

# Nonprofits and Louisville Metro Government Partnership Opportunities: Insight from the Nonprofit Community

March 2025

**LOUISVILLE**  
**NONPROFIT COALITION**   
A local alliance of Kentucky Nonprofit Network members

  
K E N T U C K Y  
**NONPROFIT**  
N E T W O R K

# Executive Summary

**Charitable nonprofit businesses and Louisville Metro Government (LMG) have partnered to address the needs of the Louisville community for decades.** Nonprofits hold a unique and vital role in offering services, providing expertise, and filling gaps that can elevate the goals of government in addressing community needs. We appreciate Metro Government's recognition of our reciprocal relationship, and the investment into our community through nonprofits.

In late 2024, the Louisville Nonprofit Coalition (LouNC), a local alliance of Kentucky Nonprofit Network members, gathered feedback from the community's charitable nonprofit leaders about their experiences and vision for partnering with LMG, specifically on grants and contracts to address community needs.

Three consistent themes, compiled from more than 100 nonprofit leaders, emerged:

1. **Trust, meaningful collaboration, "seat at the table"**
2. **Streamlining processes: from notice of funding opportunities to reporting**
3. **Strategic funding investments**

LouNC shared the preliminary results with LMG officials, who had been actively working on challenges evident in previous years of the External Agency Fund process. LouNC provided feedback on those efforts and advocated for additional recommendations received from nonprofits. Several improvements were implemented for the Fiscal Year 26 External Agency Fund process (see page 13).

LouNC will continue to advocate for and support the remaining recommendations for incorporation throughout all nonprofit and city partnerships. We thank LMG officials who continue to have open conversations, provide thoughtful leadership, build collaborative and community-focused solutions, and recognize the importance of nonprofits to address community needs in Louisville!



We developed this report to document and share the valuable feedback from participating nonprofit leaders and to guide future efforts to enhance government and nonprofit partnerships.

# Background

In 2024, two things converged to create an opportunity to review and enhance Louisville Metro Government (LMG) and charitable nonprofit partnerships: the launch of the Louisville Nonprofit Coalition\* and the inclusion of the FY25 LMG budget language requiring a review of the External Agency Fund (EAF).

Prior to the added budget language, Louisville Nonprofit Coalition (LouNC) members and other nonprofits were informally sharing feedback with LMG about EAF and other partnerships. LouNC, after meeting with LMG to discuss this timely opportunity to collaborate and move our city forward, led an effort to more formally inform LMG's next steps, including development of a survey and hosting two in-person listening sessions for nonprofits to share about their experiences and vision for future partnerships with LMG.



\*[The Louisville Nonprofit Coalition](#) (LouNC) is a local alliance of [Kentucky Nonprofit Network](#) members (KNN). KNN was established in 2001 and is a nonpartisan, charitable 501(c)(3) nonprofit organization serving as the state association of charitable nonprofits. The Louisville Nonprofit Coalition officially launched in 2023 and **works to build a stronger, more unified, and collaborative nonprofit sector serving the Louisville community.**

LouNC fills a gap in elevating the nonprofit sector voice connecting all levels of government - federal, state, and local. Policy decisions made at each level impact the other levels and it is critical that the Louisville nonprofit voice is included.

08/2024 LouNC testified before the Metro Council Budget Committee about the work and economic impact of the Louisville charitable nonprofit sector and shared feedback on challenges nonprofits experience with their LMG partnerships.



# Louisville Benefits When Metro Government & Nonprofits Partner

Currently, charitable nonprofits partner with LMG in a number of ways, including through the **competitive External Agency Fund, non-competitive funded programs, Neighborhood Development Funds, property/land lease or purchases, participation in boards or commissions, various requests for proposals, opportunities to provide policy insight, co-sponsorship of events, recognitions, and more.**

Through every LMG mayoral administrations and Council, government priorities overlap with nonprofit missions. Currently, Mayor Greenberg has identified his administration's priorities as public safety, affordable housing, economic development, early learning, and quality of life. At the center of these priorities, a variety of charitable nonprofit organizations are actively advancing shared goals and are ready to accelerate progress by working together with LMG.

**LMG and nonprofits partnering on these priorities - as well as providing mandated services on behalf of government - benefits Louisville in many ways. Charitable nonprofit and government collaborations:**

- ➡ Create a community where everyone can thrive;
- ➡ Generate efficiencies in program and service delivery, which saves the city time and money, particularly by conserving the city's payroll and pension costs;
- ➡ Ensure compliance with any applicable federal and state funding requirements;
- ➡ Leverage nonprofits' ability to secure federal, state, and private funds – bringing needed dollars to the city;
- ➡ Prevent government from taking on additional services if nonprofits must close their doors;
- ➡ Recognize that nonprofits are essential to workforce participation – providing services such as job training/readiness, care responsibilities (child care, elder care, etc.), physical health, mental health, housing, transportation, food security, substance use treatment, and more.

# Nonprofit Economic Impact in Louisville

Charitable nonprofits are a vital business sector and economic engine in Louisville, making them an even more essential partner with government. There are approximately 4,000 nonprofits in the Kentuckiana Works region, generating \$3.71 billion in annual wages and over \$12 billion in annual expenditures with the **vast majority of those nonprofits located in Louisville.**



**4,000**  
nonprofits  
in Kentuckiana  
Works



**\$3.71**  
billion  
in annual  
wages



**\$12**  
billion  
in annual  
expenditures

## LouNC Member Impact Alone



**2.55**  
million  
people served  
annually

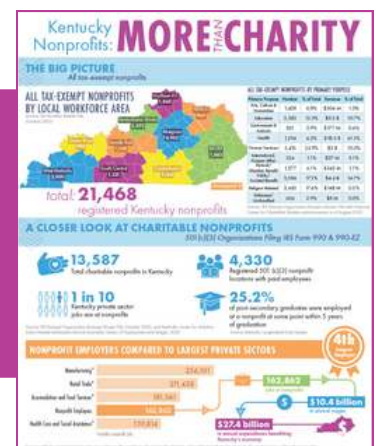


**8,000+**  
nonprofit  
employees



**\$600**  
million  
contributed to the  
economy

To read more about the economic impact of nonprofits in Kentucky, check out the Kentucky Nonprofit Network's *More Than Charity* report at <https://kynonprofits.org/advocate/morethancharity/>



# Insight from Nonprofits on LMG Partnerships: Survey & Listening Session Results

The Louisville Nonprofit Coalition (LouNC) launched a survey on August 5, 2024, and received its last response on September 9, 2024. This option allowed participants to take the survey on their own time and included questions to rank the significance of issues as well as respond to open-ended questions.

During this same time frame, LouNC hosted two in-person listening sessions where nonprofit participants, both LouNC members and non-members, had an opportunity to share what they liked, wished, and wondered about partnerships with LMG. The listening sessions were facilitated by Schenault Solutions.

A total of 131+ individuals and 110+ organizations participated in the listening sessions, survey, and 1:1 conversations. Many conversations and contacts occurred outside of the survey and listening sessions which are captured in the "+" signs below.

## Total number of participants



131+

individuals



110+

organizations



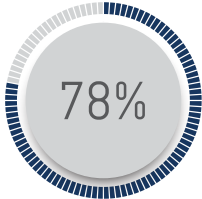
9/2024 Nonprofit listening session



# Survey Participants

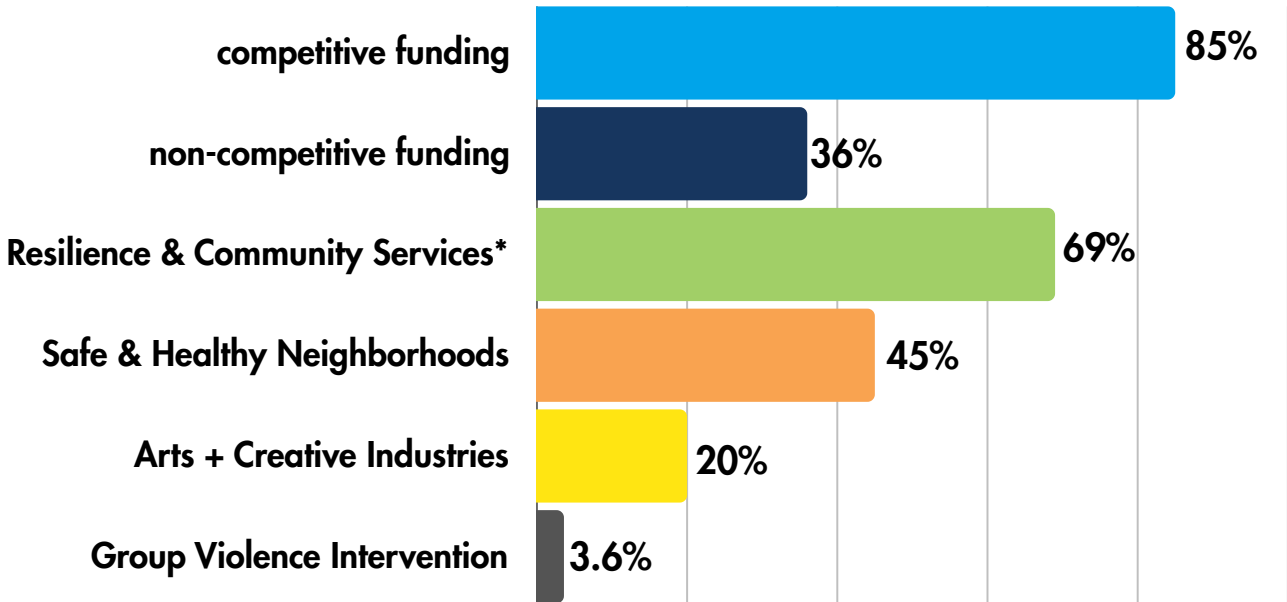


- 91.89%** 501c3 charitable nonprofits
- 6.75%** other 501c nonprofits
- 1.35%** for-profit business



78% of participants currently or previously received funding from LMG

Types of funding received



Other funding streams reported but not included in % were American Rescue Plan, economic development, Dept. of Public Health, Neighborhood Development Funds, and Dept. of Housing

\*Resilience and Community Services renamed Office of Social Services in Feb. 2025

## Operating Budgets of Participants

- 43%** less than \$1 million
- 26%** \$1 million to \$4,999,999
- 19%** \$5 million to \$9,999,999
- 12%** \$10 million plus



# Themes

Feedback fell into three broad themes: collaboration/seat at the table, streamline processes, and strategic investments. Ultimately, the goals of nonprofits and LMG are aligned – to improve the lives of Louisvillians and so we ask, **“how can we bring out the best in each other and our community”** when we think about the future of LMG and nonprofit organizations’ partnerships. What’s possible?

## 1. Trust, meaningful collaboration, “seat at the table”

“

When we are collaborative, and aligned in outcomes objectives, we are more likely to make progress toward our shared community goals.”

### Key Takeaways

- **Nonprofits exist to address community needs and purposes.** This benefits the city. Together we can develop a long term plan to understand root problems and solutions.
- Nonprofits want to know how to **establish open, trusting, and meaningful** dialogue with LMG.
- LMG efforts seek to address **long-term needs with short term plans and funding.**
- Concerns remain about the **history** of soliciting feedback from community members only to cut out priorities indicated by those communities.
- A need continues to create **regular, formal and informal, nonprofit opportunities with LMG** to strategize, share feedback, and address the needs of Louisvillians. Ideally, clear, community-driven priorities would be established with input from both nonprofits and the communities they serve.

11/2024 LouNC nonprofit member event co-sponsored by Councilmember Reno-Weber.



05/2024 LouNC testified before Metro Council on the importance of partnering with nonprofits to achieve LMG priorities and meet community needs.



## 2. Streamlining processes from notice of opportunities to reporting

**Streamlining Louisville Metro Government grants and contracts with nonprofits is critical to improving city efficiencies and improving nonprofits' ability to deliver needed services to our community.** Some of the solutions nonprofits seek to strengthen these partnerships and ensure they can engage in sound business practices include: up-front payments so that nonprofits do not have to "front" government while waiting on reimbursement; prompt payment requirements; streamlined applications; and reporting processes that are clear and transparent.

“**By simplifying agreements, trusting nonprofits to deliver results, and moving away from reimbursement models, we can enhance efficiency, impact, and ultimately better serve our community.”**

“**Everyone benefits from simplicity and transparency, so the funds can go to do the good work, without bogging organizations down in the process”**

### Process related improvement ideas shared

- **Invest** in a centralized grants management system across all funding opportunities for consistency, ease, time and money saving for both the city and nonprofits – allowing more time and resources to spend on community needs. This could improve the process from application to reporting, reduce duplication, allow tracking, and upload signed contracts.
- **Create a dedicated singular webpage** to navigate partnership and funding opportunities.
- **Communicate** with the public and nonprofits about funding opportunities in a centralized location, with opportunities being on a regular calendar when possible, and provide direct contact name information for questions – allowing everyone access to the same information, setting expectations, and allowing time for planning – which will help city staff and nonprofit organizations plan and efficiently manage opportunities.

- **Save** time and money, allowing activities to start on time, while ensuring good stewardship of funding by
  - **Prioritizing** up-front funding which would eliminate late reimbursement payments while supporting the work that was funded to continue in a timely manner;
  - **Reducing** reports to necessary data only, informed by the agreement, regarding information, demographics, and frequency of report, (eliminating data collection if the purpose is unclear or data isn't being used);
  - **Reviewing** financial management in a cost-effective way by requesting only necessary documents (review how other funds are handled by other organizations, foundations, governments);
    - **Reducing** invoice documentation to a similar level of other funders, which will ensure good stewardship of funds without being overburdensome.
- **Allow** operational and benefits costs under all funding opportunities.
- **Review** other funding applications and find best practices. Consider [\*trust-based philanthropy\*](#) concepts.

## People-centered recommendations

- **Consistent training** for Metro staff so staff feel confident and are up-to-date on changes
- **Review and update** application rubrics and training of reviewers

08/2023 LouNC's first official gathering with members of Metro Council and the Greenberg Administration.



### 3. Strategic funding investments

Over 2 million people in the region are served by the 35 Louisville Nonprofit Coalition members alone – this means it’s feasible every Louisvillian benefits from the work of charitable nonprofits directly or indirectly – from food pantries to clean parks to afterschool programs. Nonprofits are essential to Louisville’s quality of life, as well as to our economy. LMG should establish strategic city investments and partnerships with nonprofits that address pressing community needs in more efficient ways.

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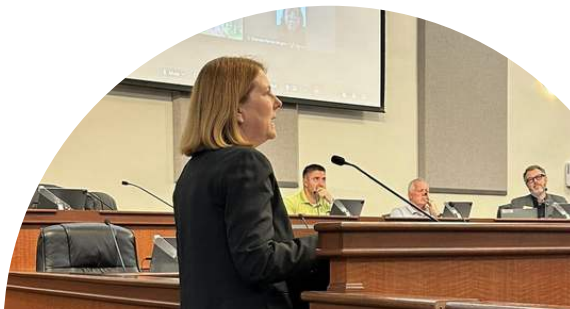
[The city cannot] address long-term needs with one off projects and think their work is done and they move on the next new, shiny opportunity.”

#### Key questions for strategic investments

- What are the **true costs** of addressing the challenges we face in Louisville?
- **How does the city decide** how much funding is allocated to partner with nonprofits already working to address LMG priorities?
- How do we create a **community impact plan together** so that effects can truly move the needle on some of these issues?

10/2024 LouNC hosted the event *Metro Council Candidate Meet and Greet*.

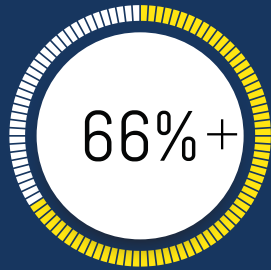
08/2024 LouNC member testified before Metro Council about partnerships and contracting.



## Survey issues ranked most significant as impacting nonprofits



One section of the survey allowed respondents to rank issues based on how significant each issue impacted their partnerships. These numbers reflect the percentage of nonprofits who believed these issues were "most" significant.



- Difficult application
- Unclear decision making process
- Burdensome invoicing documentation requirements
- Burdensome reporting requirements



- Agreement rates for services do not rise over time
- Agreements are paid on a reimbursement basis instead of up-front
- Unclear or lack of communication



- Not aware of existing funding opportunities
- Funding amounts do not align with required time for application process
- Agreements not finalized before contract is set to begin
- Lack of central platform or database to access application/reporting across agencies/departments
- Agreement rates do not cover adequate administrative (indirect) costs
- Invoices not paid in a timely manner
- Overly complicated or restrictive budgeting
- Overly complicated or restrictive invoicing requirements

# Listening Sessions Top Feedback

During the listening sessions, participants wrote down feedback and others indicated whether the same issue impacted their partnerships. Below are the most repeated issues over the two listening session.



Move away from Survey Monkey and use an updated comprehensive grants management system

Clear guidance on most effective ways to advocate with LMG to meet community needs

Transparency on who and how grant reviewers are chosen and trained

Reduce duplication of forms, reporting, and trainings

Concerns about consistency for priorities and opportunities year to year

Desire for more nonprofit grant training

Inquiry about whether for-profit city partners encounter similar challenges

Allow funds to include general operating expenses

Require up front funding and move away from reimbursement model

# LMG FY26 External Agency Fund Changes

LouNC met with the Mayor's Administration and a number of Council members to share the preliminary results of the survey and listening sessions as well as advocate on behalf of our members and the wider nonprofit sector. The preliminary results were taken into consideration by LMG for their Fiscal Year 26 (FY26) External Agency Fund changes. We appreciate the Administration and Council for their collaboration in hearing the feedback and implementing several improvements identified through the survey and listening sessions for FY26. One positive and significant process change requested by the nonprofit sector was to move away from using Survey Monkey as the application platform, and the Administration agreed! For FY26, a grants management system, eCivis, was implemented for applications and reporting.

## Other improvements supported by nonprofit insight



**Allowance of up to 15% administrative/indirect costs**



**Reduced reporting for grants \$40,000 or less**  
(every six months instead of quarterly)



**Grant writing workshops and technical assistance to applicants offered by Louisville Metro Government**



**Up-front Identification of key priority areas**



**Inclusion of employee benefits allowed under all EAF programs**

## Additional changes



**Established an award minimum of \$25,000**

- For perspective, in FY25, 50% of EAF recipients (48/96) received an award less than \$25K and in FY24, 78% of EAF recipients (71/91) received an award less than \$25K



**Nonprofit grantees will be spotlighted in various ways by the Administration**

# Conclusion

While recent changes focused solely on one funding opportunity, the External Agency Fund, nonprofits interact and collaborate with LMG on a variety of other funded programs and policy issues regularly. The Louisville Nonprofit Coalition will continue to elevate the nonprofit sector voice so that, together, we can make Louisville a best practice standard for city government partnerships with charitable nonprofits. Regardless of changes in mayoral administrations and council members, the work of nonprofits continues and remains integral in creating a vibrant city where residents can thrive.

Thank  
you!

Thank you to the Louisville Nonprofit Coalition members who make this work possible, to all the survey and listening session participants, and to Louisville Metro Government officials whose collaboration and dedication to local nonprofits drive our collective efforts forward!



To learn more about LouNC and how you can ensure this work continues, contact **Laela Kashan**, [laela@kynonprofits.org](mailto:laela@kynonprofits.org) or [emailus@kynonprofits.org](mailto:emailus@kynonprofits.org). LouNC is a growing alliance of nonprofits joining together for a unified voice in Louisville. We offer support and resources to the Louisville nonprofit community through both LouNC member-only events and general nonprofit events, such as our *Metro Council Candidate Meet and Greet* event and *The Power of Nonprofit Advocacy* training. We look forward to collaborating!

08/2024 LouNC members hosted Congressional breakfast

