



Fiscal Year 28 Budget: County Funding Process Modifications



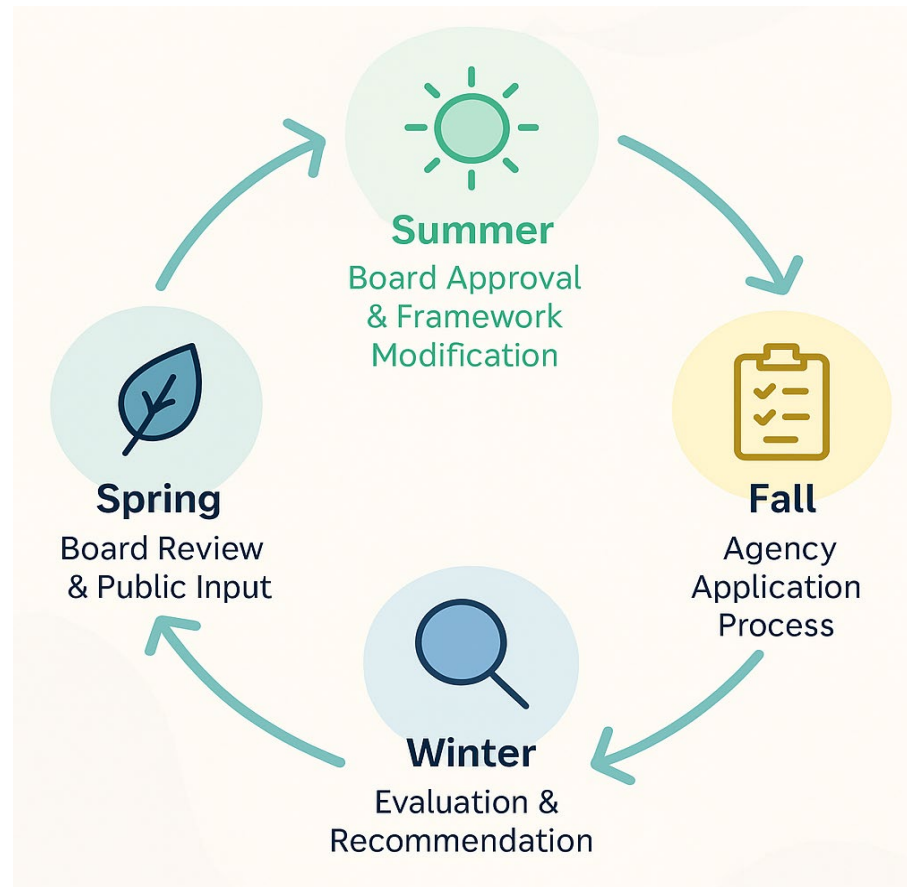
Background

Three Processes & FY 27 Adopted Funding:

- **Human Services Funding Process (HSFP)**
 - 26 non-profits, \$1.8 million
- **Arts, Cultural & Festival Funding**
 - 13 non-profits, \$0.09 million
- **Non-Profit Capital Improvement Program (CIP)**
 - 6 non-profits, \$11.8 million



Community Non-Profit Funding: An Evolving Process





Background: Today's Options

- **Respond to feedback** from Board, applicants, & staff
- Consider **staff research** on other Virginia localities
- Intent of potential modifications:
 - Align funding to highest and best use
 - Enhance transparency around process
 - Right size & reprioritize staff time in budget evaluation



Board Direction: Proposed Change or Current State?

1. Eligibility Criteria (All Programs)

Dollar threshold for
audit frequency

2. Human Services Funding Process

A. Annual review of non-
profits in each process

B. Program Timing

C. Funding Matrix

D. Simplified
Applications

3. Arts, Cultural, & Festival Funding

A. Program Timing

B. Funding Formula

C. Funding Cap

D. Review Process



Item 1

Eligibility Criteria (All Programs)

Current:

- Community non-profits required to submit financial audits
 - Annually or every 3 years, based on size of non-profit's budget
- \$750,000 threshold = guidance from US Department of Health and Human Services Office of Inspector General (OIG)

Recommendation:

- Update County's threshold to be consistent with benchmark, OIG has updated from **\$750,000** to **\$1,000,000**



Item 2 For Board Consideration: Human Services Funding Process

- A. Annual review of non-profits in each process
 - 4 programs removed, would submit requests directly to OMB
- B. Adjusting program timing
- C. Implementing a matrix for funding recommendations
- D. Streamlined application for requests of \$25,000 or less



Item 2(B) Human Services Funding Process (HSFP): Program Timing

Option 1: HSFP begins following the appropriation of the FY 28 budget, where the Board would approve a total amount for all HSFP programs

Impacts:

- Simplification of the Board's review of Recommended Budget
- Alignment of HSFP with other localities & Albemarle's AHIF process
- Timing impact to non-profits

Option 2: No change to current timeline



Item 2(B)

Human Services Funding Process: Program Timing

Option 1 (For Board Consideration)



Option 2 (No change)





Item 2(C)

Human Services Funding Process: Funding Matrix

Option 1: At start of process, introduce a matrix for maximum allowable grant amounts

- Two factors in matrix:
 - **Priority tier** (Tier 1, Tier 2, or Tier 3), updated with 2026 Human Services Needs Assessment
 - Total **size of the organization's annual budget**, ensuring County dollars do not make up an outsized share of any single organization

Option 2: No change – do not implement a funding matrix

Sample Human Services Funding Recommendation Matrix

Priority Tier	Total Agency Operating Budget <\$0.5 M	Total Agency Operating Budget \$0.5 - \$2.0 million	Total Agency Operating Budget \$2.0 million +
Tier 1 Direct service & impact on basic needs & vulnerable populations <i>Tier 1 capped at 65% of HSFP allocation</i>	Up to \$80k	Up to \$160k	Up to \$320k
Tier 2 Important & critical services	\$20k or 10% <i>whichever is less</i>	\$40k or 5% <i>whichever is less</i>	\$80k or 2.5% <i>whichever is less</i>
Tier 3 Positive impact and protective community factors	\$10k or 10% <i>whichever is less</i>	\$20k or 5% <i>whichever is less</i>	\$40k or 2.5% <i>whichever is less</i>



Item 2(D)

Human Services Funding Process: Simplified Application

Option 1:

Simplified application for HSFP requests of **\$25,000** or less

- Scales application requirements to size of ask
- Reduces administrative impact for both applicants and reviewers
- Makes funding more accessible to a broader range of eligible organizations

Option 2:

No change – do not implement a simplified application for smaller requests



2. Human Services Funding Process

A. Annual review of non-profits in each process

B. Program Timing

C. Funding Matrix

D. Simplified Application

Board Direction

A. Realign some programs and their funding process
or
not move programs?

B. Program timing adjustment
or
keep current program timeline?

C. Implement a funding matrix
or
keep current funding prioritization & recommendation process?

D. Simplified application for smaller requests
or
keep one application for all requests?



3. For Board Consideration: Arts, Cultural & Festival Funding

- A. Adjusting **program timing** (consistent with HSFP)
- B. Establishing a **funding formula**
- C. Establishing a **funding cap**
- D. Adopting a **simplified review** process



Item 3(B)

Arts, Cultural & Festivals: Funding Formula

Option 1: Programs will be recommended for funding proportionally based on each eligible organization's request, without exceeding the total funding available.

Example: Board approves \$20,000 in total funding:

Program	Funding Request	Award Amount (95% of request)
Art Festival	\$3,500	\$3,325
Theater Co.	\$7,000	\$6,650
Cultural Event	\$10,000	\$9,500
	TOTAL:	\$19,475

Option 2: Keep the current process for the Arts, Cultural and Festivals process as is, and do not establish a funding formula.



Item 3(C)

Arts, Cultural & Festivals: Funding Cap

Option 1: Funding Cap Establishment

A maximum funding amount of \$5,000 per organization, published at start of process

FY27 data:

- Awards ranged from \$2,500 - \$12,500
- Midpoint of awards: \$7,500
- Average award: \$6,770
- FY28 funding would reduce for 6 agencies and have no negative impact to 7 of the 13 funded

Option 2: No Change

Keep the Arts, Cultural and Festivals process as is, and do not establish a funding cap.



Item 3(D)

Arts, Cultural & Festivals: Review Process

Option 1: Simplified Review Process

Reviews are solely based on eligibility criteria in Attachment A, and if they are, they would be recommended for funding

Dependent on approval of formula or funding cap (prior slides)

Option 2: No Change

Keep the full program evaluation process as is.



3. Arts, Cultural, & Festival Funding

A. Program Timing

B. Funding Formula

C. Funding Cap

D. Review Process

Board Direction

A. Program timing adjustment
or
keep current program timeline?

B. Implementing a funding formula
or
keep current funding recommendation process?

C. Implement a funding cap
or
maintain no cap on requests?

D. Support automatic funding recommendations
or
continue more complex review process?