



During the Luncheon keynote, Tim Delaney, President & CEO of the National Council of Nonprofits, posed two questions for the attendees to discuss at their tables, and presented a third “Take Home” question for grantmakers and nonprofits to discuss within their own organizations. Below are the questions and some of the collected notes from the table discussions.

Question 1: What are the big trends/geopolitical issues happening in your community, in New Jersey, or in the country that are impacting the field in which your work is focused?

- Education Testing; specifically PARCC
- Outcome measurement push from funders
- Wish funders would ask: What are you learning and what are you not able to accomplish now?
- Signature programs by corporate funders that focus only their wants, not the needs of the community
- Funding for “mile-deep” programs but not “mile-wide” that may impact greater number of people.
- State is broke
- Issues with size of grant awards versus number of grants dollars available for the increased in grant applications; cutbacks in funding for Arts.
- Abandonment of corporations; big funders & supporters of Arts programs
- Focus on metrics in education for measurements
- Population is down in programs due to lack of information available about the programs to parents/caregivers.
- Regarding education in Newark, people are being forced to come together and talk.
- Push to have nonprofits pay property taxes
- Where is focus/attention on the next Sandy? Had huge impact on economy, giving, etc. So what will we do to prevent/deal with next one?
- More requirements (outcomes, etc.) without additional resources to get funding; clients are losing but reporting outcomes, staffing shortfall. Rising expectations, limited resources.
- Short term time horizon for results cost/benefit payback is more immediate.
- Board dynamics disparate perspective; smart people on the board without full understanding of NFP operations.
- Grantees – Lack of operating support; individual versus “corp” funding.
- Fear of only having one shot.
- Unaffordable communities e.g. When Ft Monmouth closed
- Most boards don’t talk about anything except what is in front of them
- Structural impediments; no one in charge of the learning
- School Reform in Newark; foundation’s opinion versus community’s opinion. Not a lot of ideas on how to talk about it.
- Trenton – Why isn’t the community more involved? People who live in town aren’t interested in

- the state government, even though it's biggest employer
- Board diversity is more of a problem.
- Concentration of wealth especially in finance. Boards led by hedge fund managers.
- Board Diversity: Blog "Nonprofits with balls"
- Ethnic and economic diversity
- What about people would make good board members, but can't provide the gift, i.e. \$5,000?
- Climate change – Hurricane Sandy
- Environmental Issues – Expands areas of education and needs in communities. Environmental justice
- High Poverty – entrepreneurship/employment
- Immigration
- Rising costs of living-too expensive for higher education, too expensive to live near good schools
- Gentrification – ALICE population-working pool; growing poverty in suburbs. Flight to education & opportunities along with lack of infrastructure and public transportation. I.e. gentrification in Newark pushing out low income residents; rising income inequality.
- Mental illness
 - Its everywhere and there's a tremendous stigma
 - Prevention – majority of funders don't understand prevention. Early intervention is harder to show. Not intervening.....
- Arts
 - NJ difficult for access to large foundations. Corporations are withdrawing supports. Qualitative doesn't cut it....!
 - Arts education – discrepancy in what's available
 - Arts are cut—government offloading
 - Trying to get an idea in State
 - Arts in school performance reports success; collecting stories
 - Art saves kids lives/keep interested in schools.
- Public Policy
 - Unsure if Boards are involved with policy....Guidelines prevent them.
 - Senator Vitale came to ---created bills not quite right. If you do this it may harm....
 - Board not involved.
 - Dedicated acts, culture money---5 years hasn't gone anywhere.
 - Linda Czipo is a great resource for Advocacy funding.
- Scholars program
 - Science communication emerging field.
 - Data to decision makers.
 - Scholars – science communication training
 - Make discovery relative! Ties into storytelling.
- Deep Engagement of the Board!!
- Lack of jobs, poverty, decreased government funding.
- Generational poverty and obstacles they bring.
- Not enough resources to fill the gaps. Must be more efficient with service delivery.
- Expansion of need disproportionate need in urban areas. Expands into suburbs where there is no "infrastructure."
- Nonprofits haven't figured out how to streamline and form collaborative partnerships.
- Collaborations are much more time-consuming.
- Government cuts cause increased demand and expansion of need (to target populations never

- served before) for nonprofits.
- Locally, still feeling effects of Hurricane Sandy – scholarship request spike
- Regionally – still recession
- From government perspective:
 - Complexification of government processes
 - Higher scrutiny of government from all levels
 - Competition for limited resources
 - People in government are also trying to find funding, decrease in moral
 - Demonization of government
- Governments scrutinizing the work of nonprofits, regulatory pressure – internationally and nationally
- Democratization of giving/trendiness of giving and different ways/levels to give
- Demographic shifts – how do we address those?
- Are there opportunities for advocacy?
- Should advocacy focus on issues OR the mechanics of how we do business?
- There is more that can be done to advocate for the nonprofit sector
- Grantmakers want clear, hard data to understand how their grant is having an impact as grantmaker resources are scarce and allocating grantmaking to have impact is very important.
- While grantmakers want to understand the impact of their grants, often funding does not support the reporting that grantmakers require. This is especially true for government grants.
- Donors seem to be getting more specific about what they want to support.
- Nonprofits and donors often have different standards and don't necessarily understand each other. Maybe this is changing with larger donors.
- Some corporate funders are spending more time thinking about how they can give back to their communities. Spending this time thinking about these issues can help corporations be good community stewards.

Question 2: How can the OMB Uniform Guidelines and other efforts to support *Real Costs* change outcomes and have impact for the communities/issues your organization is focused on?

- Knowing and talking about REAL COSTS changes the conversation about what services we need.
- Training nonprofits to keep track of their real costs.
- Specific areas of funding are identified by Funders. This is difficult for the nonprofits. For example, specific funding for operating or program support where there is more of a need in operating costs being covered indirectly indirect costs by funders.
- Do grantees understand their costs and the change in the OMB cost reimbursement policy? Tracking real hours to understand manpower costs—extrapolate overhead for costing out project costs.
- Maybe delay in payments will improve. Issues are more systemic; requires an attitude shift across society—change that dollars to support services to communities’ infrastructure, costs of living, support systems.
- Lack of faith in government to solve any problems results in change in shift; we can have a

- dedication to the public good without being Maoists!
- If you can't support operations, you can't advocate.
- Project organizational budget – know what it takes to execute.
- OMB
 - Don't pay for advocacy, collaboration or networking
 - Pay for the program
- Make case for funding to Congress.
- Reviewing financials-they need to go back to auditors; CFO to the auditor.
- An effort-state contracting process task force-for nonprofit sector.
- Nothing we do gets paid in full; the real costs are always subsidized.
- Advocacy is a dirty word for the bard.
- Try to address "wasted time" internally. Try not to make people do things they don't have time to do (funders). Have a common application like they do for college.
- What does collective impact really mean to funders and nonprofits?
- It's incredibly complex to apply for indirect; it's only helpful if grant is significant; otherwise return on admin benefit isn't worth it.
- Foundations could be more open to funding general operating expenses
- Being more open and flexible about what we choose to fund
- Looking at internal procedures on how to walk the talk – ex. Right sizing reporting
- Building relationships with grantees so they can be honest about real costs
- Give general operating support
- Do grantee perception report to get more unfiltered feedback

Take-home question: How can New Jersey's social sector – both grantmakers and nonprofits – work together to support the concept of full cost funding, whether from government or donors?

Additional questions to guide the discussions at your Board meetings:

For nonprofits: What can we be doing differently today to communicate our full costs?

For grantmakers: What do we need to learn from grantees to understand their full costs?

For both grantmakers and nonprofits:

- Would you and your trustees benefit from more training/technical assistance about real cost budgeting and planning?
- How do we influence state and local governments to fully adopt the OMB Guidelines and consider similar practices themselves?