

United Way: Nonprofit demand up, funding down

published on Tuesday, April 14, 2009 10:58 PM MDT

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Dozens of children are on waiting lists to participate in local after-school programs and area food pantries are giving out record amounts of groceries.

Gallatin Valley nonprofits are serving more people with less money and many expect the situation to get worse, according to a survey of 30 Gallatin and Park county nonprofits conducted recently by the Greater Gallatin United Way.

“We all have a strong sense that this could be actually our worst year,” Carol Townsend, president and CEO of the local United Way chapter, said Tuesday.

More than half of the nonprofits surveyed reported an increased demand for their services due to the economic downturn. At the same time, many also reported declines in corporate gifts and other funding sources.

Programs that serve immediate needs, like food banks and crisis centers, are faring the best, the survey found, while prevention programs, like Head Start, aimed at averting poverty down the road are taking the biggest hit.

More than 50 children are on a waiting list to participate in Head Start programs in Gallatin and Park counties, most for facilities in Belgrade and Livingston, said director Ken Miller.

“We’re probably up 20 percent or more on our waiting list over this time last year,” he said.

About 16 percent of the roughly 170 children that Head Start serves are homeless by federal guidelines, which include those living temporarily with friends or family, Miller said.

Yet, Head Start is planning to cut support staff at the end of this school year, and Miller is nervous that the nonprofit won’t be able to meet its requirement to match \$1 on every \$4 in federal funds it receives.

Head Start uses donations, grants and volunteer hours to match the funds, but federal law forbids it from using staff time or government money to fundraise.

“We could have to return money to the federal government,” Miller said. “For every dollar that we don’t match, they could take away four.”

And while the allocation that Head Start receives isn't keeping up with inflation, Miller said, the costs to run the program aren't getting any cheaper.

He estimated that every time the cost of milk goes up by \$1, Head Start's budget increases by \$2,000. Federal guidelines require the nonprofit to give children at least 8 ounces of milk each day.

Most of the respondents to the United Way's survey have not yet had to make program reductions, Townsend said. Rather, they're cutting staff and other internal expenses.

Of the 30 nonprofits surveyed, 12 are reducing staff hours and 12 plan to use reserve funds to cover losses. Three will eliminate programs and seven plan to reduce services. None of the organizations provided information on what kind of programs were being eliminated.

Prevention programs have experienced as much as 15 percent declines in funding from corporate gifts, foundation grants and government grants, the survey found. Corporate gifts represented the biggest loss with 13 of the 30 organizations that responded to the survey reporting funding declines in that category.

Meanwhile, volunteer hours at nonprofits and donations from individuals are up, Townsend said, and organizations with the most immediate needs are thriving.

The Gallatin County Food Bank set an all-time record in January for people served, with emergency food boxes distributed to 2,684 people. Of those people, about 30 percent, or 823 people, indicated that they were unemployed, director Tim Trzinski said Tuesday.

"That's not including other people who have had their hours cut back," he said.

Still, he estimated that donations to the food bank have increased by 20 percent this year and they've gotten an increase in government money, as well.

"Responding to national headlines and our local news, people kind of realized there's an increased demand for the food bank and have responded in kind," Trzinski said.

On an average day in March, the Livingston Food Pantry gave out more than a ton of food to more than 60 families, said executive director Michael McCormick. The pantry served 67 percent more families during January, February and March than it did during the same time last year.

"We probably helped 8 percent of the county's population," McCormick said.

During a national letter carrier's food drive on May 9, where postal workers pick up donated items, the food banks are hoping to collect tens of thousands of pounds of canned goods.
