

April 27, 2011

Dear Coordinated Funding Applicant:

In the fall of 2010, the Ann Arbor Area Community Foundation (AAACF), the City of Ann Arbor (City), the United Way of Washtenaw County (UWWC), Washtenaw County (County), and the Washtenaw Urban County (UC) approved a coordinated funding partnership for local human services funding in six priority areas (Aging, Early Childhood, Housing & Homelessness, Hunger Relief, Safety Net Health and School-Aged Youth).

This coordinated funding process includes the following components:

- Coordination/Planning (UWWC and AAACF funding);
- Capacity Building funding process (UWWC and AAACF funding); and
- Program Operations funding process (City, County, UC and UWWC funding).

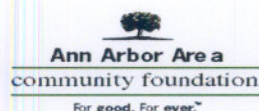
Each of these components is informed by the others and funders collaborate to ensure efficient and effective investment of both public and private human services funding. The final approval of funding recommendations in each of these processes, however, remains under the authority of each partner's board.

Implementation of the Program Operations component of the coordinated funding process began with a Request for Qualifications (RFQ #6586)—issued in December 2010 to over 100 local human services agencies—which determined an agency's financial and organizational capacity to manage human services funding and program delivery. Fifty-eight agencies submitted responses to this RFQ and 51 of those agencies were eligible to move forward in the application process.

The 51 agencies that demonstrated financial and organizational capacity were invited to apply to the Request for Proposals (RFP #6598), released in January 2011, for human services program operations funding in five priority areas: Aging, Early Childhood, Housing & Homelessness, Safety Net Health, and School-Aged Youth. The sixth priority area, Hunger Relief, was identified by the funding partners as a sole-source activity due to the unique and system-wide services provided by Food Gatherers, and was therefore not included in the competitive process.

The RFP responses, submitted via Community Grants by March 4, 2011 at 3pm included 76 applications submitted by 46 agencies totaling \$6,580,517 in requested funding.

We appreciate that our non-profit partners are providing necessary services and that there is increasing community need. However, the requests for funding far outweighed the finite



resources available—\$6.5 million in requests for a total of \$4 million in funding and thus, not every application was recommended for funding.

On April 6, 2011 the Coordinated Funding Review Committee—comprised of three representatives from each funding partner as well as staff—completed its evaluation of the 76 human services program operations proposals utilizing the scoring matrix that was included in the RFP and reviewed specifically with applicants in advance of the application deadline. The resulting proposal scores range from 36 to 98 (out of a possible 100), with a median of 75. These scores reflect *the quality and clarity of the applicants' proposals as evaluated by the pre-established and disseminated scoring criteria* designed to maximize assurance that human services funds are invested wisely and in accord with established priorities.

In an effort to make strategic investments in programs that clearly conveyed the most promising approach and capacity to address community priorities, the highest-scoring proposals were recommended to receive level funding based on their current award. All additional awards recommended slight reductions in funding (4% and 8% respectively) in descending order by score. Additionally, the Committee agreed that new proposals (including those that were not currently funded by the partners) would be funded up to a maximum of \$20,000, depending on the score received. Finally, given the limited funding available and the level of quality and clarity demonstrated by proposals scoring in the lowest tier, no funding was recommended for proposals scoring at or below 60.

The Committee's 2011-12 annual funding recommendations are as follows (see attached spreadsheet for program specific recommendations; recommendations are annual amount to be awarded for two-years based on funding availability and meeting contractual obligations):

- the top tier will receive level funding based on current allocations & new proposals will receive a maximum of \$20,000;
- the second tier will receive a 4% reduction based on current allocations & new proposals will receive a maximum of \$15,000;
- the third tier will receive an 8% reduction based on current allocations & new proposals will receive a maximum of \$10,000;
- all proposals scoring 60 or below will not be funded.

Additionally, the Committee recognized that some funding partners did not have final budgets approved at the time of the creation of these funding recommendations and total funding availability was based upon the best information available at the time.

In order to ensure that adjustments could be made to the final recommendations should budget approvals result in changes to the overall funding availability, the Committee recommended the following:



- In the event of increased funding availability, the funding should be distributed to the top tier of funded programs proportionally.
- In the event of decreased funding availability, funding should be reduced or eliminated for programs in the bottom tier by prioritizing proposals that serve the most vulnerable citizens (including those serving the lowest income range, the most underserved parts of the County, and/or the most underserved populations).

The funding recommendations, along with proposed funding sources, will be considered by each of the four funding partners starting in late April and throughout May. Final award notices will be distributed to all applicants after June 1, 2011. After award notices are distributed, staff will be available to meet with applicants regarding their specific proposal scoring by appointment— information about scheduling those appointments will be distributed to applicants within the final award notice.

Thank you all for your hard work and commitment to providing excellent services to our neighbors and friends in need.

Sincerely,



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cc: Coordinated Funding Review Committee;
City of Ann Arbor City Council;
City of Ann Arbor Housing & Human Service Advisory Board;
United Way of Washtenaw County Board of Directors;
Washtenaw County Board of Commissioners;
Washtenaw Urban County Executive Committee; and
Ann Arbor Area Community Foundation Board of Directors.

