



Date: May 16, 2017
To: Thomas J. Bonfield, City Manager
Through: Wanda S. Page, Deputy City Manager
From: Bertha T. Johnson, Director, Budget & Management Services
Joshua S. Edwards, Strategic Initiatives Manager
Subject: Bloomberg Philanthropies Innovation Team Project Grant

Executive Summary

In October 2016, the City of Durham was invited to apply for the Bloomberg Philanthropies Innovation Team Project Grant. Bloomberg Philanthropies awarded the City of Durham a grant of \$1,609,334 (over three years), which includes the required match. The Bloomberg grant is intended to help cities drive bold innovation, change culture, and tackle big problems to deliver better results for residents. The City of Durham’s grant award will fund an Innovation Team to work with residents to define underlying problems of community challenges and design and prototype solutions. The Innovation Team will focus first on enhancing the economic vitality of justice-involved individuals by working with residents that experience barriers to long term sustainable employment.

Recommendation

The Budget and Management Services Department recommends that City Council adopt the Bloomberg Philanthropies Innovation Team Grant Project Ordinance and authorize the City Manager to execute a grant agreement with Bloomberg Philanthropies in the amount of \$1,207,000 and appropriate \$402,334 of fund balance from the General Fund to fulfill the 25% match requirement, totaling \$1,609,334.

Background

In October 2016, the City of Durham was invited to apply for the Bloomberg Philanthropies Innovation Team Project Grant. Bloomberg Philanthropies awarded the City of Durham a grant of \$1,609,334 (over three years), which includes the required match. The Bloomberg grant is intended to help cities drive bold innovation, change culture, and tackle big problems to deliver better results for residents. The City of Durham’s grant award will fund an Innovation Team to work with residents to define underlying problems of community challenges and design and prototype solutions.

Currently in the third round of funding cities across the nation, the program will allow the City to fund an in-house innovation team, or “I-team,” to pioneer new approaches that improve the lives of Durham’s residents. I-teams investigate complex local challenges, design solutions with clear goals, and rigorously measure progress to improve resident’s lives. In addition to the funding, the City will receive robust implementation support and opportunities to exchange lessons learned and best practices with peers in other cities.

The I-team will embark on its mission to design and deliver bold solutions for the City's most challenging problems, focusing first on enhancing the economic vitality of justice-involved individuals. The grant will support three new positions: an Innovation Project Manager, a Data Analyst, and a Design Strategist. During the first year, the I-team will use design research to help understand root causes of finding and keeping employment through engaging with justice-involved individuals. The I-team will collaborate with a variety of stakeholders like Criminal Justice Resource Center, NCCU Department of Criminal Justice, and the Police Department. The I-team will collect data to inform the problem definition and process mapping. With residents' assistance, the I-team will develop solutions and prototypes to test. Ideas will rapidly be spun out on a small scale to measure and track progress against goals. Ideas that show positive results will be scaled and implemented. Funding is included in the grant to build an Innovation Lab in City Hall where residents and employees can collaborate on solving community challenges.

Throughout the design process, the I-team will help look outward to residents and other cities for inspiration – and fashion those insights into powerful new approaches to improve people's lives. Durham was selected from a pool of municipalities with a demonstrated commitment to designing and delivering bold solutions to complex problems. Other cities selected for the global program include Be'er Sheva, Israel; Toronto, Canada, and Anchorage, AK; Austin, TX; Baltimore, MD; and Detroit, MI;

The team will be a part of the Office of Performance and Innovation within Budget and Management Services. In total, over three years the I-team will focus on three community challenges identified by Mayor Bell and City Manager Thomas Bonfield:

1. Enhancing the economic vitality of justice-involved individuals
2. Lowering violent crime rates
3. Reducing high poverty levels

Issues/Analysis

As part of the grant, the City of Durham must provide a match requirement to accelerate impact by generating new resources (public or private) for the City's I-team efforts. Cities will be expected to match the grant at 25% (1 matched dollar for every 3 grant dollars). Matched dollars are typically used for implementation costs associated with initiatives developed by the I-team. Cities have consistently met, and often exceeded match requirements, typically by securing matched funds for the implementation of the initiatives developed by the I-team. Transitioning a grant-funded I-team position to the City's budget would count towards the match.

Alternatives

City Council could choose not to accept the Bloomberg Innovation Team project grant.

Financial Impacts

The City's in-kind contribution of \$402,334 will be utilized to test potential solutions and scale ideas that are proven to work to solve some of the challenges the I-Team will be focused on. The budget ordinance amendment to appropriate fund balance from the General Fund for the required 25% match, in the amount of \$402,334, is included in the Budget and Management Services year end amendment, agenda item #11929. The

Office of Performance and Innovation will look for other opportunities to identify qualifying matching funds beyond the appropriation. The below totals represent the combination of City and Bloomberg Philanthropies funding:

Personal services	\$736,505
Operating expenses	\$782,829
Capital Outlay	\$90,000
Total	1,609,334

UBE Information

N/A

Attachments:

Bloomberg Philanthropies Grant Agreement

Bloomberg Philanthropies Innovation Team Grant Project Ordinance