



FAQ About FY 08 Investments

1. How did you determine target funding for FY2010?

There are three factors that determine each agency's funding for FY2010. To use the "share of the pie" metaphor, the factors are: 1) the size of the pie – this is determined by the total funds available to invest in the community and budgeting decisions that allocate funds to impact areas and measures within areas; 2) the size of the piece – this is directly proportional to the size of the contribution -- if your share of the total contribution is 5%, you have 5% of the funding; 3) whether an agency gets a piece of the pie at all – this was determined by the volunteer review process.

Tell me more about the review process.

The purpose of the review process was to assess each proposal to determine first, if the proposed contributions aligned with what United Way requested in the impact area papers that accompanied the RFP; second, the likelihood that the contributions would be achieved; and third, any additional features or benefits that the proposal brought to leverage greater achievement of goals. The review process involved more than 75 volunteers. Review teams were organized around impact areas; each team included a sector-specific experienced professional in addition to community members, donors and UW staff. This process determined which proposals were accepted as contributions.

And how was funding related to each proposal determined?

The size of the *pie* started with decisions to increase investments in initiatives (which will primarily go to agency grants) and to invest in "venture agencies" – community-based organizations that United Way has not previously funded. While total funding to the United Way service area is unchanged as a result of these decisions, the budget for general operating support to existing affiliates is 16% less than in FY07. Budgets for each impact area were based on existing allocations and budgets for each measure were determined by considerations such as the value that the measure brings to the achievement of impact area goals and the number of contributing proposals. The amount calculated for each proposal that was accepted as a contribution is proportional to its share of the total contributions. So, as mentioned above, if a proposal's contributions account for 5% of the total, it was assigned 5% of the total funding available. That proportionality determined the size of the "piece of the pie."

2. OK, that's how FY2010 funding was set, what about FY08 and FY09?

Because of concerns about the differences between target and current (FY2007) funding, the UW Board decided to phase in the change over the three years and provide an additional \$1 million, from reserves, in FY08. This means, on average, funding reductions in FY08 are 10% instead of 16%. An additional \$1 million was allocated to limit reductions for all agencies with special attention paid to agencies where the reduction was a higher percent of total revenue. For FY09, funding generally is set to mid-way between FY08 and FY10. Thus, funding follows a trajectory from FY08 to FY10 to ultimately reach the targeted level of investment

3. Did any agencies receive increases?

In terms of target funding in FY10, 64 affiliates will see increases over FY07 and 48 affiliates will see decreases. In terms of investment in Boston and 14 additional priority communities, in FY07, 95% of investments were targeted to these communities; in FY08, 96% of investments will go to these priority communities.

4. We are a strong agency, and we've been growing and improving practices. Yet, our UW funding is decreasing. Why?

In the past, if an agency did well in the review, it would typically get an increase in funding. If it did less well, it would get a smaller increase, or a decrease. That is not the case this year. The new funding target is based on the quality of your proposals – in terms of the review determining which measures would be accepted as contributions – and each agency's share of the total contributions that all agencies will make to UW's goals. Another factor is that there is less money available for operating support to affiliates because of other investment decisions we made. As a result of these changes, agencies that did very well on the RFP and are making large and valuable contributions can still receive a decrease, as we seek a more equitable distribution to agencies making significant contributions and whose efforts have not been rewarded by historical funding in the past.

5. What and when am I going to report to United Way?

We will want agencies to report on three elements: targets (the specific, usually numeric contributions to a measure); milestones (the interim outcomes, steps or achievements taken toward the target), and lessons learned from your efforts to achieve your contributions. You will be reporting these elements for each of the measures to which you are contributing. The goals of reporting are to track progress, learn from and improve practices, while making reporting as simple as possible. We want the process of refining targets and writing milestones to be a collaborative effort between now and the end of October. Our plan now is to have the first reporting on targets, milestones and lessons learned to cover the June-December 2007 period. Reports will be due at the end of January 2008.

6. What's the process for revising the targets in the MOU, given the funding we received?

We expect the targets in the MOU to be achieved in FY2010. We want to make as much progress as possible toward the targets during FY2008 and FY2009. During the next several months we want to talk with agencies to establish interim targets for FY08 and FY09 and to strategize about reaching targets in a problem-solving way. Our aim is to overcome funding obstacles to maximize performance through innovation.

7. When will I be able to comment on the review process?

Our pledge is to give all agencies the opportunity to comment either anonymously or face-to-face with United Way staff or an outside evaluator. Our formal, third-party evaluation of the process is unlikely to happen before the fall. The evaluation design isn't yet complete but it will include an anonymous survey as well as interviews.

8. Will we have the opportunity to reapply at the end of three years?

Since we are still in the midst of the FY08 process, we have not yet had a chance to determine what will happen in FY10.

9. Will there be an opportunity for increased funding in the three year window if we demonstrate higher performance against projected results?

First, the funding notice you received for FY09 and FY10 assumes a level total amount of funds available. With our new strategy we hope that campaign revenues will increase. On the one hand, the aim of the funding plan is to reach target funding in FY10. On the other hand, the UW board is very committed to the principle of basing funding on performance, in both directions.

10. How can I fare better in the process next time?

United Way is depending on the contributions of *all* funded agencies to meet our community goals – whether funding is more or less than in the past. We are committed to working closely with agencies during the next three years to agree on ambitious targets and clear and progressive milestones that we can monitor to track progress toward targets. The other key feature of this process will be learning from what worked, what didn't, and what can be changed to achieve the results we need. Beyond this, it is too early for us to be more specific about the next comprehensive review process.

11. How do we find out about initiative or venture funding and can we apply?

Venture funding has already been decided for Affordable Housing and Sustainable Employment. Notification about venture funding for Healthy Child Development and Increasing Youth Opportunities will come from UWMB at the end of this summer. Venture funding is specifically intended for agencies that are not now in an on-going funding relationship with United Way. Initiative funding for each impact area occurs on a rolling basis throughout the year. Some funds are already designated. Agency partners will be informed of opportunities as they arise, typically on an invitation-only basis.

12. What are some examples of venture agencies funded in FY08?

Father Bill's Place in Quincy will receive funding for the first time to advance its cutting-edge work with homeless families, Crittenton Women's Union will receive funding to support its work to move women and families toward economic independence, and the Massachusetts Association of Community Development Corporations will receive funding to support micro-enterprise and small business development, especially by people of color.

13. What are some examples of initiatives that will be funded?

FY08 investments include \$6.1 million to support existing UWMB/MV initiatives like Today's Girls Tomorrow's Leaders, and Dream in Science, an innovative after-school program to foster math, science and technology among 4th, 5th and 6th graders. These funds will also seed new efforts in the coming year to address youth violence and advance United Way's Housing First initiative, which aims to move homeless families into permanent housing as quickly as possible.

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