



## Legislative Fiscal Bureau

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TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Governor's Request for Approval of Allocation of Federal Economic Stimulus Funds for Department of Children and Families Capacity Building Program -- Agenda Item II

### REQUEST

The Governor requests approval of an increase in expenditure authority in the federal economic stimulus funds appropriation [20.437(2)(mf)] of \$250,000 FED in 2009-10 to reflect the allocation of federal American Recovery and Reinvestment Act (ARRA) funds in the Department of Children and Families (DCF) for capacity building.

### BACKGROUND

Provisions of the federal ARRA provide \$50 million for an initiative called the strengthening communities fund (SCF), which provides funds to enable nonprofit organizations to contribute to the economic recovery and help federal, state, and local governments ensure that the information and services under ARRA reach disadvantaged and hard-to-serve populations.

Two capacity building programs may be funded with SCF funding: (a) the state, local, and tribal government capacity building program; and (b) the nonprofit capacity building program.

The SCF state, local, and tribal government capacity building program will provide an estimated 48 grants to state, local, and tribal governments. SCF state, local, and tribal government capacity building program funds must be used to: (a) conduct outreach and education aimed at increasing the involvement of nonprofit organizations in the economic recovery; (b) provide training and technical assistance aimed at building the capacity of nonprofit organizations to address the broad economic recovery issues present in their communities; and (c) build the capacity of state, local, or tribal government offices or designees to better involve nonprofit organizations in

the economic recovery.

The SCF nonprofit capacity building program will provide an estimated 34 awards to support experienced lead organizations providing nonprofit project partners with capacity building training and technical assistance in five areas: (a) organizational development; (b) program development; (c) collaboration and community engagement; (d) leadership development; and (e) evaluation of effectiveness. The SCF nonprofit capacity building program awards are intended to increase an organization's sustainability and effectiveness, enhance its ability to provide social services, create collaborations to better serve those in need, and increase its ability to address the broad economic recovery issues present in its community.

Of the funds available, \$46 million must be distributed for discretionary cooperative agreement awards, which requires a 20% match. The remaining \$4 million is available for grant support, which includes a modification to an existing panel review contract, a modification to a training and technical assistance contract, or a new task order for program evaluation.

DCF submitted an application for an award under the SCF state, local, and tribal government capacity building program. A notice of grant award in the amount of \$250,000 was received on September 23, 2009. The grant is for a two-year period beginning on September 30, 2009, and ending on September 29, 2011.

## **ANALYSIS**

### **Goals**

In its application, DCF indicates that the funds would be used to: (a) provide capacity building training and technical assistance, education, and easily accessible information on federal ARRA opportunities to up to 500 organizations dedicated to serving the state's most vulnerable populations; and (b) identify up to 10 high quality service organizations that lack the capacity to access the state and federal funding and invest targeted resources (in the form of individualized, intensive technical assistance) that ultimately position these organizations to grow to scale and access state and federal funding.

### **Current System**

DCF notes that most of its annual budget is contracted out to local entities, including community and faith-based organizations for child welfare and child protective services, child care regulation and subsidies, refugee employment services, and Wisconsin Works (W-2) and other programs related to the temporary assistance for needy families (TANF) block grant.

However, there are several barriers to full partnership between the nonprofit organizations and the public sector, such as: (a) lack of awareness about the amount of federal ARRA and state benefits available to address the impacts of the economic downturn and prepare for economic

recovery; (b) lack of coordination with the public sector, which slows the ability of low-income citizens to access needed employment, training, and social services efficiently; (c) lack of clear models for working collaboratively between state government and the nonprofit sector; and (d) a demand for nonprofit capacity building that has not been addressed on a sufficient scale privately or through the public sector. DCF states that a small number of large organizations regularly and successfully compete for state funds, while other organizations with proven outcomes lack financial and internal management capacity to successfully compete for state funds.

### **Use of SCF Capacity Building Funds**

DCF would use the SCF capacity building funds for: (a) communication and outreach; (b) training and technical assistance; (c) internal capacity-building; and (d) evaluation.

DCF anticipates its communication and outreach strategy would reach at least 500 community and faith-based nonprofits serving low-income and hard-to-serve populations within the first 90 days. DCF intends to reach at least 75% of nonprofits that service these target populations within the two-year grant period. To achieve these goals, DCF would: (a) convene a statewide public-private partnership to assist in the implementation of a communication and outreach campaign, including print, online, and social networking approaches; (b) develop content materials regarding federal ARRA opportunities for distribution and posting that are accessible and easy to understand, targeted to the nonprofit sector; (c) work with the Office of Recovery and Reinvestment (ORR), state agency staff, and statewide nonprofit associations to develop databases of nonprofit secular and faith-based organizations that provide social services and related supports to low-income and hard-to-serve populations; and (d) launch a website to serve as a source for online education about the state's ARRA opportunities and SCF training and technical assistance opportunities.

The training and technical assistance strategy would consist of two phases. In the first phase, DCF would assess the current availability of capacity building services, develop a comprehensive training curriculum for target nonprofits that leverages national, local and SCF resources to make the training available statewide. DCF would also conduct quarterly nonprofit and internal capacity building training on a regional basis.

The second phase of the training and technical assistance strategy will provide intensive technical assistance to up to 10 promising community and faith-based organizations, beginning in the second quarter of the two-year project period. Selection of the 10 organizations would be based on organizations that: (a) serve communities with the highest unemployment rates; (b) commit to active participation in public-private collaboration as a strategy for ongoing capacity building; and (c) demonstrate the greatest potential returns from targeted assistance.

DCF indicates that to strengthen the capacity of the nonprofit sector, additional state government capacity would be needed. As part of its internal capacity building strategy, DCF would engage and train at least 30 state government officials in internal capacity-building activities

over the two-year project period. To accomplish this goal, DCF would hire an SCF project coordinator to coordinate capacity building activities in partnership with the ORR lead staff assigned to this initiative.

Finally, DCF's Office of Performance and Quality Assurance, the SCF project coordinator, and other contracted assistance would design a comprehensive quantitative and qualitative evaluation. The evaluation would include: (a) baseline capacity assessment of current nonprofit organizations; (b) surveys of nonprofits' awareness of federal ARRA opportunities; (c) pre- and post-assessment surveys and interviews to gauge the impact of competency-based training and technical assistance provided, and the long-term outcomes of the intensive technical assistance on organization capacity; (d) agency feedback surveys and focus group interviews regarding capacity-building training and technical assistance provided; (e) reports on the status of outcomes specific to federal ARRA funding; and (f) assessment of increased market capacity for state agency contracted services.

### **Budgeted Expenses**

The following table shows the budgeted expenses for the two-year project by SCF federal funds, state funds, and total funds. These expenses are presented in DCF's application for SCF capacity building funds and have been approved by the Administration for Children and Families (ACF) in the federal Department of Health and Human Services.

#### **Budgeted Expenses for SCF Capacity Building Grant**

	SCF Federal <u>Funds</u>	State <u>Funds</u>	Total <u>Funds</u>
Salaries	\$133,100	\$0	\$133,100
Fringe Benefits	62,700	0	62,700
Travel Expenses	7,900	0	7,900
Equipment	1,600	0	1,600
Supplies and Services	12,500	0	12,500
Contractual Expenses	32,200	41,800	74,000
Other Expenses	<u>0</u>	<u>37,300</u>	<u>37,300</u>
<b>Total</b>	<b>\$250,000</b>	<b>\$79,100</b>	<b>\$329,100</b>

Expenses for the two-year capacity building project would total \$329,100. Expenses for salaries (\$133,100) and fringe benefits (\$62,700) would support a 1.0 FTE SCF project coordinator position and a 0.20 FTE project advisor position. Equipment expenses (\$1,600) would include funds for a notebook computer and projector for power point presentations. Contracted expenditures (\$74,000) would include website and web-based database development and maintenance, peer mentors, targeted training and technical assistance providers, and project

evaluation. Finally, other expenses (\$37,300) would include postage, space rental for trainings, and other indirect costs.

DCF indicates that state funding of \$79,100 for the match requirement would come from base resources within DCF, both cash and in-kind. DCF states that the match most likely will come from the general administration general program operations appropriation. DCF notes that with the match occurring over two years, no significant impact on operations is anticipated.

## **CONCLUSION**

The federal SCF ARRA funds would provide capacity building training and technical assistance, education, and easily accessible information on federal ARRA opportunities in an effort to enable nonprofit organizations to contribute to the economic recovery and help federal ARRA services reach disadvantaged and hard-to-serve populations. This is a new initiative based on funds made available under the federal ARRA. A total of \$329,100 (\$250,000 FED and \$79,100 state funding) would support the two-year capacity building project. As noted above, the information on budgeted expenses and uses of the SCF funding are detailed in DCF's application for these federal ARRA funds, and DCF's plan has already been approved by ACF. Approval of the request by the Committee would be consistent with the requirements and intent of the federal ARRA legislation.

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