

## **Local Government Decision-Making Exercise on Funding Human Service Nonprofit Organizations**

This training exercise was developed by  
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as part of the Project to Strengthen Nonprofit-Government Relationships,  
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### **Target Audience:**

- ◆ Graduate students who are preparing for careers in government or nonprofit management.

### **The Purpose:**

- ◆ Students will experience a group decision-making process.
- ◆ Students will build their understanding of the current and changing dynamics of local government provision of human services.

### **Audience Learning Objective:**

- ◆ The groups will compare their decisions, the processes and criteria that evolved for making their decisions, and the challenges they experienced in making their decisions.
- ◆ The class will discuss what kinds of processes, tools, criteria, and expectations need to be in place within a funding entity to implement a fair, effective decision-making process.
- ◆ The class will discuss the impact of political influences on the decision-making process.

### **Time Needed:**

During class, assign the students into small groups. Each group represents a volunteer citizen advisory group charged with making recommendations about funding for human service programs. Allow the student groups several weeks to meet outside of class to complete the group process of decision-making.

In class, allow each group ten minutes to present both their funding decisions and the processes and criteria they used to make the decisions.

Allow 30 minutes to one hour for the overall class discussion after the presentations.

### **Materials Needed:**

- ◆ The teacher provides copies of the class exercise.
- ◆ The small groups create their own handouts or presentation tools for their decisions.

### Discussion Questions:

- ◆ What was it like to come to a group consensus in making the final funding decisions?
- ◆ How did the group balance competing criteria for decision-making (for example, the cost-per-unit versus human need)?
- ◆ Did the group develop any unspoken criteria for making their decisions (for example, time limitations, conflict avoidance, personal experiences)?
- ◆ How did the different values, personalities, and working styles of your group members affect the process of making decisions?
- ◆ How did the groups consider any potential political fallout from their decisions?
- ◆ What kinds of funding processes have students experienced professionally? How did those processes compare to this group experience?
- ◆ Pretend that there are rumors flying around the county that one of these agencies is in trouble, either financially, managerially, or programmatically. Should that informal information be considered or addressed during the county's decision-making process? How?
- ◆ Once the funding decisions have been made, in what way should that information and how much of that information be shared with the nonprofits and the community?

### Additional Class Exercise:

Discuss the advantages and disadvantages of each of the following processes that a local government might use to make funding decisions about nonprofit organizations.

- ◆ The elected officials review the funding requests from nonprofits and make decisions as a board.
- ◆ The city/county manager reviews the funding applications and makes a recommendation to elected officials for their approval.
- ◆ The government appoints a volunteer advisory committee to review the funding applications and make recommendations to the manager or elected officials.
- ◆ The government appoints a volunteer advisory committee to review the funding applications and make the final decisions.

## **Local Government Decision-Making Exercise on Funding Human Service Nonprofit Organizations - Class Hand Out**

### **Background:**

Gandolph County began allocating funds to support human services provided by non-county organizations about ten years ago. County government supports all the health and human services mandated by the state, such as TANF, Work First, and Food Stamps programs, immunization clinics, and Adult and Child Protective Services.

The County sees the other programs offered through the nonprofits as extensions of the services already offered by the County or as an alternative method of delivering a service that the County is authorized but chooses not to offer.

County staffs have been effective in identifying and obtaining state and federal grants and foundation support for a variety of human services, but this money comes and goes. There always seems to be more justifiable need than there are available funds to support them.

County support of human service programs offered by nonprofit agencies began when a vital program, Meals on Wheels, lost its federal support through no fault of its own. Advocates for elderly people solicited assistance from the County Commissioners; the support became institutionalized and soon expanded to include other effective programs that the County Commissioners perceived were contributing to the social welfare of needy populations in the county.

Funding external organizations always causes complaints from county department heads who feel that they are underfunded. One particularly bitter conflict has arisen with the Director of Social Services. The Department of Social Services, supported by the Social Services Board, has pleaded for two new Investigator II positions in Child Protective Services for the last three years. These two positions, including salaries, fringe and associated operating expenses directly generated by the additional employees, would require \$92,000 to be added to the local share of the DSS budget this year. The need is pretty clear to everyone familiar with DSS, yet the funding request has not been approved because the County Commissioners, on advice from the County Manager, have tried to avoid any built-in growth to the county's annual budget, preferring instead to contract to private enterprise or non-profit agencies on an annual renewal basis wherever practical.

The County Manager projects that the county can allocate up to \$190,000 to non-County organizations during the next fiscal year. The County received more applications for funding of outside agencies than they had anticipated, totaling over \$280,000. The County Manager recommends funding levels based on information gained during the application process and through on-going interaction with human service clients and providers in the county. The County Commissioners will receive the Manager's recommendations and will make their own decision.

## **Funding Requests - Class Hand Out**

**Program 1:** One-On-One Big Buddies pairs at-risk youth identified by the court system with trained volunteers. They can document positive outcomes such as improved grades, decreased use of drugs, etc. People to be served: 43. Amount of Request = \$40,000

**Program 2:** The Rape Crisis Center operates a 24-hour crisis line for victims of sexual violence and offers extensive educational services. Most education programs are delivered in the county's schools. Their clients are people of all ages and backgrounds. People to be served: 365 victim services; 7,000 education. Amount of Request = \$20,000

**Program 3:** The Delano Smith Senior Center is a new social center that provides a site for community meals and activities. The County has been encouraging wealthy retired people to settle here, and a lot of these "heavy hitters" who are influential with the County Commissioners are supporting this request, even though they tend to socialize through the country club and their own networks. Although the center is open for all residents, lower-income and minority seniors tend to use the original Gandolph Community Center where they seem to feel more at home. People to be served: 75. Amount of Request = \$35,000

**Program 4:** The Gandolph Community Center requests funding for their Community Meal Site and Meals on Wheels for Senior Citizens programs, which are primarily used by lower-income and minority residents. People to be served: 80. Amount of Request = \$15,000

**Program 5:** The Churches in Community Council (CCC) needs additional support for emergency food and utility assistance to people in crisis. Expenses associated with the unusually cold winter last year completely depleted their reserves. People to be served: 400. Amount of Request = \$12,000

**Program 6:** The Coble River Festival wants support for its youth-oriented activities during the annual three-day festival. The activities are designed to teach children to appreciate and care for the local environment. People to be served: 250. Amount of Request = \$5,000

**Program 7:** The Dispute Settlement Center provides mediation and facilitation services using a sliding fee scale. These services settle cases that would, in many instances, otherwise end up in the overcrowded county district and superior court dockets. They also teach skills in conflict resolution to middle school students. People to be served: 300 cases and 800 education. Amount of Request = \$22,000

**Program 8:** The Gandolph County Museum of History wants support to create a new exhibit documenting the contributions of racially and ethnically diverse early settlers who have heretofore gone unrecognized. The museum has about 500 visitors a year. Amount of Request = \$7,500

**Program 9:** The Adult Literacy Project helps adults improve their reading skills. The program has a proven track record of enabling younger adults to obtain and hold better jobs after completing training. The program also has the potential of helping older adults to lead more satisfying lives in their twilight years, although this aspect is obviously hard to document. People served: 35. Amount of Request = \$20,000

**Program 10:** The Head Start Program works with underprivileged 4- and 5-year-olds and their families to prepare the children for school. Head Start students have clearly been more successful in school than children from similar circumstances who did not receive intervention. People to be served: 60. Amount of Request = \$35,000

**Program 11:** The Mental Health Association is requesting funds to create a juvenile sex offenders treatment program. Intervention for these 10- to 14-year-olds must be intensive to be successful; therefore the cost per-client is high. There seems to be reluctance by the general public to believe that there is such a problem with a need for treatment. Records of law enforcement and social service agencies confirm the problem does exist, but this has yet to be treated with any prominence in the press. Offenders to receive assistance: 8. Amount of Request = \$60,000

**Program 12:** The Youth Soccer League provides healthy athletic opportunities for kids aged 5 to 15. Players have to cover their own uniform and equipment expenses. This funding provides scholarships for low-income kids and pays fees associated with renting fields, hiring referees, etc. People to be served: 30. Amount requested = \$7,500

**Program 13:** Hospice provides support services for people with terminally ill family members and asks for support to defray the out-of-pocket expenses of volunteers and the cost of some administration. The program has the support of doctors throughout the county. People to be served: 18. Amount requested = \$5,000.

### **Class Instructions:**

You will form teams to work on this problem. Assume that your group is a volunteer advisory committee made up of people from both the public and private sectors throughout Gandolph County. Each team will come to class prepared to present two things:

1. List the criteria (factors, considerations) you used to decide where to allocate the \$190,000 the Manager has suggested for allocation to these programs. Be prepared to say why you chose these and why one is more important than another. You may recommend partial funding – that is, each funding alternative is not an all-or-nothing proposition in your deliberation.
2. Present the budget allocation you would recommend to the County Manager. You may choose to allocate some funds to the DSS request too, if you wish.

You may agree to have one team member present your team's criteria and recommendations. Plan to keep your initial presentation to ten minutes or less. Please prepare a summary of your criteria and budget allocations in enough copies to hand out in class so everyone can follow your presentation easily.

You can make some assumptions about the limited information you've been given about these programs and agencies. Assume all programs are efficiently run, use volunteers where appropriate, and have over-worked staff. All programs have diversified funding bases beyond the funds requested from the county. Finally, assume all programs have considered carefully how to focus resources made available to them because there is more apparent need than they can meet.