LOUDOUN HUMAN SERVICES NETWORK
P.O. Box 342 • Leesburg, Virginia 20178

February 25, 2025

Dear Board of Supervisors:

The Loudoun Human Services Network (LHSN) is a coalition of approximately 50 human services nonprofit organizations serving Loudoun County. First, we thank the county staff for their hard work carefully preparing the FY 2026 budget. We also appreciate their support of our nonprofit community, as well as our fellow human services providers within the county government who are serving alongside us on the front lines. Second, we thank the Board of Supervisors for the opportunity to participate in the budget process through public input. LHSN has reviewed the FY 2026 proposed budget and appreciates this opportunity to share our support regarding specific areas of the budget that will impact on our members and the people we serve. Please accept our comments and feedback below regarding the FY 2026 proposed budget.

Summary

- **Nonprofit Funding:** we urge you to increase the FY 2026 allocation for the Competitive Grant Process for human service nonprofits by 20% to meet current needs for Loudoun residents. Additionally, we express concern that feedback from the nonprofit community was not fully incorporated in this year's budget preparation.
- **Housing:** we applaud the dedication of a full penny of the real property tax rate to the housing fund. However, we urge you to consider more resources to address homelessness, permanent supportive housing, and housing needs for residents earning 40% or below AMI as well as seniors.
- **Departmental Requests:** We generally support the resource requests of the county human services departments. We express concerns regarding the DFS request for Priority 4 (Domestic and Sexual Violence Services) and recommend further engagement with nonprofit partners to ensure alignment with existing services.
- **Increased Collaboration:** We request stronger collaboration with our county government and an improved process for nonprofits and county government to convene, communicate and strategize to better serve resident needs.

Nonprofit Funding

The LHSN greatly appreciates the Board and staff's ongoing support of the Human Services Grant Program. However, we express concern that the FY 2026 proposed allocation of $2,861,966 for the Competitive Grant Process, with no proposed increase, is insufficient to meet the current demand. We request that the Board consider increasing the allocation to reflect the expanding needs of Loudoun residents. At minimum, we urge a 20% increase to the funding pool consistent with prior years, to ensure it adequately addresses the growing demand for services. Additionally, we recommend a review of the previous policy regarding the funding gap analysis, with feedback from the nonprofit community, to determine needs in future fiscal years.

In previous years, the Board has demonstrated a commitment to increasing the grant funding based on an analysis of the prior year's shortfall for applicants who score 75 or higher. We are grateful for your commitment to grow these resources that help serve Loudoun residents.

This policy has helped to grow this funding stream but still is still not enough to keep pace with Loudoun's growing population or service needs.

However, the grant is currently capped at $113,000 per organization or 30% of operating, whichever is higher. This does not accurately reflect the true need within the community. While this policy helps maintain funding stability, it does not account for many grantees organization requiring significantly more than $113,000 to adequately meet service demands in Loudoun. While we understand that an organization cannot apply for more than 30% of its operating budget, which remains a standard practice, the cap limits the potential impact of the funding. Many organizations are experiencing increasing demands for services, despite demonstrating strong operational and financial need.

In a letter emailed to the Board FGOEDC and staff in May 2024 (attached), LHSN stated the following: "Before the next budget cycle, we would appreciate the opportunity to provide feedback regarding specific areas of the process that will impact our members and the people we serve. The last significant grant process changes were implemented in 2017-2018 through a collaborative process with key nonprofit stakeholders. There have been substantial changes in Loudoun's human services needs post-Covid, necessitating an expansion of our organizational capacities to meet the heightened demands. **While the ability to fully fund many applicants' requests this year may give the impression that there is adequate funding available, or that there may not be a need for continued and additional investments in the nonprofit grant allocations, we know that the current level of community need exceeds the resources available. There are several parameters in this process which we believe should be examined and re-evaluated prior to next year's budget planning**. We welcome the opportunity to work with our County partners to plan how to meet future needs together."

We were hopeful after hearing the Board's direction at the May 2024 FGOEDC that there would be an opportunity to provide input on this line item in the FY 26 budget.

When an invitation to provide feedback had not been received by fall 2024, LHSN held its own, independent listening session with its member organizations to receive their feedback. LHSN used that feedback to draft a series of recommendations related to the grant process, including a recommendation to re-examine and develop **"a long-term strategy that includes the nonprofit community's input to sustainably grow the grant funding allocation in a way that best reflects and responds to changing community and nonprofit needs."**

These recommendations (attached) were presented to County staff by LHSN leadership in a meeting held in October 2024, at our request, as we knew that time was running out to impact the FY 2026 budget planning process.

In January 2025, the county announced a series of feedback sessions about the grant application process to be held in February 2025, to be facilitated by KPMG. We appreciate that opportunity to provide feedback and several of our member organizations participated. However, based on feedback from KPMG and county staff, we are concerned that the report and its findings from those sessions will not be available until April or May 2025—without time to be considered during the FY 2026 budget approval process.

Furthermore, our experience attending those sessions is that the majority of the discussion was not focused on the allocation or amount of funding available; instead, the majority of the questions focused on process and details related to the application form and selection criteria.

In the meantime, our nonprofits continue to see increasing demands for residents in need of services, while also facing funding and policy uncertainties in the months and years ahead. In a fiscal year where our county government is facing a strong financial position, we ask you to consider increasing resources for those experiencing need. **Please consider an increase to the allocation for the Human Services Nonprofit Grant Program in FY 2026 by 20%. An increase of 20% is in line with historical average increase in recent years.**

If an increase is not provided in FY 2026, it is very likely, based on particular circumstances of last year's funding cycle and the current process in place, that many of the organizations receiving renewed funding may receive a reduced award in FY 2026.

The Human Services Nonprofit Grants and the Core Services Contracts grant critical funding to support the safety net of services provided by nonprofits for Loudoun's most vulnerable residents. This funding is often leveraged by local grantees to draw additional private, state, and federal funding into Loudoun County for the benefit of our residents.

Housing

As human service providers, we are concerned about the rising costs of housing in Loudoun County. Without a deep commitment to affordable housing by our elected officials and local government, we risk pricing out of our community our neighbors, adult children, aging parents, and the essential workforce that makes our way of life here in Loudoun possible.

Thank you for the important steps you have taken to ensure affordable homes are available to all here in Loudoun. We have been asking for the dedication of a full penny of real property tax rate to the housing fund, and you listened. Dedicating $17.3 million, or a full penny of the real property tax rate, will make a real difference in reaching our housing goals.

We support funding for positions within the Departments of Planning and Zoning and Housing and Community Development to ensure that we have the necessary programs, resources, and development projects moving through the pipeline to meet our housing goals and make affordable homes available to all.

We remain concerned that the proposed budget leaves behind many of our most vulnerable residents.

- Homelessness is increasing in Loudoun. Please consider prioritizing planning and resources to address our county's need for expanded hypothermia shelter and expanded family homeless shelter.
- We cannot solve homelessness without more Permanent Supportive Housing. We need homes that are not only affordable but include wraparound support services. We need the financial and human resources to make that happen.
- Housing needs for seniors continue to increase and there is a lack of affordable housing options in our community specifically designated for seniors.
- Housing options for working families earning 40% or below of the area median income are extremely limited. Keeping families stably housed, in their communities, is critical and requires local solutions including rental assistance, eviction prevention programs, and a commitment to building and preserving more homes for families at that income level.

Human Services Departmental Resource Requests

LHSN strongly believes in the necessity of public private partnership to ensure Loudoun residents in need have access to quality services. This includes well-staffed county departments. However, when additional resources are being considered for new programs, we believe it is imperative that input from partner agencies is sought.

Family Services

LHSN supports the DFS requests outlined in Priority 1, Priority 2, and Priority 3. However, we are curious about the request outlined in Priority 4 for new Domestic and Sexual Violence Services, and are concerned that community partners, including LHSN organizations, may not have been consulted in the planning of these new service offerings, nor provided a meaningful opportunity to provide feedback about this plan. While we support the concept of more resources for Loudoun residents in need, we are concerned that some of the proposed positions and services may not align with actual current needs in our community. We recommend further conversations with community partners before allocating financial resources of that significance for those needs.

Mental Health, Substance Abuse, and Developmental Services

LHSN supports the MHSADS request for the Crisis Receiving and Stabilization Center, as well as the requests in Priority 1 and 2.

Community Corrections

LHSN supports the Community Corrections request outlined in Priority 1.

Parks Recreation and Community Services

LHSN supports the expansion of after school programs as proposed, as well as the staffing requests in Priority 1, 2, and 3.

Increasing Collaboration and Communication with Nonprofits

LHSN requests the Board and staff's consideration to develop a stronger collaboration with the nonprofit community, through a formal process for nonprofits and county government to convene, share information, collaborate, communicate—and most importantly, develop a joint strategy for addressing growing human services needs for Loudoun residents. There is not a current formal structure or human services strategic plan in place between county government and nonprofits for developing and implementing strategy together on important, emerging issues in an effective way. We believe we are most effective and efficient when we work together strategically to serve Loudoun residents in need.

Best regards,

Loudoun Human Services Network

Attachments:

- Attachment A: LHSN response to FGOEDC regarding grant recommendations (May 2024)
- Attachment B: LHSN grant process recommendations provided to staff (October 2024)

ATTACHMENT A:
LHSN RESPONSE TO FGOEDC REGARDING GRANT RECOMMENDATIONS (MAY 2024)

LOUDOUN HUMAN SERVICES NETWORK
P.O. Box 803 • Leesburg, Virginia 20178

May 14, 2024

RE: Human Services Nonprofit Grant Recommendations & ARPA Reallocation

Dear Chair Letourneau and Members of the FGOEDC:

The Loudoun Human Services Network (LHSN) is a coalition of more than 50 human services nonprofit organizations serving Loudoun County. First, we thank the county staff for their hard work carefully preparing the FY 2025 Human Services Nonprofit Grant Recommendations. We appreciate their support of our nonprofit community, as well as our fellow human services professionals within the county government who are serving alongside us on the front lines. Second, we thank the Board of Supervisors for the FY 2025 allocation of $2,862,966 for the competitive grant process. The allocation has more than doubled in the last five years, which has had significant, positive impacts in our community. LHSN has reviewed the FY 2025 proposed grant funding and offer our support for the item as presented. Additionally, LHSN supports action that would direct the remaining balance of the funding allocated for this program to be invested in our nonprofit safety net. Typically, LHSN Executives and Members would be present at this evening's Finance Committee meeting to show our support in-person but there is a 100WomenStrong Grant Award Reception that most of us will be attending.

Before the next budget cycle, we would appreciate the opportunity to provide feedback regarding specific areas of the process that will impact our members and the people we serve. The last significant grant process changes were implemented in 2017-2018 through a collaborative process with key nonprofit stakeholders. There have been substantial changes in Loudoun's human services needs post-Covid, necessitating an expansion of our organizational capacities to meet the heightened demands. While the ability to fully fund many applicants' requests this year may give the impression that there is adequate funding available, or that there may not be a need for continued and additional investments in the nonprofit grant allocations, we know that the current level of community need exceeds the resources available. There are several parameters in this process which we believe should be examined and re-evaluated prior to next year's budget planning. We welcome the opportunity to work with our County partners to plan how to meet future needs together.

We respectfully encourage you to take a closer look at the proposed reallocation of Human Services Nonprofit-related ARPA funds, including those designated for the Community Services nonprofit grants, Tranche 2 Nonprofit Grant Program, and Housing location assistance for landlords. Redirecting these funds towards addressing the enduring impacts of COVID-19 on our community's safety net is paramount. This reallocation would prioritize initiatives addressing social determinants of health, ensuring access to healthy living spaces and safe environments, as well as facilitating access to essential healthcare and assistance services. Your support in this endeavor would greatly benefit those most affected by the pandemic's aftermath.

Best regards,

Nicole Morris, Chair (Women Giving Back)
Lisa Max, Vice Chair (The Arc of Loudoun)
Jennifer Montgomery, Advocacy Committee Chair (Loudoun Hunger Relief)

ATTACHMENT B:
LHSN GRANT PROCESS RECOMMENDATIONS TO STAFF (OCTOBER 2024)

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LHSN Recommendations
County of Loudoun Human Service Nonprofit Grant Program
October 9, 2024

Enclosed in this document are recommended changes to the Loudoun County Human Service Nonprofit Grant Program application and process. The Loudoun Human Services Network respectfully requests that the Finance staff and Loudoun Board of Supervisors consider the following recommended changes to the grant application.

Our Process

In May 2024, the Loudoun Human Services Network sent a Position Letter to the Loudoun County Board of Supervisors, requesting the following:
"We would appreciate the opportunity to provide feedback regarding specific areas of the process that will impact our members and the people we serve. The last significant grant process changes were implemented in 2016-2017 through a collaborative process with key nonprofit stakeholders. There have been substantial changes in Loudoun's human services needs post-Covid, necessitating an expansion of our organizational capacities to meet the heightened demands. While the ability to fully fund many applicants' requests this year may give the impression that there is adequate funding available, or that there may not be a need for continued and additional investments in the nonprofit grant allocations, we know that the current level of community need exceeds the resources available. There are several parameters in this process which we believe should be examined and re-evaluated prior to next year's budget planning. We welcome the opportunity to work with our County partners to plan how to meet future needs together."

Board of Supervisors Response
On May 23, 2024, the Board of Supervisors, on the recommendation of the Loudoun Finance, Government Operations & Economic Development Committee (FGOED), directed County staff to create a community engagement process for nonprofits to provide feedback relating to the Board of Supervisors' four areas of need and funding criteria to determine if there is any feedback before the next grant cycle.

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Listening Sessions

The Advocacy Committee of the LHSN held a listening session for LHSN nonprofit member organizations. All 45+ nonprofit organizations with current LHSN membership at that time were invited to participate. The session was conducted in August 2024 and facilitated by LHSN leadership. During the listening session, feedback from participating nonprofit representatives was elicited regarding the application questions and process, the Area of Need definitions, the application and award notice timeline, and the application ranking and scoring process. Approximately 20 organizations participated in the listening session.

Committee Recommendations & LHSN Approval

The LHSN Advocacy Committee then conducted a committee workgroup session to draft recommended changes to the grant criteria, application and process. In that workgroup session, the committee reviewed and analyzed the feedback received during the listening sessions. These recommended changes were presented to the LHSN membership during LHSN's September 2024 membership meeting. The enclosed recommendations were approved by a majority vote of LHSN members at the September 2024 meeting.

We are pleased to share the positive feedback from our LHSN members regarding the current funding process. Many have noted that the County has made significant progress in improving the process through incremental changes over the years. This includes the removal of challenging word/character limits, a commitment to transparency regarding the application, evaluation, and recommendation process, and strong partnerships with county grant monitors.

It was also noted with deep appreciation that the commitment from the Board of Supervisors and county staff to adopt the practice of conducting an annual funding gap analysis has led to significant investment to grow the funding availability. This growth in the funding allocation each year has helped provide more resources for nonprofits to better serve Loudoun residents.

We offer the following suggestions for improving the grant application process and county funding philosophy based on feedback received from LHSN member organizations.

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General Considerations and Strategy:

1. *Multi-Year Funding*: Consider offering multi-year funding to provide stability for nonprofits and reduce the administrative burden of annual applications for both nonprofit recipients and County staff. Multi-year grant awards are utilized often in state and federal grant programs, as well as in local jurisdictions.

2. *General Operating Support vs Specific Project*: Consider reviewing application questions and criteria to ensure the funding process is clearly focused and supporting general operating support, rather than specific project support. General operating support is the hardest funding to seek for nonprofits. Many organizations leverage county funds in other grant requests, contributing to increased funding into Loudoun.

3. *Funding Allocations*: Consider implementing a tiered funding allocation approach to support nonprofits of all sizes and ensure equitable distribution of funds.

4. *Mini-grant Application*: Consider simplifying the application for the mini-grant as the complexity of the application is not commensurate for a grant of $5,000.

5. *Strategy for Funding New Needs:* Consider allocating funds specifically for services/nonprofits new to Loudoun that staff have identified as a priority for the community. New services/organizations may require a longer timeframe to get established and operational. Additionally, first-time applicants or awardees should be required to demonstrate a successful track-record of providing services in Loudoun County, or alternatively, a solid plan for new program implementation in Loudoun County with documented partnerships with Loudoun-based organizations already in place at the time of their request.

6. *Growing the Resources:* Consider a long-term strategy that includes the nonprofit community's input to sustainably grow the grant funding allocation in a way that best reflects and responds to changing community and nonprofit needs.

7. *Areas of Need:* LHSN reviewed the described areas of need, and it was the sense of the network that the current area of need descriptions are effectively written and reflective of the current needs. We do not recommend a revision of those areas of need at this time.

Application Process:

1. *Clear Communication*: In addition to the proposal webinar training, consider providing a detailed PDF specifically outlining any changes from the previous year's application to help organizations understand and prepare for new requirements.

2. *Notice for Data Collection*: When requesting changes to data collection, provide organizations 12-18 months' notice to prepare for changing data collection systems and practices required for gathering the required data.

3. *Application Period Extension*: Consider extending the application deadline to 8-10 weeks after the Request for Grant Applications release, allowing ample time for organizations to prepare and submit their applications.

4. *Hours Spent on Application*: Nonprofits have reported spending between 45-75 staff hours on the application. This seems to be on the high end for local grant funding.

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Scoring Process and Feedback:

1. *Evaluator Knowledge of Community*: Clarify if the contracted evaluators are familiar with the local landscape. Are they provided with any context about the applying organizations? Ensure that they understand nonprofit financial statements to provide accurate scoring, including, but not limited to, the definition and application of in-kind donations.

2. *Transparency*: Provide context on the evaluator selection process, release RFP for evaluators, and ensure consistency in evaluation. Clarify if there are separate evaluators for each question or group of questions on the evaluation. This question relates to the perceived redundancy and repetitiveness of questions.

3. *Past Performance:* Members had questions regarding how past grant performance impacted scoring and evaluation. Does past performance and reporting factor into the current year's eligibility and scoring? Do evaluators have access to past applications or reporting?

4. *Financial Scoring:* Members provided feedback regarding comments on this past year's evaluation reports that indicated misunderstanding regarding some elements of the financial documentation, including interpretation of in-kind contributions and other matters. Consider a meeting with nonprofit applicants to discuss these issues to provide this feedback to contracted reviewers for the next cycle.

Data Usage:

1. *Data Utilization*: Communicate how the collected data will be used and the benefits of reporting services based on zip codes.

2. *Reasonable Data Requests*: When making requests for specific data, please provide background information regarding how that data will be utilized. Furthermore, please consider not penalizing organizations for

their inability to provide certain data, if they can offer a valid explanation for their inability to collect the information requested.

Application Questions:

1. *Streamline Questions*: Consider consolidating and streamlining repetitive questions to reduce the application's complexity and length. Alternatively, if there are different evaluators for each question/section necessitating repeated information, provide more explanation to the applicants about that need.

We greatly appreciate the Board and staff's consideration of our feedback. We thank the Board and staff for your leadership and partnership regarding this important process that ultimately helps Loudoun residents in need.

Sincerely,

Nicole Morris
Chair, Loudoun Human Services Network