First 5 LA

SMALL GRANTS
Community-Developed Initiatives
Cycle I Evaluation

Final Report

September, 2004

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Executive Summary

Background

Community-Developed Initiatives

In its Strategic Plan for Fiscal Years 2001-2004, First 5 LA identified two distinct “funding approaches” related to its role of partnering with various community entities in improving the well-being, and particularly school readiness, of children aged 0-5. These were Commission-Developed Initiatives and Community-Developed Initiatives. They were “intended to maximize flexibility in the use of Proposition 10 funds and empower the community to support children and families.” In addition to those initiatives resulting from the Commission’s own research activities, the plan noted that “there will also be opportunities for stakeholders to propose initiatives.”

First 5 LA’s Community-Developed Initiatives (CDI) funding program was designed to allow agencies that serve the target population of children aged 0-5 and their families to design programs and projects to address identified needs in their communities. The Small Grants component of the CDI was specifically intended to assist smaller service providers (those with an annual budget of $250,000 or less) in the area of capacity improvement. Program objectives for the Small Grants CDI were stated as follows:

A) Improve agency capacity to plan, develop and implement programs, projects, services and activities, and
B) Improve agency capacity to review and evaluate programs, projects, services and activities.

First 5 LA allocated $10 million to the Small Grants CDI to be distributed in five cycles of funding. Agencies meeting the service and size criteria could apply for one-time funding of up to $25,000, distributed over a one-year period. The first cycle of grants were awarded in April 2003 to 82 agencies.

The Application/Funding Process

To implement the Small Grants CDI program, First 5 LA contracted with an outside agency to solicit applications from eligible providers, to provide technical assistance to potential applicants, to oversee the scoring of proposals and to recommend agencies to First 5 LA for funding. Potential
applicants were provided information on the mission of First 5 LA and the objectives of the Small Grants CDI. A format was provided for presenting the applicant’s qualifications, target population and proposed uses of funds. Examples were given of the types of uses that could contribute to capacity improvement with respect to the two objectives. And applicants were instructed to allocate their funding requests among seven budget categories: Personnel, Contracted Services, Equipment, Supplies, Training Expenses, Capital Improvement and Other.

Out of 359 applications received, 296 were ultimately judged to be complete and eligible for consideration for approval. (Applicants were allowed to complete their applications after the original due date.) Panels of external reviewers scored each proposal on a variety of criteria. Site visits were conducted at 21 (50%) of the 42 applicants requesting funds for capital improvements. Of the 296, 82 were initially approved for funding, with 80 ultimately receiving their total grant requests. Grantors received 50% of their requested funds upon signing the funding agreement, an additional 40% upon submission of a mid-year report and the remaining 10% upon submission of a final report. Based on a review of the final reports (n=76), the average (mean) award was $23,113, with a median of $24,924.

Selection criteria reportedly included distribution across the County’s eight Service Planning Areas (SPAs) as well as a “balance” of the types of purposes for which funding was requested. Extra consideration was given to applicants requesting funds for activities associated with the second priority area of the Small Grants CDI. There is no indication that the process was intended to result in a representative sample of the types of agencies funded. There is also no indication that any indicators were developed to quantify the applicants’ current level of capacity with respect to CDI priorities or to assess the applicants’ ability to benefit from CDI funding.

**The Grantees**

The 80 Cycle 1 grantees may be grouped into two general categories, Daycare/Preschool providers and Community-Based Organizations, or CBOs. The former include organizations that offer custodial services to children in the target population, with a greater or lesser educational component. The latter offer a variety of services to children, expectant parents, parents and, in some cases, other providers, usually in a defined geographic or ethnic community. Based on final report information, 65% of the grantees were categorized as Daycare/Preschool agencies and 35% as CBOs.
Although the maximum budget limit for funding eligibility was set at $250,000, the actual size of the grantees was considerably smaller, with 75% of all grantees reporting annual budgets of less than $100,000 and 49% of Daycare/Preschool grantees reporting annual budgets of less than $50,000. 94% of all grantees reported having full-time staffs of five or less people. With respect to organizational structure, 67% of the Daycare/Preschool grantees operated on a for-profit basis, while 91% of the CBOs operated as non-profit organizations.

Evaluation Approach

Semics, LLC, ("Semics") was contracted to conduct an evaluation of Cycle 1 of the Small Grants CDI as a component of a larger, initiative-wide evaluation of the total CDI program. The evaluation of this cycle did not begin until early in 2004, as the Cycle 1 funding period was coming to an end. The evaluation was designed and conducted in light of the limitations associated with this timing.

As in any evaluation of a program of this type, the first question addressed is, “Did it work?” In this case, can it be ascertained whether the capacity of the grantees, with respect to the areas addressed in the objectives, improved? If not, why not? And if so, is it possible to quantify the increase in capacity and identify the factors associated with the improvement? Given the design of the program and the limitations of this evaluation, it was not possible to quantify the providers’ level of capacity, either as a criterion for funding or in order to assess changes before and after receiving CDI funding. Addressing these questions, therefore, required a more qualitative, yet still objective, approach.

Additional questions address the information that can be obtained from the project and its participants that might provide guidance for future efforts in this area. Since First 5 LA did not specify quantifiable outcomes for the Small Grants CDI, and given the number of agencies and range of activities funded, it is helpful to think of it as a “demonstration plot” for such topics as how these agencies perceive the issue of capacity, what type of needs they have in that regard and how funding agencies like First 5 LA might improve the ways in which they can assist these agencies.

The evaluation consisted of four main components: document review, interviews with First 5 LA personnel, a mail survey of all grantees and focus group discussions with panels representing the two types of agencies funded. Background information on the design, intent and implementation of the Small Grants CDI was obtained from document review and staff interviews. Data on the
characteristics of the grantees, the purposes for which funds were used, perceived impacts of the funding and the CDI process were obtained from the survey, focus group discussions and the grantees’ mid-year and final reports.

Findings

Definition of Capacity

With regard to the two program objectives, the funding guidelines did not provide a clear definition of the term, “capacity.” Nor did the selection process include a means for measuring an applicant’s current (pre-funding) capacity or for measuring change as a result of funding. Instead, the Funding Guidelines and Application literature offered a “laundry list” of “examples of activities to be funded.” These included:

- Marketing and outreach
- Consulting services
- Personnel
- Training
- Transportation
- Licensing fees
- Capital improvement
- Special events
- Evaluation-related activities
- Data management training
- Development of evaluation plans.

From this list and the objectives statement, which included planning, developing, implementing, reviewing and evaluating an agency’s programs, projects, services and activities, it appears that, in practice, capacity may be interpreted in a very broad sense of anything that helped the grantee improve its overall ability to provide services. In this context, virtually all of the financial assistance provided by the Small Grants CDI could be said to have improved the grantees’ capacity. Indicators of how the grantees perceived the issue of capacity, the areas in which they need improvement and the impact of CDI funding on those areas were derived from an analysis of grantee reporting, the results of the questionnaire and the focus group discussions.
Uses of Funds

One of the primary sources of information on how the grantees interpreted the issue of capacity is the grantees’ statements of the purposes for which funds were requested and used. They reflect areas in which these agencies perceive needs with respect to capacity improvement, as well as give an indication of the nature, if not the extent, of the improvements that resulted from the funding. Data regarding the uses of funds was obtained from grantee proposals and final reports, and was augmented by information obtained in the survey and focus group discussions.

The two types of grantees, Daycare/Preschool providers and Community-Based Organizations, differed in the budget areas in which funds were concentrated. Approximately 55% of the average Daycare/Preschool grantee’s funds were used for capital improvements and the acquisition of equipment. In contrast, 75% of the average CBO grantee’s funds were used in the personnel and contracted services categories. The majority of Daycare/Preschool providers (65%) requested funds for capital improvements, and the average request of those that did constituted 49% of the total award. Only 15% of CBO grantees requested funds for this purpose.

The types of capital improvements ranged from basic structural upgrades to the facility to specific renovations intended to make the facility, often the provider’s residence, more suitable to the care of children. The primary equipment items purchased by Daycare/Preschool grantees included computers, for educational and administrative purposes, and durable playground equipment. The primary equipment purchase among the CBO grantees was computers.

The primary funding categories for CBO grantees were personnel and contracted services. 100% of these grantees requested funds in one or both of these categories. Grantees reported that these resources were used to, among other things, conduct community needs assessments and engage in outreach activities in their communities. Personnel funding among the Daycare/Preschool grantees was primarily used for hiring part-time assistants to work with the children.

Impacts

Information on the impact of the funding on the capacity of the grantees was primarily obtained from the narrative portions of grantee reports, the questionnaire and the focus group discussions. This is supported by inferences drawn from the uses of funds data.
Daycare/Preschool Grantees
With respect to the Daycare/Preschool grantees, the primary capacity areas addressed involved the development and implementation of services and activities. These may be seen as “infrastructure” issues, reflecting the most basic elements of the nature of the services provided. Grantees reported that renovations of facilities increased the number of children the facility could accommodate, improved child monitoring, improved safety and generally enhanced the agency’s image and outlook. The primary equipment purchases of computers and playground equipment reportedly improved the agencies’ ability to provide an environment more conducive to physical and cognitive development, as opposed to purely custodial care.

While it should be noted that there is no data to confirm the representativeness of the grantees in this category, anecdotal data suggests that the kinds of basic needs demonstrated by this group is not uncommon for small, home-based providers. Nor is it possible to rank the grantees with respect to the relative capacity of similar providers. However, the focus of the funding requests on basic infrastructure items suggests a high level of need in these areas on the part of the grantees.

It should also be noted that no attempt was made to determine whether the service providers and the children were making use of the facilities and equipment as intended. It is even possible, although there was no data to suggest it, that the various improvements can be used for purposes other than which they were intended. Conclusions with respect to impact, therefore, are based on inferences that the improvements increase the possibility, at least, of providing a more enhanced level of service.

As noted above, more than half of the average grant in this category was used for capital improvements and equipment acquisition, which arguably improve the capacity of the grantees. The purposes for which much of the remainder of the awards was used are less easy to view as improving the long-term capacity of these agencies. It appears that the funding criteria may have been more focused on the $25,000 limit than on the budget items that could be justified as having a relation to capacity issues.

Community-Based Organization Grantees
For CBO grantees, the primary capacity areas addressed included planning, developing and implementing programs and services. These activities reflect the reported desire of many of these grantees to be more responsive to the needs of their communities and to promote greater access to the services they provide. The time frame of the funding, and the limitations on the scope of
the methodology of this evaluation, did not make it possible to assess the long-term impact of these activities on the agencies or their communities, or whether the agencies were able to obtain additional funding to implement new programs or sustain project activities. As opposed to the grantees in the Daycare/Preschool category, the activities funded in this group are less tangible, and therefore more difficult to assess with respect to their impact on the organizations or the communities they serve.

**Priority 2 Objectives**

Each of the above areas of impact relates to the first priority objective of the Small Grants CDI, which addresses planning, development and implementation. As noted above, extra credit was awarded in the selection process to those organizations applying for funds under the second priority area to increase their capacity to review and evaluate their activities. It was not possible to determine whether the lack of funded projects in this area reflects the way the solicitation and selection processes were conducted or reflect a characteristic of the types of agencies themselves.

**The Role of First 5 LA**

Information was obtained about the Small Grants CDI Cycle 1 funding process, its appropriateness to the types of agencies and activities funded and how it affects First 5 LA’s ability to partner with these agencies. It came from a review of program documents, interviews with First 5 LA personnel, the questionnaires and focus group discussions. The overall impression of the grantees is that they were very appreciative for First 5 LA’s funding through this initiative.

An examination of the background of the Small Grants CDI and the selection and funding process suggests that the initiative was intended to focus on the Community-Based Organization segment of the provider population. The types of activities conducted by CBOs are typically more closely aligned with the program priorities of CDI than those of Daycare/Preschool providers. Also, the structure by which funds were distributed over the course of a year is more conducive to the kinds of personnel-related activities conducted by the CBO grantees than to the capital improvement and equipment acquisition activities of the other group of grantees.

Concerns were raised by some of the grantees in the Daycare/Preschool category about the appropriateness of the application, funding and reporting process to the kinds of activities for which funds were requested. For many of the grantees, this was their first experience applying for this type of funding. Even with the workshops and technical assistance that was made available
to them, some grantees hired outside consultants to complete the application. Some grantees also noted that the manner in which funds were distributed was inconsistent with the timing of the expenses incurred. The distribution process was seen as more suited to an organization conducting a year-long program than to one making an equipment acquisition or contracting for facilities renovation.

The Community-Based Organization grantees, on the other hand, did not express any particular concerns with either the application or funds distribution processes. This is consistent with observations and analysis suggesting that the Small Grants CDI was designed primarily with this type of agency in mind.

**Conclusions**

Given the broad definition of the objectives of Cycle 1 of the Small Grants CDI, it is reasonable to conclude that the initiative succeeded in improving the capacity of the funded agencies. With respect to the Daycare/Preschool grantees, the capacity improvement related primarily to the implementation of services and activities addressed in the first priority area. Specifically, investments in these agencies’ infrastructure, either through facilities improvements or acquisition of durable equipment related to cognitive and physical development, enhanced the quality and, in some cases, the quantity of the services these agencies were able to provide. For the Community-Based Organization grantees, improvements also addressed the areas of planning and development of services. Specific items included the collection of information for program planning purposes, creating greater awareness in the services the agency provides and acquiring tools to improve data and agency management.

Of course, capacity to do something does not ensure that it will be done. It was beyond the scope of this evaluation to assess how the grantees used their increased capacity or the impact it had on the children and parents served by these agencies. While it may reasonably be assumed that improved facilities, access to developmental tools and the availability of data on community needs can result in improved outcomes in the target population, a number of other variables may affect the outcomes as well.
From the findings of this study, it is clear that there is at least a portion of the population of Daycare/Preschool providers that have fundamental needs related to their capacity, and that First 5 LA is in a position, perhaps a unique position, to assist them. It also appears that there are structural elements in the Small Grants CDI, as administered in Cycle 1, that may be improved to optimize this support. Given the types of needs reflected in the way funds were used, it may be possible to simplify the application process, thereby increasing the number of agencies submitting applications and reducing the level of effort required to process them. Similarly, if capacity improvement involves things like equipment acquisition or facilities improvements, it may not be necessary to distribute funds over time, reducing the reporting burden on the grantee and administrative efforts on the part of First 5 LA.

Finally, while expenditures resulting in tangible changes to the grantees’ operations may be seen to affect the issue of capacity, approximately 40% of the average Daycare/Preschool grantee’s award of nearly $25,000 was used for other purposes, including the acquisition of disposable supplies. This could be seen as more of a short-term operating subsidy than an investment in capacity building. It appears that the capacity building does not require the total amount awarded in Cycle 1, and that more providers could be included in the funding pool, at less overhead cost to First 5 LA, through adjustments in the application and selection process.
Introduction

In 2002, First 5 LA awarded approximately $1.8 million in grants of up to $25,000 to 80 organizations under Cycle 1 of its Small Grants Community-Developed Initiatives, or CDI. The stated purpose of that initiative was to improve the “capacity” of smaller agencies with respect to their ability to deliver services and/or evaluate programs directed at children ages 0-5, their parents and communities. Funds were awarded over a one-year period beginning April 1, 2003. The purpose of this evaluation was to examine whether and to what extent those objectives could be said to have been achieved, as well as to assess what the initiative indicates about the capacity needs of such agencies and the role that First 5 LA can play in assisting them.

Two distinctly different types of organizations received funding in Cycle 1, those that provide custodial-type care and those that provide a variety of non-custodial services to children, their parents and other providers. Common eligibility criteria included providing services to the target population in some way and an annual budget of $250,000 or less. The first group will be referred to as Daycare/Preschool agencies and the latter as Community-Based Organizations, or CBOs. The differences in the nature of the services provided by these types of organizations reflects the way they address needs in their neighborhoods as well as the ways in which changes in their capacity to do so may be assessed.

Evaluating a program of this type, with multiple participants pursuing a wide variety of programs, projects and activities, has numerous dimensions. To ask whether the initiative did or did not “work,” in the sense of accomplishing its goals and objectives, addresses important policy issues of accountability and the desirability of pursuing such programs in the future. From an operational standpoint, it is equally important to consider what can be learned that might assist First 5 LA in its larger mission of improving the well-being of the target population.

The focus of this evaluation is on the interest of First 5 LA in learning how it can improve its role as a partner in improving the systems that affect the well-being of children, with particular emphasis on factors that contribute to school readiness. Particular attention will be paid to what might be learned about the needs of the communities these agencies serve, the needs of the agencies themselves, the kinds of impact the funded activities might have on the target population and what might be learned about the process that could improve the various parties’ roles.
Key questions addressed in this evaluation include:

• Who are the grantees and what role do they play in the continuum of child development in their communities, particularly as it relates to school readiness?

• What does CDI suggest about the needs of these agencies with respect to improving their capacity to serve the target population?

• What types of impacts can be observed or inferred from the ways in which the grantees used their awards?

• To what extent and in what ways can it be said that the grantees’ “capacity” was increased?

• What role can First 5 LA play in assisting these types of service providers, and what can be learned from Cycle 1 about how that role may be improved?
Background

In its FY 2001-2004 Strategic Plan, the Los Angeles County Children and Families First – Proposition 10 Commission (now known as First 5 LA, as it will be referred to in this report), stated its mission with respect to the funds generated from the enactment of California’s Proposition 10 to “enhance the lives of expectant parents, children from the prenatal stage up to age five and their families.” A specific focus of this mission was identified as “School Readiness,” a desire to ensure that all children, regardless of their background or socioeconomic status, would have an equal opportunity to enter school prepared to optimize the educational experience.

First 5 LA recognized that, in Los Angeles County, there are a very large number of agencies that provide services to the target population. These agencies address a wide spectrum of needs, from custodial care and health care to education and advocacy, which affect the well-being of children. First 5 LA’s intent was expressed in terms of playing the role of a “partner” to these agencies – promoting new services, improving existing ones and generally enhancing their capacity to serve their clients.

Two different funding approaches were presented to accomplish the Commission’s goals: “Commission-Developed Initiatives” and “Community-Developed Initiatives.” Commission-Developed Initiatives were regarded as a “vehicle for the Commission to exercise its role as community partner, trendsetter and leader, change agent, convener and facilitator, and catalyst.” This would take the form of comprehensive programs, based on needs assessments, to address specific needs.

Community-Developed Initiatives, or CDI, would “provide opportunities for stakeholders” to propose their own projects or programs, consistent with the Commission’s goals and objectives. The premise behind the CDI was that “members of individual communities are best suited to understanding the needs of their neighborhoods, and are likewise the best suited to devise ways to address those needs.” By providing agencies that are on the front line of addressing the needs of the target population an opportunity to propose their own projects, First 5 LA would be able to obtain a grass-roots picture of the needs, as perceived by the agencies themselves, as well as to support and monitor the extent to which proposed efforts address those needs.
The CDI was divided into two categories: “Large Grantees” that could propose ambitious multi-year projects and “Small Grantees” with grants limited to a maximum of $25,000 for a one-year period. The goal of the Small Grants CDI was stated as: “To strengthen the capacity of smaller agencies with an annual operating budget of $250,000 or less so that they may better serve communities, expectant mothers, children ages 0-5 and their families in Los Angeles County.” A total of $10 million was allocated to the Small Grants CDI, to be distributed over three years in five cycles of funding.

It should be noted that the CDI was preceded in 2000 and 2001 by two other commission-developed initiatives that provided funds for large and small agencies, referred to as Child Care I and II. The small grantees funded under these earlier initiatives all fell into the group referred to in this report as Daycare/Preschool agencies. The Small Grants component of the CDI was reportedly intended to shift focus to the type of agencies referred to as CBOs, and the funding process was apparently designed with this group in mind. However, the promotional material for CDI Cycle 1 did not specifically preclude Daycare/Preschool agencies. The overwhelming response of Daycare/Preschool agencies to the CDI resulted in the majority of the funds being allocated to them. As will be discussed below, this fact may explain some of the issues associated with the funding process.
The Funding Process

To administer the process of soliciting and reviewing applications, First 5 LA contracted with Community Partners. Community Partners employed a variety of techniques, including mail-outs, advertisements in trade publications, e-mail and conferences, to inform potential applicants about the availability of funds. These contacts were augmented with printed material describing the purpose of the CDI, eligibility criteria, etc.. In order to assist potential applicants with limited familiarity with the process of applying for grant funding, Community Partners conducted a series of workshops and provided technical assistance in response to agency requests.

A total of 359 applications were received by the application deadline of October 30, 2002. Applicants who submitted incomplete applications were allowed to make revisions. Of the original 359, 296 were ultimately selected for consideration on the basis of completeness and general eligibility. These applications were submitted to teams of reviewers who had been recruited on the basis of their expertise and trained with respect to First 5 LA’s objectives for the CDI and other funding criteria.

Applications were scored numerically by panels of three reviewers and ranked according to scores. A cut-off score was selected as a basis of fundability, resulting in narrowing the field to 180. Of these, a number were selected for site visits, at which reviewers used specially designed forms to ensure comparability and consistency with CDI objectives. It should be noted that extra weight was given to applications that addressed the second priority area of improving the agency’s capacity to review and evaluate programs.

As a result of this process, Community Partners submitted its recommendations for funding to First 5 LA, with 82 applicants approved for funding for a total of approximately $1.9 million, with projects beginning in April 2003. (Eighty grantees ultimately received funding.) Approved applicants represented agencies from each of the County’s eight Service Planning Areas (SPAs). Upon completing agreements with the agencies, 50% of the grantees’ requested funds were distributed. An additional 40% was distributed upon the grantee’s submission of its mid-year report, with the remaining 10% distributed upon submission of final reports.
As the number of grantees indicates, the key determinant in the number of awards was the allocation of $2 million for this cycle. While the Initiative specified that agencies could apply for grants of “up to” $25,000 to conduct their capacity building activities, the results of the process suggest that the maximum was the approximate amount that all successful grantees would receive.
Evaluation Approach

In September 2003, Semics, LLC, (“Semics”) was awarded a contract to conduct an evaluation of both the Large Grants and Small Grants CDI. The scope of the Large Grants evaluation, with 54 grantees funded in three cycles for up to five years, entails a multi-year approach that includes in-depth analysis of the impact those projects have on the agencies’ organizations, the service delivery mechanisms and their target populations. Given the nature of the Small Grants CDI and the timing of the evaluation, the approach was more limited in scope.

The evaluation of Cycle 1 of the Small Grants CDI was guided by First 5 LA’s stated priorities:

- Improve agency capacity to plan, develop and implement programs, projects, services and activities, and
- Improve agency capacity to review and evaluate programs, projects, services and activities.

It is important to note that the issue of agency “capacity” was not clearly defined. In the “Community Developed Initiatives Small Grants Funding Guidelines,” prospective applicants were provided a list of “Examples of Activities to be Funded.” With respect to the first stated objective, these included, among others:

- Marketing and outreach
- Personnel
- Training
- Capital improvement
- Materials and supplies
- Equipment purchase (e.g. computers, printers, phones, etc.)

Examples provided with respect to the second objective included:

- Evaluation-related activities
- Set up systems for documentation of program activities
- Purchase of computer equipment and evaluation software (e.g. SPSS)
- Data management training
Ideally, measuring “improvement” entails an assessment of the status of the agency’s capacity prior to funding the proposed project, the development of measures to assess changes in key indicators and a post-funding assessment of the agencies’ status with respect to those indicators. The scope of the initiative, with 80 funded agencies located throughout Los Angeles County, made a comprehensive pre-post methodology prohibitive. Additionally, it was not possible to assess the pre-funding status of the agencies, since funding was well under way by the time the evaluation began. This required the development and implementation of an alternative methodology designed to capture as much information – including “after-the-fact” information – as possible about the impact of First 5 LA funding on the capacity of the grantees to serve their communities.

The evaluation was guided by two primary questions: in what ways, if any, did the CDI accomplish its objectives of improving the capacity of smaller agencies to serve their populations, and what could be learned from the experience of funding these agencies that could improve the way in which First 5 LA partners with such agencies? To address these questions, available documentation was reviewed combined with collecting information and opinions from grantees via questionnaires and focus group discussions.

The questionnaires were developed by Semics, with review by First 5 LA, and administered by mail in March 2004. Grantees were provided with self-addressed stamped envelopes and contacted by telephone in order to encourage participation. Two focus group discussions were conducted in March and April 2004 at the offices of Semics. Grantees were selected at random and contacted by telephone to invite them to participate. The two focus group panels were broadly representative of the two types of grantees, Daycare/Preschool agencies and Community-Based Organizations, or CBOs,

The grantees’ Final Reports were received by First 5 LA following the closing of the funding period on March 31, 2004 and provided to Semics in April and May. Grantees were asked to respond in these reports to a variety of questions regarding the impact of the funding on their agencies, as well as to identify actual expenditures, by category, compared to their original budgets. This information was extracted and analyzed in conjunction with data collected from other sources to provide a broad picture of the needs of these types of agencies and the impacts of First 5 LA funding.
Findings

Evaluation findings will be divided into three segments: grantee characteristics, uses of funds, and grantee observations. The characteristics of the grantee agencies provide a picture of the types of smaller agencies that are currently addressing the needs of the target population. The uses of funds indicate the areas in which these agencies perceive weakness in their capacity to provide services and the ways in which they approached improving their capacity. Grantee comments, derived from submitted reports, the questionnaire, and focus group discussions, provide a picture of participants’ perceptions of changes within their agencies as a result of the CDI as well as the process by which Cycle 1 funding was administered.

1. Grantee Characteristics

Information about the characteristics of the agencies funded in Cycle 1 of the Small Grants CDI was derived from two primary sources: the Final Reports submitted by the grantees and the questionnaires administered by Semics in March, 2004. Neither of these represent a 100% sample, with 76 Final Reports reviewed (n=76), or 95% of the total population, and the tabulation of 64 questionnaires (n=64), or 80% of the total.

The grantees funded under Cycle 1 fall into two broad categories: Daycare/Preschool organizations and Community-Based Organizations (CBOs). The common characteristics of the grantees were their target populations (expectant parents, children ages 0-5 and their parents) and agency size (annual budget before CDI funding of less than $250,000). Categorization was based on whether the agency provided direct services to children in the target population, either primarily custodial or primarily educational. Those that did were included in the former category. Other agencies, providing a variety of services, whether to parents, communities or non-custodial services to children, were included in the latter.

Based on a categorization of the Final Reports, 49 grantees (64.5%) were identified as Daycare/Preschool agencies and 27 (35.5%) as CBOs. Of the 64 questionnaires returned, 39 (61.0%) were identified as Daycare/Preschool and 25 (39.0%) as CBOs.
In the questionnaire, grantees were asked to identify a variety of characteristics about their agencies, including organizational structure, years in operation, annual budgets etc. The following data was obtained from grantee responses to those questions.

**Annual Budget**

A primary criterion for eligibility for funding under the Small Grants CDI was an annual budget, before CDI funding, of $250,000 or less. Grantees were asked to identify their annual budget according to four range categories: less than $50,000; $50,001 to $100,000; $100,001 to $200,000 and $200,001 to $250,000. Table 1 presents the findings for all respondents (n=59).

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<th>Table 1 — Grantee Annual Budget</th>
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<td>Total Sample (n=64)</td>
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While the cut-off for funding eligibility was set at $250,000, 75% of the funded agencies reported annual budgets of $100,000 or less, with 44% less than $50,000. This indicates that the participating agencies were extremely small. Table 2 presents agency budgets by types of agency.

<table>
<thead>
<tr>
<th>Table 2 — Grantee Annual Budget by Agency Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>(n=64)</td>
</tr>
<tr>
<td>Daycare/Preschool</td>
</tr>
<tr>
<td>CBO</td>
</tr>
<tr>
<td>n</td>
</tr>
<tr>
<td>&lt;$50,000</td>
</tr>
<tr>
<td>$50,000 to $100,000</td>
</tr>
<tr>
<td>$100,001 to $200,000</td>
</tr>
<tr>
<td>$200,001 to $250,000</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

As this data indicates, agencies falling into the Daycare/Preschool category were generally smaller than CBOs, with nearly half of the former (48.7%) reporting annual budgets of less than $50,000. The majority of funded CBOs, by contrast, were equally divided between those with annual budgets of less than $50,000 and $50,001 to $100,000.
Personnel

Another indicator of agency size is the number of full-time staff employed. Grantees were asked to classify the number of employees in three categories: less than three, three to five, and more than five. As Table 3 indicates, the vast majority of respondents (92%) had full-time staffs of less than five people, with 73% under three. There was no significant difference between Daycare/Preschool agencies and CBOs.

<table>
<thead>
<tr>
<th>Total Sample (n=63)</th>
<th>n</th>
<th>pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3</td>
<td>46</td>
<td>73.0%</td>
</tr>
<tr>
<td>3 to 5</td>
<td>13</td>
<td>20.6%</td>
</tr>
<tr>
<td>&gt;5</td>
<td>4</td>
<td>6.3%</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Organizational Structure

Grantees were asked to identify whether they operated on a for-profit or non-profit basis. Typically, for-profit agencies are not eligible for many sources of grant funding. The CDI was made available to both types of organizations. Of the 64 total respondents, 28 (44%) identified themselves as for-profit, 32 (50%) as non-profit and four (6%) as “other.” Table 4 presents the distribution of the organizational structure of the respondents by agency type (n=60).

<table>
<thead>
<tr>
<th>Table 4 — Organizational Structure by Agency Type</th>
<th>(n=60)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daycare/Preschool</td>
<td>CBO</td>
</tr>
<tr>
<td>N</td>
<td>n</td>
</tr>
<tr>
<td>For Profit</td>
<td>26</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
</tr>
</tbody>
</table>

As noted above, the Daycare/Preschool category includes those agencies that operate primarily on a custodial basis (Daycare) and those that are primarily educational (Preschool). The 67% of the respondents in this category that identified themselves as for-profit primarily fall into the Daycare sub-category, which could also be identified as owner-operated. Based on comments from
participants in the Daycare/Preschool focus group discussion, most of these organizations had little access to or had ever applied for grant funding. The funds required to improve their facilities and operations (see Uses of Funds, below) would typically require loan financing.

2. Uses of Funds

As discussed above, the intent of the Small Grants CDI was to improve the capacity of these agencies, with specific focus on their ability to provide services and to review and evaluate the effectiveness of those services. Consistent with the examples provided in the funding guidelines, grantee budgets were broken down into six general expense categories:

- Personnel;
- Contracted services;
- Equipment;
- Supplies;
- Training expenses;
- Capital improvements; and
- Other.

In their Final Reports, grantees were asked to complete a “Final Invoice Form” with columns for original budgets and actual expenditures. This report forms the basis for an analysis of how the grantees, as a group and by type of agency, used the funds provided under the CDI. The importance of this information is that it forms the basis for understanding the financial needs of these types of agencies. It also provides proxy information suggesting ways in which the CDI may have helped these agencies improve their capacity.

In some cases, judgments were made with respect to what numbers to include and how to categorize them. For example, the column for “Actual Cost” was modified by “as of 3/14/2004.” In other cases, there was a significant discrepancy between budget and actual. Additionally, given the time frame, which was prior to the grantees’ receiving their final disbursements, the “actual” column may not have represented total expenditures. Judgments as to which column to use and total expenditures were made by extrapolating from grantee comments and report narratives. Every attempt was made to accurately reflect the amount of and purposes for which funds were used.
Expenditures by Category

Table 5 presents the average (mean) awards for grantees in Cycle 1. While the average award for CBOs was somewhat higher than that for Daycare/Preschool agencies, both categories reflect an approach to how funds were requested. As noted above, the guidelines did not specify that funds were intended to be used for a particular “program” or “project” but rather could be applied across a spectrum of categories, as long as they addressed the objectives and did not exceed the maximum. The average grant award indicates that most grantees used the dollar amount as a guideline as opposed to a maximum required to accomplish specific objectives. The median award for all grantees of $24,924 provides further support to this assumption. Table 6 presents this distribution by category for all grantees (n=76) and for the two types of grantees.

<table>
<thead>
<tr>
<th>Table 5 — Average Grant Award by Agency Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daycare/Preschool</td>
</tr>
<tr>
<td>$22,393</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 6 — Average Expenditure by Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Grantees and by Type</td>
</tr>
<tr>
<td>Personnel</td>
</tr>
<tr>
<td>Daycare/Preschool</td>
</tr>
<tr>
<td>CBO</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The following figures indicate the distribution of funds by category for each type of grantee, as a percent of the total average award. For Daycare/Preschool agencies, the largest percentage of expenditures were in the categories of Capital Improvements (33%) and Equipment (24%). Specific uses of funds in these categories include improvements to facilities, reflecting the importance of the service environment to these agencies, and the acquisition of computers and related equipment. Personnel expenditures, the third largest category at 19%, were primarily directed towards employing part-time staff.

For CBOs 75% of the average grant was used for personnel, combining the two categories of Personnel and Contract Services. Only 2% was used for Capital Improvements and 8% for equipment. As with the Daycare/Preschool grantees, the primary equipment purchase was for computers and related material. The use of funds for personnel, which supplemented existing staff
in the areas of conducting needs assessments, developing plans and enhancing funding capabilities and outreach, is indicative of the labor-intensive nature of the services these agencies provide.

Examining the purposes for which the agencies requested funding reflects the areas in which they perceive need for improvement. In a sense, the Small Grants CDI is, in part, an indirect needs assessment of agencies of this size. Semics did not have access to the approximately 220 applications that did not meet the criteria of approval for funding. An examination of their requests by category would test the assumption that the grantees are representative of the larger population.
3. Grantee Observations

An additional source of data was the observations of the grantees themselves about the process of funding and the impact those funds had upon their agencies. This data was obtained from the focus group discussions, the questionnaires and the grantees’ final reports. Semics recognizes that the subjective perceptions of the grantees neither constitute empirical evidence of impact on capacity nor enable capacity to be quantified. However, given the way in which the Initiative was administered and the limitations of the evaluation design, these perceptions broadly contribute to other data sources in answering the questions posed above.

The Funding Process

The funding process included making potential applicants aware of the availability of funds, the application process, which included workshops and technical assistance, and the distribution of funds.

Community Partners employed a variety of approaches to reaching target organizations, ranging from e-mail to word-of-mouth. A plurality of grantees (33%) indicated they had learned of the program from a variety of sources, with 24% indicating they had first learned of it through a mailing, 19% from another service organization and 10% at a professional conference.

In the questionnaire, grantees were asked whether they had participated in the application workshops and/or received technical assistance in preparing their applications from Community Partners. 93% of the 59 respondents indicated that they had attended workshops, and 52.5% received technical assistance. Asked to rate their satisfaction with various aspects of the process, from presenting the objectives of the initiative to the evaluation of applications, the vast majority (more than 95%) expressed a high degree of satisfaction.

Most of the comments received were consistent with this finding, as is indicated in the following sampling from the questionnaire:

“I feel that the entire process (application, mid-year review, etc.) was clear and straightforward. Our experience has been an extremely positive one. Thank you First 5 LA!”

“Experience was very positive. The process was streamlined and not burdensome for a small organization.”
“The process was very smooth. Very good instructions and samples to apply. During the funding process, staff was available by phone to help us every time we had a challenge.”

“The whole process was very professional, and the assistance provided was great! Good Support Team!”

A number of the grantees, however, expressed some concerns with respect to the application process. One recommended that the applications be made available “in different languages besides English, such as Spanish and Korean.” Another remarked that “Orientation workshops need work!” The need for assistance was also raised in the focus group discussions. It may be attributed to unfamiliarity of smaller agencies, particularly in the Daycare/Preschool group, with applying for grant funding. As one grantee explained:

“The workshops to apply for the grants were not that helpful. The organizations need specific help filling out the grant applications. We were told technical assistance would be provided, but whenever we asked for help during the application process, the staff members would tell us they could not answer questions specific to our proposed programs. This was frustrating and led to delays in completing the application.”

Despite the fact that technical assistance was available, several of the grantees who participated in the Daycare/Preschool focus group indicated that they had engaged independent consultants to assist them to prepare the application. The cost of doing so was in excess of $500. While the CBO group of CDI small grantees indicated that they were very familiar with applying for funds, and that they generally had no problems with the application, those agencies that did not have such experience found the process, in one grantee’s word, “daunting.”

Some of the grantees remarked that technical assistance was not available on a timely basis. One comment in the questionnaire suggested that “First 5 LA should compile a list of consultants which they trust so that agencies could consult with them and use their services if necessary.”

Another issue that was raised in focus group and questionnaire comments was the manner in which funds were distributed. For the most part, grantees were satisfied with the process of awarding 50% of the request upon signing, an additional 40% on submission of the mid-year report and the final 10% upon submission of the final report. One exception was for some agencies that used funds primarily for capital improvements. As one grantee remarked:
“My experience with Small Grants was pleasant. I do not think the program needs to be improved. However, the process was a bit tedious, especially for the agencies that were making capital improvements; it was difficult to make and pay for the capital improvements the way the funds were disbursed. The process should make allowances for capital improvement to be funded according to the contractor’s/agency’s expenses incurred.”

With regard to the process, an additional issue was raised in the focus group discussions. In these sessions, the grantees were able to discuss and compare, in a structured environment, their experiences as providers and with the Small Grants CDI. The participants remarked that this sharing was very beneficial and that they would have liked to have had more opportunities to interact with their peers. One questionnaire respondent shared this concern:

“When we received the grant we were told at the grantees meeting that we would be meeting with First 5 staff and other recipients to exchange stories and information during the course of the grant. These meetings did not occur.”

Impact of Funding

Did the Small Grants CDI improve the capacity of the funded agencies in the areas described in First 5 LA’s statement of objectives? As a result of receiving funding, were these agencies better able to “plan, develop and implement,” as well as “review and evaluate” the “programs, projects, services and activities” they provide?

For Daycare/Preschool agencies, perhaps the simplest measure of “capacity” may be seen in the number of children the agency is able to serve. In fact, grantees were asked to identify by what percent they were able to increase their services. However, an examination of the uses of funds, both in the examples provided in the application material and the grantees’ reports, and the perceptions and reported experiences of the grantees, suggest that capacity, in this case, might better be considered from a qualitative, rather than a quantitative, approach.

Similarly, the capacity of a CBO to provide a range of services to the target population within their communities is difficult to quantify. A comprehensive needs assessment with respect to, for example, parenting skills, may not result in more parents and children being served but in services being more appropriately targeted to the specific needs of a particular ethnic group.
The following grantee observations regarding improvements in capacity, obtained from focus group discussions, questionnaire comments and final reports, indicate the ways in which they understood their needs and the impact of the funding. They are presented with respect to the area of improvement cited.

**Capital Improvements**

“[The grant] really helped us in the sense that it allowed us to create a comfortable, safe and reliable environment that we envisioned for our children.”

“We are able to provide a physical environment that is safe, clean, healthy and oriented to children.”

“Now our childcare [agency] not only looks like a place children can come and be welcome and cared for, but we can back it up by offering all of the new services we have.”

“We are a community preschool and maintaining a positive image is vital to keeping our school open and functioning.”

**Equipment**

“We improved our environment with new durable inside and outside equipment. Many agencies like ours do not have the budget or funds to invest in outside and inside durable equipment which is very necessary to provide a quality environment.”

“It’s amazing how a simple changing table that was funded by First 5 LA makes our daily routine so much easier, sanitary and safer for children.”

“[As a result of acquiring computers], no longer are our children left behind by the ‘digital divide.’”

“I used the funds to purchase a variety of indoor and outdoor supplies, equipment and materials, to help meet the developmental needs of children 0-5. I would not have been able to do this without the grant funds that I received.”
“The exposure of the children to computers has enhanced their development tremendously, and they are so excited each time it is computer time.”

Planning/Development

“We formerly did not have the resources to do the research and planning necessary to develop effective programs in this area.”

“We were able to hire a part-time grant writer, which enabled us to build our capacity to generate funds.”

 “[Agencies should] try to use some of that money to receive more grants.”

General Comments

“We are a small organization but parents and children depend on us on a daily basis.”

“The most significant change we have seen so far is the quality of care and education we can give our children.”

 “[We are] now operating as a small business. In the beginning we were functioning like a babysitting service.”

“The grant we received improved our school in general outlook and hope for the future.”

While these representative comments do not constitute hard evidence of improvements in the capacity of the funded agencies to provide their services, they clearly indicate positive perceptions by the grantees about the changes accomplished as a result of the funding. However, the fact that these quotes were each collected independently and yet provide corroborative feedback across a large number of diverse agencies suggests a generally positive perception by the grantees about the changes accomplished as a result of the funding.
Discussion

Was Capacity Improved?

Did the agencies that received funds under Cycle 1 of the Small Grants Community-Developed Initiatives accomplish First 5 LA’s objectives to improve their capacity to plan, develop, implement, review and evaluate programs, projects, services and activities? Given the scope of those objectives, the many ways those terms may be interpreted, and the nature of the organizations funded, the answer would have to be: “Yes.”

More specifically, the infrastructure investments in the Daycare/Preschool agencies improved their capacity to provide both basic custodial services as well as to enhance the developmental, both physical and cognitive, aspects of the services they provide. Similarly, investments in needs assessments and outreach programs in the Community-Based Organizations group increase their capacity to target community needs and reach a larger population with their services. Capacity, however, is but one factor in improving the well-being of the target population. It was beyond the scope of this evaluation to examine the ways in which improved capacity was used, factors that contribute to how it is used or the impact on the children and parents themselves.

The capacity improvement targets of Cycle 1 of the Small Grants CDI almost entirely address the areas included in Priority 1 of the funding objectives. It is not clear whether the lack of projects aimed at improving agency capacity to review and evaluate programs is a function of the solicitation and selection process or a characteristic of agencies of this type.

Are the Grantees Representative?

The 80 grantees in Cycle 1 of the Small Grants CDI are a small sample of the small-sized child care providers and Community-Based Organizations in Los Angeles County. They are the result of a process that began by contacting thousands of organizations, of which 359 submitted applications for funding. Numerous factors could account for the number of applications received, the purposes for which funds were requested and the characteristics of the agencies selected for funding. As with the focus on Priority Area 1, discussed above, it could be a result of factors associated with the process or the agencies.
There is no indication that a means of measuring the status of an agency’s capacity to conduct the various activities identified in the priority areas was developed in conjunction with selecting grantees. This makes it difficult to rate the pre-funding capacity of the grantees in comparison to those applicants that were not selected or those providers that chose not to apply. What can be said is that the grantees represent needs with respect to capacity building, both in the basic nature of the services they offer and in elevating their services from custodial to developmental.

**Broader Learning Issues**

It is important to remember that evaluating a program like the Small Grants CDI is not a simple binary, either/or, exercise. Finding that the program either did or did not accomplish its intent, or even a simple quantification of program outcomes is but one component of the process. Rather, the evaluation should be viewed as a mechanism for learning with regard to the multi-faceted and multi-layered components that comprise the program. Such learning, of course, is not an abstract exercise in sociology but must be guided by the policy concerns of First 5 LA with respect to its stated mission and its desire to improve the many components of the world in which young children develop.

It is interesting to note the following comments found in the Minutes of the Commission meetings on this subject:

“The CDI, as an initiative, is very difficult to evaluate considering this particular initiative does not move the Commission towards a particular objective.... This is definitely an evaluation challenge although it is also believed that this is an opportunity to understand more about the interactions between the projects, the communities these projects are in, and also the relationship between the agencies and the mechanisms they use to get those outcomes.”

These comments apply to the entire CDI, including the Large Grants component. But the difficulties associated with employing traditional evaluation techniques, such as a quantitative pre-post study or a controlled experiment, and the kind of understanding that might be obtained are particularly evident in looking at the Small Grants CDI.
Daycare/Preschool Agencies

While the family is the core structure in which infants and children ages 0-5 receive preparation for entering school, First 5 LA’s Universal Preschool and School Readiness Initiatives recognize the importance of access to quality preschool education in this process. What may sometimes be overlooked is the role that small daycare providers play. Among the findings of the 2001 Child Health Interview Survey is the observation that “Child care...plays an important role in the contribution of early care and education experiences to school readiness. High quality, developmentally-appropriate experiences during early childhood have been linked to better cognitive and social-emotional outcomes in the school years.”

First 5 LA’s earlier initiatives, Child Care I and II, also addressed this issue. Those initiatives were conducted to help improve small agencies in specific ways. The difference in the CDI is that it did not propose specific objectives beyond the idea of “capacity building.” The Small Grants CDI may not have been designed with Daycare/Preschool agencies in mind when it discussed identifying needs and developing approaches to addressing them on the community level. Nevertheless, the open-ended nature of the CDI reveals factors that these agencies perceive as important to their perception of capacity.

For a variety of reasons, including economic necessity, parents rely on out-of-home daycare to care for their children. In many neighborhoods, particularly in lower income areas, these providers operate in their own homes, with the owner and perhaps a helper or two providing the service. Traditionally, the service they provide is primarily custodial, with such basic criteria as safety and hygiene being primary considerations in selecting a provider, to the extent that alternatives are available to parents. “Capacity,” in its most basic sense, may be interpreted for these providers in terms of the number of children that can be cared for. Physical space and staff size would be indicators to measure this type of capacity. But, as can be seen in the purposes for which grantees in this category used their awards and in the comments of the grantees themselves, there is a qualitative aspect to capacity that is also important, if less quantifiable. This qualitative dimension is focused on the developmental, as well as custodial, needs of young children.

The physical environment that children grow up in is an important factor in their development. In addition to basic concerns about hygiene and safety, children require access to elements that will stimulate their natural curiosity and promote physical development. For children in home-based childcare settings, these elements are reflected in a level of intentionality and design that goes beyond the typical family environment. This is especially true in lower income areas.
The range and scope of factors affecting early childhood development is reflected in the grantees’ uses of funds. These include such fundamental needs as items associated with basic health and safety. Many of the grantees, who might be regarded as “micro-businesses” operators, lacked resources for these basic elements, which may indicate similar deficiencies in the larger delivery system.

It is also important to consider the equipment requests made by these grantees. “Child-sized” toilet facilities may not only improve the overall environment, but assist in toilet training for young children. Durable playground equipment with child-safe foundations not only give children an expanded range of activities but help develop healthy bodies and motor skills. State-of-the-art computer systems allow facility operators to manage more efficiently as well as provide children the opportunity to acquaint themselves with this technology and to benefit from a variety of learning programs available for young children.

In the neighborhoods served by these agencies, improving capacity in these areas takes on particular importance. The low-income families who utilize these agencies often do not have access to computers or other physical or cognitive learning tools in their own homes. And public sources of these items, such as libraries or parks and recreation centers, may be underutilized. The daycare center may be the only, or at least a primary, source of access to elements that contribute to early childhood development, contributing to school readiness and overall mental and physical health.

In effect, the kinds of improvements witnessed in Cycle 1 of the Small Grants CDI may be seen to elevate the capabilities of childcare providers to become more of an intentional learning environment. While such centers would probably not be classified as “preschools,” the capacity improvements move them in that direction and improve their contribution to achieving the mission of First 5 LA.

With respect to these types of agencies using funds to improve their facilities, which are usually the owners’ homes, or obtaining valuable non-fixed equipment like vehicles, computers or even playground equipment, there is an inherent concern. Namely, there is no guarantee that the recipient will not utilize these for personal gain. Cycle 1 funding procedures did not include any measures to deter this possibility, beyond examining the licensure, experience and other qualifications of the grantees. This study found no evidence that any grantees capitalized on increased home equity or equipment ownership in ways other than originally intended. Nevertheless, it may be desirable to take this into account in the event that First 5 LA chooses to continue funding these agencies in this way.
Community-Based Organizations

Small, private non-profit agencies provide a variety of services to communities defined by a number of geographic, ethnic or other sociodemographic characteristics. Information received from interviews with First 5 LA personnel indicates that these Community-Based Organizations constituted the primary target of the capacity building objectives of the Small Grants CDI. The language used in implementing the Small Grants CDI and the funding structure are consistent with this approach.

Most of the CBOs funded in Cycle 1 do not target their services solely, or even directly, to benefit the population of children 0-5 and their parents. Rather, the needs of this population seem to be indirectly addressed by focusing on various weaknesses and needs in their communities.

The Cycle 1 objectives specifically included the functions of planning and evaluating programs, as well as delivering services and other activities. Planning and evaluation, as well as implementing programs, are more common characteristics of CBOs than of child care providers. With this in mind, similar questions apply as to whether their experience with the Small Grants CDI improved their capacity along these lines and what might be learned about the needs of these agencies and their communities.

As with the child care agencies, CBOs focused on what might be called “infrastructure” issues. In their case, however, infrastructure relates to such issues as their ability to identify the needs of their communities and increase awareness of and access to their services as opposed to improving the quality of their facilities and equipment. This is reflected in the fact that the majority of funds awarded to these agencies was allocated to the categories associated with personnel, including Personnel and Contracted Services.

As with the child care providers, many of the CBOs used a portion of their funds to acquire computers and related technology. Intended uses for this equipment included general management issues, data analysis and management of client and donor databases. The fact that these agencies did not have this equipment indicates the limitations under which such agencies may be operating.

CBO grantees reported that their activities pursuant to their CDI funding enabled them to accomplish their goals of needs identification and outreach with respect to the target population. Some grantees reported that they were able to improve their ability to generate new services and enhance agency finances by engaging persons with grant writing expertise. While these activities
can be seen as positive, it is difficult to assess the extent of their impact on the agencies or their communities, given the limitations of this evaluation.

One further issue in this regard is sustainability. While conducting a needs assessment or outreach program, or even developing a new approach to meet a community’s needs may improve various aspects of the agency, it does not necessarily follow that a small agency that lacks the resources to do so will have the resources needed to follow up on them once the grant funding expires. Typically, these agencies rely for funding on external sources, as opposed to the fee-for-service basis of most small child care providers. In focus group discussions, as well as in comments obtained from questionnaires and final reports, several grantees expressed the wish that First 5 LA would reconsider its policy of “one-time” grants. First 5 LA may wish to address this issue in future funding cycles.

First 5 LA’s Role as Partner
The underlying premise of the CDI concept is that agencies on the front lines of providing services to children 0-5 and their parents in the many diverse communities that make up Los Angeles County are “best suited to understanding the needs of their neighborhoods, and are likewise best suited to devise ways to address those needs.” By allowing members of the community to propose their own projects, within certain guidelines, First 5 LA could ideally address some of those needs as well as gain a better understanding of neighborhood needs and learn how to partner with those organizations.

The guidelines presented to potential applicants for the Small Grants component of the CDI included the “size” of eligible agencies, determined by an annual budget at or below $250,000, and a one-time grant of “up to $25,000.” The guidelines for uses of funds offered a laundry list of the types of things the agencies could do with the money. They did not specify how many projects the applicant could propose, or whether those projects needed to have measurable “outcomes.” And funds were awarded to successful applicants over a one-year period.

A review of the background of the CDI, its structure and the experience of the grantees indicates an unstated intent to target the type of agencies referred to as Community-Based Organizations. Nevertheless, the majority of agencies that actually received funding in Cycle 1 fell into the Daycare/Preschool category, the same type of agencies that were funded under the Child Care I and II initiatives. The precise reasons for this decision are unclear. It may be the result of factors associated with promoting the Initiative, the application review process or the relative numbers
of applications received from the two types of agencies. Nevertheless, it is still possible to obtain information about the desirability of partnering with both types of agencies and ways to improve that process.

As for small, home-based, child care providers, it is clear that they provide a valuable role in their communities. It is also clear that many of them lack the resources to go very far beyond being purely custodial “babysitting services.” The Small Grants components of the Child Care Initiatives of First 5 LA focused on programmatic areas of improvements for these agencies. The more open application process of the CDI indicates that these agencies’ needs are more fundamental and structural.

The majority of funds these agencies received was used for capital improvements and equipment purchases. However, given that the $25,000 award limit was regarded more as a fixed amount than a guideline, approximately 45% of the average grantee’s award was used for other purposes, including hiring part-time personnel and acquiring disposable supplies. While it is reasonable to conclude that the Small Grants CDI did in fact improve the capacity of these agencies, it is not clear that this required the total $25,000 to do so for each funded agency.

Should First 5 LA choose to continue to allocate funds to enhance the capabilities of this component of the child development continuum, a number of changes might be considered to improve its role as partner to these agencies. One issue involves whether to pursue a more directed or more open approach. The former has the benefit of targeting specific issues identified in this evaluation, such as enhancing the facility or acquiring computers. The latter recognizes that the specific needs of each agency will differ, even within the same categories.

Related to this issue is the question of how to regard the $25,000 funding limit. Based on the finding that only about 50% of the average grantee’s funds were used for items that directly affected their long-term capacity, more selective review of applications could result in nearly twice as many agencies benefiting from the Initiative. Additionally, recognizing that capacity improvement for these agencies is not necessarily a matter of conducting programs, the review process could be simplified and the funding process tailored to their particular characteristics.

A third issue relates to the way the funds are distributed and the reporting requirements of the grantees. Given that the Small Grants CDI process was structured with CBOs conducting year-long projects in mind, funds were distributed over that period and grantees were required to submit
mid-year and final reports. For many Daycare/Preschool grantees, this resulted in funding not matching the timing of expenditures, as well as extra work on the part of both grantees and First 5 LA personnel. First 5 LA personnel have reported that numerous grantees required technical assistance in “dealing with funding agencies” as well as in completing applications. Restructuring the process to more accurately reflect the needs and benefits of such a program would reduce the burden on the grantees themselves and the overhead resources required to administer and monitor it.

As for partnering with small Community-Based Organizations, the fact that they generally expressed satisfaction with the process probably reflects the original intent of the Initiative. However, the relatively small number of grantees in this category suggests that First 5 LA may wish to reconsider its approach to promoting its goals with respect to these agencies. It may be that many, if not most, CBOs do not specifically target the 0-5 population and are not in a position to tailor programs narrowly directed at its needs. Nevertheless, the target population is often affected by other services the CBO provides to its community, including job training for parents or ESL classes. Should First 5 LA choose to continue supporting capacity building for these agencies, it might consider broadening its definition of the types of programs eligible for funding.

Another issue relates to the sustainability of the funded activities. Unlike child care providers, where enhancements to the facility and the acquisition of durable equipment for physical development, transportation or cognitive development improve the agency’s ability to attract and care for more children (thereby increasing revenue), CBOs tend to rely on indirect sources of funding, either from government agencies, grants or contributions. Structural improvements that enhance the agency’s ability to manage its activities or pursue additional funding increase its ability to provide other services, including those that directly or indirectly address the 0-5 population. With respect to initiating other types of programs, First 5 LA might wish to consider sustainability plans as a criteria for funding.

Finally, First 5 LA might wish to consider the desirability of facilitating the sharing of information and experiences among grantees. The focus group discussions conducted to collect data for this evaluation also served to bring agency personnel together for mutual learning in the context of their common experience as grantees. Some grantees expressed their understanding that this type of exchange was intended to be a part of their grant process, as well as disappointment that it did not occur. Such gatherings provide an opportunity for peer, as well as expert, technical assistance, thereby enhancing the capacity building objectives of the Initiative.

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