.1.1 Establish longer contract terms, but include annual performance review	7.1.2 Develop a policy on how funding cuts will be applied		
7.2 Conduct an evaluation of the EOP		7.2.2 Conduct evaluation of EOP		
7.3 Address innovation, access, and rapid response to emerging needs through simplified grants		7.3.2 Replace EOP with small grants program [7.3.2- 7.3.3]	7.3.2 *Continue* Replace EOP with small grants program [7.3.2-7.3.3]	
7.4 Reconsider staff roles and restructure and integrate CDD	7.4.1 Hire an outside entity to support the reorganization/integration of the CDD and develop new position descriptions for staff that align with funding process recommendations, priorities, and guiding principles, and design new organizational structure to support reform effort	7.4.1 Capacity building for CDD staff in support of funding process reform effort		
7.5 Hire a funding process reform manager	7.5.1 Hire a funding process reform manager			

Funding Process Roadmap (List Format)

Immediate (current-6 months)

2.1   Ensure process transparency: Make information easily available and online in a central location (2.1.1-2.1.4)

2.3   Promote collaboration and reduce overlap (2.3.1-2.3.2)

3.1   Establish mandatory agency orientations, a pre-screening process, a feedback period, and agency presentations (3.1.1-3.1.4)

4.1   Redesign and streamline the CDD Committees (4.1.1)

5.1   Ensure that the decision-making process is transparent, aligned and streamlined (5.1.1-5.1.3)

5.2   Institute a competency-based selection process where contracts are consistently awarded to agencies that best demonstrate ability to achieve desired outcomes (5.2.1)

6.1   Establish a more robust performance monitoring system (6.1.1)

7.1   Establish longer term contracts (7.1.1)

7.4   Reconsider CDD staff roles. Hire an outside entity to support the reorganization of the Division and to develop new position descriptions for staff that align with funding process recommendations, priorities and guiding principles and design new organizational structure to support reform effort (7.4.1)

7.5   Hire a funding process reform manager (7.5.1)

Short-term (6 to 12 months)

1.1   Identify funding priorities through transparent planning process (1.1.2)

2.2   Streamline where it makes sense (2.2.1-2.2.2)

4.1   Redesign and streamline the CDD Committees (4.1.2 and CONTINUE 4.1.1)

4.2   Replace the Citizen Committees with RRTs that benefit from diverse input (4.2.1 and 4.2.1.1)

5.2   Institute a competency-based selection process (5.2.2)

6.1   Establish a more robust performance monitoring system (6.1.2-6.1.5)

7.1   Establish longer contract terms (7.1.2)

7.2   Conduct an evaluation of the EOP (7.2.2)

7.3   Address innovation, access, and rapid response to emerging needs through simplified grants (7.3.2 and 7.3.2.1)

7.4   Reconsider staff roles (CONTINUE 7.4.1)

Medium-term (12 to 36 months)

1.1   Identify funding priorities through transparent planning process (1.1.3 and 1.1.3.1-1.1.3.2)

4.1   Redesign and streamline the CDD Committees (CONTINUE 4.1.2-4.1.3)

4.2   Replace the Citizen Committees with RRTs that benefit from diverse input (CONTINUE 4.2.1)

5.1   Ensure that the decision-making process is transparent, aligned and streamlined (5.1.4)

6.1   Establish a more robust performance monitoring system (6.1.6 and CONTINUE 6.1.2-6.1.5)

7.3   Address innovation, access, and rapid response to emerging needs through simplified grants (CONTINUE 7.3.2-7.3.2.1).

Long-term (3 years+)

1.1   Identify funding priorities through transparent planning process (1.1.1.1-1.1.1.2)

References

Barnes, Melody and Paul Schmitz. "Community Engagement Matters (Now More than Ever)." Stanford Social Innovation Review Spring 2016.

Center on Wisconsin Strategy (COWS). "Best Practices in Local Government Funding Processes." January 2016.

----------. "Appendix A: City Case Studies." January 2016.

City of Madison. "Contract for Purchase of Services between the City of Madison and Forward Community Investments." 2014.

Donors Forum. "Fair and Accountable: Partnership Principles for a Sustainable Human Services System." January 2010. <**http://www.wallacefoundation.org/knowledge-center/after-school/financial-management-for-nonprofits/Documents/Partnership-Principles-for-a-Sustainable-Human-Services-System.pdf**>.

Forward Community Investments (FCI). "CDD Funding Process Study Update." May 2015.

Joiner Sandbrook LLC. "Strategic Improvement of Madison's Social Sector: How Funding in Madison Supports Innovation in the Social Sector." 2013.

PolicyLink. "All-In Cities: Building an Equitable Economy from the Ground Up." 2015. Web. <**http://allincities.org/publication**>.

United Nations Childrens Fund (UNICEF). Child Poverty in Perspective: An Overview of Child Wellbeing in Rich Countries. Florence, Italy, 2007.

Wisconsin Council on Children and Families. "Race to Equity: A Baseline Report on the State of Racial Disparities in Dane County." 2013.

FORWARD
community investments