

**Portland Children's Investment Fund  
Allocation Committee Meeting Minutes  
January 12, 2009 9:00 a.m. to 11:00 a.m.  
Location: Portland City Council Chambers**

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**Attending:** Ron Beltz, Alissa Keny-Guyer, Adrienne Livingston, Dan Saltzman (Chair); absent Ted Wheeler

**Welcome/introduction of Allocation Committee and CHIF staff**

**Approval of minutes of December 15, 2008 Meeting**

**Beltz:** Motion to approve

**Livingston:** Second

**Vote:** All in favor

**Public Comment**

My name is **Ebony Clark**. I am with **Lifeworks Northwest**. Our Youth Service Treatment Team is funded by CHIF. Today I want to talk about the 5% allocation limitation on administrative costs. At Lifeworks, our general budget requires a 10% allocation to administration. We have a hard time raising additional funds for administrative costs. Agency infrastructure is very important. We are asking the committee to increase the administrative allocation to 10% so that we can continue to be viable. We have found that we need to invest an additional \$22,000 just to cover admin costs of our program.

**Staff Recommendations for the Foster Care Request for Investment**

**Saltzman:** We will be voting on the Foster Care request for investment at our next meeting on January 26. At that meeting we will hear from a panel of experts.

**Lisa Hansell:** I have an update on the foster care research we are doing.

At the December 15, 2008 meeting, the Committee voted on objectives and parameters for the Requests for Investment in early childhood, child abuse prevention/intervention, after-school and mentoring program areas. Staff recommended delaying a vote on its initial recommendations for objectives and parameters for the foster care RFI because staff was gathering data and further input from stakeholders as requested by the Committee. Staff is close to completing this research and plans to present the additional information at the January 26, 2009 meeting. Thus far, staff anticipates that most of its recommendations for the objectives and parameters for investment services for foster youth will remain the same, with the exception of its recommendation to devote a certain percentage of funding for children aged 0-5.

At the request of Commissioner Saltzman, staff is endeavoring to put together a small panel of people involved in the foster care system to speak to the Committee at the January 26, 2009 meeting for the purpose of providing background, data on the foster population, and information on needed community based services for this population. Staff will then ask the Committee to vote on its final recommendations for objectives and parameters for funding in this service area so we can publish the RFI shortly thereafter.

**Request for Investment Template Proposals**

**1. RFI: Guidelines and Requirements**

Staff presented the changes proposed at the December 1, 2008 meeting, but did not ask the Committee to vote on these changes due to time limitations at the December 15, 2008 meeting.

The previous RFI's issued by the Fund were divided into two main sections: one for guidelines and requirements and one for the application itself. The guidelines and requirements section addresses, among other things, the objective of the RFI, duration of investment, eligible service population, formatting requirements, required enclosures, and funding decision making process.

Staff is recommending some changes to Guidelines and Requirements section of the RFI as follows:

- **Available Funding and Funding Limitations:** Consistent with previous RFIs, individual investment requests are capped at \$500,000 per year, per organization. Staff recommends adding a minimum investment request of \$30,000 per year due to the cost of administering many small grants. *[The maximum cap was subsequently changed to \$550,000 per year, per application by the committee.]*
- **Duration of Investment:** Staff is recommending that initial grants be made for 36 months, beginning July 1, 2009 and ending June 30, 2012. In the past, some contracts were issued for two years, and some for three. Three year contracts decrease administrative burden, allow time for start-up and any necessary adjustments, and allow for establishment of a track record from which to make decisions on renewal.
- **Application Process:** The process for applying is essentially the same (Bidders' Conference, application submission, review and scoring, allocation committee decisions with approval from Multnomah County Board and City council and notification of the grantee of award. Staff recommends that we not require interviews as part of the application process based on feedback from the Committee that they were not particularly useful. Staff will reserve the right to contact applicants with any questions about the application.
- **Funding Decisions:** Language has been added to clarify that scores are not the only consideration in making funding recommendations. This language reflects the reality of past decisions making processes where the Committee did not simply award funds to the highest rated applications, but rather made decisions based on a variety of factors including scores.

## 2. RFI: Application Questions

**Overview of Proposed Changes:** Staff is proposing to retain the basic structure of past funding applications which were composed of the following five sections:

- Program Description (25 points)
- Program Effectiveness and Evaluation (30 points)
- Program Budget, Budget Narrative and Cost Effectiveness (15 points)
- Organizational Capacity (15 points)
- Culturally Competent Services and Culturally Specific Organizations (15 points)

In the broadest sense, staff is proposing changes to the Program Description, Program Effectiveness and Organizational Capacity sections to ask many of the questions from our site visit protocol that staff thinks should be evaluated at the front end. In particular, staff has added a variety of questions related to organizational best practices that include policies and procedures for program implementation, all aspects of staffing, and ongoing program improvement. Staff is also proposing that we ask applicants to specifically address how they will recruit, accommodate and staff children with disabilities.

Staff is proposing a few changes to the budget and budget narrative section including a change to the administrative reimbursement rate, and some changes to the cultural competency section that will help reviewers evaluate both the cultural competency and cultural specificity of the organization and the program.

Last, staff is proposing that we add two possibilities to earn "bonus points:" first, for programs that offer services in the eastern part of the city (roughly east of 82<sup>nd</sup> Avenue), and second for

culturally specific services. These two policy priorities arose out of the community input which has been detailed at previous meetings.

Specific changes to each of the RFI sections are detailed below along with rationales for the recommendations.

### **Program Description**

Staff is proposing that this section be renamed as “Program Design” and that it include most of the questions asked previously with some additional depth on some questions, and additional questions on enrollment, eligibility and exit of clients, and program staffing. The new template includes the following subparts:

- **Number Served:** Staff has increased the depth on this question to understand better whether the number given is duplicated or unduplicated, as well as the basis for the projection (e.g. number of parent education classes offered and slots available at each).
- **Target Population and Geographic Location:** As in the past, we ask applicants to specify who they propose to serve, what geographic area the program proposes to serve and why the applicant has made those choices. **Additionally, staff is proposing that applicants be eligible to earn three additional points on this section for proposing to serve the eastern part of the city, roughly east of 82<sup>nd</sup> Ave.** For proposed school-based after school programs, applicants will be asked to explain why they chose the sites listed, how the program fits into the constellation of programming currently offered at the school, and to provide a list of all current after-school programming at each of the sites they intend to serve.
- **Client Recruitment:** Staff has added some depth on this question including specific information on how they will reach children with disabilities, how they assess effectiveness of outreach, and who will refer children to services.
- **Client Enrollment, Eligibility and Exit:** This subpart is **new** and comes from the site visit protocol. The purpose is to understand what policies and procedures the program has in place for these processes, and to find out whether the program obtains written consent from the parents for participation. These questions are based on accepted organizational best practices.
- **Service Activities:** Staff added some depth by asking for details on curriculum, and how programs will accommodate children with disabilities. Mentoring programs will be asked to discuss how their program meets the mentoring definition adopted by the committee in this section. *(Per Committee request, language was added to this section to include a request for information about program services that support key transitions such as birth, entry into kindergarten, entry into high school, and movement from a foster home to independent living).*
- **Service Intensity:** Staff added some depth by asking for the duration and intensity of the total service the program will make available, as well as the amount/percentage of the services they expect the typical child/client to actually participate in and why. We have done this to eliminate issues that came up in previous funding cycles with applications that state that they plan to make available a large amount of service, but where the average participant was only expected to use, or actually used, much less.
- **Staffing:** This subpart is **new** and comes from the site visit protocol. It is also designed to help reviewers understand the ratios of direct service staff to clients, how staffing may need to be changed to accommodate children with disabilities, and whether the program has a clear staffing plan with job responsibilities outlined.

**Saltzman:** How did you choose 3 points as the bonus for geography?

**Pellegrino:** It was based on what other funders in children’s services have done. Bonus points are used to achieve policy goals. Typically bonus points range from 5 to 10 percent. We chose 2 questions each worth 3% for a total of 6%.

The following subparts were eliminated from the previous RFI for the reasons specified:

- **Capacity increase and current service:** Programs we have funded in the past will be applying for ongoing funding and will not be able to show capacity increase. We have added more depth on the number served subpart to try to get a better sense of how many duplicated/unduplicated children will be served, and on what basis the applicant is making the projection.
- **Cost per child:** This information was not particularly helpful both because applicants calculated the figure differently, and because program intensity is the primary driver of cost. Programs must be reasonably similar in order to compare them on the basis of cost and since we are asking for applications for a broad array of services the information received in the past did not help reviewers rate or the Committee decide between programs.
- **Community need:** This information was not particularly helpful because all applicants were successful in explaining how proposed programs met the broad community needs specified. Since our funding objectives are similarly broad with priorities expressed but not limiting applications, similar results are likely.

### **Proven and Effective Programs**

Staff is proposing to restructure this section to achieve several broad goals. First, staff wants applicants to link program design elements to best practices and outcomes research in the subject area, to organizational best practices validated by research, and/or solid experience that is supported by data. In the past, many applicants submitted very general research that was only tangentially tied to their particular program. The new template asks applicants to discuss how specific program design elements (methods for client recruitment, client enrollment, service activities, intended service intensity, and staffing) embody best practices and reference appropriate research or experience.

Second, staff wants applicants to address how they will monitor program implementation for fidelity to standards, how they will monitor participation in the program, and how they will assess program quality and make continuous improvements. Monitoring processes, data driven quality assessment and participation level of clients are tied to overall program quality which is key to achieving positive outcomes. The additional information we are asking for in this subpart is based on the site visit protocol.

Last, staff has restructured the outcomes subpart somewhat to include a menu of program level outcomes for all program areas. Early childhood and child abuse grantees used this menu in applying for renewed funding. After-school and mentoring programs were not required to track program level outcomes in the past. Instead, the school districts reported on academic variables, school attendance and school behavior of participants in CHIF programs. While we hope to continue tracking some of these variables for school aged program participants in the aggregate, we also want programs to track common program level outcomes that are more directly tied to program activities. We anticipate that some programs in all funding areas will need technical assistance to measure outcomes and will make provision for providing assistance to eventual grantees that require it.

### **Program Budget, Budget Narrative and Cost Effectiveness**

Staff proposes that applicants justify all expenses listed in the budget as in previous RFI's with a few proposed changes. First, staff proposes that applicants be required to show the allocation formula used for administrative expenses, and for any indirect other program expenses. This will help us understand how these expenses are budgeted within the agency and assure that there is a reasonable basis for CHIF's portion of these expenses.

Second, we are proposing that CHIF reimburse for computers and computer related expenses. In the past, CHIF did not allow reimbursement for this expense which was a substantial hardship for some grantees. Since we require significant reporting and data tracking all done with computers staff thinks this expense is reasonably related to programming and should be covered.

Last, staff proposes that CHIF reimburse administrative expenses up to 10% of program costs for all grantees. In the past, our administrative reimbursement rate was graduated based on the total annual budget of the organization: 5% for organizations with annual budgets over \$5 million, 8% for organizations with annual budgets between \$2 million and \$5 million, and 10% for organizations with annual budgets under \$2 million.

We are proposing this change based on an internal study in which we gathered actual administrative expense rates as reported by all our current grantees on 990 forms submitted to the IRS. Actual rates ranged from 0.2% to 25%, and were not related to the annual budget of the organization. The median percentage for administrative costs for current grantees (median means half of the pool is above this number and half is below) is 10.6%. To the extent that 10% does not cover the full administrative expenses for all organizations, organizations will in essence be providing matching funds for their CHIF grant. Since we do not require any other matching funds, staff thinks this is reasonable. Again, we are proposing that we reimburse up to 10%; if an organization's administrative expense rate is lower, we will reimburse at a lower rate.

### **Organizational Capacity**

Staff proposes to add a few additional subparts to this question related to staff hiring, supervision, training and performance evaluation. These questions are all related to organizational best practices and come from the site visit protocol. We have retained questions from the previous RFI on organizational track record for providing the proposed service, and how the service fits into short and long range plans for the organization.

### **Culturally Competent and Culturally Specific Programs and Organizations**

Staff proposes to make several changes to this section. In addition to a definition of a culturally competent program or organization, we have added a definition of culturally specific programs and organizations. This definition was created in consultation with the Coalition of Communities of Color.

#### **Definition of Culturally Specific Program and/or Organization:**

- Majority of agency clients served are from a specific cultural community (e.g. African American, African, Asian-Pacific Islander, Native American/Alaska Native, Latino/Hispanic, African, and Slavic).
- Predominance of bilingual and/or bicultural staff that reflects the community served (e.g. African American, African, Asian-Pacific Islander, Native American/Alaska Native, Latino/Hispanic, African, and Slavic).
- Organizational or program environment is culturally focused and identifiable by consumer as such.
- Established and successful community engagement and involvement with the culturally specific community being served.

Second, we are asking that demographic data on clientele, staff and board be recorded in a table to make it easier to review all of this information in one place.

Third, we have added a question on cultural competency training for the board as well as the staff.

Last, we are asking that applicants designate whether the proposed program is a culturally specific program of a culturally specific organization, a culturally specific program of a mainstream organization, or a culturally competent program of a mainstream agency. Applicants must justify their designation using the definitions provided in the question, and the data supplied in the answers to other subparts of the question. **Staff is recommending that we award three extra points to those programs that demonstrate that they are culturally specific, whether they are offered by a culturally specific organization or a mainstream organization.** This

recommendation is based on consistent public input that more culturally specific services are needed.

**Keny-Guyer:** The question of transitions came up in the public input. Maybe specific mention of transitions deserves a bullet in the program design section or other appropriate place in the RFI. We need to highlight it.

**Pellegrino:** I agree that it could easily be added. Perhaps public comment could address this issue.

**Keny-Guyer:** There are many great additions in the RFI. I am eager to hear response to your proposal.

On the administrative costs, I propose we move the cap to 15%. I want us to fully fund the administrative expenses of the quality programs with best practices. Best practices in funding include seeking to fully fund administrative expenses. Gates Foundation funds up to 15%. Other foundations are more flexible with their administrative caps. If we want to build strong healthy organizations, we need to fund the administration of those organizations. With harder economic times, organizations are less likely to be able to raise administrative funds. I propose we fund up to 15% administrative expenses.

### **Public Comment**

I am **Deborah Murray**, executive director of the **Peninsula Children's Center**. I affirm that the recommendations that staff have made are good. I endorse Alissa's suggestion of raising the administrative cap. She is right that nonprofits are struggling to cover those costs.

I am **Elana Emlin** with the **Commission on Children, Families and Community of Multnomah County**. I suggest the following language regarding transitions in the RFI. The Children's Investment Fund is interested in proposals that focus on children and families at key transition points including birth, kindergarten, middle school, high school, into and out of foster care.

### **Allocation Committee Discussion and Voting on Proposed RFI Template**

**Pellegrino:** The first section to discuss and decide is the RFI Guidelines and Requirements as presented earlier.

**Beltz:** Was \$500,000 the cap on a single grant from the past. Do we have any grantees getting more than that?

**Pellegrino:** The cap has been \$500,000 and no grantees are currently over that amount. We do have a rule that our funding can comprise no more than 30% of an organization's revenue for a single year.

**Beltz:** I thought we might want to raise it if any grantees are bumping up against it. We might index an increase since it has not been raised in 5 years.

**Pellegrino:** If I am not mistaken, no current grantee is at that cap.

*[Later investigation indicated that one current grantee is above \$500,000 due to inflation adjustment. The committee members were notified and have unanimously decided to raise the single grant cap to \$550,000 per year.]*

**Saltzman:** We will vote where on specific recommendations, where there is not consensus. The remainder of the recommendations, where we have consensus, will be approved by a single vote of the committee.

**Beltz:** I would like to see us not add the 3 points for geography east of 82<sup>nd</sup> Avenue.

**Pellegrino:** I would like it to be a general guideline, not a bright line rule about location. Programs located or serving a population roughly east of 82<sup>nd</sup> Avenue would receive the 3 points.

**Keny-Guyer:** I think that we allow for the three points to increase services available in the eastern part of the city, but may also need to balance our investments to assure some equitable distribution of resources across the city. I would like us to include the question on community need; I think that could help reviewers understand the need question including geography. We do need to keep looking at where the services are most needed.

**Saltzman:** Who will award the 3 points?

**Pellegrino:** Reviewers will assign points. Staff will attend meetings and exercise oversight of the process.

**Livingston:** I am open on the question of the 3 points. I see that it has value, but do not want to disadvantage programs in the North or Northeast part of the city.

**Beltz:** If a Northeast program is serving kids in East County, would they receive the points?

**Pellegrino:** The goal is to serve kids in the east part of the city. The program need not be physically located east of 82<sup>nd</sup> avenue to get the 3 points.

**Saltzman:** I am comfortable with the 3 points as a way to give incentive to serve persons east of 82<sup>nd</sup> avenue.

**Beltz:** If no one else wants to leave out the 3 points, I am not going to make a motion to vote.

**Saltzman:** It sounds like we have consensus on the bonus points for geography and culturally specific programs.

**Pellegrino:** On budget, there were three changes proposed.

**Betz:** We have not wanted to fund anything outside of programs in the past. I am concerned that funding computers would be open-ended.

**Pellegrino:** All we are doing is removing computers from the list of prohibited items. Agencies will be able to receive reimbursement for computer expenses if they can show in their proposal that it is justified. This is not a promise to provide computers to all grantees. It allows them to include them as program or administrative expenses.

**Keny-Guyer:** I want to again propose that we raise the administrative cap to 15%. It is not a blanket amount, but is an up to amount. I understand that the County is at 15% for overhead. I think 15% is more in line with best practices in funding.

**Pellegrino:** San Francisco children's levy caps administrative expenses at 15%. Seattle children's levy caps admin at 10%.

**Beltz:** I am comfortable with paying for computers so long as it is closely monitored.

**Pellegrino:** We are careful to look to see that computers are a related expense to the grant. They are necessary equipment these days.

**Livingston:** I support both the computers and the 15% administrative cap.

**Saltzman:** There are compelling arguments made here to go up to 15%. I know the staff will be quite diligent to review the need for administrative dollars in applications. I can support going up to 15% for administrative expenses for nonprofits.

**Keny-Guyer:** Organizations seek to keep their administrative costs low. It enhances their ability to fundraise.

**Saltzman:** We are in consensus on the computer issue and raising the administrative cap to 15%.

**Livingston:** I think it is great that you worked with the Coalition for Communities of Color on the definition of culturally specific programs and organizations.

**Saltzman:** We have consensus on the Organizational Capacity and Cultural Competency sections of the RFI as well.

**Saltzman:** Let's figure out where to include transitions and then we can vote on the RFI template.

**Pellegrino:** The staff can review the RFI's for appropriate places to include language on transitions. We will communicate with the committee on ideas of where to add this language. I will communicate with you via email for committee review prior to publishing the RFI.

**Keny-Guyer:** I am flexible about where it is included, but would like to see it included in the RFI.

**Saltzman:** We are asking staff to go ahead and include transitions in the RFI template.

**Keny-Guyer:** I move that we approve the Request for Investment Template as proposed, with the changes agree upon in the meeting.

**Beltz:** Second

**Vote:** All in favor.

**Pellegrino:** I will email the revised RFI to all of you for your final approval prior to publishing the RFI.

### **Proposed Calendar for Funding Process**

**Pellegrino:** I would like to outline the calendar for the funding process. We will have a precise schedule out once the publication date is set. Our plan is:

- **Publish the Request for Investment** for all program areas except Foster Care in the **3<sup>rd</sup> week in January**.
- Allocation Committee meets on January 26. We hope to publish the Foster Care RFI shortly after that meeting.
- Applications will be due in early March. That gives about 6 weeks to complete applications.
- Staff will be gathering application reviewers in February.
- In March, staff will summarize applications and give the applications and summaries to the allocation committee. Staff will create data sheets for the committee as well.
- Application Reviewer meetings will be in April and early May.
- The goal is to make funding decisions in 3 allocation committee meetings in late May and June.
- Program funding will begin July 1, 2009.

**Saltzman:** Could you briefly outline criteria for what you are looking for in application reviewers.

**Pellegrino:** We do not have a formal screening process. We are looking for people with an expertise in the field. They cannot have a conflict of interest due to an affiliation with an applicant organization. We will contact PSU and other universities for academics with an interest. We are also looking for lay people interested in the topic area with good critical thinking skills. We want people who can discern the best from the good. We need people who have the time. Our goal is up to 10 applications per reviewer. Staff

will meet with the review panels to do the final scoring. All of February will be spent recruiting reviewers. We will post something on the website about this process.

**Saltzman:** If you are interested in being an application reviewer, please go to our website or contact our staff.

Our next meeting is **January 26 at 1:30 pm.**

**Adjourned at 10:35 am.**