Children & Families
Commission of Orange County

Agenda Item No. 5
May 2, 2012 Meeting

DATE: April 24, 2012

TO: Children and Families Commission of Orange County

FROM: Michael M. Ruane, Executive Director

SUBJECT: Proposed Capacity Building Grant Cycle

SUMMARY:
At the Commission's February 2012 meeting, the Commission approved Round 1 Catalytic Funding and set asides for the Round 2 Catalytic projects. Included in the second round of projects is a grant opportunity focused on one-time funding that will support capital projects for a service expansion and new program development. The set aside provides up to $3.5 million in available funding and the initial program description had funds divided into two categories: $1.5 million for New Program Expansion and $2 million for Capital Facility Expansion. This agenda item and attached presentation includes a brief summary of the past Commission experience with one-time grants targeting new program development and options for next steps.

Key Findings from Prior Capacity Building Grant Cycles
Until 2008, the Commission provided nonprofit organizations the opportunity to apply for $75,000 one-time only capacity building grants to launch a new program that would benefit children ages 0-5. Successful grantees were required to participate in pre- and post-grant agency assessments, extensive technical assistance and develop a business plan that was targeted at sustaining the new service.

The executive summary from an evaluation of the Commission's Capacity Building projects is attached (Attachment 2). The summary includes key findings from the initial four years of capacity building projects as well as recommendations for capacity building program designs. The recommendations included in the report, such as lengthening the grant period and increasing focus on the development of a business plan, were incorporated into the last four years of the capacity building grant program.

Many of the projects funded through this grant process are still providing services and have ultimately continued to grow. In an interview of past grantees, many indicated that the Commission's investment in capacity building, and specifically the business planning, was an important aspect to the continuation of the service and found it to be a critical aspect of the support. Because these were planning grants and produced limited direct services, the Commission stopped making these one-time grants when there was a need to reduce annual expenditures.

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Next Steps
Through the outreach to Commission partners for the development of Round 1 catalytic investments, it has become evident that there is significant pent up demand for new program funding. Since January 2012, Commission staff has received several inquiries regarding the application process and concept proposals from nonprofit organizations. The concepts focus on expansion of services to children ages 0-5 either through facility expansion or rehabilitation, expansion of services to incorporate new programs, piloting of new training opportunities, and launching new demonstration projects to better meet the needs of children 0-5.

In reviewing these proposals and the recommendations made about prior Capacity Building investments by the Commission, it is important to further define the scope, intended outcome, and process for allocation of this Capacity Building grant cycle. At this point, Commission staff seeks policy direction from the Commission on the issues outlined in the presentation for this item before a Request for Application (RFA) can be initiated.

STRATEGIC PLAN & FISCAL SUMMARY:
This agenda item is consistent with all Strategic Plan goals. The Proposed Funding Allocation Plan would require an adjustment to the adopted FY 12/13 budget.

PRIOR COMMISSION ACTIONS:
January 2012 - Financial Planning Workshop Presentation
March 2012 - Update on Round 2 Catalytic Investments

RECOMMENDED ACTIONS:
1. Receive the staff presentation on the proposed Capacity Building Cycle.
2. Provide policy direction on implementation of the Capacity Building Grant Cycle. Based upon policy direction, direct staff to initiate the RFA process or return with required implementing actions at the June 2012 meeting.

ATTACHMENTS:
1. Proposed Capacity Building Grant Cycle
2. Evaluating the Children and Families Commission of Orange County's Capacity Building Grant Program, Sphere Institute

Contact: Kim Goll

Attachment 1

Proposed Capacity Building Grant Cycle

May 2, 2012

Commission Meeting

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Today's Discussion

- Capacity Building Grant Opportunity included in Round 2 Catalytic
  - Commission action in February 2012 reserved $3.5 million
  - One-time funding to support facility or program expansion, and/or leveraged funding
- Review of previous capacity building grant program
  - Commission's Capacity Building Grant Program
    - One time funding of $75,000 or less
    - Linked to the development of a business plan for program expansion or new program development
- Next Steps for Implementation of Catalytic Grant Opportunity

Proposed Capacity Building Grant Cycle

- In February 2012, Commission allocated $3.5 million for a capacity building grant program
  - Provide opportunity for grantees to apply for one-time funding that meets catalytic criteria (to be established)
- Proposed Criteria
  - Grants are available to support innovative proposals that focus on leveraged funding, increasing efficiencies, capital and/or infrastructure needs
  - Projects must reduce ongoing financial contribution of the Commission, add infrastructure, and/or enable grantees to access non-Commission revenues
- Two Funding Categories
  - New Program Development or Expansion
    - Maximum award of $100,000
    - Total funding available $1.5 million
  - Capital Facility Expansion
    - Maximum grant award of $250,000
    - Total funding available $2.0 million

Proposed Eligibility Requirements

- Eligible Activities
  - Development of new program and associated costs (staff time and materials)
  - New facility acquisition, rehabilitation and/or purchase of equipment necessary for service
  - Project must meet a documented community need for children ages 0-5

- Ineligible Activities
  - Staff time and costs associated with training, retreats and conferences
  - Board training, development or facilitation costs
  - Direct services if not part of start up/launch of a new sustainable program
  - Supplanting other agency funding

Previous Capacity Building Grants

- Commission conducted annual Request for Applications for Capacity Building projects until 2008. Annual funding average was $500,000.
  - One-time grants were limited to $75,000 and for purposes of expanding services to the 0-5 population to meet a critical need
  - All grants required the development of a business plan
- Examples of Successful Commission Capacity Building Projects:
  - Down Syndrome Association of Orange County (formerly PROUD) - established business plan and new non-profit
  - Children's Therapeutic Arts Center - developed full inclusion preschool in partnership with Santa Ana Unified School District
  - City of Aliso Viejo – created a new car seat safety program
  - KidWorks - established new preschool in Santa Ana

Agency Interest

- As part of the outreach to Commission partners to develop the Round 1 Catalytic Investments, Commission staff became aware of significant built up demand for new innovative program funding:
  - Service payout - Commission to retire mortgage and grantees to continue services for a fixed period of time without further Commission investment
  - Rehabilitation of existing facilities - Commission to pay for the rehabilitation costs so that agencies may co-locate to better serve families and increase leveraged funding and support
  - Development of new training opportunities - Create web-based training for speech and language development
  - New facilities for service expansion - Commission would assist in the purchase of new facilities that would allow for expanded services and increase access
  - Innovative Projects - Demonstration project to increase services to special needs children

Next Steps

- Staff is requesting Commissioner direction and input:
  - Allocation of Funding
    - Maintain the $3.5 million
      - $1.5 million for New Program Development/Start-Up Grants
      - $2.0 million for Capital/Facility Grants
    - Should there be specific funding allocations for each goal area in the strategic plan?
  - Project Scope
    - Will priority be given to those projects that will reduce on-going demand for Commission funding?
    - Should projects be limited to either capital/ facility expansion or new program development, or can they include both elements?
    - Will a business plan be required?
    - Could a project be start-up funding for a sustainability strategy (e.g., create ability to access additional revenue sources)

Evaluating the Children and Families Commission of Orange County's Capacity Building Grant Program

April 2, 2004

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Orange County Children and Families Commission
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Executive Summary

To date, the Children and Families Commission of Orange County has issued 91 capacity building grants to 75 different organizations providing services to prenatal to five-year-old children and their families in Orange County. These relatively small, one-time grants help agencies create or expand programs, serve new populations, improve collaborations, and strengthen the skills and business planning within the organizations. This report assesses the success of 87 of these capacity building grants, recognizing the challenges in such an evaluation, especially in light of the great variety of grants with multiple goals.

The projects funded through the capacity building grant can be roughly grouped into five categories based on their key objectives:

Type of Grant	**# of grants**
1. Building Collaborative	17
2. Training Service Providers	12
3. Strengthening Organizations	22
4. Expanding/Strengthening Existing Services	13
5. Establishing/Planning New Programs	23

We assigned projects to these five categories using a typology developed in collaboration with Commission staff, based on the contract exhibits, and confirmed by staff familiar with the projects. Still, projects commonly included several of these components, and grantees' self-assignment did not always concur with our typology, especially for programs we categorized as establishing new programs.

Our assessment draws on a number of different data sources. In addition to using contract exhibits and rankings by project leads, we also conducted telephone interviews with project leads and grantees and met with technical assistance providers from CONNECT. Finally, we analyzed quantitative data from the OCAMM system to determine achievement of milestones and other aspects of the grantees' work plans.

In evaluating the capacity building initiative, we consider a number of factors that may be related to grant success. In particular, we consider two broad categories of measurable factors: (1) prior characteristics of the contracted organization and grant, and (2) features that emerged during the implementation of the grant, listed in Table A. The final column of Table A lists a number of measurable outcomes we use to assess the success of capacity building grants. Clearly, an important dimension of success is the extent to which a grant met each one of its unique milestones. However, there are also components of success that are broader than grant-specific goals, such as the sustainability of the new capacity over time or the reputation of the grant among the community. In our evaluation, we incorporate both types of elements, ultimately using the outcomes listed in the table to develop an index of success.

Combining these five measures into a single index of success, we find that the average score is 0.27, almost exactly in the middle of our index range (on a possible scale from -0.5 to 1). The two categories of grants scoring highest are "Training service providers" and "Expanding/strengthening existing services" and the group scoring the lowest is "Strengthening organization" grants. Results are similar when we compute the index without the "secure future funding" variable. Although three-fourths of all grantees rated themselves as very successful, the three percent that self-reported as not successful were all grouped in "Training service providers" category.

Large organizations, by operating budget or number of employees, appeared to be more successful than smaller organizations, creating a tension observed by project leads in the tradeoff between funding well-established organizations that were most likely to be successful and funding "mom and pop" operations that might fit better into the philosophy of capacity building. Although organizational characteristics did matter, there were less clear patterns for the characteristics of the grants themselves. Both large, multi-year grants and very small grants were more successful on average than grants in the middle of the range. In addition, less experienced project directors (as reported in grantee surveys) were actually more successful than more experienced project directors. Finally, consistent with the Commission staff's perception, later funding cycles were more successful than earlier funding cycles.

In addition to our quantitative analysis, the interviews and survey findings suggest a number of areas for additional technical assistance, including additional support on developing service/business plans, further grant writing assistance, help defining meaningful outcome measures, and strategic timing of site visits. Finally we conclude with some recommendations for the Commission to consider as it moves forward with its capacity building grant program:

- Lengthen the capacity building grant period from 1 year to 1.5 to 2 years.
- Assign a Project Team – rather than a Project Lead – to each capacity building grantee.
- Use a common work plan for all capacity building grants.
- Reallocate a portion of capacity building funds to additional program grants for former capacity building grantees.
- Capitalize on service/business plans.
- Increase the information available on the Commission's capacity building goals to prospective and current capacity building grantees.