Community Service Grant Redesign

Public Policy Workshop
11/12/2025

Overview

- Summary of Redesign
- Feedback from Organizations
- Options
- Recommendation

Community Service Grant Redesign Summary

	Provide a funding source for CSGs	Prevent CSGs from ballooning the budget	Provide clarity to potential applicants	Improve alignment to County objectives	Ensure a competitive process	Ensure grantees can be successful
1. Eliminate the three-year sunset policy & require programs that were formerly CSGs to compete for funding		✓			✓	
2. Fund with fund balance based on a predetermined % of available balance	✓	✓	✓			
3. Design the application to focus on pre-identified performance outcomes			✓	✓	✓	
4. Establish application minimums & maximums			✓		✓	✓
5. Allocate total funding to CSG then & award grants later in the year (Feb. – Jan.)				✓		
6. Provide grants up to a 2-year period						✓

Former CSG Vendor Feedback

- The Board asked staff to seek feedback from existing organizations funded as vendors that were former Community Service Grantees regarding 2 proposals related to the timing of funding.

  1. Shifting the funding timeframe from July – June to Feb. – Jan.
  2. Offering 2-year awards

- Staff polled **22** vendors
- **8** responded

Timeline Feedback

The County is proposing to shift this funding period to February-January. This timeline provides many advantages to managing the County's budget. Besides an initial disruption between the end of the prior fiscal year and February, please provide feedback on the potential impact of this change on your organization.

2 – Did not indicate a concern

2 – Noted the initial gap

4 – Preferred funding on a July – June

2-year Grant Option Feedback

The second change is to provide an option of funding across two years rather than one. Vendors would be approved for a specified amount of funding based on their request and program strategy that would be reimbursed across two years. Please provide feedback on the potential impact of receiving funding on a biennial basis.

7 – view 2-year grants as positive

1 – Would also like the 2nd year to include a cost-of-living increases

Possible Options

1. Approve Community Service Grant redesign as presented on October 28

- The Manager will identify $2.8M to cover the one-time “gap” for existing vendors to transition to a February – January timeframe as part of the FY2027 budget
- There is no guarantee all existing vendors will be awarded grants through the competitive process

2. Approve Community Service Grant redesign, but maintain the timeframe aligned to the fiscal year

- New grants would be awarded in the FY2028 budget

3. Continue to pause the Community Service Grants, & design a program that will align partner funding to the Balanced Scorecard in FY2028 **(Recommended)**

What to Expect

FY2027

- The Community Service Grant Program would remain paused
- Existing vendors will not be required to compete as grantees, but will be assessed as usual through the FY2027 budget process
- Contingency funding will be included in the Manager's Recommended Budget which can be used to fund one-time initiatives that are brought to the Board's attention throughout the year
- The County will accept applications for grants in October 2026 that will be awarded with the FY2028 Budget

FY2028

- The County will fully implement the Balanced Scorecard
- Performance outcomes aligned to the objectives of the Scorecard will be used to determine the areas of greatest need in the County
- Funding for partners will be determined through a competitive process based on the areas of greatest need
- Programs that are selected will receive grant awards in July 2027

Draft Corporate Scorecard – October 27, 2025

Asterisk (*) = BOCC Priority Alignment

Dotted Lines = Partnership / Collaboration Required

WHY

HOW

Improve overall Quality of Life for Mecklenburg residents

	Healthy and Thriving Community	Learning and Educational Opportunities	Jobs and Economic Opportunities	Environment, Culture, and Recreation	Safe and Prepared Community
Community – Customer / Stakeholder	Improve access to care*	Improve K-readiness for Meck Pre-K students*	Promote economic mobility by connecting residents to jobs, training, and career growth*	Enhance environmental stewardship through conservation, monitoring, and sustainable practices*	Support justice system policies and practices that enhance public safety and reduce recidivism
	Enhance resident access to safe and affordable housing	Promote literacy and digital access	Make Mecklenburg County a premier place to start, grow, and sustain a business*	Expand access to parks, open space, and recreation*	Ensure the safety of buildings and public infrastructure
	Reduce hunger and improve nutrition across our community	Support student success through partnerships with local public schools and higher education*	Reduce financial barriers by connecting families to vital economic support services	Protect and promote the historic, arts, and cultural resources in Mecklenburg County	Provide programs that protect residents and promote recovery, resilience, and safety
	Increase stability for individuals and families*				Promote timely and reliable emergency response and forensic investigations

Drive internal service excellence through people, processes, and stewardship

Internal				
Financial Stewardship		Manage County resources responsibly, transparently, and sustainably to maximize value for residents	Maintain affordable and competitive tax rate	
Internal Processes	Strengthen partnerships and community collaboration	Promote a high-performing government through efficiency, accountability, and transparency	Increase community awareness and engagement through proactive communication and outreach	Mitigate enterprise risk and ensure policy compliance
Organizational Effectiveness	Build a dynamic workforce that reflects our community and fosters belonging*	Improve technology utilization and capacity	Strengthen County culture and invest in the County workforce	Enhance data available for decision-making

Timeline

Now – July 2026

- The Office of Strategy & Innovation will complete the Balanced Scorecard and identify performance outcomes aligned to each objective
- The Office of Management & Budget will assess existing vendors, but former Community Service Grantees will not be required to compete for funding for FY2027

May 2026

- The Manager's FY2027 Recommended Budget will include a contingency budget for one-time initiatives

Oct 2026

- Organizations will have an opportunity to apply for FY2028 grants that support the objectives of the Balanced Scorecard

May 2027

- The Manager's FY2028 Recommended Budget will include Community Service Grants aligned to the Balance Scorecard

Appendix

1. Responses from vendors
2. Board Presentation 10.28.2025

2-year Grant Option Feedback

The second change is to provide an option of funding across two years rather than one. Vendors would be approved for a specified amount of funding based on their request and program strategy that would be reimbursed across two years. Please provide feedback on the potential impact of receiving funding on a biennial basis.

This is a positive change.
Funding for 2 years would be great! It would allow for more accurate budgeting of funds. Because we are a small agency, knowing in advance of what funds we have been allocated allows us to allocate the time spent applying each year to finding funding from other sources.
Given the extreme financial challenges all nonprofits are experiencing it would be most helpful to support maintaining operations to reimburse funding over one year.
There will be no issue on receiving funding across two years. in fact, it will be beneficial in terms of planning funding & programs
We would be open to two-year funding and don't see a major impact if this change occurs
If the County will consider a cost-of-living increase (projected for 2027-2029) with the next funding cycle, and that amount be guaranteed annually, a two-year funding cycle would be favorable for us. This would allow for better forecasting.
We would greatly welcome a multi year funding option as this will allow us to plan our programmatic offerings and our budget with firmer estimates. This is crucial in these current times of uncertainty and budget constraints.
This would work fine for us.

Timeline Feedback

The County is proposing to shift this funding period to February-January. This timeline provides many advantages to managing the County's budget. Besides an initial disruption between the end of the prior fiscal year and February, please provide feedback on the potential impact of this change on your organization.

There would be no impact for this change.
We have a July 1 - June 30 fiscal year. Payments February through January would cross over 2 fiscal years. I assume our Director of Finance will determine how to properly book the revenue
Our Fiscal year runs July - June & we prepare our budget based on the Fiscal Year period.so that will initially probably create a gap at the initial disruption time period
My Agency Fiscal Year runs July - June. For accounting purposes, receiving reimbursements during this timeframe works better for us.
Our fiscal year calendar currently runs from July to June as does that of the majority of funders who support our agency. Should the County switch to a February to January funding schedule, it would slightly skew our projections and financials for the initial year. This would be offset should the County also implement a multi-year funding model.
The new timeline would be a bit more challenging for us, because our fiscal year is July-June, and it is nice that the county's current funding period aligns with our fiscal year. It simplifies our budgeting and planning processes.
Our fiscal year currently aligns with the County fiscal year and this creates a smoother budgeting processing for us. Moving our funding cycle to February to January would considerably disrupt our budgeting process. As an organization with a smaller accounting team, this would create a hardship for us.
This would be hard for us with our financials because it will not only cut our fiscal year but also our program year. We follow the school schedule with our program. We could, of course, make it work if this change is made.

Community Service Grant Redesign

BOCC Fall Retreat
October 28, 2025

Overview

- CSG History
- Challenges & Opportunities
- Recommendations
- Next Steps

CSG History

- Prior to FY2006, nonprofits were funded throughout the budget as vendors
  - Outside Service Agencies | OSAs
- The following nonprofits were vendors within many categories that we would consider part of the Arts, Commissions, and other Partners today:

Advantage Carolina	Lake Norman and Wylie Marine Commissions
Arts and Science Council	Latin American Coalition
Carolina Regional Partnership	Legal Services of Southern Piedmont
Catawba Land Conservancy	Senior Centers
Charlotte Area Fund	Shelter for Battered Women
Community Building Initiative	Latta Place
Historic Charlotte	Salvation Army Women and Children's Shelter
House of Grace	United Way

CSG History

FY2005

- During this fiscal year, the competitive grant framework was created

- Eligibility, application criteria, and requirements were established for nonprofits

FY2006

- Process began this year

- OSAs were removed from dept budgets and added to nondepartmental

- The Focus Area Leadership Team (FALT) was designated to evaluate OSAs based on performance/ desired results

FY2010

- Addition of Information Sessions and advertisements for the what we know as the

Community Service Grant (CSG) Program

- Review Panel of dept. subject matter experts

CSG History

FY2012

- Strategy: align nonprofit funding investments with the County's "Critical Success Factors"

FY2016

- Increased audit requirements to include:

• performed by an independent CPA

• Generally Accepted Accounting Principals (GAAP)

• no overdue suspension or taxes

FY2017

- Sunset Evaluation Model led to the Sunset Policy (3-year limit on CSG funding)

- Option to apply to become a vendor began

- 15 CSGs programs were sunset and became vendors within departments this year

CSG History

FY2019

- Strategy: transitioned from alignment with "target areas" to "key themes" to drive decision-making

FY2021

- Funding was budgeted for grassroots nonprofits, known as the

Unite Charlotte program

FY2026

- The CSG Program is paused due to availability of revenue

- CSG Program funding removed ($2M)

- Unite Charlotte is also reduced by ($1.4M) to $1.8M

Programs That Were Formerly CSGs

Former CSGs now Vendors	Funding*
MedAssist of Mecklenburg: Free Pharmacy Program	$600,000
Communities In Schools: Building Student Success	450,000
Studio 345 – Arts Plus	430,000
Charlotte Community Health Clinic	425,000
Youth Advocate Program, Inc.: Mecklenburg County YAP	397,000
CW Williams: Improving Access to Healthcare	390,000
Camino Community Development Corporation, Inc.	360,000
Cook Community Clinic	325,000
Care Ring – Nurse Family Partnerships	250,000
Care Ring – Physician's Reach Out	250,000
Veterans Bridge Home	200,000
Mental Health America of Central Carolinas	165,000
YBLA - YLeader Program	150,000
Levine Senior Center	102,000
Shelter Health Services: Healthcare	69,000
Latin American Coalition: Economic Mobility Center	50,000
Urban League: Continuum of Opportunity	50,000
Big Brothers Big Sisters: School Based Mentoring	50,000
Time Out Youth	30,000
Ada Jenkins Families and Careers Development Center	25,000
Big Brothers Big Sisters: Mentoring 2.0	25,000
100 Black Men: Movement in Youth	20,000
Total	**$4,813,000**

Added From FY2017-Present

$4.8M Total Vendor Funding

20 Organizations

22 Unique Programs

Within CFAS, CSS, CJS, DCR, EDO, and HLT

* Does not include one-time funding

Some Other Nonprofit Vendors

- Although some vendors began partnerships with the County through the CSG Program, the nonprofits below (along with others) contracted directly with departments for a distinct program.
- Some of these programs operate a distinct program that fit as a departmental vendor and others may fit better as an annual grant recipient.
- While assessing former CSG/vendors, it may be beneficial to also look at fit of these vendors.

A Sample Other Nonprofit Vendors	Funding
Legal Aid	$1,209,163
Cabarrus Rowan Community Health	912,500
Road to Hire	884,036
Urban League	564,000
The ROC Charlotte	400,000
She Built This City	363,656
The Relatives	225,000
Levine Senior Center	102,000
Total	**$4,660,355**

Community Service Grants vs. Other Vendors

Grants	**Typical Vendor Agreements**
• Provides funding to individual programs on a time-limited basis • Grants are aimed to achieve specific outcomes defined by grant • Funding is typically provided to new programs or expansions that a nonprofit is considering • A competitive application process is used to award grants • Grant applications are vetted by a panel of department experts • Grants are paid as results are achieved	• Departments contract with vendors for various services that support their programs • Vendors are selected by departments based on the ability to fulfill a specific need of their business operation in accordance with County procurement standards • Payment to vendors may be based on a per-unit basis or performance basis depending on the contract

Neither CSGs nor vendor agreements are intended to support the general operating of an organization.

Challenges & Opportunities

- **No Funding:** The CSG program was paused for FY2026 due to a lack of funding and there is currently no funding identified for the program in FY2027
- **Growing Cost:** Over the years the CSG program has increased the ongoing cost to the budget as CSGs were often converted to vendors that do not compete annually for funding
- **Lack of Clarity for Applicants:** The previous CSG program did not provide potential applicates with clarity on the available funding, because funding for the program was unknown when application process began
- **Alignment to County Objectives:** Although grants have been tied to the County's strategies, there is opportunity to increase the focus on the specific outcomes that we need to address
- **Ensure a Competitive Process:** It is important to ensure that a wide rage of CSG can compete to achieve the best outcomes for residents
- **Ensure Grantees Can be Successful**: A new CSG program must maintain controls to ensure that nonprofits are successful & use public dollars in a responsible manner

Eliminate three-year sunset policy & require programs that were formerly CSGs to compete for funding

How it would work

- The CSG program would no longer have a 3-year limit with the option to apply to be a vendor after 3 years
- 20 CSGs that become vendors since FY2017, would need to compete annually through the CSG process to receive funding
- Nonprofits would be notified regarding the change as soon as it is approved, so they can prepare next grant cycle

Benefits

- Prevents the CSG program from ballooning the County operating budget
- Would establish a more competitive process for County funding to nonprofits

Potential Drawbacks

- Existing vendors would need to adjust to a competitive process

Fund the CSG program with fund balance based on a predetermined % of available balance

How it would work

- Calculate the available fund balance over the policy minimum after the close of the fiscal year
- Use a predetermined percentage of fund balance to provide the total funding for the CSG program along with caps and other safeguards

Example: 5% of the fund balance over the minimum policy threshold (millions)

Year End→	FY20	FY21	FY22	FY23	FY24	FY25*
Available FB	$492.0	$541.4	$534.1	$540.3	$512.5	$530.9
FB Over Minimum Threshold	$106.4	$132.2	$106.5	$90.0	$53.7	$65.5

Budget Year→	FY22	FY23	FY24	FY25	FY26	FY27*
CSG Funding Example 5%	$5.32	$6.61	$5.33	$4.5	$2.69	$3.28

Actual CSG funding (millions)

	FY22	FY23	FY24	FY25	FY26	FY27
CSG Grants	$1.85	$1.83	$2.15	$2.13	0	TBD
Vendor/Former CSGs	$5.13	$4.28	$5.32	$5.8	$4.5	TBD
Combined	**$5.98**	**$6.11**	**$7.47**	**$7.93**	**$4.5**	**TBD**

All grants would be awarded as a one-time award with a one-time source

Benefits

- Reinvest a portion of fund balance back to the community
- Ongoing funds are used to support core County services
- Opens options to cycles outside of the fiscal year

Potential Drawbacks

- Continual use of one-time funds
- Would require discipline to the policy not to add in “one more grant”

* Fund balance estimate following budget adoption

Design the application to focus on pre-identified performance outcomes

How it would work

- OSI working with departments would develop a set of performance metrics that align to our Balance Scorecard
- Applicants would apply based on their programs ability to improve these metrics or some intermediate outcomes with a clear alignment

Example- Health & Thriving Community applicants might apply to:

a) Improve hypertension outcome (% blood pressure < 140/90) for uninsured / underinsured residents
b) Improve diabetes outcomes (% A1c ≤ 9) for uninsured / underinsured residents
c) Increase uninsured / underinsured resident maintaining medication compliance
d) Increase the percentage of HIV diagnosed patients returning for care

Other desired outcomes as determined by OSI & departments

Note: Currently all vendors that are former CSGs align to Health & Thriving Community, Jobs & Economic Opportunities, Learning & Educational Opportunities

Benefits

- Provides clear goals for applicants at the beginning of the process
- Allows the County to better fund solutions that align to the areas of greatest need
- Builds on the "paying for results" philosophy of the CSG program
- Integrates the CSG awards with the comprehensive plan of the County

Potential Drawbacks

- Time required to identify outcomes and revise the application

Establish application minimums & maximums

How it would work

- CSG grants would only be available between a set amount
  - **$55K** and **$500K**
- Ensure alternatives for smaller requests
  - The Unite Charlotte program, funded by the County, will award grants of $35K and $55K for smaller organizations
- The budget will also reestablish a small amount of contingency funding for the Board to invest in small one-time, innovative programs
  - $125K up until 2020
  - Eliminated due to underutilization
- Minimum and maximums would be revisited in some years based on economic changes

Benefits

- Provides applicants with clear expectations on the scale of the programs funding by the county, often requested by potential applicants
- Minimums would establish a baseline for program impact, implementation, and ability to report on performance
- Maximums would help to ensure funding is available for multiple organizations

Potential Drawbacks

- Without alternatives for smaller organizations, minimums may unintentionally exclude programs

Allocate total funding to CSG & award grants later in the year

How it would work

- Funding the CSG program with a predetermined amount of fund balance allows the program operate on an implementation timeframe independent from the fiscal year

	FY27 Allocation / CY27 Implementation	Start	Finish	Days
1	Allocate a total (based on FY2025 Fund Balance) for CSGs to be identified	7/1/2026		
2	Application Submission	7/15/2026	9/14/2026	61
3	Review & Prepare Recommendations	9/14/2026	12/14/2026	91
4	Update the BOCC & Finalize Contracts	12/14/2026	1/29/2027	46
5	Implementation	2/1/2027	1/31/2028	364

	FY28 Allocation / CY28 Implementation	Start
1	Allocate CSG funding (based on FY2026 Fund Balance) for CSGs to be identified	7/1/2027

Benefits

- Similar to the ARPA process, it separates Board from having to pick CSG in the annual Budget process.
- Application submission and review can occur independent of other budget decisions
- Allows for more intentional focus on both investments in County departments and nonprofits
- Nonprofits can address opportunities that emerge from prior budget cycle
- Would allow grants to begin as soon as February 2027

Potential Drawbacks

- Unable to communicate specific grant awards at the same time the budget is presented

Provide grants up-to a 2-year period

How it would work

- Extend the award period for CSGs to allow for a 2-year implementation period
- Allocated funding would be held as committed for both years when grants are awarded

Example

Grants Awarded Jan. 2027		Grant Implementation		
		Feb 2027 – Jan. 2028	Feb 2028 – Jan. 2029	Feb 2029 – Jan. 2030
Grant 1	**100,000**	50,000	50,000	
Grant 2	**200,000**	100,000	100,000	
Grant 3	**120,000**	60,000	60,000	
Grant 4	**75,000**	50,000	25,000	
Total	**495,000**			

Grants Awarded Jan. 2028		Grant Implementation		
		Feb 2027 – Jan. 2028	Feb 2028 – Jan. 2029	Feb 2029 – Jan. 2030
Grant 5	**500,000**		250,000	250,000
Grant 6	**70,000**		35,000	35,000
Grant 7	**400,000**		200,000	200,000
Grant 8	**300,000**		150,000	150,000
Total	**1,770,000**			

Benefits

- Provides additional time for grantees to achieve results
- A multi-year strategy is more feasible for many programs

Potential Drawbacks

- Two-year grants will utilize a greater share of available funding
- Nonprofits are more likely to design programs with ongoing dependence on County funding
- More complicated grant review

Summary

	Provide a funding source for CSGs	Prevent CSGs from ballooning the budget	Provide clarity to potential applicants	Improve alignment to County objectives	Ensure a competitive process	Ensure grantees can be successful
1. Eliminate the three-year sunset policy & require programs that were formerly CSGs to compete for funding		✓			✓	
2. Fund with fund balance based on a predetermined % of available balance	✓	✓	✓			
3. Design the application to focus on pre-identified performance outcomes			✓	✓	✓	
4. Establish application minimums & maximums			✓		✓	✓
5. Allocate total funding to CSG then & award grants later in the year				✓		
6. Provide grants up to a 2-year period						✓