THE WELL-BEING OF NONPROFITS IN DENVER

CREATING A BLUEPRINT FOR CHANGE
This report was completed in February of 2020. In March 2020, the whole world changed with the advent of the COVID-19 pandemic. The dramatic changes to daily life and to the health and economic future of our nation have generated fear and a climate of uncertainty. It is in this time of change that The Denver Office of Strategic Partnerships (DOSP) releases this report on the well-being of nonprofits in Denver.

Nonprofit organizations and institutions play an intricate and integral role in serving vulnerable populations. Due to the COVID-19 pandemic, the survey results and subsequent report have taken on even more importance. Addressing the impacts of this pandemic will require a robust response from those in the helping roles of mission-driven organizations that make up the social sector.

This report provides a roadmap for strategic change and improvements in the relationship of Denver’s government and social sectors

“THERE IS NOT A MORE POWERFUL ACT OF EXPLORING WHAT MATTERS TO NONPROFITS THAN ASKING THEM DIRECTLY THROUGH OUR SURVEY. NONPROFITS ARE CRITICAL PARTNERS WITH THE CITY IN MEETING THE NEEDS OF DENVER CITIZENS. THIS REPORT SUMMARIZES WHAT WE LEARNED AND HELPS US TO IMPROVE OUR COLLABORATION WITH THEM AND HELPS US BECOME AN EVEN BETTER PARTNER.”

- Wil Alston
Director, Office of Strategic Partnerships
BACKGROUND

DOSP was created in 2004 by then-Mayor John Hickenlooper. DOSP’s purpose is to serve as an intentional bridge between the City and County of Denver and the nonprofit sector. While the Office has offered several different programs since its founding, DOSP’s core belief is that by working collectively, the public and nonprofit sectors can be more efficient and effective in strengthening Denver’s communities.

Since its inception, DOSP has worked to ensure the nonprofit community is seen as the economic driver it is and placed on equal footing in importance with its private and public sector counterparts. DOSP is guided by a 15 member Mayoral-appointed Commission of community leaders. The DOSP Commission oversaw the creation, implementation, and reporting of the Nonprofit Well-Being Survey.

THE SOCIAL SECTOR HAS A HUGE IMPACT ON THE LOCAL ECONOMY.

THE DENVER METRO AREA IS HOME TO

12,430 NONPROFITS

THAT PRODUCE

120,939 JOBS.

NONPROFITS IN THE DENVER METRO AREA GENERATE

$20 BILLION

IN REVENUE ANNUALLY AND

$13.2 BILLION

IN SPENDING.

Nonprofits provide residents with services that are critical to our city’s well-being and quality of life.
To begin the assessment of nonprofits and their relationship to city government, the evaluation team interviewed community-based organizations to obtain a range of qualitative factors and experiences that would inform the creation of a larger, city-wide survey. This was the first step in taking a pulse of Denver’s social sector through a qualitative analysis study on partnership pitfalls.

It was followed by a large survey of 300 nonprofits to gauge financial stability, demand for services, and contracting experience with the City and County of Denver. The purpose of this report is to create a blueprint for DOSP and Denver Office of Strategic Partnerships Commission’s work moving forward.

This report provides a cumulative look at DOSP’s findings and how they inform policy and programming recommendations for the City and County of Denver.

Below are summary findings from analysis conducted by the office and commission.

“IF WE WANT TRUE PARTNERSHIPS TO SERVE THE COMMUNITY WE NEED TO BUILD TRUST AND CANDOR BY WORKING TOGETHER TO DETERMINE NEEDS AND DESIGN SOLUTIONS WITH ADEQUATE RESOURCES. ‘IF NOT NOW, WHEN?’”

~ CEO of Non Profit, Respondent
Stage 1 - Interview Study

2018

In order to provide a variety of community services, the City and County of Denver contracts with many nonprofits and social enterprises annually. As DOSP has engaged with these organizations, it’s become apparent that these public-private relationships are increasingly strained. Using investigative interviews from eight Denver nonprofits, a qualitative research study was conducted to investigate the contracting process in the City and County of Denver. This analysis also explored what the City and County of Denver could do to remove contracting barriers and improve contracting procedures. Using these investigative interviews, the office and commission identified four overarching challenges in contracting with the City and County of Denver.

- General inefficiency
- Lack of transparency/communication
- Big dog mentality
- Lack of trust

Stage 2 - Nonprofit Survey

2020

The majority of the information contained in this report comes from the 2019 Nonprofit Well-Being Survey that was the most thorough analysis the office and the commission have completed to date. In 2019, the office and commission expanded the analysis by surveying the greater nonprofit community to understand how Denver-area nonprofits are faring. The survey was comprised of various questions to gauge nonprofit financial stability, demand for services, and staff capacity. In addition, the survey also asked questions about contracting experience with the City and County of Denver.

RESPONDENT DEMOGRAPHICS

- Three hundred and three nonprofit organizations completed the 2019 survey
- Top Sectors represented were youth/education, health, and housing/shelter
- 72% of respondents primarily or exclusively serve low-income clients
- 71% of respondents saw an increase in demand for services from 2017 to 2018

RESPONDENT CHALLENGES IDENTIFIED

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<thead>
<tr>
<th>Operational/Financial</th>
<th>Staffing</th>
<th>Contracting</th>
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<tbody>
<tr>
<td>Funding for full costs</td>
<td>Offering competitive pay</td>
<td>Time-consuming report requirements</td>
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<tr>
<td>Achieving financial sustainability</td>
<td>Employing enough staff</td>
<td>Completing complex application requirements</td>
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<td>Managing/pursuing growth</td>
<td>Engaging diverse leadership/staff/board</td>
<td>Receiving less than the full cost of providing agreed upon services</td>
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The DOSP Commission formulated recommendations with DOSP staff support based on the information gathered from the following reports:

**Nonprofit Partnership Pitfalls with the City of Denver**
(2018)

**Denver Nonprofit Well-Being Survey**
(2020)

The Recommendations are presented in three tiers to help facilitate actions and planning:

**Tier 1 (1-6 months)**
Immediate actions to take to improve conditions and solve problems

**Tier 2 (6-12 months)**
Secondary action based on further research

**Tier 3 (1-2 year)**
Long-term planning for future action

DOSP also makes the overarching recommendation to form a Mayor-appointed task force to review the three tiers of recommendations in this report and develop an action plan to follow through on these recommendations in collaboration with the DOSP Commission.

“THE CITY KEEPS ASKING US TO DO MORE WITH LESS. WE CAN ONLY DO MORE WITH MORE. WE ARE CAPABLE OF DOING MORE, BUT NOT WITH FEWER RESOURCES.”

~ Interview respondent
## EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Immediate action to improve conditions and solve problems. (1-6 months)</th>
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<tr>
<td>Tier 2</td>
<td>Secondary action based on further research. (6-12 months)</td>
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<tr>
<td>Tier 3</td>
<td>Long-term planning for future actions. (1-2 years)</td>
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### TIER 1

**T 1.1** Convene a task-force within the city to develop an action plan in conjunction with the Mayor and DOSP office and commission.

**T 1.2** Develop an inventory of nonprofit organizations that contract with the City or serve the city in other capacities.

**T 1.3** Convene a team of city employees in the PEAK Academy to create a “Social Sector Action Lab”.

**T 1.4** Focus on improving outcomes and performance contracting measures.

**T 1.5** Assure city agencies make timely payments for contracted services with a goal of two weeks.

**T 1.6** Allow for time and funding modifications for any changes in scope and costs to contracts to ensure adequate compensation.

**T 1.7** Expand and adequately staff the Funding and Contracting Effectiveness (F.A.C.E) initiative.

**T 1.8** Organize a single information resource for the city’s nonprofits which maps available assistance and resources.

### TIER 2

**T 2.1** Determine what constituted the 33% of service demands that were not met and set strategies to meet those needs.

**T 2.2** Determine the gap in full cost funding, and create alternatives to modify scope and funding levels to address such gaps.

**T 2.3** Develop a streamline, centralized, and standardized application process.

**T 2.4** Develop topical focus groups to improve contract services.

**T 2.5** Improve access to capital for nonprofits.

### TIER 3

**T 3.1** Increase transparency, internal accountability, and eliminate unnecessary paperwork.

**T 3.2** Consolidate entry points for all social sector contractors and centralize all city funding opportunities for services offered by nonprofits.

**T 3.3** Reinvent the relationship between nonprofits, contractors, and city agencies needs to be reinvented as a partnership.

**T 3.4** Expand the role and staffing of DOSP to create an equity-informed approach that supports the social sector.

**T 3.5** Explore the issues of space costs and organizational displacement throughout the city.

**T 3.6** Provide information, technical assistance, and planning support to find space, move operations, or merge with other nonprofits in new ventures.