



Blending Community Service Funds To Achieve Measurable Results

A MAKING CONNECTIONS PEER TECHNICAL ASSISTANCE MATCH BETWEEN
FAIRFAX COUNTY, VIRGINIA AND SAN ANTONIO, TEXAS

PEER TECHNICAL ASSISTANCE LEADS TO ACTION

*Part of a Series from the
Technical Assistance Resource
Center of the Annie E. Casey
Foundation and the Center
for the Study of Social Policy*

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The Annie E. Casey Foundation

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The Center for the Study of Social Policy, based in Washington, D.C., was established in 1979 with the goal of providing public policy analysis and technical assistance to states and localities. The Center's work is concentrated in the areas of family and children's services, income supports, neighborhood-based services, education reform, family support, community decision-making, and human resource innovations. The Center manages peer technical assistance as part of the Foundation's Technical Assistance Resource Center (TARC).

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BACKGROUND

Through the *Making Connections* initiative, the Annie E. Casey Foundation is working with San Antonio, Texas, and other communities across the country to improve outcomes for children and families living in tough neighborhoods. One of the aims of *Making Connections* is to link neighborhood residents with economic opportunities, enhance social networks, and improve services and supports that can help families grow stronger and achieve what they want for their children.

As part of the initiative, the Foundation offers participating sites access to technical assistance that can help them reach their goals for strengthening families and neighborhoods. Peer matches, a powerful form of peer-to-peer assistance that allows communities to capitalize on the practical knowledge gained by those who have successfully achieved similar goals in other places, are a particularly valuable resource allowing *Making Connections* sites to draw upon different communities to learn about innovative strategies that are useful in advancing their own neighborhood efforts.

On October 28 and 29, 2003, a team from San Antonio traveled to Fairfax County, Virginia, to participate in a technical assistance peer match. The goal was to learn more about the history and operation of the Fairfax County Consolidated Community Funding Pool (www.co.fairfax.va.us/service/ccfp/default.shtm) and to determine if aspects of this award-winning program could be transferred to San Antonio.

This report summarizes the results of that peer consultation and highlights the lessons learned by the San Antonio team. Attachment A is a brief synopsis of Fairfax County's blended funding process.

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SETTING THE CONTEXT FOR THE MATCH

In 2003, the city of San Antonio found itself facing increased budget pressures (similar to those of other municipalities), along with a growing desire from both elected officials and city government agency staff to increase the level of performance-based contracting with the various human services programs that receive contracts from the city.

Members of the City Council serve two-year terms and are limited to two terms. Community organizations direct their funding requests to individual members of the San Antonio City Council throughout the year as funding streams are made available through various city/federal processes. If a community organization chooses to apply for different grant dollars as part of a regular cycle of business, they often must submit multiple applications to different agencies at different times of the year.

“Currently in San Antonio, we have three funding cycles, at different times of the year, to purchase human development services. Often, this practice requires organizations to write three proposals to bid on the three funding streams. City Council now views that purchasing services through a consolidated funding process would provide us a greater opportunity to leverage resources, influence human development issues, and have a substantial impact on the community’s well-being.” *Dennis Campa, Director, Department of Community Initiatives, San Antonio*

Starting five years ago, San Antonio has performed needs assessments that have increased the recognition among elected officials, city staff, agencies, and even many of the community organizations that its funding process should be changed. At that time, they also recognized the importance of having continuous community involvement as part of the needs assessment process. This has helped contribute to the current interest in changing the system.

City Council requested that a proposal be submitted by January 2004 that would blend various human services funding sources into a single pool. Funds from this pool would be allocated using a single human services provider contract.

While the budget pressures being experienced by San Antonio are similar to those of many state and local governments across the country, the City Council saw this as one more reason to consider developing a comprehensive system to procure human services. If there are potential savings that can be achieved from moving to a unified grant reporting and monitoring system (beyond the single contract and a blended pool of money), this is the time to learn more.

THE CONSULTATION

In recent years, the Consolidated Community Funding Pool (CCFP) in Fairfax County, Virginia, has received considerable attention for its fund-blending system that streamlines the application process for community organizations through a system that is both driven by the community and designed entirely on an outcomes-based series of measurements. The CCFP was the recipient of a public service award from the University of Texas, LBJ School of Government; a 1999 “Best Practice” award from the federal Department of Housing and Urban Development; and a National Association for County Community and Economic Development Annual Award for Excellence in 2000. Fairfax County also was recently rated one of the best-managed county governments in the country by *Governing Magazine*, with the CCFP being cited as an example of exemplary planning and management.

San Antonio became aware of the CCFP, read information about how it works, and—with the assistance of Beth Leeson, their *Making Connections* Technical Assistance Resource Center (TARC) liaison—held conference calls with staff in Fairfax County earlier in 2003. As San Antonio moves forward to fulfill the City Council’s request to prepare a consolidated request for proposals (RFP), city staff thought that the time was right for a visit to Fairfax County to get a more in-depth

view of how the CCFP process operates. The material that has been written about the CCFP is thorough and complicated. San Antonio wanted to develop a better understanding of the entire system as a prerequisite to holding detailed discussions about specific funding issues, the roles of elected officials, and the roles of the community. Officials in Fairfax County graciously agreed to host the peer match.

The consultation was built around the following four learning objectives that were prepared in considerable detail based on preliminary meetings and the conference calls between the San Antonio team and representatives from Fairfax County.

- What is the consolidated funding process, and what underlying infrastructure is necessary to make it work efficiently and effectively?
- How can we take a fresh look at how these funds are appropriated and used creatively, and how can we focus more on outcomes and less on process in a two-year funding cycle?
- How do elected officials interact with this process, and how have they weathered political fallout?
- What is the role of the community in the blended funding outcomes-based approach, and how does it work?

The San Antonio team included a handful of key leaders from city government and the City Council, as well as members from nonprofit community organizations and the *Making Connections* team. The lead contact for the San Antonio team was Dennis Campa, director of the Department of Community Initiatives. The peer consultant team from Fairfax County was composed of elected officials, directors and staff from several public agencies and nonprofit organizations, and members of the Consolidated Community Funding Advisory Committee.

The consultation started with an opportunity for participants to become acquainted with each other through the use of “mini-matches.” After brief introductions around the table, participants from both teams broke into small groups—some as

small as two people—to have an hour of conversation between those people who had the most similar roles in their respective teams. This allowed the directors of community-based organizations, for example, to quickly form a bond and talk about issues and ideas pertinent to their specific roles. An evening of dinner and more conversation followed, with the “official” peer match beginning the following morning.

LESSONS LEARNED

I. The Consolidated Funding Process and Infrastructure

The Development and Implementation of the Consolidated Community Funding Pool

Until the mid-1990s, Fairfax County, Virginia, made decisions about contributions to community organizations pretty much the way everyone else did. Each individual county department used a system of direct payments, which were either approved or rejected by the elected Board of Supervisors. Specific line items would also appear in the annual budget naming individual organizations that received funding as “contributory agencies.”

Contracting for services has been a large part of the direct human services delivery by the county since the mid-1970s. These contracts had established requirements and reporting mechanisms with the various county departments issuing the contracts. Many of the community organizations seeking discretionary funding from the local jurisdiction were also contractors for specific services. However, the level of accountability and audits for expenditures to organizations varied significantly, depending upon the mechanism used to fund them. In some cases, programs funded as “contributory” were those rejected as direct contract service organizations in competitive procurements. No mechanism existed for county review of the effectiveness or the level of service integration of the contributory programs. There were also several county competitive contract and grant opportunities for which

As resources were shrinking between 1995 and 1997, Fairfax County pushed to bring more accountability to the process of awarding funds to contributory agencies.

community organizations could compete for funds. These included funding made available through the county's allocation of Community Development Block Grants (CDBG), Community Services Block Grants (CSBG), and other social services funds.

As resources were shrinking between 1995 and 1997, Fairfax County pushed to bring more accountability to the process of awarding funds to contributory agencies. There was also community discussion about the perceived duplication of services.

In 1997, reduced tax revenues led to a budget crisis. The budget submitted by the County Executive to the elected County Board of Supervisors eliminated all funds previously used to fund contributions to community organizations, a \$1.8 million reduction. The outlook for these organizations and the services they provided looked gloomy.

The funding crisis was real but most supervisors had strong existing relationships with many of the contributory agencies. Most of these organizations had received money through many past budget cycles, and expectations for continued funding were high. In Fairfax County, the department directors report to the County Executive. (The County Executive is an appointed position, similar to that of a City Manager.) Deputy County Executives are appointed to oversee different groups of departments. A large network of boards, authorities, and commissions are also in place, with the Board of Supervisors making individual appointments to these entities.

At the time the Fiscal Year 1997 budget was proposed, the Human Services Council (one of the many advisory groups) responded that the total elimination of funding did not seem fair, as the impact of the fiscal crisis on all county agencies was "only" an across-the-board 10 percent cut. In response to this concern, the Board of Supervisors established a community advisory group, the Funding Policy Committee, to review the proposed cuts and make its own recommendations. The Funding Policy Committee recommended a new funding process that ensured a stable, competitive process with a focus on the outcomes of service delivery,

something that would represent a dramatic change from current policy. Once the report was issued, the Funding Policy Committee ceased to exist, having fulfilled its mission.

Based on a recommendation from the Funding Policy Committee, a new entity called the Community Funding Implementation Team (CFIT) was created. By this time, a new County Executive was in place, and he appointed the members of the CFIT. The CFIT was intended to be community driven, which was reflected in its membership of nearly 20 individuals with diverse backgrounds and expertise.

The Funding Policy Committee had gathered data and information from around the county and country to benchmark various mechanisms that local governments were using at the time to fund human services programs and community organizations. Using this information, the CFIT identified the Community Services Block Grant, the Community Development Block Grant, the contributory agency funding in the county general fund, and several small pots of money in various human services departments and recommended that these funds be combined. The CFIT did not recommend inclusion of general requirement contract dollars, which remain in the human services departments (in Fiscal Year 2003, general requirement funding totaled approximately \$120 million).

After extensive deliberation, the CFIT decided that it was time to move forward, and they proposed pooling nearly \$7 million in funds that were more discretionary in nature. This decision was driven, in part, by the concerns of community organizations that had to meet different requirements and different application cycles for various programs. The community organizations also had concerns about being treated differently by different county departments. Initially, only the CSBG and general fund were included in the funding pool. A separate RFP process was already in place for allocations of CDBG funds to be awarded to community organizations. CDBG funds were first incorporated in the FY 2000 budget cycle, which marked the official creation of the CCFP.

During this same period of time, four separate performance-based activities were taking place in and around Fairfax County.

1. Many of the community organizations were working with the United Way, which was developing a community fund process based on outcomes.
2. Officials working with the CSBG at the federal level were also doing work with performance measures, using some of the same consultants who worked with the United Way. This work was integrated into the Fairfax County process.
3. Some Fairfax County staff were involved with Vice President Gore's Reinventing Government work, which also had a strong performance measurement component.
4. The local body responsible for the review of HUD funding in the Consolidated Plan, the Consolidated Plan Review Committee (CPRC), was also following the federal lead on performance and was working on ways to improve outcomes measurement and accountability in the use of federal funds.

The decision was made to move forward with performance measurement for county agencies at the same time that it was being implemented with community organizations.

“Sometimes when you have difficult times there is a silver lining...the community funding pool is that silver lining. One result of the County Executive's budget proposal was that the Board of Supervisors decided to work with the nonprofit partners, but do it with more science. Together we decided to fund the needs of the community, not just fund the nonprofits.”
Sharon Bulova, Fairfax County Board of Supervisors (Braddock District), Chair of the Board's Budget Committee

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The Consolidated Community Funding Advisory Committee

The Fairfax County Board of Supervisors adopted all of the recommendations from the CFIT. Once again, that committee was “sunsetting” with its mission having been completed. To oversee the process for the future, a new oversight body was recommended, which became the Consolidated Community Funding Advisory Committee (CCFAC). The CCFAC serves as the primary policymaking body for the CCFP.

Actions taken by the CCFAC include soliciting of community input on all aspects of the process, conducting a community needs assessment, developing policies, and establishing funding priorities and evaluation criteria for the blending of funds. The CCFAC also coordinates the application schedules with the local United Way, reducing the burden on applicants.

The county’s Consolidated Plan and citizen participation plan was amended to include the CCFP. HUD regulations, which already required a citizens’ participation plan for the use of the CDBG and other Consolidated Plan funds, were amended to establish the CCFAC as the responsible citizen advisory committee for the Consolidated Plan. The county committee that had previously been tasked with this responsibility, the Consolidated Plan Review Committee (CPRC), was abolished when this responsibility was assumed by the CCFAC beginning with the planning for FY 2000. The CPRC supported this change and worked with the members of the CCFAC during the transition phase.

County staff, particularly the contracting experts, blended the technical requirements from various programs into a single application. At this time, the decision was made *not* to include the Home Investment Partnership Program (HOME), Housing Opportunities for People with AIDS (HOPWA), and Emergency Shelter Block Grant (ESBG) program as all three seemed to fit specific purposes that were not entirely consistent with the goals of the CCFP. This decision also reflected the fact that affordable housing is one of the major issues in Fairfax County, where the average two-bedroom apartment rental is \$1,200 per month.

During the first two years, the CCFP awards were an annual process. After study and community input, the CCFAC recommended and the Board of Supervisors approved a two-year funding process. Extensive public meetings were held during the first funding cycle, often by just adding the funding pool issue to the agendas of previously scheduled meetings of various groups, boards, authorities, and commissions. From these meetings, county staff pulled out data related to key indicators, while at the same time trying to look ahead closer to the end of the funding cycle to consider if the needs might change.

What is the Consolidated Community Funding Pool?

In FY 2003, the Consolidated Community Funding Pool included funding in excess of \$8 million. In the FY 2005–06 funding cycle, the CCFP will include approximately \$9 million for each of the two fiscal years (awards are made for two-year periods). The funding sources are:

- **Community Services Block Grant or “Community Action” funds.**

Fairfax County government has served as the designated delegate agency for the community since 1978, competitively awarding sub-grantee contracts to community organizations until the money was blended into the CCFP. Funding for FY 2004 totaled \$560,000.

- **Community Development Block Grant money.** Funding from the CDBG allocation to Fairfax County includes the “Targeted Public Services” component, representing 15 percent of the total CDBG allocation to the county. Federal guidelines allow funding of a broad range of community services such as day care, employment training, and youth activities to address community needs, particularly of low-income residents. In addition, the nonprofit “Affordable Housing” component of the CDBG is included in the CCFP. Funding in FY 2004 for these two CDBG line items totaled \$2.23 million.

- **Fairfax County general funds.** Funding from the county general fund totaled \$5.9 million in FY 2004.

Funding priorities are recommended by the CCFAC based on an assessment of community needs and prior years' awards and are approved by the county's Board of Supervisors prior to the release of the RFP for the next funding cycle. Priorities are set as percentages since the actual dollar allocations are not known until later in the process.

Actual funding levels are determined annually through notification from the Commonwealth of Virginia of CSBG funding availability and subsequent approval of the county's request for funds, the notice of award allocation by HUD to the county on CDBG funding, and appropriation by the Fairfax County Board of Supervisors for allocation of these grants and general funds. The final appropriation process occurs annually each April for the upcoming fiscal year beginning July 1.

For the FY 2005–06 funding cycle, the \$9 million pool will be comprised of 6 percent from CSBG funding, 26 percent from CDBG funding, and 68 percent from Fairfax County general funds.

The FY 2005–06 funding cycle will devote resources to five priority outcomes (the previous cycle had six priorities) as determined by the CCFAC. A percentage of the pool has been allocated for each of the five outcomes.

1. People find and maintain safe, appropriate, and affordable housing (31 percent).
2. People have the skills and support they need to be self-sufficient (26 percent).
3. Families and individuals are healthy, stable, and independent (16 percent).
4. Youth make safe, responsible decisions (16 percent).
5. Families and individuals meet their basic needs (11percent).

These allocations, along with current-year awards, are submitted as part of the county's annual Consolidated Plan for use of CDBG, HOME, HOPWA, Emergency Shelter Block Grant, and Continuum of Care programs.

Appointments to, and Support for, the Consolidated Community Funding Advisory Committee

Remembering that most of the oversight work in setting priorities, along with the evaluation of the CCFP and outcomes of programs, is done by the CCFAC, staff from four county agencies provide support for the CCFP at numerous points in the process. These departments are: Administration for Human Services, Family Services, Housing and Community Development, and Systems Management for Human Services.

There is an interagency team leader that helps to coordinate various activities between agencies and facilitate input and resolution of issues as they arise.

The CCFAC is comprised of representatives from county human services boards and commissions, along with representatives from business and education, the United Way, and a community alliance of human services groups. Today there are 14 members of the CCFAC, which advises the Board of Supervisors and provides oversight and policy setting for the CCFP. The CCFAC also fulfills the role of citizen oversight for the federal HUD requirements for citizen participation in the development of the county's Consolidated Plan. The CCFAC also provides the link to the federally mandated committee, the Community Action Advisory Board, that determines which projects within the CCFP competitive awards process are selected for CSBG funding.

The Department of Housing and Community Development serves as the lead agency in supporting the meetings and work schedule of the CCFAC as well as for the Consolidated Plan. The Department of Systems Management for Human Services serves as lead for community input around setting priorities. The Department of Administration for Human Services serves as lead for contracts administration, monitoring and reporting, and the solicitation process. The Department of Family Services serves as lead program support to the Community Action Advisory Board.

The Board of Supervisors appoints members to the various human services advisory boards and commissions and sets the composition of the CCFAC membership. Those human services advisory boards selected to occupy seats on the CCFAC are charged with choosing individual members from among their groups to fill the slots. The County Executive makes the actual appointments based on the recommendations.

The CCFAC currently has three subcommittees: Community Input, Nominating, and the Executive Committee (which meets monthly, as needed, and has developed by-laws for the CCFAC). The CCFAC has established ad hoc and other subcommittees in the past to address specific aspects of the CCFP process such as guidelines for the Selection Advisory Committee, evaluation criteria, and application requirements and refinements.

The Selection Advisory Committee

Once the policies on the administration of the competitive process are set, and funding priorities for use of the funds completed, an application for funding is developed and published. Projects submitted by community organizations are reviewed by the Selection Advisory Committee (SAC). The rules governing the project reviews follow the county's general procurement practices, with one exception. The SAC is comprised entirely of Fairfax County citizens who review and rate all proposals based on the criteria set by the CCFAC. Their recommendations then go to the Fairfax County Board of Supervisors for final approval.

The CCFAC approves the RFP and the scoring criteria that will be used by the SAC and helps to recruit members for the SAC. The County Executive officially appoints the SAC members. The Board of Supervisors approves projects recommended for awards at the completion of the SAC review process.

The SAC, which typically has 15–20 members, is assembled only once every two years at the time new grant proposals have been submitted. The names of SAC members are not generally publicized to avoid lobbying on the part of applicants. The deliberations of the SAC are not public during the review process and are

exempted from public disclosure, consistent with Virginia procurement laws. No one with a fiduciary relationship to a bidding organization (including board members and the staff of any bidding organization) may sit on the SAC.

It takes approximately three months to complete the review process. Members of the SAC read, evaluate, and select the recommended awardees. The SAC typically receives requests for twice as many funds as they have available to make grant awards. During the deliberation process, SAC members have access to a wide range of data, including past performance and audit results for each of the organizations that have submitted proposals.

Census data and other pertinent information are reviewed, with technical assistance being provided to the SAC by a Technical Advisory Committee (discussed below) and other county staff. The county staff support allows the SAC members to research areas where they feel they need more information prior to making recommendations. The SAC determines funding awards based on the available funding and the worthiness of proposals meeting the highest rankings for the evaluation criteria used. Frequently, the SAC does not fully fund a request and changes funding for certain items within a project request, sometimes recommending increases. Upon notification to applicants of contract awards, county contracts staff meet with contract award recipients to negotiate the revised scope of services that can be provided, along with anticipated outcomes, with the community providers occasionally including special conditions on project requests.

After the awards made by the Board of Supervisors are announced, the CCFAC invites the SAC to a debriefing dinner (paid for by the county, the only remuneration any member of the SAC receives) to find out what went well and what did not with the reviewing, scoring, and ranking system of proposals. During this session, suggestions are made for improvements during the next funding cycle.

The Technical Advisory Committee

A Technical Advisory Committee (TAC), staffed by county agency subject experts, helps SAC members review proposals. The TAC members review proposals within

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their areas of expertise and respond to a set of questions about the proposal that are compiled for reference by the SAC. The TAC is also available to provide additional technical information as requested by the SAC. After the contract execution is completed, the TAC becomes less active.

Particularly early on, it was important to have the TAC in place to provide county staff with the assurance that SAC recommendations were based on the priorities set for use of the funds by the CCFAC. Just as some community groups had previously worried that county staff controlled the allocation of funding, the county staff were initially concerned that the “community” might have too limited an understanding of the overall human services needs in the county.

The TAC helped, and still helps, alleviate this concern by providing SAC members with the information they need to have confidence that their decisions will not be overturned due to some programmatic issue that they may not be aware of.

“The separation of the policy committee (the CCFAC), from the Selection Advisory Committee is critical to the success of the system. One group (CCFAC) sets the policy priorities, even though the percentage figures are just targets. The next group (SAC) actually makes the decisions on what proposals will be accepted. The criteria that the SAC must follow are strict enough that the ability to be lobbied on individual decisions has been virtually nonexistent.” *Sharon Bulova, Fairfax County Board of Supervisors (Braddock District), Chair of the Board’s Budget Committee*

The 18-Month Calendar

While the calendar of activities has varied for each cycle, what follows is the 18-month planning calendar for FY 2003–04:

Date	Activity
March–June 2003:	CCFAC conducts needs assessment and revises priority areas, policies, and evaluation criteria
April 2003:	begin RFP edits
May 2003:	public comment on priority areas
June–July 2003:	final review and board approval of priority areas
July–September 2003:	final review of RFP, identify SAC and TAC members
October 2003:	release RFP, notice of solicitation mailed and posted
November 2003:	pre-proposal conference for potential bidders
December 2003:	proposals due, SAC members appointed, SAC/TAC orientation
January–April 2004:	SAC review process
April 2004:	board approves recommendations, awardees notified
May–June 2004:	contract negotiations, SAC dinner, orientation for awardees
July 2004:	contracts initiated
July–August 2004:	debriefing meetings for non-funded applicants
September 2004:	complete annual report on prior year programs/outcomes
Ongoing:	monitoring and technical assistance, including training

The Master Contract

A standard county contract form was already in place and most of this was easily transferred to the new blended funding process. Fairfax County noted that the CCFP represents less than 10 percent of total human services contracting activity and that the Department of Administration for Human Services handles an estimated 1,000 contracts for more than 80 separate programs totaling \$120 million annually.

By using a standard contract and reducing the number of applications community organizations had to produce, community organizations are able to spend more of their time doing what they do best: providing services that achieve specific outcomes. The Department of Administration for Human Services and the Department of Housing and Community Development conduct the contracts monitoring and administration of the CCFP process and work with the CCFAC and the inter-agency staff to continuously look for ways to minimize administrative burdens for the community organizations. Staff of the Department of Administration for Human Services and the Department of Housing and Community Development worked closely together over a period of months in consultation with purchasing agency staff and county attorneys to consolidate and streamline contracts and application requirements that existed prior to the CCFP.

When additional contract requirements to the standard contract document are needed, they are added as an attachment. This helps keep the standardized contract “clean” and also seems to help the community organizations understand that the primary emphasis of the contract is on outcomes. Attachments are used for funding stream-specific items for the federal block grant programs.

Fairfax County now advances quarterly payments on most CCFP contracts. This especially helps smaller organizations make payroll, but it can also be beneficial to the county when they need to provide more oversight to underperforming agencies. If the county chooses, it may make monthly instead of quarterly payments. However, most interaction between the county staff and the agencies is reported to be strong and positive. The potential for a payment being withheld usually means

that other breakdowns have occurred. The contracting process is just one example of where a considerable amount of time and money seem to be saved for all parties, particularly compared to the old system where monthly checks were printed and distributed.

Fairfax County has just implemented an Internet-based reporting system where grantees are required to complete an outcomes worksheet online, based on their original contract. In the past, this part of the process involved paper forms, faxes, and mailings, so this new use of technology has become an additional way to save time and money. It has also become a part of the accountability process. When an organization doesn't file its quarterly report, it can be an indication of other problems. Staff immediately follow up with a site visit to help solve difficulties and resolve performance issues. These practices are also in place for all county human services contractual agreements.

Fairfax County provides training on its reporting system. As part of the training, each community organization actually gets to manipulate data for its own organization, so the exercise provides a better sense of what functions must be performed by the organization and how reports are to be filled out. This is a real project, not an academic exercise. The purchasing of computers and Internet access are both allowable expenses, but most organizations have not needed to do this. Fairfax County staff initially expected problems related to filing reports online, but they were pleasantly surprised to find that almost every community organization possessed adequate computer equipment and the necessary skills to use that equipment.

II. Taking a Fresh Look at How to Appropriate and Use Funds

Fairfax County has benefited from both a two-year funding cycle as well as the blending of several funding streams. In the CCFP, Fairfax County has been able to align their funding cycles with state and federal agencies. Fairfax County staff thought that they already had a good accounting system in place prior to the CCFP,

managing multiple grants in eight human services agencies. The new CCFP process only added two more grant programs. Prior to the CCFP, there were examples of grants being tracked from different fiscal year cycles between the local, state, and federal governments, so the message from Fairfax County staff was that if an accounting system can handle its current responsibilities with no audit findings, there should be few additional obstacles in moving to a blended funding system.

No federal waivers were either sought or required by DHHS or HUD. The new competitive application and proposed contracting mechanisms were shared with staff in these two federal agencies prior to being used. There were no objections, and the federal reviewers expressed support for the endeavor.

Fairfax County staff believe that they have saved a significant amount of administrative dollars by blending the funds around a single bid system.

The Fairfax County team described how moving to a two-year grant cycle provides everyone with a much needed break and also allows for long-term planning. They did note that the two-year award still comes with an annual (one-year) allocation. In Virginia, as in most jurisdictions with annual budget cycles, it is not legally possible to obligate future funds, so an “opt-out” clause is required to say that each contract is valid pending the receipt of future appropriations.

Fairfax County staff believe that they have saved a significant amount of administrative dollars by blending the funds around a single bid system. This also saves money on oversight and auditing—though, to date, a comprehensive assessment of the savings has not been conducted. (In 1998, the Fairfax County Office of Management and Budget cut one staff position, attributing the cut, and the cost savings, to the reduced workload from the efficient contract oversight system developed around the CCFP.)

Team members from both San Antonio and Fairfax County recognized that the largest portion of human services expenditures in Fairfax County is still in direct services; money that is not allocated through the CCFP. Fairfax County staff estimated that the CCFP covers less than 10 percent of all human services funding spent in the county each year. Assuming the early part of this project goes well, members of the San Antonio team would eventually like to move a larger percentage of their human services funding into the new system.

The Monitoring Process

Once the contracts are awarded, six staff members from two county departments are assigned to monitor them. If an organization has multiple contracts, every effort is made to assign a single person to monitor all of the projects for that organization with the goal of providing at least two site visits each year. Participants from the San Antonio team received copies of the monitoring documents that included a records review as well as a description of site reviews (which generally include interviews with service recipients).

Efforts are made to balance the workload between the six staff members who are assigned to perform the monitoring. Sometimes the smaller-size contracts require the greatest amount of work, so the actual number of contracts isn't always the best measure of workload. More mature community organizations may require less review time than newer, smaller organizations.

The Fairfax County team tries to fund single programs from single pots of money within the pool (CDBG, CSBG, or general funds). Fiscal tracking is easier for both county staff and the community organizations when this occurs.

In addition to at least two site visits each year, a fiscal contract manager makes one visit annually to each grantee to review accounting records and check for fiscal discrepancies. More frequent contact between the contract monitors and the community organizations is, however, common. In some cases, this might occur on a weekly or at times even a daily basis. The goal is to address small problems early on, before they become large problems.

The contracts review staff are constantly in the field working with the community organizations to increase the organizations' comfort level with the entire system. An important part of the process has been helping the community organizations understand that the contracts review staff also have a stake in helping them succeed. An example was given of a quarterly report being submitted in Korean, a language that no one on the contracts review team was able to translate. Rather than just sending the report back with a request to resubmit it in English, staff visited the organization to explain the relevance of each reporting item and to make sure that

someone in the organization who could write in English took responsibility for submitting future reports.

“If San Antonio could get to a single program monitor for each community organization the way Fairfax does, this by itself would be a big help.”

Rebecca Cervantez, Executive Director, AVANCE San Antonio

Tracking by Funding Source

Other jurisdictions have anticipated legal or audit problems when attempting to create similar funding pools, particularly with CDBG money. Fairfax County has developed a way to address this problem. When first looking at the pool concept, the Fairfax County accountants were also concerned about a variety of audit issues associated with blending the funds. The process that they developed, while called a “consolidated” funding pool and while having every public appearance of being a single funding pool, actually still is managed as a couple of separate funding streams, with the appropriate accountability for the various funding streams managed by the respective departments responsible for the funds.

III. The Role of Elected Officials

The San Antonio team’s interpretation of the interests of their elected officials is similar in many ways to that of Fairfax County, particularly in their shared desire to create a better system. The feeling in both jurisdictions is that past investments have been made in community organizations based on relationships, and in recent years the elected officials in San Antonio have talked more about moving to a non-entitlement system of purchasing services based on measurable outcomes. The goal of trying to better manage the agency contracting system in San Antonio has been gaining momentum with elected officials during the past few years.

Fairfax County had the “benefit” of a fiscal crisis. While the fiscal situation has been difficult in San Antonio during the last few years, it has not been identified as a “crisis,” at least not in comparison to what Fairfax County community organizations were facing in 1997.

Under the old Fairfax County system, there were separate line items in the budget for each “contributing agency.” The new, outcomes-based approach generally removed the ability of individual, elected officials to distribute money directly to community organizations. San Antonio expressed interest in this and wanted to learn how the Fairfax County SAC was able to provide a thoughtful outcomes-based approach for funding allocations while insulating elected officials from year-round funding requests by organizations.

The Fairfax County team described how, at first, some community organizations approached individual supervisors and suggested that their organization was an exception that should be treated differently with separate funding coming from outside of the CCFP system. Now, with the entire Board of Supervisors holding the line on these “exception” requests, the pressure from organizations lobbying to be exempt from the outcomes-driven process has been almost completely eliminated.

“If elected officials genuinely want to focus on high-performance government, this process lets them do so, while also providing protection from individual organizations lobbying for more money. The new system means that elected officials do not have to say ‘No,’ something they don’t like to do under the best of circumstances.” *Margo Kiely, Director, Fairfax County Department of Systems Management for Human Services*

The Fairfax County supervisors also recognized that there was a political risk if they sponsored an organization to receive money directly in the budget. In the past, when one of these organizations experienced any type of failure or scandal, the elected official shared in receiving some of the negative publicity.

While individual supervisors in Fairfax County never had small sources of discretionary funds that could be spent on individual groups, they now say that they wouldn’t want the burden of such a fund and prefer to work through the larger outcomes-based CCFP system. They also prefer not to vote on specific community organization line-item appropriations within the larger county budget.

The San Antonio team’s interpretation of the interests of their elected officials is similar in many ways to that of Fairfax County, particularly in their shared desire to create a better system.

The Fairfax County team believes that the community makes the outcomes-driven process sustainable by working in cooperation with elected officials. Any lack of trust coming from either group would erode the integrity of the system. The elected officials had (and have) an investment in honoring the work of the community. In the first couple years, between 50 and 60 public forums were held to help get to this process. Today, fewer forums are held, but the trust level is much higher than when the CCFP was first implemented.

Of course elected officials are still a very important part of the process. They must give their approval at various stages of the CCFP process, from appointments, to policies coming from the CCFAC, to the final grant selections. However, if the system is working as planned, these votes become routine actions, not pressure points to overturn previous decisions. Each vote does provide an opportunity to demonstrate that the process includes checks and balances that only need to be exercised when some specific part of the process is not working as planned. During the last few grant cycles, the process has worked as planned, which is reflected in the lack of override votes on individual grants, broader policies, or appointments to the CCFAC and SAC.

Now in its seventh year of operation, everyone—elected officials, county staff, and community members—has multiple opportunities to provide meaningful input. According to the CCFAC members, the biggest testament to the success is that the Board of Supervisors continues to support their CCFAC appointees. There has never been a lawsuit or a legal problem, and the Board of Supervisors has never disapproved a decision made by the Selection Advisory Committee or a recommendation made by the CCFAC relative to the CCFP and the Consolidated Plan.

“The CCFAC has a responsibility as the policy group to help elected officials feel comfortable with the decision-making process, and they take this role seriously.” *Ann Zuvekas, member, CCFAC*

“The many different advisory boards always provided some level of accountability for the government, but with the CCFAC process, the representation from the various advisory boards provides integrity for the entire system and a level of confidence for the elected officials that the community interest is being well represented.” *Catherine Hutchins, Fairfax County Board of Supervisors*

Many of the CCFAC members are chosen because they represent their particular advisory board (e.g., disability issues, homelessness, health care), and since these advisory boards consist of appointments made by the elected supervisors, another loop of accountability is provided back to the elected officials. It is also one more way to demonstrate to the community that the role of these advisory bodies is taken seriously.

IV. The Role of the Community

“It is very burdensome to put together multiple proposals to the same agency. AVANCE receives funds from CSBG, CDBG, and from general funds, which means that I oversee proposal writing for all three contract cycles.” *Rebecca Cervantez, Executive Director, AVANCE San Antonio*

“The pool really does represent all of the people in the community. There is a lot of outreach and there are a lot of focus groups. The pool does not just work with the nonprofits, it also works with the low-income individuals.”
Iona Levin, member, CCFAC

During the second day of the match, several members of the CCFAC joined the group to talk about their roles and expectations for participation. The afternoon also included a rich conversation about how community organizations have learned to appreciate and use the outcomes-based funding process to improve their ability to serve their constituencies.

Leveling the Playing Field through Technical Assistance

The funding pool provides technical assistance for community organizations, particularly the smaller ones, around grant writing and performance measurement. Other sessions are also offered, always in an attempt to help organizations become more successful. Recent sessions were held on board management, financial accounting, and staff development. Other topics have included fundraising, making the best use of volunteers, information technology, and marketing your organization.

Fairfax County views these training sessions as a way to indicate to the community that everyone shares the same goal of better outcomes.

The most recent training budget is \$40,000. County staff make great efforts to encourage participation by smaller, ethnic/language organizations. Even though no one is excluded from Fairfax County-sponsored technical assistance (including community organizations that do not receive funding from the CCFP), the larger, better-established organizations tend not to need the same level of assistance.

Fairfax County has worked hard, mainly through technical assistance opportunities, to try to level the playing field on skills and information. The options of carving out dedicated funding for smaller community organizations, or giving bonus points to large community organizations that partner with small community organizations, have been considered. These have been rejected by the CCFAC as they feel it would undermine the overall integrity of a results-based system. The CCFAC has instead decided to continue to support increased technical assistance for the small groups who want to participate. This approach seems to have had some success as there have been a few new ethnic and language-based organizations that have received money under the CCFP. On occasion, small ethnic organizations have split off from larger existing organizations in an attempt to bid for pool money, something that the CCFAC also views as a healthy sign.

Looking for Volunteers

The CCFAC members who participated in the peer match talked about the importance of identifying and selecting community members to serve on the CCFAC and SAC. Beyond being able to represent their own constituencies, the community leaders must also be able to think broadly about fulfilling the wider community outcomes. They also must be able to devote large amounts of time, with burnout always a concern for these positions. These very important positions are hard to fill, in part because of the significant time commitment required. The steep learning curve for new members is also daunting. The Fairfax County team has determined that CCFAC orientation is a crucial component of preparing new members to be productive participants. They estimated that despite the large and comprehensive training manual given to new members, it still might take at least six months before appointed committee members feel comfortable with their new role.

The Fairfax County team has determined that CCFAC orientation is a crucial component of preparing new members to be productive participants.

Sometimes a new or a small organization that is considering applying for funding in the future tries to have a representative appointed to serve on the SAC as a way of getting a quick and thorough education on how the process works. The CCFAC thinks that this is a good thing and has encouraged this form of participation, however, the organization cannot also be an applicant in that funding cycle.

“CBOs’ (community-based organizations) resources are limited.

De-politicizing the process in San Antonio will be a relief if the result is an open, accountable system that actually deals with the needs of the community. The CBOs should be held partially accountable for meeting the needs of the community in San Antonio.” *Rebecca Cervantez, Executive Director, AVANCE San Antonio*

The Process Keeps Evolving

The process continues to evolve. Fairfax County staff believe that community organizations would prefer the process to remain stable and unchanging for a while, as the last seven years have involved an intensive amount of work and subsequent evolution. The reality is that each new funding cycle brings additional changes that improve the process and system.

For example, the FY 2005–06 funding cycle has five priority outcome areas, down from six in the previous round. The decision was made by the CCFAC to drop the sixth priority because in the last funding cycle, the volume of applications in this outcome area was well below the proportion of the budget that had been allocated. The scope of activities included in priority six was incorporated into the other five priority areas.

PARTICIPANT REFLECTIONS AND NEXT STEPS

As the peer match drew to a close, participants reflected on what a rich and worthwhile learning experience it had been. Following are some of the critical lessons that emerged from the match:

- **Make it as easy as possible for the community organizations.**

This type of system must respect the community organizations, recognizing that they can deliver certain services better than the county.

Keep the work of the community organizations as simple as possible. Let the county staff take the responsibility for technical compliance. Let the community organizations just “do” what they say they want to do.

“The system has been set up so county agency staff are willing to take the flak when something goes wrong. It is the job of Fairfax County government to have a thriving nonprofit community, and one of the ways they can help do that is by having county staff, not CBO staff, be responsible for dotting the regulatory i’s and crossing the fiscal t’s behind the scenes.” *Margo Kiely, Director, Fairfax County Department of Systems Management for Human Services*

The goal of keeping the standard contract as simple as possible, and making it the responsibility of the contracts review staff, is to free up the community organizations to focus on what they do best, which is addressing specific service needs based on expected outcomes.

- **Allow the community organizations to focus on outcomes, not on process.**

Community groups often wondered why they were being asked to report certain things, and if there wasn't a compelling reason, these old requirements were dropped.

A major goal of the process was to focus more on outcomes and less on process, particularly for the smaller community organizations. For the county staff, there is a considerable expenditure of energy to match up the various pieces of the process, but they do this because it is the part of the system that they are best equipped to handle. The community organizations are best at service delivery, so the system is designed to allow each side to do what they do best.

- **Build and show respect for the community organizations.**

This type of system must respect the community organizations, recognizing that they can deliver certain services better than the county. The county agencies cannot drive the process based on what is most convenient for county staff.

- **Recognize that volunteer boards and committees have a limited amount of time and energy to devote to this work.**

A dedicated interagency staff helps to balance out the CCFAC burnout problem. Fairfax County staff recognize that participation in either the CCFAC or the SAC requires long hours of commitment. The county staff also appreciate that the elected officials rely on the CCFAC to provide the necessary public input and the elected officials, in turn, expect the county staff to provide assistance to the CCFAC wherever appropriate.

“While there is a constant feeling of having to sell the program, all of the sound bites come from nonprofits, not from the government.” *Audrey Spencer-Horsley, Fairfax County Department of Housing and Community Development*

- **Make the process as transparent as possible. Communicate, communicate, communicate.**

“Everyone might not like everything that has happened, but they can’t say that they are not aware of the process and did not have an opportunity for input.” *Audrey Spencer-Horsley, Fairfax County Department of Housing and Community Development*

A lot of communication and continued respect from all sides is necessary to keep this type of process moving forward.

- **Don’t try to do everything at once.**

This work requires that many details be agreed to and worked out. It’s very difficult, if not impossible, to take it all on at once. For example, Fairfax County has only just this year consolidated all of the monitoring requirements into a single document. The advice given to San Antonio was to take a step or two at a time, making sure that enough attention is paid along the way to each critical item that needs agreement and communication.

Not only will there be more time later to accomplish additional improvements, but if the system collapses early on, you will never get to the point where you can make the tougher, longer-term changes that may need to occur.

One example of not trying to do too much too fast was the decision to keep CDBG money separate during the first year. The consolidation started first with the application, then evolved into other areas. Each year sees improvements. This year will be the first time that the RFP forms have been available and used online.

- **Always think about sustainability.**

The Fairfax County team described its desire to create a sustainable process as being one of the reasons for moving slowly during the early years. If it recognized and avoided problems early on, particularly small problems that could grow into bigger problems, the blended funding concept had a good chance to be sustainable.

- **When everyone gives up some control, the entire system becomes stronger.**

Sometimes it really is possible that less control can be a good thing. Once everyone—county staff, elected officials, and community organizations—came to this same conclusion, the process had a chance to succeed. Success was not guaranteed, but the initial success of the blended funding pool would have been impossible without this recognition by all of the critical parties.

- **Build a culture of all three groups (elected officials, county staff, community organizations) being in this together, all working toward the same end of better services with better accountability for achieving results.**

“Creating a culture around performance is important. This allows elected officials to focus on broader issues and not use their valuable time on detailed discussions where they may not have enough information to determine the value of a particular idea or program.” *Bill Macmillan, Fairfax County Department of Systems Management for Human Services*

Individuals still advocate for their issues (housing, people with disabilities, etc.), but they are able to come together for the good of the entire process. A failure of an individual program or an organization is a failure for county government, for the community, and for the entire system.

- **A blended funding system can save time and money, but better service delivery and increased accountability should remain the primary goal.**

“With money a problem, this is the time to force a good conversation about improving service delivery.” *Dennis Campa, Director, Department of Community Initiatives, San Antonio*

The Fairfax County staff cited numerous examples where savings could be attributed to the CCFP, both for county government and for the community organizations. While this has never been the main selling point for the program, they did feel that the time might be right to begin to better document the savings that have resulted from the CCFP.

- **Provide adequate technical assistance to ensure that smaller community organizations will be full participants in the move to an outcomes-based system.**

The Fairfax County staff are serious about their role of supporting community organizations and helping them to be successful. They provide a variety of technical assistance and learning opportunities to strengthen any community organization that wishes to attend, whether they receive county funding or not. The San Antonio team was particularly impressed with the “above and beyond the call of duty” attitude of the Fairfax County staff when it came to assisting the community organizations throughout the new process.

- **Build strong relationships between county staff and community organizations.**

County staff and community organization staff have developed good working relationships in Fairfax County. They are partners trying to succeed, and the role of the county staff is *not* to try to catch mistakes. The technical assistance component has been an important part of getting to this point, as early participants in this process realized that the relationship between the contract monitor and the community organization is critical to its ultimate success.

- **Keep the desired community outcomes language broad enough to maximize the number of community organizations that may choose to participate.**

In developing the original criteria back in 1997, the Fairfax County team recalled that they kept the criteria broad so all legitimate community organizations could participate. This theme of looking to encourage new groups to participate has grown stronger over the years. Rather than provide specific incentives for new groups to bid, the CCFAC has focused on not letting the outcomes and criteria become overly specific as a better entry path for new organizations.

- **The Fairfax County system may not be the exact, right fit for San Antonio.**

Only by getting the community involved in the development of a new process will it become clear what works best for the citizens of San Antonio. However, since a

lot of the written information on contracts and data and process are on the Fairfax County website and can be shared, this is a good source of information to start discussions about how to build the “right” blended funding system for San Antonio.

“All human services work is deeply embedded in the community—this kind of systems conversion can’t be done just by reading about how another community (in this case Fairfax County) has done the work. In a healthy community, there will be an organic relationship between public service, government (elected and appointed officials), and the nonprofit community.” *Margo Kiely, Director, Fairfax County Department of Systems Management for Human Services*

- **The trust of the community is only maintained if there is a lack of political interference from both county staff and elected officials.**

By agreeing to this philosophy, elected officials and county staff could also buffer themselves from unpopular cuts and pressure from individual interest groups. By the time fiscal resources had rebounded (after 1997), the elected officials had become comfortable with this system that continued to highlight substantive, outcomes-based funding decisions, as opposed to rewarding the organizations with the best political connections. So far, the Board of Supervisors has approved the recommendations exactly the way they have been presented by the CCFAC and the SAC. In recent years, the performance outcome measures genuinely seem to have become an important part of the decision-making process, both on past reporting and on future outcome targets.

- **A two-year cycle has benefits for community organizations and county staff.**

Fairfax is just completing its third two-year funding cycle. The two-year cycle has been popular with the community organizations for various reasons, including the fact that measurable results are more likely to be discernable during a two-year cycle than during a single 12-month time period.

In addition, before this system was implemented, funding application dates fell throughout the year depending on the cycle set by each agency. By aligning the

funding cycles, community organizations and agency staff are able to do a more credible job of completing and reviewing applications, while saving considerable amounts of time and energy that are better spent on other endeavors. (Also, the current application cycle has been set so that it does not conflict with the application cycle established by the local United Way.)

The San Antonio team identified the following next steps for its effort:

- San Antonio would like to have a single RFP in place by early 2004, even though this may result in some truncated funding due to the different fiscal year schedules for existing programs. They would like to have at least the same three funds blended together that are blended in Fairfax County (the Community Services Block Grant, part of the Community Development Block Grant, and general funds). They might also consider including funds not currently in the Fairfax pool. Housing Opportunities for People with AIDS and Emergency Shelter Block Grants have both been mentioned.
- San Antonio, through the *Making Connections* work, also wants to involve the community in helping to decide what a new system will look like. They want to make sure that any blending of funds is done in a way that is transparent to the community.

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WHAT IS *MAKING CONNECTIONS*?

Making Connections is the Annie E. Casey Foundation’s initiative to improve outcomes for some of the nation’s most vulnerable children and families. The initiative is conducted through deep and durable partnerships with selected cities and neighborhoods across the United States (for more information, visit www.aecf.org/mc). Several core ideas underlie *Making Connections*:

- *Making Connections* is based on the recognition that the greatest number of American children who suffer from “rotten outcomes” live in city neighborhoods that are in many ways cut off—disconnected—from the mainstream opportunities of American life. Thus, *Making Connections* is “place-based”—it focuses on specific neighborhoods in specific cities.
- *Making Connections* has a simple theory: that children do better when they grow up in strong families, and families do better when they live in supportive neighborhoods. Thus, *Making Connections* strategies are aimed at helping families obtain what they need to be strong, and helping neighborhoods gain the resources they need in order to support families well.
- *Making Connections* focuses on three major types of “connections” that help families grow stronger and achieve what they want for their children. The first of these is helping families connect to **economic opportunities** and to jobs that provide income, assets, and an economic future. Research and experience suggest that this type of connection is unlikely without two others: strong connections to the **social networks** of kin, neighborhood groups, and other informal ties that sustain families when times get tough, and to high-quality, **effective services and supports** that help families reach their goals.

Making Connections focuses on improving results for children and families in tough neighborhoods. Core results that *Making Connections* communities are mobilizing around include:

- Families have increased earnings and income;
- Families have increased levels of assets;
- Families, youth, and neighborhoods increase their participation in civic life;
- Families and neighborhoods have strong informal supports and networks;
- Families have access to quality services and supports; and
- Children are healthy and ready to succeed in school.

A key task in ensuring the success of *Making Connections* is making available the learning and technical assistance that the participating sites need to move forward with their work. One of the ways that the Foundation provides this kind of support is by making peer matches available.

WHAT ARE PEER MATCHES?

Since 1995, as part of a broader effort to rely more intentionally on the experience of people working in the field, the Center for the Study of Social Policy began working with several partners and funders to develop and offer a rather intensive form of peer technical assistance known as peer matches. Peer matches are structured opportunities for teams of people from two or more jurisdictions who are working on a similar issue to exchange experiences and practical knowledge toward resolving a particular challenge that has been identified in advance.

The rationale behind peer matches is straightforward. Often, the people best able to provide hands-on help are the “doers” themselves—people from states and communities who have successfully addressed a problem or created an effective new policy or strategy. These are the people who have an acute sense of what has and hasn’t worked, and why and why not. They have developed good tools and strategies they can share. And they are usually eager to help others because of a strong sense of shared mission. But while good peer matches are informal, they are never

casual, using a carefully designed process and structure to focus the common interests, roles, and goodwill that exist between peers on producing meaningful change for a community.

Peer matches are a resource and time intensive strategy. Careful consideration of when, where, and how to use this approach is therefore always warranted. Experience has shown that careful preparation and execution of the matches are critical factors for their success. This approach tends to work best when the following conditions are in place:

- A specific problem or issue has been identified, and the people looking for help are at a key decision point with respect to the design or implementation of a state or community strategy;
- Stakeholders are invested in and have a high degree of ownership in solving a problem;
- The timing is right—e.g., a decision or action that will affect the community’s family strengthening agenda is going to be taken and/or someone needs to be convinced to take action; and
- A reasonably small number of people have the authority and ability to act on what they learn in the match.

To date, the Center has brokered over 60 peer matches on topics ranging from creating resident-led community development corporations and governance structures, to establishing multilingual homeownership assistance centers, to building integrated services models. As illustrated in the case summaries that are part of this series, peer matches help spread good policies and practice, build relationships among different stakeholders who may not always have a chance to work together, and enable people to put changes in place that improve results for children, families, and neighborhoods.

ATTACHMENT A: A Short Summary of the CCFP (prepared in July 2003)

Up until the mid-1990s, Fairfax County, Virginia, made decisions about contracts with community service agencies pretty much the way everyone else did. Each individual agency used a system of direct payments, that were either approved or rejected by the elected Board of Supervisors.

Between 1995 and 1997, resources were shrinking and Fairfax County pushed to bring more accountability to the process of awarding funds. They started by setting funding priorities and adding performance outcome measures to contracts, which then led to the effort to see how much funding they could combine into a pool of funds that could be distributed through a single Request for Proposals (RFP).

The result is a nationally recognized funding and performance measurement system called the Consolidated Community Funding Pool (CCFP). Information about the CCFP is available at www.co.fairfax.va.us/service/ccfp/default.shtm.

Operation of the CCFP

The CCFP is made up of funds from three sources. In FY 2003, the pool had over \$8 million.

The funding sources are:

1. **Community Services Block Grant money** (what most people would think of as community action agency funds);
2. **Community Development Block Grant** money, including the 15 percent cap on public service dollars allowed by CDBG regulations, and an allocation of CDBG funds for housing projects by nonprofit agencies; and
3. **Fairfax County general funds.**

Funding priorities are established as percentages based on prior utilization and an assessment of community needs, since the final dollar allocation from each funding source is not known until later in the process. Awards are made every two years. During fiscal years 2003 and 2004, there were six funding priorities. A percentage of the pool was allocated to each funding priority:

1. safe/affordable housing (27 percent),
2. supports needed to be self-sufficient (21 percent),
3. youth make safe/responsible decisions (18 percent),
4. families/individuals are healthy, stable, and independent (14 percent),
5. families/individuals meet basic needs (11 percent), and
6. communities are safe, inclusive, supportive (9 percent).

Administration of the CCFP

Staff from four county departments assist in staffing the CCFP:

1. Department of Administration for Human Services,
2. Department of Family Services,
3. Department of Housing and Community Development, and
4. Department of Systems Management for Human Services.

However, most of the oversight work in setting priorities, along with the evaluation of the CCFP, is done by the Consolidated Community Funding Advisory Committee (CCFAC).

The CCFAC is comprised of representatives from different county human services boards and commissions. An additional Selection Advisory Committee (SAC) is made up of citizens who review and rate all proposals based on the criteria set by

the CCFAC. All recommendations then go to the Fairfax County Board of Supervisors for final approval.

What Makes the CCFP Unique?

1. **Blending of funds.** *The public sees a “pool” of money, but the accountants still track funds by their source.* Other jurisdictions have encountered legal or audit problems when attempting to create similar funding pools, particularly with CDBG money. Fairfax County genuinely has come up with an important way to address this problem.

When first looking at the “pool” concept, the Fairfax County accountants were also concerned about a variety of audit issues associated with blending the funds together. The process that they developed, while called a “consolidated” funding pool and having every public appearance of being a single funding pool, actually still is managed as a couple separate funding streams. For the purposes of grant accounting, grants using both block grants are still tracked accordingly. CCFAC knows ahead of time generally what the anticipated allocations from the block grants are and these are considered as they develop priority areas.

For the purpose of talking about a consolidated pool system, all that the public sees are percentage targets based on priorities. These priorities provide guidance to applicants and the Selection Advisory Committee for the distribution of awards without setting a fixed dollar amount for each.

The setting of priorities genuinely seems to be driven by the public and the CCFAC, but when it comes to determining what projects will be funded from what funding source, the county agency staff do play a significant role. This is critical for keeping this larger “consolidated fund” superstructure functioning in a fiscally sound manner. They also believe that it is important to keep some portion of the CDBG money devoted exclusively to housing issues, isolated from the rest of the funding pool since the county’s Redevelopment and Housing Authority has the capacity to carry out more complicated and large scale projects, as well as to take advantage of various opportunities to develop affordable housing.

2. **Political support.** *Lack of political interference.* The Fairfax County Board of Supervisors established the system during a fiscal crisis. One goal was to make sure that spending cuts didn't adversely impact certain priorities. This was also a way to buffer themselves from unpopular cuts and pressure from individual interest groups. By the time fiscal resources had rebounded, the elected officials had become comfortable with this system which continued to highlight substantive, outcomes-based funding decisions, as opposed to rewarding the organizations with the best political connections. The Board of Supervisors has, to date, approved all recommendations exactly as they are presented by the Selection Advisory Committee. In recent years, the performance outcome measures have become an important part of the decisionmaking process, both on past reporting and on future outcomes targets.

3. **Public input.** The CCFAC holds public meetings during a very long process leading up to the issuance of the RFP and the subsequent funding recommendations that are made to the Board of Supervisors. *The local agencies see the system as being fair. They also appreciate having applications coordinated in a two-year cycle.* The two-year funding cycles have been popular with the community organizations for different reasons, including the fact that it is easier to produce and measure results over two years, rather than in a single 12-month time period.

Before this system was implemented, the application dates fell throughout the year depending on the application cycle set by each agency. The current application cycle has also been set so that it does not conflict with the application cycle established by the local United Way.



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