

Staff Report

OUTSIDE FUNDING REQUEST PROCESS PRIORITIES

August 13, 2019

BACKGROUND:

At the FY 2019/20 Budget Wrap-Up Session on February 12, 2019, the City Council directed staff to place on a future agenda a discussion of the criteria for the Outside Funding Request process.

The Outside Funding Request process was established at the Council's request in 2011 as a mechanism to receive, evaluate, and make recommendations regarding the requests for funding received from outside organizations not financed through other processes (e.g., ASSET, COTA). These requests were previously received throughout the year, making it difficult to track overall expenditures and prioritize the various requests against each other. At the time the process was established, the Council exempted the ISU Sustainability Coordination contract and the annual Ames Economic Development Commission operating agreement from this process, noting that these were activities being undertaken on behalf of the City government.

The criteria for funding were initially established in 2011 as follows:

“- Preference will be given to requests that meet the following conditions, in decreasing order of importance:

1. A program or activity that would otherwise be operated by the City at a greater cost.
2. Requests that have broad-based appeal to the community.
3. Requests that provide a unique benefit or service to the community.”

On September 8, 2015, the City Council reviewed the criteria used to evaluate requests and made modifications to the criteria for the FY 2016/17 process, which are the criteria used in the most recent year:

“Preference will be given to requests that achieve any of the following:

- A program or activity that would otherwise be operated by the City at a greater cost.
- Requests that have broad-based appeal to the community.
- Requests that provide a unique benefit or service to the community.
- Requests that pursue current City Council goals (www.cityofames.org/goals)”

The City formerly used a committee of staff and community members to evaluate the requests and make recommendations. In 2019, the Council directed that the requests

be reviewed by City staff. The current, complete eligibility requirements and instructions for applicants are available here: www.cityofames.org/home/showdocument?id=47718

NEXT STEPS:

The FY 2020/21 Outside Funding Request process applications are due in November. Any changes to the application or criteria should be made with sufficient notice to prospective applicants, so their applications can be tailored to the Council's desires.

The City Council may choose to use the current priorities or identify alternative priorities for the upcoming round of applications. If the City Council wishes to pursue criteria changes, City staff recommends keeping the following principles in mind:

- 1. The criteria should aid in evaluation and decision-making.** There are routinely more requests than available funding. The criteria should provide a clear indication to prospective applicants what the Council's interests are, and should aid the evaluation team in reviewing and recommending award amounts. Broad criteria or few criteria make evaluation and decision-making more difficult.
- 2. The criteria should focus on services and programs to be obtained, not on the agencies that provide them.** This is a fundamental principle in the City's funding processes, including ASSET and COTA. Each agency is free to propose how they wish to provide services and what their cost is to provide them, but the City's focus is on the end product to be provided to the community.
- 3. Regardless of the criteria, no requests are grandfathered.** Each request must be justified each year, even if they were approved in the year prior. Since there is constant competition for limited funds, the requests that are funded must always meet the highest standards for completeness and justification.