NNIP Milwaukee Meeting. June 12, 2019

**Where’s the Money? Funding Camp**

Leader: Elizabeth Grim

Notetaker: Camille Anoll

**Links of interest:**

[NNIP: The Business of a Local Data Intermediary](https://www.neighborhoodindicators.org/library/catalog/business-local-data-intermediary)

[NNIP: A Tool for Organizational Planning: The Business Model Canvas](https://www.neighborhoodindicators.org/library/catalog/tool-organizational-planning-business-model-canvas)

[NNIP May 2017 Camp Notes: Business Models of Local Data Intermediaries](https://www.neighborhoodindicators.org/library/catalog/nnipcamp-may-2017-business-models-local-data-intermediaries)

**Attendees:**Elizabeth Grim, CT Data Collaborative; Camille Anoll, Urban Institute; Ellen Shepard, Community Allies; Courtney Steele, Shift Research Lab; Kayla Gonzalez, Zilber Family Foundation; Mike Carnathan, Neighborhood Nexus; Ashley Levulett, Children's Optimal Health, Austin; Justin Entzminger, Innovate Memphis; Laura Simmons, UNC Charlotte Urban Institute; Eritrea Habtemariam, Annie E. Casey Foundation; Vaishnavi Vaidya, Drexel Urban Health Collaborative, Philadelphia; Sarah Laurent, Data You Can Use, Milwaukee; Ely Portillo, UNCC Urban Institute, Charlotte; Paul Sorenson, St. Louis Regional Data Alliance; Jake Cowan, Consultant; Sharon Kandris, The Polis Center at IUPUI; March Abraham, Data Haven, New Haven; Katie Phillips, Center for Urban and Regional Analysis (CURA), The Ohio State University; George Hobor, Robert Wood Johnson Foundation; Todd Clausen, Consultant (formerly Data You Can Use); Katie Pritchard, Data You Can Use, Milwaukee; Alejandro Acero, Institute for Urban Policy Research, UT Dallas; Sara McDonnell, UM Flint

**Mike:** We at Neighborhood Nexus--try to brand as an entity but not create a separate partner

**Justin**--what does the funding for work like this look like

University Partners have different challenges but continue to have challenges with funding

**Laura Simmons**: Funding is always a challenge for us even if it looks different for us as a University

Grant funding is always a challenge -- with start and end dates make it difficult to make sure people have their jobs covered

**Sharon:** Funders ask who else steps up to the table over the years. They want other funders to support the work over time and don't want to be the main funders for extended periods of time.

**Katie:** At Ohio State, we have grant funding and fee-for-service funding, but want to know how do we get funding sustainability.

**George:** RWJF--previously worked at a NNIP partner

**Todd:** The problems of your local funders not knowing how much it really costs to do this work? When national funders pulled back, we had difficulty getting local funders set up

Milwaukee: 65% fee for services and about 35% Grants

Can't charge youth for their programming

**Ellen:** community and economic development -- want to do projects with local organizations but need to bring my own funder for the work.

**EG:** Funding is often project specific and supplemented with fee for service projects. How do you get local funders to understand the importance of the work?

**Todd:** challenge with the national funders, but we were upfront with them, "we are going to do this part of the project" but half of what you give us will be passed through to local organizations. and they liked that

Local funders had no idea the amount of background work that took to

My problem was I never explained to people getting data from me how much work it took

a lot of projects were from CDBGs, and I would give them free data because it was all paid for through block grants

When the national funders dried up, I hadn't made the partnerships

might have to make it like your organization is "making a donation" to this project or other org so that they understand the value

**Katie:** we track all the things we aren't getting paid for under "community benefit work" like a hospital would, which makes us able to give the case of our philanthropic work

**Jake:** Detroit use Harvest and the Time Tracking

They meticulously track their time to understand how much time they were spending on projects. This way they could understand and intentionally decide to do free work when there was strategic value in doing so.

**Sharon:** We find that we are really having to educate on the back end, how much time it really takes to do all the data cleaning and database work. So there was always the question of "it really takes this much to make this work?"

We were actually audited by the funder, which was really helpful to us because we learned we were underfunded and over performing in our services for the funding provided. The auditor was independent, selected by the foundation.

But with changes in funders, we have found that we have to re-educate every couple of years of how much time it takes.

**Mike Carnathan:** There is a mission that we have to do,... Our organization needs to get our work done on the projects we have grants for but we are also trying to move our mission forward.

We tracked that it took $600K of in-kind work to get Neighborhood Nexus up and running. We are not going to recover all of that, but it gives us a frame of reference. It helps to have a number to throw out there to get the funding and a target for us to fundraise to.

**Elizabeth G.**: How are you calculating hourly rates?

**Katie Phillips:** We use the rate of $60 an hour. That is what we use when we have someone come to us with a project suggestion and want to know how much our work would cost to be written into their grant.

We have researched what other grants have taken to do the work and we offer our works in tiers. We won't charge over the amount of hours quoted, but will charge less if it takes less time.

We don't like to do it by deliverables because sometimes deliverables have to change.

**Laura Simmons:** We budget by hour to estimate the work for a project, but then contract by a fixed fee. But this means we do a lot of extra work for free. We end up budgeting by what we think the organization can pay which we are trying to

State funding for the in kind work offered (like Ely Portillo's job)

**Jake:** There is a guide on the website--the business of running a data intermediary. Often we know the best practices, but we don't do them.

**Katie Phillips:** When we do work in our center, it is owned by the university. So we might do work for an organization, but OSU owns it and the partner org. can't sell the product.

**Paul:** We are trying to work with our university to change ownership of the data we are putting together\*\*\*

**Justin:** We had to be intentional around hiring in a culture that works in a fee-for-service model. There has been a culture shock for the people who are used to working in nonprofits. When you tell people they have to transition from work because there is no more funding, they are sometimes resistant.

**Todd:** $75/hr for non-profits and subsidized by other in-kind I could come up with; for businesses, we charge $125 per hour; for law firms, we charge $400 (because we realized they were charging our work back to their clients in a range of $800--1200) and they didn't blink when we charged them $400.

**Elizabeth G:** Who else can we tap for funding? Is there an alternate universe where we are not in a project-to-project set up?

**Sharon:** We have always thought we should go after banks who are interested in re-investment but we never have tried.

**Todd:** I used to work with CRA officers. In MKE, we have had some really good CRA people which is a good in with the bank. And also from the bank's foundation. They gave both fee-based work and then gave additional funding. It started as fee-based work, and then we would get small grants from the foundation.

**Katie P:** I've heard a story that a group went to the Mayor to show how powerful the data was and gave some of the data geospacially. The Mayor said I love it. How do I get it? And then threw money into the organization.

Also hospitals have a lot of money and should figure out how to tap into them.

**Paul:** Hospital(?) are our biggest funder in our region, which is not optimal, but they are changing their investment strategy so we are figuring out how to provide some small consulting on what we can do for them.

We don't really have a data intermediary in the area so we can show that its really needed.

**Camille A:** Urban has done some research on hospital investments in the community, and how they can leverage new tax incentives to invest in community work (particularly around housing) and the return on investment they can see from these investments because it means they are writing off less emergency visits for people who can't pay.

**Sharon:** We have a good relationship with the hospitals with projects, but we don't have the operational support.

**Mike Carnathan:** With the fee-for-service projects, we aren't being honest to our mission. We are just fulfilling the work we were hired to do.

**Camille:** One way I have seen people write into grants the operational costs, are by calculating some of the operational costs that will directly support the work, such as how often a receptionist might answer the phone for a project or measuring out the square footage of someone's office who will be working on the project.

**Todd:** Something I have thought about and tried is to go to local funders for a base support package. My program needs $125K to keep the doors open. Will you, funders as a group, guarantee $75K. If I can bring in $100K that year, you all are only obligated for the extra $25K I couldn't fundraise.

**Elizabeth G:** Did you have a buffer zone for growth?

**Todd:** We didn't go there because we were on a downhill slope.

**Katie Pritchard:** Our board understands the importance now of a 6 month buffer funding.  We have a middle step, though we estimate costs like Laura: we budget on costs, add a big buffer, then bill on deliverables. We have a board rule of no growth until that 6 month reserve is there.

NNIP did some research and learned that the average cost was $275K a year for orgs in the partnership to operate which was really helpful to take to funders.

**Ashley:** Much like Katie mentioned earlier, there was a need in our community so leaders from eighty-four local agencies came together to create our organization. We have a Board of Directors which includes sustaining members who provide an annual contribution which gives us a large part of our funding base. That funding along with other sources, such as grants, helps us support projects for local community organizations that on their own don’t have the funds for the work they would like to see. Our sustaining members come from a range of agencies, such as local governments, hospitals, clinics, and grocery chains. This variety has been one of the keys to our success and ensures that the projects we work on address issues seen throughout the community.

**Ely:** There is an important local education aspect beyond local funders. I used to work for our local newspaper. I used this data a lot, and until I came to the organization, I didn't know where the funding for the work came from, I guess I kinda thought there was a "data fund". And so people in the broader community need to also understand the work that this data takes.

**George:** For those in universities but operate completely soft money, what is the push point in the university where they decided you weren't worth university funds? Who do you need to talk to to get that funding?

**Sharon:** From the beginning, our ED was hired for a project, and he said he also had ideas for other projects. They said if you can fund it, you can do it.

**Paul:** its difficult for us to advocate for CB work. We aren't getting large fed grants, so the university takes a smaller indirect than they do for other grants. We used to have university funds that were taken away during the recession.

**Laura:** We have always been a split funding model.

**Sharon:** (missed comment)

**Katie Phillips**: we showed how our outreach aligns with the outreach at the university

Defining the impact of data work is challenging. There is a big push for evidence based decision-making but no push to put that infrastructure in place to get that data available.

**Sharon:** we have a foundation at the university but they haven’t been helpful to us on fundraising. They have like multi-million dollar campaigns going, and they will connect us to the foundations but it is up to us to make the case. The University foundation determines who can ask which foundations for money, but by going through our community partner, United Way, we get around that.

**Sara McDonnell:** Needs additional input. Where a community partner doesn't have the money to partner with us, we can go back to the U. for that funding. and we have students who advocate for the center.

**Paul:** Do orgs work with grant funding?

**Mark/Jake:** There are some that do that...

**Katie:** we used to do that, and we would say if you give us this money this is what we will do for you each year. But the state match has been cut every year.

**Todd:** We used to have a large amount of CDBG funding and we used to do a ton of GIS for the city because they were a CAD shop and the union wouldn't allow them to switch to GIS. Also we did a lot of work for the health department, and would do a lot of preprocessing for them, to get it in a way that the city could feed it into their main frame.