



SOCIAL POLICY RESEARCH
ASSOCIATES

Evaluation of the Community Leadership Project 2.0 Baseline Report

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Executive Summary

The Community Leadership Project (CLP) is a collaborative effort between the David and Lucile Packard Foundation, the James Irvine Foundation, and the William and Flora Hewlett Foundation to build the capacity of small, community-based organizations (community grantees) serving low-income people and communities of color in three regions of California: the San Francisco Bay Area, the Central Coast, and the San Joaquin Valley.

The second phase of CLP (CLP 2.0)—an \$8 million, three-year effort that launched in 2012—marks a shift from experimentation to sustainability. More specifically, CLP 2.0 aims to increase the sustainability of 60 small community-based organizations by focusing on common outcomes in three areas: resilient leadership, adaptive capacity, and financial stability. While the targeted organizations are similar to those from Phase I, CLP 2.0 aims to work with organizations that have achieved a certain level of operational stability while still having relatively small budgets.

Key to CLP’s approach in Phase II is integrated and intensive support for community grantees in the form of multi-year general operating support, self-directed capacity building, coaching and mentoring, and a structured menu of leadership development and technical assistance options. These supports and opportunities are provided through partnerships with five regranting intermediaries and five leadership/TA intermediaries.

Social Policy Research Associates (SPR), the contracted evaluator for CLP, began work partway through the first phase of CLP and has continued its role for CLP 2.0. SPR’s overall goals for the evaluation are to: (1) inform improvements in CLP 2.0 implementation; (2) share lessons with the philanthropic field on effective capacity-building strategies for small organizations working in low-income communities and communities of color; and (3) assess the impact of CLP 2.0 on community grantees. This report focuses specifically on the launching of CLP 2.0 and on community grantees’ characteristics and capacity levels at baseline.

Launching CLP 2.0: Vision and Rollout

The vision for CLP 2.0 is centered on specific capacity-building goals related to sustainability. In support of this, CLP 2.0 aims to provide a more integrated and intensive system of financial and capacity-building support to a smaller number of community grantees. With a streamlined number of community grantees as well as intermediaries, CLP 2.0 is expected to facilitate increased coordination and collaboration, which has important implications for a larger sense of CLP community.

Selection, Approach, and Expected Outcomes of the CLP 2.0 Intermediaries

One of the first steps in moving from CLP 2.0's vision to rollout was the selection of regranting and TA/leadership intermediaries. Two-thirds of the applicants were intermediaries from the first phase of CLP and "were able to leverage what they had learned and created in [the first phase] to demonstrate the impact they were going to be able to have in 2.0." For example, CLP funders noted that the highest-impact intermediaries from Phase I were those who worked very closely with community grantees, often in a mentoring role, and adapted their service models in a way that was both culturally competent and specific to the organizations' context and needs.

For CLP 2.0, the regranting intermediaries share a number of common elements in their approach to capacity building, including core operating support, mentoring, and peer learning networks. The five TA/leadership intermediaries are more diverse in their approach, including their respective areas of focus (strategic planning, technology, financial planning, and leadership development) as well as the nature and frequency of their interaction with community grantees.

In reflecting upon their approaches, regranting intermediaries described continuing a number of CLP 1.0 promising practices for capacity building among organizations serving low-income people and communities of color. These included, for example, mindfulness about striking a balance between broad and customized support and meeting grantees where they are, both culturally and organizationally. In addition, they described key areas where they had fine-tuned their approach based on lessons learned from CLP 1.0. Examples of modifications included: upfront "pre" capacity-building support; a more formal coaching role; more intentional matchmaking with consultants; establishing a bank of individual consultation hours; and formalizing regional collaboration.

A cross-analysis of intermediaries' expected outcomes reveals strong alignment with the three outcome areas of CLP 2.0, while still demonstrating a variation that reflects the expertise and local contexts of intermediaries and community grantees. TA/leadership intermediaries' expected outcomes reflect their relatively defined focus areas (such as financial planning and leadership development) as well as their pre-established programs. In the case of the regranting intermediaries, some noted that their expected outcomes were relatively general in nature because of the need to establish more specific outcomes according to each individual community grantee's needs and priorities. However, all regranting intermediaries expect their community grantees to realize new and/or diverse funding sources; other common expected outcomes were clear strategic goals and a shared sense of purpose.

The five regranting intermediaries followed varying timelines and processes for the outreach and selection of their CLP 2.0 community grantees. For example, two regrantors utilized the CLP Organizational Assessment Tool as a part of the application process, while others administered the tool after community grantees were selected. However, despite individual differences, cross-

regrantor coordination occurred in terms of discussing potential outreach and selection criteria and determining whether some individual grantees might be better suited to different regrantors.

The budget size of prospective community grantees was a critical factor in the outreach process. The new eligibility criteria for CLP 2.0 related to budget size sometimes led to CLP 1.0 organizations becoming ineligible for continuing funding because their budgets grew to exceed the maximum amount of \$500,000. Budget size was also raised by regrantors as a challenge on the bottom end of the range. This most frequently came up among regrantors seeking prospective grantees in the San Joaquin Valley, where they shared that a majority of community organizations had budgets that fell below the CLP 2.0 minimum of \$50,000.

Regranting intermediaries also described a process of assessing organizational readiness as a key factor in community grantee selection. The budget size of community grantees was a critical element here as well, as some regrantors carefully considered budget as an indicator of readiness to engage in CLP 2.0. More often, regrantors focused on gauging other, non-financial aspects of readiness for CLP 2.0, such as the organization's age; ability to articulate organizational goals; demonstration of widespread staff/board involvement in the capacity-building process; and ability to take advantage of "windows of opportunity" provided by key trends or events, such as an executive transition. Ultimately, how intermediary organizations apply their practical wisdom to define readiness—particularly non-financial readiness—continues to be a rich area of learning for CLP 2.0 going forward.

The CLP 2.0 Community Grantees

All community grantees were formally announced by July 2013. Ultimately, 57 community grantees across the five regranting intermediaries were funded to participate in CLP 2.0, with 23 of them continuing from Phase I. Regrantors remarked that their CLP 2.0 community grantees are more diverse in terms of geography and issue area compared to the CLP 1.0 community grantees. There is a sense among some regrantors that greater readiness exists on the part of CLP 2.0 community grantees to engage in planned capacity-building activities, along with a greater understanding of CLP expectations.

Although the funding criteria for CLP 2.0 were narrowed, the 57 community grantees are still very diverse in terms of organizational characteristics such as location, age, staffing, and field of focus. Key findings include the following:

- **Geographic distribution of community grantees varies by intermediary.** Community grantees funded by the Rose Foundation were the most tightly clustered (in the East Bay and San Francisco) while community grantees funded by ACTA and FFRE were the most dispersed, ranging from as far north as San Joaquin to as far south as Bakersfield.

- Although **the majority of community grantees had been operating between five and 20 years**, over 10 percent are emerging organizations younger than five years old and over 25 percent are more established organizations in existence for more than 20 years.
- **Most community grantees (70 percent) are clustered in the middle of the targeted budget range, with the average operating budget being just under \$300,000 per year.** Fourteen percent of the community grantees report budgets above the upper range of \$500,000 set by CLP funders.
- **Across all community grantees, 82 percent are led by leaders of color and the majority (70 percent) reported serving multiple ethnic groups.**
- CLP 2.0 community grantees focus their work in a range of fields; **human services and civic engagement make up the primary fields of focus for 60 percent of community grantees.**

Community grantee characteristics can help inform future technical assistance approaches. For example, the range of emerging versus established community grantees suggests the need to incorporate life cycle considerations into capacity-building approaches, as well as the opportunity to foster peer mentoring of younger organizations.

Baseline Capacity Levels

Each of the CLP 2.0 community grantees participated in an online self-assessment of their organizational capacity. The assessment served a dual purpose: (1) a diagnostic tool for regranting intermediaries and their community grantees to reflect on organizational strengths and opportunities; and (2) a baseline analysis of organizational capacity that will be revisited within the timeframe of this evaluation to document changes over the course of CLP 2.0 participation.

The assessment consists of 66 items organized into nine key dimensions of organizational capacity: (1) *vision and planning*; (2) *evaluation*; (3) *fundraising and resources*; (4) *budgeting, accounting, and reporting*; (5) *board*; (6) *organizational leadership*; (7) *staff*; (8) *technology and infrastructure*; and (9) *community engagement*. Multiple respondents from each organization were asked to rate the degree to which each item described their organization (from *strongly disagree* to *strongly agree*), as well as the degree to which that item should be a priority for assistance (from *not a priority* to *top priority*).

An analysis of all CLP 2.0 community grantees along these nine dimensions led to the following key findings at baseline:

- **In general, we see that the lower capacity areas were rated as higher priorities for capacity-building assistance while higher capacity areas were rated as lower priorities for assistance.** Specifically, the three lowest capacity areas—*fundraising and resources*, *technology and infrastructure*, and *evaluation*—were also rated as the three areas where they would prioritize accessing capacity-building support. Grantees appear particularly challenged by

developing and implementing fundraising plans and diversifying sources of funding. Grantees reported challenges in almost all areas of technology and infrastructure. Within evaluation, community grantees rated themselves lowest for their use of data to make programmatic decisions and their access to evaluation expertise.

- **CLP 2.0 community grantees bring essential strengths in their capacity to connect and engage with low-income communities of color.** As to be expected, community grantees report the highest capacity within *community engagement* measures, demonstrating the greatest strength in sub-measures of cultural alignment, community trust, and building alliances. Relatively high scores in these areas reflect the success of regranteeing intermediaries in selecting organizations for CLP 2.0 that are highly engaged and well-positioned in the communities they serve. An analysis of sub-measures suggests that the only potential area for attention is in the development of a communication plan for responding to the interests of multiple stakeholders.
- **Overall, at baseline, CLP 2.0 community grantees report having leadership capacity in place to carry out their work.** *Organizational leadership* measures also demonstrate high capacity at baseline; disaggregating by region, we find that organizational leadership capacity is highest in the Bay Area. Despite high overall capacity in this area across the cohort, an analysis of sub-measures suggests that there is still room for growth in terms of leadership's attention to *self-care* and *succession planning*, both of which have major implications for sustainability.

We also examined the baseline capacity of the CLP 2.0 community grantees with specific regard to the CLP 2.0 outcomes. We did this by mapping the organizational assessment questions to specific measures for each of the three outcomes: resilient leadership, adaptive capacity, and financial stability. Overall, community grantees appear to already be on strong footing at baseline, with an average score of just over 3.0 on a scale of 4.0 for all three outcomes. There are multiple factors potentially influencing these relatively high baseline scores. One factor is CLP 2.0's strong focus on identifying organizations that demonstrated readiness to take on a capacity-building grant, which was often framed as having stability in leadership and infrastructure. Another likely factor is the sizable proportion of CLP 2.0 community grantees carried over from CLP 1.0 (40 percent) that had already benefited from years of capacity-building investment.

Implications Going Forward

Delving into the sub-measures that make up the CLP 2.0 outcomes, we begin to see where community grantees have less capacity at baseline and, subsequently, the most room for development. Specifically, community grantees exhibited room for growth in providing a supportive infrastructure (*resilient leadership*), conducting evaluation and strategic planning (*adaptive capacity*), and implementing effective and sustainable business models (*financial stability*). These areas are where we would anticipate the greatest changes over CLP 2.0.

While the primary purpose of this report is to provide a baseline analysis of community grantees' capacity levels, the data also reveal some larger considerations for CLP funders and intermediaries to keep in mind as they move forward with the implementation of CLP 2.0:

- **Calibrating expectations for growth.** Because the community grantees already report relatively high capacity in the three CLP 2.0 outcome areas, growth in these areas will likely not be as marked as might have been anticipated.
- **Prioritizing *fundraising and resources* as the leading contender for additional attention.** Across all three regions, *fundraising and resources* was reported as the lowest capacity area and the highest priority area. This serves as a clear indication that future activities—at the individual regrantor or initiative-wide level—should focus on this area to realize the greatest return on investment.
- **Acknowledging evaluation as an unaddressed area.** Across community grantees, the three lowest self-reported capacity areas are *fundraising and resources*, *technology and infrastructure*, and *evaluation*. While the first two are directly addressed by the Nonprofit Finance Fund and ZeroDivide, evaluation remains an unaddressed component.
- **Revisiting assumptions for regional technical assistance priorities.** A regional analysis of capacity levels sometimes revealed a mismatch in terms of where CLP 2.0 technical assistance resources are currently deployed. For example, both Rockwood and LeaderSpring are focusing on leadership development in the Bay Area despite the fact that this region reports the highest capacity in organizational leadership at baseline and indicates this area is a low priority for assistance. Providers may want to consider expanding the geographic reach and/or tailoring outreach in the Central Coast and San Joaquin Valley regions.

Our analysis of both the rollout of CLP 2.0 and the baseline capacity of community grantees shows that an exciting phase of work is underway, building on the rich lessons and experience of CLP 1.0.

I. INTRODUCTION

The Community Leadership Project (CLP) is a collaborative effort between the David and Lucile Packard Foundation, the James Irvine Foundation, and the William and Flora Hewlett Foundation to build the capacity of small, community-based organizations serving low-income people and communities of color in three regions of California: the San Francisco Bay Area, the Central Coast, and the San Joaquin Valley. CLP's community-based organizations are working in a diverse array of fields and program areas and are not necessarily part of the three foundations' core portfolios.

The first phase of CLP (CLP 1.0)—a \$10 million, three-year effort launched in 2009—was focused on experimenting with a range of capacity-building models in the interest of learning and refining the CLP approach to strengthening organizations and leaders. As such, Phase I involved working with 27 intermediary organizations to provide various capacity-building supports—including re-granted funds and high-touch support to 100 community-based organizations, as well as technical assistance (TA) and leadership development to a broader swath of organizations and individuals.

The second phase of CLP (CLP 2.0)—an \$8 million, three-year effort that launched in 2012—marks a shift from experimentation to sustainability. More specifically, CLP 2.0 aims to increase the sustainability of small, community-based organizations by focusing on common outcomes in three areas: resilient leadership, adaptive capacity, and financial stability. While the targeted organizations are similar to those from Phase I in terms of geography, clientele, and diversity of program areas, Phase II aims to work with small organizations that have achieved a certain level of operational stability while still having relatively small operating budgets.¹

Key to CLP's approach in Phase II is integrated and intensive support for community grantees in the form of multi-year general operating support, self-directed capacity building, coaching and

¹ Specifically, as articulated in the CLP 2.0 Request For Proposals (RFP), the second phase of CLP specifically targets organizations that have operating budgets between \$50,000 and \$500,000, with at least one paid staff position, with 501(c)(3) status or an established fiscal sponsor relationship, and with a functioning board of directors or advisory board. (Phase I of CLP was open to organizations with annual budgets between \$25,000 and \$2 million).

mentoring, and a structured menu of leadership development and technical assistance options. These supports and opportunities are provided through partnerships with five lead regranting intermediaries and five leadership/TA intermediaries.

Evaluation of CLP 2.0

Social Policy Research Associates (SPR), the contracted evaluator for CLP, began work partway through the first phase of CLP and has continued its role for CLP 2.0. SPR's overall goals for the evaluation are to: (1) inform improvements in CLP 2.0 implementation; (2) share lessons with the philanthropic field on effective capacity-building strategies for small organizations working in low-income communities and communities of color; and (3) assess the impact of CLP 2.0 on community grantees. Guiding our evaluation is the CLP 2.0 logic model (included on the next page in Exhibit 1) and several learning and evaluation questions. The logic model—updated since the first phase²—outlines the vision, goals, assumptions, strategies, and anticipated outcomes of CLP 2.0, with the latter reflecting CLP 2.0's focus on resilient leadership, adaptive capacity, and financial stability outcomes among community grantees. The learning and evaluation questions are listed in Exhibit 2.

Our three-year, mixed-methods evaluation of CLP 2.0 has two major components: regranting and leadership/TA. Evaluation activities for both components include annual interviews with intermediaries, observation of select trainings/events, and ongoing collection of training/meeting evaluation forms. In addition, the regranting component involves an initial organizational development assessment for all community grantees,³ case studies of select community grantees, an outcome survey for all community grantees as part of their final reporting procedures, and annual learning labs held in each of the three CLP regions in order to facilitate sharing and learning. Finally, we also rely on document review (e.g., proposals and reports) and annual interviews with the three CLP funders to inform both components of the evaluation. Key deliverables include baseline, interim, and final reports.

² More specifically, the CLP 2.0 Logic Model has an updated vision statement, dual goals around sustainability and continued learning, more focused strategies (e.g., 60 versus 100 community grantees, readiness criteria) and sustainability-focused outcomes of resilient leadership, adaptive capacity, and financial stability.

³ The methodology of the organizational development assessment and analysis is discussed further in the third section of this report on the CLP 2.0 community grantees.

Exhibit 1. Evaluation Logic Model

Community Leadership Project 2.0 Logic Model (6/3/2013)

California's future depends on the success of the communities of color that comprise a majority of our population. Two necessary components of a vibrant and diverse democracy are effective community-based organizations and diverse leadership throughout California's nonprofit sector.

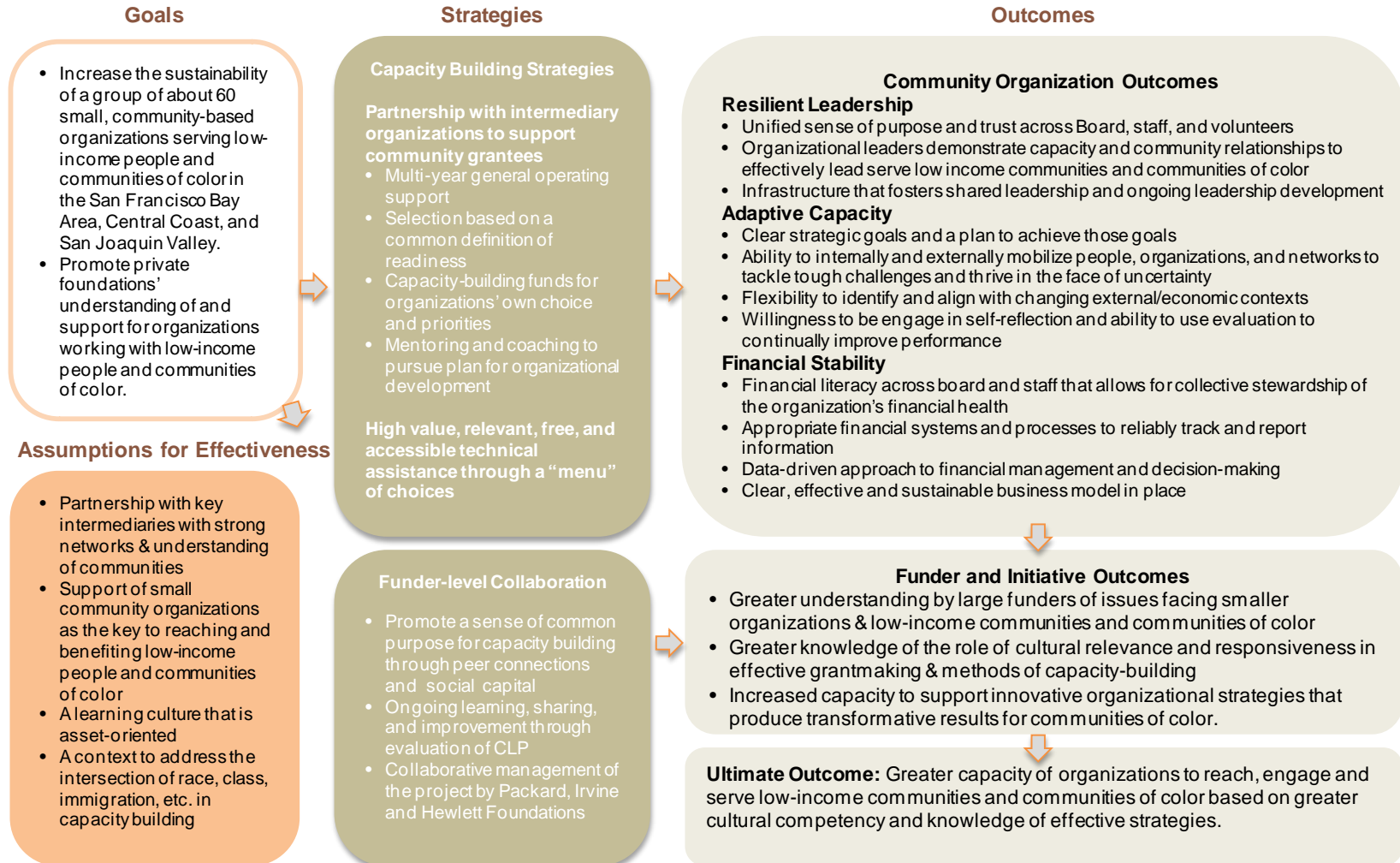


Exhibit 2. Evaluation and Learning Questions

Initiative-Level Learning and Adaptation

1. How does the shift from experimentation mode to more clearly defined outcomes serve to align the work of the intermediaries and deepen the impact of the capacity building work on the community grantees?
2. What are the major challenges and lessons learned in reaching and providing capacity building to organizations and leaders engaging and serving low-income communities and communities of color? How are these challenges addressed?
3. How does the CLP Phase II design and structure effectively leverage access to multiple strategies to get appropriate resources to grantees when they need them? Are intermediaries and funders maximizing the value of their assets by sharing and adding value to each other's work?

Cultural Relevance and Responsiveness

4. How does the CLP strategy build organizational social capital across a range of community grantees? How does this support increased readiness for the collective growth and development for those serving low-income communities and communities of color?
5. To what extent does CLP lead to an agreed-upon set of culturally competent capacity-building practices? Do intermediaries and funders adopt and use the most effective methods for capacity building for organizations working in low-income communities and communities of color?

Sustainability and Transformation

6. What difference has participation in CLP Phase II had on small to mid-sized community grantees and their leaders? Are small-to-midsize community grantees stronger and more sustainable?
7. How effectively are CLP intermediaries as well as community grantees partnering across cultural and geographic boundaries to increase learning and sharing?

This report focuses on providing an initial analysis of the launching of CLP 2.0 and of community grantees' characteristics and baseline capacity levels. In the sections that follow this introduction, we:

- Examine the vision behind CLP 2.0 in greater detail, thus providing a frame of reference for all subsequent data collection and analysis;
- Detail the formal launching of CLP 2.0 with particular attention to the selection of intermediaries and community grantees, thus documenting key strategies and expected outcomes (and how this initiative has evolved from Phase I); and
- Analyze the community grantees in terms of their demographics, baseline capacity levels, and areas of need and strength, thus informing observed patterns of growth under CLP 2.0 and provision of future technical assistance activities.

II. LAUNCHING CLP 2.0: VISION AND ROLLOUT

The vision and rollout of CLP 2.0 strategically drew on the success and lessons from the first phase. In this section of the report, we first explore this vision in greater detail, from the perspective of both CLP funders and intermediaries. We then document the initial rollout of CLP 2.0 in terms of the selection of the intermediaries and their approaches, as well as the selection of the community grantees and their expected outcomes.

The CLP 2.0 Vision

The vision for CLP 2.0 is centered on sustainability. More specifically, CLP 2.0 aims to increase the sustainability of community-based organizations by focusing on three characteristics of sustainable organizations: resilient leadership, adaptive capacity, and financial stability. This shift from the broad experimentation and learning of CLP 1.0 allows for a tighter focus on clearly defined common outcomes. As such, compared to Phase I, CLP 2.0 is working to provide a more integrated and intensive system of financial and capacity-building support to a smaller number of community grantees. With a streamlined number of community grantees as well as intermediaries, CLP 2.0 is expected to facilitate increased coordination and collaboration, which has important implications for a larger sense of CLP community. As one regranteeing intermediary observed about its grantees, “Our organizations this time really understand that they’re part of something larger.”

The vision for CLP 2.0 includes important front- and back-end considerations. On the front end, CLP 2.0 has more explicit criteria for organizational readiness and eligibility, particularly with regard to the operating budgets of community grantees. Specifically, as a result of lessons and evaluation findings from Phase I, CLP 2.0 is targeting small organizations that have achieved a certain level of operational stability but still have relatively small operating budgets, ideally between \$50,000 and \$500,000 (compared to the \$25,000-\$2 million range of CLP 1.0). In addition, unlike the first phase, CLP 2.0 incorporates evaluation as a critical element from the onset of the initiative, improving chances for ongoing learning and mid-course improvement. On the back-end, the three CLP funders have incorporated a fund of \$2 million to allow for a strategic transition after CLP 2.0 comes to an end.

To help illustrate how the vision of CLP 2.0 differs from that of Phase I, Exhibit 3 below presents a side-by-side comparison of key initiative dimensions.

Exhibit 3. Snapshot Comparison of CLP Phases I and II⁴

	CLP Phase I	CLP Phase II
Budget	\$10 million 100% granted in 2010	\$8 million Consideration for challenge grants up to \$2 million as the initiative concludes in late 2015 or early 2016
Goal	Strengthen organizations and leaders serving low income people and communities of color	Increase the sustainability of small organizations serving low-income people and communities of color
Strategy	Experiment and learn: <ul style="list-style-type: none"> • Regranting to 100 organizations • Technical assistance to 300 organizations • Leadership development to 500 individuals 	Integrated support for 57 community grantees, with each receiving: <ul style="list-style-type: none"> • Multi-year general operating support • Self-directed capacity building • Coaching and mentoring Structured menu of leadership development and technical assistance
Target population	Organizations serving low-income people and communities of color in: <ul style="list-style-type: none"> • Bay Area • Central Coast • San Joaquin Valley Open to non-profit organizations working in any field Annual budget of \$25,000 to \$2,000,000	Same focus, with these adjustments: Small organizations that have achieved a certain level of operational stability but still have relatively small operating budgets, preferably between \$50,000-\$500,000
Number of grantees	27 intermediaries reaching: <ul style="list-style-type: none"> • 100 orgs (high touch support) • 500 orgs (lower touch support) 	10 intermediaries reaching 57 community grantees with high-touch and integrated support
Project Duration	3 years (2009 to 2012)	3 years (2012 to 2015)

Finally, CLP 2.0 is envisioned as a more streamlined and efficient operation in terms of division of labor and communications. Each foundation has a direct relationship with a small number of intermediaries and is responsible for particular areas of work, such as leading a collaboration with the intermediaries on the CLP website. This structure facilitates ongoing progress, while still relying on inter-foundation communication and feedback.

⁴ Adapted from the CLP 2.0 Request for Proposals, August 31, 2012.

Selection of the CLP 2.0 Intermediaries

One of the first steps in moving from CLP 2.0's vision to rollout was the selection of regranting and TA/leadership intermediaries. The three CLP funders created "a very tight request for proposals" from intermediaries. Two-thirds of the applicants were intermediaries from the first phase of CLP and "were able to leverage what they had learned and created in [the first phase] to demonstrate the impact they were going to be able to have in 2.0." For example, CLP funders noted that the highest-impact intermediaries from Phase I were those who worked very closely with community grantees, often in a mentoring role, and adapted their service models in a way that was both culturally competent and specific to the organizations' context and needs.

Ultimately, the CLP funders shared that they selected the CLP 2.0 intermediaries based on the strength of proposals, geographic diversity, past performance, and particular service niche. For example, one of the CLP funders explained that two of the leadership/TA intermediaries address different aspects of leadership development, including both movement-building and organizational management, while Nonprofit Finance Fund "provides support for an incredibly critical aspect of an organization's sustainability and growth" by helping to "equip organizations with tactics for attracting resources even after CLP." The CLP funders held conversations with the intermediaries on their anticipated scale of impact given their experience in the previous phase, as well as the level of partnership required with fellow intermediaries.

CLP 2.0 Intermediary Approaches

Exhibit 4 provides an overview of the funded work of the 10 regranting and TA/leadership intermediaries ultimately selected to participate in CLP 2.0. Overall, as the work is getting underway, the regranting intermediaries share a number of common elements in their approach to capacity building in CLP 2.0, including core operating support, mentoring, and peer learning networks. Three regranting intermediaries outlined larger goals: building awareness of regional challenges and solutions; sharing capacity-building lessons with other intermediaries; and connecting community grantees with a larger network of nonprofit leaders. In addition, two regranting intermediaries are supporting complementary or supplemental capacity-building projects that are beyond the scope of CLP 2.0.

The five TA/leadership intermediaries are more diverse in their approach, including their respective areas of focus (strategic planning, technology, financial planning, and leadership development) as well as the nature of the interaction with community grantees. For example, CompassPoint and Nonprofit Finance Fund use a cohort model, bringing together a group of community grantees, but for a relatively small number of sessions (seven and two, respectively). The two intermediaries focused on leadership development (LeaderSpring and Rockwood Leadership Institute) offer a broader program (e.g., LeaderSpring Fellowship and California

Leaders of Color Program) but where CLP grantees are not the only participants. As opposed to more group-oriented offerings, the main thrust of Zero Divide’s approach is to provide individualized assessments and consulting. One-on-one consulting or coaching is the only element that is offered by all five TA/leadership intermediaries.

Exhibit 4. Overview of CLP 2.0 Intermediaries

Intermediary	Grant Amount	Region Served	Goals of Funded Effort ⁵
Regranting Intermediaries			
Alliance for California Traditional Arts (ACTA)	\$1 million	San Joaquin Valley	Select seven investment partners (grantee organizations) in to receive grants and other support. Establish a Community of Practice to facilitate learning and networking among investment partners. Serve as coach and mentor to empower investment partners to increase self-identified capacities, particularly in the areas of leadership (resilience, adaptive capacity, and planning); financial stability (managing and acquiring capital); and community relevance (program vitality and cultural impact).
Fund For Rural Equity (FFRE) – a partnership of California Rural Legal Assistance (CRLA) and Immigrant Legal Resource Center (ILRC)	\$2 million	San Joaquin Valley	Provide capacity-building support and general operating grants to 16 non-profits in collaboration with CompassPoint. Serve as coach, mentor, and guide to help grantees prioritize and sequence capacity-building activities. Convene and facilitate regional learning sessions. Administer a mini-grant fund for complementary capacity-building projects during CLP timeframe. Engage organizations in building awareness of regional challenges and solutions for serving low-income and rural communities of color.
Central Coast Collaborative —a partnership of Community Foundations for Monterey County, Santa Cruz County, and San Benito County	\$1.4 million	Monterey, Santa Cruz, and San Benito Counties	Select 14 grantees to receive general operating support and capacity-building funds over three years. Provide guidance and mentoring to grantees as they pursue capacity improvement goals related to resilient leadership, adaptive capacity, and financial stability. Monitor grantees’ TA and training needs and facilitate their access to relevant resources. Convene grantees at least twice per year to build network of peer learning and support.
Rose Foundation for Communities and the Environment	\$1 million	San Francisco Bay Area	Provide core operating grants to 10 social, environmental justice and civic engagement groups. Partner with each grantee to assess and prioritize current capacity and needs/projects. Maximize opportunities provided by TA/leadership providers. Convene annually to build ongoing support network. Fund supplemental capacity-building projects that extend beyond the scope of TA/leadership opportunities. Help other intermediaries understand framework and technique for building capacity of small organizations.

⁵ While this exhibit’s narrative is based on CLP 2.0 intermediary proposals, the numbers of community grantees involved have been updated to reflect the actual number of organizations being supported by each intermediary.

Intermediary	Grant Amount	Region Served	Goals of Funded Effort
Silicon Valley Community Foundation (SVCF)	\$1 million	San Mateo and Santa Clara Counties	Provide a group of 10 organizations with multi-year core operating support, grant funds for capacity-building projects, and mentoring/coaching to organizational leaders to help them define, prioritize and pursue capacity-building projects. Organize a peer-learning cohort that will help grantees increase ability to communicate their missions, increase financial management skills, and learn from one another. Connect grantees with a larger network of nonprofit leaders.
Technical Assistance/Leadership Intermediaries			
CompassPoint	\$211,000	San Joaquin Valley	Conduct Nonprofit Strategy Clinic to support a cohort of nonprofit leaders as they guide their organization through a strategic planning process. Leaders will identify strategic goals and develop a plan to achieve those goals. Clinic will culminate with leaders completing individual strategic plans for their organizations that will include market-tested organizational strategies and a dashboard to monitor progress and support ongoing learning. Program components include seven in-person seminars and individualized consulting time.
LeaderSpring	\$150,000	San Francisco Bay Area	Provide 10-12 nonprofit executive directors and their organizations with the LeaderSpring Fellowship, a two-year program of leadership development and capacity building. The Fellowship consists of retreats, monthly leaders' circles, customized executive coaching, customized study trips, and an alumni network.
Nonprofit Finance Fund (NFF)	\$600,000	All three CLP regions	Provide four Financial Leadership Clinics, whereby NFF works with 4-6 organizations in a two-day session. The clinic has three parts: financial literacy, communicating your financial story, and individual follow-up. The clinic covers topics such as preparation of a financial diagnostic, training on core financial concepts, financial planning and management tools, and financial presentations by each organization. NFF will also provide three four-hour workshops on capitalization planning and financial topics that provide participants with improved understanding of financial concepts and prepare them to better utilize financial management tools.
Rockwood Leadership Institute	\$250,000	All three CLP regions	Provide California Leaders of Color (CLOC) Program to enhance leadership and collaboration capacity of up to 30 leaders of color who work with locally based organizations that serve low-income communities in the Bay Area, Central Coast, and San Joaquin Valley (through the CLOC Program) and in the Inland Empire and San Joaquin Valley (through the Fellowship for a New California). Deliver five-day Art of Leadership trainings and a Network Refresher Course, as well as access to bank of professional coaching hours and alumni network.
Zero Divide	\$400,000	All three CLP	Provide technology capacity building to support

Intermediary	Grant Amount	Region Served	Goals of Funded Effort
		regions	organizations' leadership and organizational management, improve their financial stability and increase their adaptive capacity. Services will be divided into three parts: baseline technology assessments for all, comprehensive technology assessments, and individual consulting for a targeted cohort of approximately 25 organizations, and group workshops and trainings for all grantees.

In reflecting upon their approaches, regranting intermediaries described continuing a number of CLP 1.0 promising practices for enhancing capacity building among organizations serving low-income people and communities of color. These included, for example, mindfulness about striking a balance between broad and customized support and meeting grantees where they are, both culturally and organizationally.

In addition, they shared key areas where they had fine-tuned their approach based on lessons learned from CLP 1.0. Such modifications included introducing new elements or shifting areas of emphasis. Specific examples of change included the following:

- **Upfront “pre” capacity-building support.** One intermediary originally envisioned a clear division between their role as a regrantor, and another (partner) intermediary’s role as the provider of capacity-building support. However, during CLP 1.0, the regrantor learned that even before capacity building began, grantees required them to be involved with “some basic education” on issues such as setting up a contract and determining a consultant’s scope of work. In CLP 2.0, the regrantor will also be more involved in assisting community grantees with prioritizing and sequencing capacity-building activities.
- **A more formal coaching role.** While regrantors provided informal coaching throughout the first phase of CLP, multiple regrantors shared that they formalized their role as a coach in the second phase. One regrantor explained that coaching in a more formalized and systematic fashion allows “all the organizations to be on the same page.” A more formal approach also allows community grantees to better prioritize their capacity-building goals and the regrantor to hold them more accountable for meeting specific goals. For example, one regrantor told a community grantee “that we want to do a sit-down with their staff and board and talk about the degree to which everybody has bought into doing CLP and talk about what everybody’s role is. I don’t think that’s something we would have done three years ago.”
- **More intentional matchmaking with consultants.** During the first phase, one regrantor learned that both consultants and community grantees required mentoring on how to approach each other with an understanding of their respective values and philosophies. To facilitate this, the regrantor changed their approach to setting up working relationships between consultants and community grantees:

[We needed to] create a space where the storytelling of the leaders was going to be later deciphered by the consultant to determine the area of work that the leaders needed to focus on, and then mirror that back to the nonprofit organization to see if there was agreement on what the consultant was able to gather from the stories that they had shared. So we shifted how the contracts were developed, how the scope of work was articulated, and how the projects were presented to the nonprofit leaders and their boards.

- **Establishing a bank of individual consultation hours.** In recognition of the need for more dedicated mentoring hours, one regrantor has structured its budget differently in CLP 2.0 to allow community grantees to access a “bank” of consulting hours, particularly during challenging or transition times for the organization.
- **Formalizing regional collaboration.** One regrantor discussed the importance of collaboration during the first phase of CLP 1.0, particularly in terms of bringing together the cohorts of current and past CLP regrantors in the San Joaquin Valley. The collaboration was formalized in the second phase in a joint grant to CLRA and IRLC.

CLP 2.0 Intermediaries’ Expected Outcomes

By employing the approaches described above, the CLP 2.0 intermediaries expect a range of outcomes from their grantee portfolios. A detailed summary of anticipated outcomes by CLP 2.0 regranting and TA/leadership intermediary is provided in Appendix A. A cross-analysis of anticipated outcomes reveals strong alignment with the three outcome areas of CLP 2.0, while still demonstrating a variation that reflects the expertise and local contexts of intermediaries and community grantees.

TA/leadership intermediaries’ expected outcomes reflect their relatively defined focus areas (such as financial planning and leadership development) as well as pre-established programs, such as Rockwood’s Art of Leadership training series. In the case of the regranting intermediaries, some noted that their expected outcomes were relatively general in nature because of the need to establish more specific outcomes according to each individual community grantee’s needs and priorities. For example, one regrantor stated, “each investment partner will increase specific, self-determined skills.” Likewise, another regrantor noted that expected outcomes would be driven by assessments of their community grantees and the development of specific capacity improvement plans. Still another regrantor stated that there would be “an in-depth and focused push” for community grantees to complete their own specific goals and outcomes.

However, despite some degree of generality and variation in their expected outcomes, all regranting intermediaries expect their community grantees to realize new and/or diverse funding

sources. Other common expected outcomes were clear strategic goals and a shared sense of purpose.

While a number of intermediaries described part of their *approach* as building peer networks or learning communities, only the Rose Foundation articulated a support network as an expected outcome of their work. Also of note is that only ACTA articulated an expected outcome around *community relevance and engagement*—specifically by expecting that its community grantees/investment partners be committed to “inclusive program planning,” “broad engagement of community and cultural values,” and “well-documented and evidence program impact valued by community members.” Furthermore, ACTA “wants to see a more active community approach in CLP 2.0, with the organizations building deep relationships with their communities through leadership teams” that will receive training and support from ACTA. As ACTA explained, this approach is an attempt to realize the “non-monetary” outcomes that their communities are well able to realize.

Selection of the Community Grantees

The five regranting intermediaries followed varying timelines and processes for the outreach and selection of their CLP 2.0 community grantees. For example, some regrantors used Letters of Interest (LOIs) as an initial round in the application process, while others did not. Two regrantors utilized the CLP Organizational Assessment Tool as a part of the application process, while others administered the tool after grantees were selected. However, despite the differences among regrantors, cross-regrantor coordination did occur in terms of discussing potential outreach and selection criteria (beyond the funders’ baseline eligibility criteria) and determining whether some individual grantees might be better suited to regrantors other than the ones to which they applied. All of the regrantors’ RFPs were issued by early spring 2013 and all grantees were formally announced by July 2013.

The **budget size** of prospective community grantees was a critical factor in the outreach process for CLP 2.0 community grantees. As previously mentioned, the funders established different eligibility criteria in CLP 2.0 for grantees related to budget size. In some cases, this led to CLP 1.0 organizations becoming ineligible for continuing funding because their budgets grew to exceed the maximum amount. Budget size was also raised by regrantors as a challenge on the bottom end of the range. This most frequently came up among regrantors seeking out prospective grantees in the San Joaquin Valley, where they shared that a majority of community-serving organizations had budgets that fell below the minimum of \$50,000 (which was established to serve as a threshold of organizational readiness).

The community grantee selection process led to a number of direct conversations between the regrantors and the CLP funders about potential candidates that may have warranted special

exceptions to the budget eligibility criteria. While some regrantors were able to successfully negotiate with CLP funders to make exceptions, a couple explicitly expressed regret that they could not support the further development of CLP 1.0 community grantees. According to one funder, these conversations served another purpose by allowing the regrantors to gain a broader perspective on CLP: “The intermediaries, through those consults that they had to do, were able to also get a better sense of our thinking as the foundations resourcing this effort.”

Across-the-board, regranting intermediaries also discussed engaging in a process of assessing **organizational readiness** as a key factor in community grantee selection. The *budget size of community grantees* was a critical element here as well. Specifically, some regrantors carefully considered budget size as an indicator of readiness or capacity to engage in the work of CLP 2.0. As one regrantor observed, “The size of the grantees was critical. It was important to spend time really talking about the size of the organization to determine whether to engage with them as a grantee.” More often, regrantors focused on gauging other, non-financial aspects of readiness for CLP 2.0, such as *how long the organization had been in existence, the extent to which organizations were able to articulate their goals, and demonstrating widespread staff/board involvement and cohesion* around the capacity-building process—in part to show “comprehension of what they were getting into.” Regrantors also discussed the extent to which prospective community grantees were poised to take advantage of a “window of opportunity” for capacity building given organizational trends or events such as an executive transition or an expansion of services. Of the two regrantors that used *CLP organizational assessment results* as a tool for the selection process, one specifically noted that they used the assessment as their “key window into how applicants were thinking about capacity.” Recognizing the importance of factors like the commitment of top-level leaders in capacity-building success, a third regrantor also invested in more-depth readiness assessments with the organizational leaders of prospective community grantees:

We really listened and conducted readiness assessments that were more open-ended. . . We chose to do that because we didn’t think we could get enough information just by an LOI. I really wanted to talk with them and really listen to the responses. How were they conceptualizing their role? What did they really understand the issues to be that they would want to work on? Were they ready?

Two of the regrantors also shared that they directly relied on their experience in the previous round of CLP for a sense of which grantees would be a good fit for CLP 2.0. One regrantor said, “I think we knew more about the kind of groups that we thought we would have success with and the groups that are ready for change and success.” The second regrantor noted that they also relied on experience with grantees that may not have had major successes, but were “really

applying themselves, making genuine efforts in their capacity building” and would likely make further strides with additional support.

Ultimately, how intermediary organizations apply their practical wisdom to define readiness—particularly non-financial readiness—continues to be a rich area of learning for CLP 2.0 going forward. As the initiative unfolds, this area holds great potential for testing different approaches to identifying and investing in small organizations that might not otherwise be funded.

Overview of Community Grantee Portfolios

Ultimately, 57 community grantees were funded to participate in CLP 2.0. Exhibit 5 breaks down the number of community grantees by intermediary, including the number of continuing grantees from CLP 1.0.

Exhibit 5. Breakdown of Number of Grantees, by Regranting Intermediary

<u>CLP Regrantor</u>	<u>CLP 2.0 Grantees</u>	<u>Continuing from CLP 1.0⁶</u>
ACTA	7	4
FFRE	16	8
CCC	14	3
Rose	10	5
SVCF	10	3

When providing an overview of their CLP 2.0 community grantees, regrantors focused on how they differed from their previous community grantees under CLP 1.0 along such dimensions as geography, mission, and diversity:

- Three regrantors mentioned that their CLP 2.0 grantees were more **geographically diverse**, for example covering additional areas or counties of the San Joaquin Valley.
- Two regrantors described how their CLP 2.0 portfolios involved and/or served more **diverse stakeholders** (e.g., organizations serving different Asian communities and organizations with more diverse staff/boards).
- Finally, one regrantor described a more **issue-diverse** grantee portfolio, expanding from environmental justice to social justice and civic engagement, and including community grantees from non-traditional organizing backgrounds.

⁶ Four of the continuing community grantees were funded by different regrantors in CLP 1.0 that did not continue on to CLP 2.0.

One regrantor described how their current community grantees' capacity-building efforts are more rooted in the community—by virtue of the communities served being more engaged in the community grantees' work, and community grantees' recognition that “sustainability is not about dollars acquired from grants coming from foundations, but by deepening their roots in the reality of the community that they serve. There is a stronger sense among the CLP 2.0 organizations that civic engagement is a critical element for transformation.”

Finally, there is a sense among some regrantors that there is greater “readiness” on the part of community grantees to engage in planned capacity-building activities. One regrantor shared that he feels that his current community grantees are clearer on the expectations for their involvement in CLP 2.0—facilitating a greater sense of accountability. In addition, the CLP 2.0 community grantees are more knowledgeable about what capacity building involves:

I think there is a much clearer understanding of capacity building as a set of activities and a direction that they are trying to move their organization towards. That's definitely different. They didn't have the vocabulary and awareness in CLP 1.0.

Another regrantor echoed the sense of higher expectations for returning community grantees in CLP 2.0—not only because they have already worked with the regrantor in the first phase, but also because they will be receiving increased funding support, more time to work on their goals, and a greater number of TA of services which they are expected to take advantage.

In the next section of the report, we provide a more detailed review of the CLP 2.0 community grantees, not only in terms of their organizational characteristics and areas of focus, but also their baseline capacity levels in nine key areas ranging from vision and planning, to technology and infrastructure.

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III. THE CLP 2.0 COMMUNITY GRANTEES

The 57 community grantees that make up the CLP 2.0 community grantee cohort represent a diverse cross-section of small organizations in terms of geography, age, and focus areas. While all share a common and critical role in addressing the needs and strengthening cultural assets within the low-income and diverse communities they serve, they also bring a wide range of organizational strengths and challenges to bear on their work. Based on an analysis of community grantees at the beginning of CLP 2.0, this chapter sets a baseline for documenting how these organizations grow more financially sustainable and operationally resilient over the next three years.

The analysis presented in this chapter draws upon data from two key sources: (1) demographic information provided by each of the regranting intermediaries on their community grantees, and (2) an analysis of the organizational capacity assessment completed by each of the community grantees just prior to, or just after, being selected for participation in CLP 2.0.

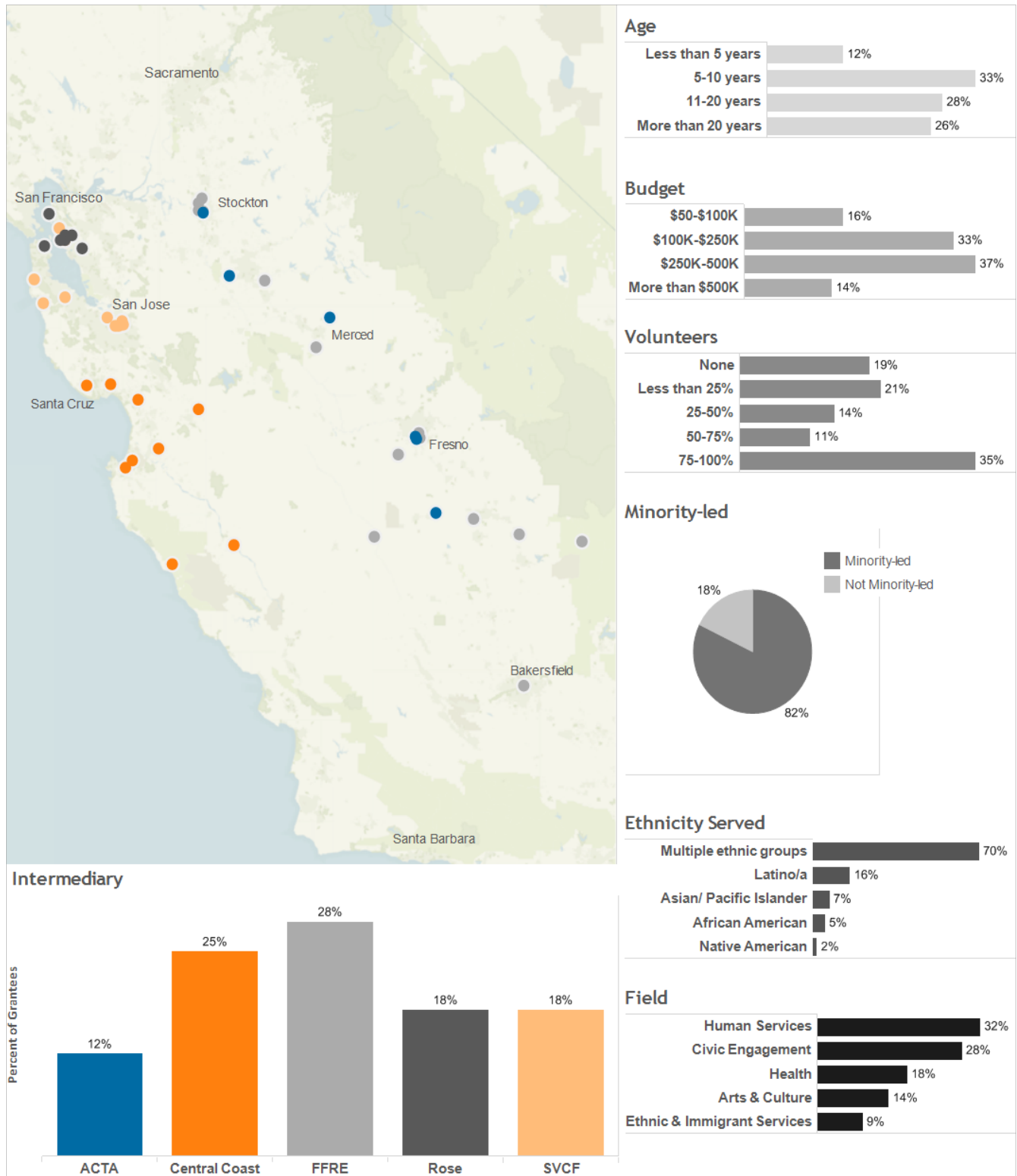
Who Are the CLP 2.0 Community Grantees?

Although the criteria for the second phase of CLP were narrowed to focus on community-based organizations with a baseline readiness to engage in capacity building, the 57 organizations that make up the CLP 2.0 portfolio are still very diverse in terms of organizational characteristics such as location, age, staffing, and field of focus, as illustrated in Exhibit 6.

Key findings include:

- **Community grantees range considerably in age, from two to 57 years of experience serving their communities.** Although the majority of grantees had been operating between five and 20 years, over 10 percent are emerging organizations younger than five years old and over 25 percent are more established organizations in existence for more than 20 years.
- **Fourteen percent of the community grantees report budgets above the upper range of \$500,000 set by CLP funders.** This includes four community grantees that self-reported budgets from \$500,000 to \$550,000 and three above \$550,000.

Exhibit 6. Overview of CLP 2.0 Community Grantees



- **Most community grantees (70 percent) are clustered in the middle of the budget range**, with the average operating budget being just under \$300,000 per year. Although Phase II includes some grantees with budgets below \$100,000 (16 percent) and some above \$500,000 (14 percent), most (70 percent) are similarly sized between \$100,000 and \$500,000
- **Geographic distribution of community grantees varies by intermediary.** Community grantees funded by the Rose Foundation were the most tightly clustered, with all organizations located in the East Bay and San Francisco. By contrast, community grantees funded by ACTA and FFRE were the most dispersed, ranging from as far north as San Joaquin to as far south as Bakersfield
- **Organizations vary in the extent to which they engage volunteers**, with some organizations relying 75 to 100 percent on volunteers (35 percent) while others have no volunteer staff or less than 25 percent of staff members working in a volunteer capacity (40 percent).
- **CLP 2.0 community grantees focus their work in a range of fields, from art and culture, to human services and health.** Together, human services and civic engagement make up the primary fields of focus for 60 percent of community grantees, followed by health, arts and culture. As a departure from the CLP 1.0 portfolio, we see fewer community grantees focused specifically on ethnic and immigrant services as the primary focus of their work, with this actually being the *least* commonly reported focus in the second phase.
- **The majority of community grantees (70 percent) reported serving multiple ethnic groups.** Compared with Phase 1, community grantees in Phase 2 were more likely to target multiple ethnic groups—70 percent compared to 57 percent in CLP 1. One explanation for the shift toward broader targeted ethnicity is that ethnic-specific CLP 1.0 funding intermediaries (Asian American Pacific Islanders in Philanthropy and Hispanics in Philanthropy) were not selected to participate in this second phase. While Latino populations remained the target population for just over 15 percent of community grantees, we see a decrease in organizations with a specific focus on serving Asian Pacific Islanders (from 14 to 7 percent).
- **Across all community grantees, 82 percent are minority-led,⁷** including all of the community grantees funded by ACTA, Rose, and SVCF. Given the focus on supporting programs that serve communities of color, an early indicator of success was the fact that intermediaries chose organizations whose leadership reflects the communities served.

The analysis of grantee characteristics above provides some insight to inform future technical assistance approaches. For example, the range of emerging versus established community grantees suggests the need to incorporate life cycle considerations into capacity-building

⁷ The following definition was used to determine whether an organization was minority-led: 50 percent of board and staff members are people of color and the organizational mission is to serve communities of color or low-income communities.

approaches, as well as the opportunity to foster peer mentoring of younger organizations. The geographic spread of community grantees in the San Joaquin Valley, though not unexpected, underscores the challenge of holding in-person meetings and relying on interpersonal collaboration. A similar challenge exists in the Central Coast region with an expansion of the geographic area covered in Phase II by the three Central Coast Collaborative funders. Finally, the fact that a significant percentage of community grantees either rely predominantly or a little on volunteers suggests that strategic planning and financial planning intermediaries (e.g., CompassPoint and NFF) may need to account for these divergent approaches in their direct assistance to organizations.

The CLP 2.0 Community Grantees at Baseline

As part of meeting their grant requirements, each of the Phase II community grantees participated in an online self-assessment of their organizational capacity.⁸ The assessment served a dual purpose: (1) a diagnostic tool for regranteeing intermediaries and their community grantees to reflect on organizational strengths and opportunities to invest in further capacity building; and (2) a baseline analysis of organizational capacity that will be revisited within the timeframe of this evaluation to document change in capacity over the course of CLP 2.0 participation.

The assessment consists of 66 items organized into nine key dimensions of organizational capacity: (1) *vision and planning*; (2) *evaluation*; (3) *fundraising and resources*; (4) *budgeting, accounting, and reporting*; (5) *board*; (6) *organizational leadership*; (7) *staff*; (8) *technology and infrastructure*; and (9) *community engagement*. Multiple respondents from each organization⁹ were asked to rate the degree to which each item described their organization (from *strongly disagree* to *strongly agree*), as well as the degree to which that item should be a priority for assistance (from *not a priority* to *top priority*). For each item, respondents had space to provide additional open-ended feedback. At the end of each section, respondents were asked to reflect on their organization's general strengths and areas of challenge. After completing the assessment, each organization received a formal report that aggregated responses for their organization and highlighted areas of agreement around capacity and priority areas for attention moving forward. As part of the kick-off to Phase II, CLP regranteeing intermediaries and their technical assistance

⁸ Community grantees completed the assessment between July and September 2013, timed to coincide with each regrantee's launch of their CLP 2.0 grant program. A copy of the CLP Organizational Self-Assessment Tool is included in Appendix B. Appendix C provides additional information on the baseline administration, including the reliability of the different dimensions and the number of respondents per organization and regrantee.

⁹ Between 1 and 23 individuals from each community grantee organization responded to the survey, with an average of 6 respondents per organization. Respondents included executive directors, board members, program managers, front-line staff and/or volunteers.

partners are working with individual community grantees to interpret results and identify action plans going forward.

Exhibit 7 provides a portfolio-level snapshot of organizational capacity across all community grantees at the beginning of CLP 2 along these nine dimensions (the next section will present a baseline analysis of capacity along the three CLP outcome areas).

Exhibit 7. Organizational Capacity of CLP 2.0 Grantees



Key findings include:

- In general, we see that the lower capacity areas were rated as higher priorities for capacity building assistance while higher capacity areas were rated as lower priorities for assistance.** Specifically, the three lowest capacity areas—*fundraising and resources*, *technology and infrastructure*, and *evaluation*—were also rated as the three areas where they would prioritize accessing capacity-building support. Across the CLP 2.0 portfolio, community grantees averaged less than a score of 3.0 on all three of these dimensions (between *disagree* and *agree*). Grantees appear particularly challenged by developing and implementing fundraising plans and diversifying sources of funding, as we see scores in these areas as particularly low. Analysis of self-reported capacity by sub-measures finds that:

- Two specific areas of low cohort-wide capacity include: 1) identifying and building relationships with new funders; and 2) developing fundraising plans with specific goals based on projected annual budgets.
- Grantees reported challenges in almost all areas of technology and infrastructure and rated themselves particularly low for hardware, software, database management, and reporting capacity.
- Within evaluation, community grantees rated themselves lowest for their use of data to make decisions on creating, improving, or ending programs¹⁰ and their access to expertise to support evaluation activities.
- **CLP 2.0 community grantees bring essential strengths in their capacity to connect and engage with low-income communities of color.** As to be expected, community grantees report the highest capacity within *community engagement* measures, demonstrating the greatest strength in sub-measures of cultural alignment, community trust, and building alliances. Relatively high scores in these areas reflect the success of regranteeing intermediaries in selecting organizations for CLP 2.0 that are highly engaged and well-positioned in the communities they represent and serve. An analysis of sub-measures suggests that the only potential area for capacity-building attention is in the development of a communication plan for responding to the interests of multiple stakeholders.
- **Overall, at baseline, CLP 2.0 community grantees report having leadership capacity in place to carry out their work.** *Organizational leadership* measures also demonstrate high capacity at baseline; disaggregating by region, we find that organizational leadership capacity is highest in the Bay Area. Despite high overall capacity in this area across the cohort, an analysis of sub-measures suggests that there is still room for growth in terms of leadership’s attention to *self-care* and *succession planning*, both of which have major implications for leadership sustainability. Across the nine dimensions of capacity, *organizational leadership* was also rated the lowest priority for attention going forward, although we see a trend of more established organizations (with over 20 years experience) being more likely to report that *succession planning* is a specific priority for capacity-building assistance going forward.
- **Analyzing differences in capacity by organizational characteristics, we find that only a few characteristics appear related to capacity ratings.**¹¹ Perhaps surprisingly, the annual operating budget and age of community grantees had little

¹⁰ This item in particular read as follows on the organizational capacity assessment: “Data-based Decision Making: We use evaluation data for improving our programs, assessing program success, creating new programs and even ending a program.” Based on at least one regrantee’s experience with their community grantees, this item may have been misconstrued as using a database to make programmatic decisions, thus affecting individual survey responses and aggregate results.

¹¹ Only statistically significant findings are reported in this section. To see scores by all organizational characteristics, please see Appendix D.

bearing on their self-reported organizational capacity except in a few areas. The only area in which community grantees with larger budgets consistently rated their capacity higher than those with small budgets was *staffing*. Further, older and more established community grantees were more likely to prioritize seeking out capacity-building support in the area of developing *organizational leadership*. While minority-led organizations did not appear to be different from the broader cohort in terms of their capacity-building needs, they did report greater capacity in the area of *community engagement* as compared to their peers. For more on organizational capacity by organizational characteristics, please see Appendix D.

- **Returning CLP 1.0 grantees scored higher than new grantees, but the difference was significant only in the area of vision and planning.** Higher scores in vision and planning area could reflect returning grantees' growth in this area as a result of the intentional focus of CLP 1.0 on strategic planning.¹² Differences along the board dimension of organizational capacity approached statistical significance, potentially reflecting the focus of CLP 1.0 on supporting grantees in developing and strengthening their boards.¹³ The absence of strong differences in other areas suggests CLP 2.0 grantees, whether returning or new grantees, showed similar levels of organizational capacity at the beginning of the CLP 2.0 initiative.

Baseline Assessment of Community Grantees Against CLP 2.0 Outcomes

As discussed in the introduction, CLP 2.0 has a specific focus on sustainability, collectively defined by the Hewlett, Irvine, and Packard Foundations to encompass three key outcome areas: resilience in organizational leadership, adaptability in organizational practice, and organizational financial stability. The articulated hope of the CLP funders is that each of the funded community grantees will achieve a level of sustainability by the sunset of this initiative, demonstrated by growth in these three specific areas. This section takes a closer look at where the CLP 2.0 community grantee portfolio articulates its baseline capacity in these three areas.

To measure progress towards these broad outcomes, SPR developed specific outcome measures to track at the beginning and close of CLP 2.0. Exhibit 8 articulates sub-measures of resilient leadership, adaptive capacity, and financial stability, as represented in the CLP 2.0 Logic Model. With input from CLP 2.0 intermediaries, SPR further defined these outcome measures using indicators of capacity that map to specific questions in the CLP Organizational Assessment.

¹² Of the 16 returning grantees who completed the outcomes survey at the end of CLP 1.0, 15 reported a clearer vision of their organization's growth and development as an outcome of CLP 1.0.

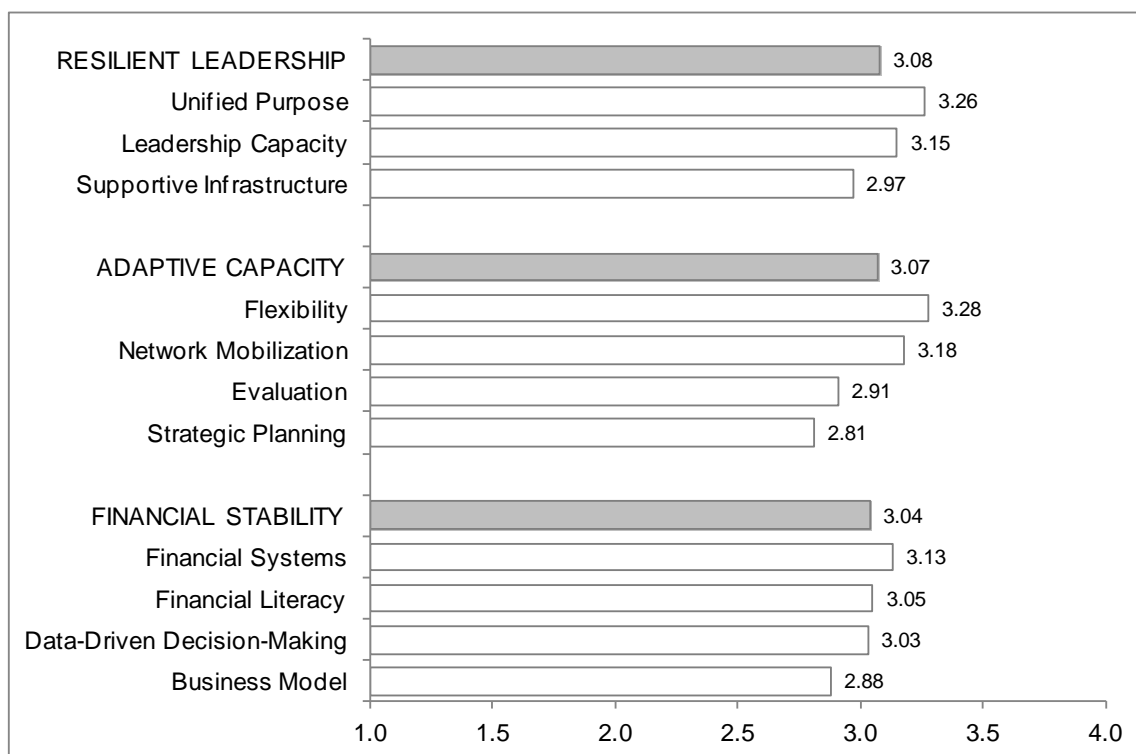
¹³ Of the 16 returning grantees who completed the outcomes survey at the end of CLP 1.0, half reported receiving support in the area of board management and operations, and more than half (69 percent) reported receiving support in board leadership development.

Exhibit 8. Description of CLP Measures of Organizational Capacity

CLP 2.0 Outcome	Description of Outcomes	Specific Assessment Indicators
Resilient Leadership	<ul style="list-style-type: none"> Unified sense of purpose and trust across Board, staff, and volunteers Leaders demonstrate knowledge, skills, and well-being to effectively lead organizations serving low income communities and communities of color Management infrastructure that fosters shared leadership and ongoing leadership development 	<ul style="list-style-type: none"> Clarity of mission Shared sense of purpose Trust across organizational leaders and attention to any conflict resolution Knowledge/skills of organizational leaders <ul style="list-style-type: none"> Leaders with direct relationship to community Leaders demonstrate openness to input and a learning orientation Leaders attend to self-care and sustainability of themselves and staff Clarity of roles and responsibilities Focus on staff/leadership development Effective communications and decision-making protocol Physical and systems infrastructure to effectively carry out the work of the organization
Adaptive Capacity	<ul style="list-style-type: none"> Clear strategic goals and a plan to achieve those goals Ability to internally and externally mobilize people, networks and organizations to tackle tough challenges and thrive in the face of uncertainty Flexibility to identify and align with changing external/economic contexts Willingness to be self-reflective and ability to use evaluation to continually improve performance 	<ul style="list-style-type: none"> Clear organizational vision and strategic plan Strategic planning documents and tools Staff trust and commitment Community trust and networks Connections with peers and peer networks Connections with funders and funder networks Openness (and access) to external expertise Outreach/relations capacity Monitoring of external trends Willingness and flexibility to address changes in the external and economic environment Willingness to self-reflect Value for data-driven decision-making Capacity to gather and integrate community feedback Capacity to manage and/or carry out evaluation
Financial Stability	<ul style="list-style-type: none"> Financial literacy across board and staff that allows for collective stewardship of the organization's financial health. Appropriate financial systems and processes to reliably track and report information. Data-driven approach to financial management and decision-making. Clear, effective, and sustainable business model in place. 	<ul style="list-style-type: none"> Financial literacy of org leaders and staff Fund development knowledge, skills, relationships Financial communication capacity Efficient and accurate databases and tracking systems Capacity for producing timely and useful financial reports Regular monitoring of fiscal data Data-based planning and decision-making Clearly articulated business model Sufficient cash and reserves Fund development plan and reliable revenue

As shown in Exhibit 9, at the beginning of CLP 2.0, community grantees appear to be already on relatively strong footing with respect to the overall CLP 2.0 outcomes,¹⁴ with an average score of just over 3.0 on a scale of 4.0.¹⁵ In general, we see that community grantees show similar baseline capacity within the three broad CLP 2.0 outcome areas of resilient leadership, adaptive capacity and financial stability. Average scores across the community grantees were nearly identical, within 0.04 of each other.

Exhibit 9. CLP 2.0 Community Grantees' Capacity in Key Outcome Areas



There are multiple factors potentially influencing these higher baseline scores. One factor is CLP 2.0's strong focus on identifying organizations that demonstrated "readiness" to take on capacity building, which—for many—was framed as having stability in leadership and infrastructure to take on a capacity-building grant. Two of the five regrants specifically used the CLP

¹⁴ Recognizing the limitations of relying on self-reported data, we intend to further confirm this finding through SPR's baseline site visits (currently underway), as well as through accessing independent assessments done by regrants and technical assistance providers over the course of CLP 2.0.

¹⁵ Important to note is that these scores are not comparable to the CLP 1.0 organizational capacity scores because the data were collected with a customized organizational assessment developed for CLP 2.0. Because the tool has not been validated with a larger sample of community-based organizations, these scores cannot be compared to the broader field.

Organizational Assessment as a screening tool to ensure that prospective grantees had some level of baseline capacity. Another likely key factor is the sizable proportion of community grantees carried over from CLP 1.0 (40 percent of the total portfolio) that has already benefited from multiple years of capacity-building investment. Although not at statistically significant levels, data suggests that CLP 1.0 grantees do report greater capacity than newly funded community grantees across all three outcome measures.

Again looking at Exhibit 9, delving into the sub-measures that make up the CLP 2.0 outcomes, we begin to see where community grantees have less capacity at baseline and, subsequently, the most room for development. Specifically, community grantees exhibited room for growth particularly around providing a supportive infrastructure (*resilient leadership*), conducting evaluation and strategic planning (*adaptive capacity*), and implementing effective and sustainable business models (*financial stability*). Of the different outcome measures and sub-measures, these are the areas where we would anticipate the greatest changes over the course of CLP 2.0.

IV. IMPLICATIONS GOING FORWARD

While the primary purpose of this report is to provide a baseline analysis of community grantees' capacity levels, the data reveal some larger considerations for CLP funders and intermediaries to keep in mind as they move forward with the implementation of CLP 2.0. These key implications are distilled below.

- **Calibrating expectations for growth.** As revealed by the previous chapter, the community grantees already report relatively high capacity in the three outcome areas targeted by CLP 2.0. Specifically, perhaps due to the up-front focus on assessing readiness to engage in capacity building, community grantees report baseline scores over 3 (on a scale of 4) for resilient leadership, adaptive capacity, and financial sustainability. While we would still anticipate growth in these areas as a result of CLP 2.0's investment, the growth will likely not be as dramatic given the starting point of these organizations.
- **Prioritizing *fundraising and resources* as the leading contender for additional attention.** Across all three regions, *fundraising and resources* was reported as the lowest capacity area and the highest priority area. This serves as a clear indication that future activities—at the individual regrantor or initiative-wide level—should focus on this area to realize the greatest return on investment.
- **Acknowledging evaluation as an unaddressed area.** Across community grantees, the three lowest self-reported capacity areas are *fundraising and resources*, *technology and infrastructure*, and *evaluation*. While the first two are directly addressed by NFF and ZeroDivide, evaluation remains an unaddressed component in CLP 2.0. Given the importance of sustainable data collection and analysis systems to demonstrating success that may lead to future funding, this aspect of capacity seem key within the context of promoting sustainability. If a greater focus on evaluation is not introduced through a specific CLP-supported intermediary, it will be important for regranting intermediaries to acknowledge and support evaluation capacity building through tailored and/or regional approaches.
- **Revisiting assumptions for regional technical assistance priorities.** We were struck that a regional analysis of capacity levels sometimes revealed a mismatch in terms of where CLP 2.0 technical assistance resources are currently deployed. For example, both Rockwood and LeaderSpring are focusing on leadership development in the Bay Area (LeaderSpring exclusively so), despite the fact that this region reports the highest capacity in organizational leadership at baseline

and indicates this area is a low priority for assistance going forward. Depending on the response for accessing leadership development resources in this region, providers may want to consider expanding the geographic reach and/or tailoring outreach in the Central Coast and San Joaquin Valley regions.

Our analysis of the rollout of CLP 2.0 and the baseline capacity of community grantees show that an exciting phase of work is underway, building on the rich lessons and experience of CLP 1.0. We are currently conducting site visits to further explore the baseline status of 15 individual community grantees across the three regions. These site visit data will be reported in a forthcoming addendum and used as the basis for iterative case studies on how the organizations grow and change over the course of CLP 2.0

Appendix A: Anticipated Outcomes by CLP 2.0 Regranting and TA/Leadership Intermediary

TA/Leadership/ Regranting Intermediary	Expected Outcomes
CompassPoint	<ul style="list-style-type: none"> • CLP organizational leaders will have increased clarity and alignment on the organization's identity, strengths, and future direction as it relates to its theory of change. • Board and staff will have documented core strategies (both programmatic and revenue generating) that will serve as a frame for programmatic and business decision making in the coming years. Board and staff will have a shared understanding of the operational capacities needed to execute the core strategies. • A peer network of ongoing support is in place.
LeaderSpring	<ul style="list-style-type: none"> • Participants will strengthen their leadership and management skills and model high levels of performance for their board and staff. • Participants will be better networked with their peers and will experience increased inspiration for their work, leading to more resiliency in their role as executive director and in the nonprofit sector. • Participants' organizations will have formed a new collaboration or improved an existing one to leverage resources and integrate services for higher performance. • Participants and their organizational teams will pursue personal and professional innovations and improvements, thereby fostering a continual learning environment. • Participants and organizations will reflect a deeper understanding of diversity, power, and privilege, by providing more culturally relevant services or increasing cultural competency of staff. • Participants will have an increased understanding of how to create budgets and respond to changes and how to use financial information to make effective organizational decisions. • Participating organizations will exhibit improved agency performance, for example expanded budget or staff, improved organizational processes, and access to new funding sources. • Organizations will secure new foundation grants or develop a new type of funding.
Nonprofit Finance Fund (NFF)	<ul style="list-style-type: none"> • Participating organizations will have greater financial awareness and greater ability to manage the interplay between financial risk, revenue reliability, and fixed costs, enabling better planning and strategic decision-making. • The board and staff of participating organizations will have a unified sense of the organization's relative financial risks and challenges and will have an increased ability to consider the impact of potential programmatic changes on organization's overall stability. • The board and staff of participating organizations will have better financial information, comprehension, tools and plans to help them maintain the viability of their organizations. • Managers will have an increased ability to communicate their organization's financial story to their Board, funders, staff, constituents, and other stakeholders in support of covering the full costs of operations. •

TA/Leadership/ Regranting Intermediary	Expected Outcomes
Rockwood Leadership Institute	<ul style="list-style-type: none"> • Increased leadership effectiveness (including sharpened vision for work/organization; better management of leadership and organizational challenges; better self-care and sustainability, etc.) of a diverse set of 24-30 CLOC leaders over three years. • In cases where board members, senior staff and executive directors have all participated in the CLOC program, leaders will gain shared language and tools to strengthen the organization. • Increased effectiveness of 4-5 leaders from the Inland Empire and/or the San Joaquin Valley of whose participation in the Rockwood Fellowship for a New California will be supported by the Irvine Foundation. • Among Fellowship participants, strengthened collaboration and partnership between 24 California leaders and their organizations working on health and advocacy efforts in new immigrant California communities.
Zero Divide	<ul style="list-style-type: none"> • Leaders of participating organizations will view technology as a strategic investment and organizational driver, rather than just infrastructure or an operating cost. • Participating organizations will have a roadmap and incorporate technology into their strategic plans as a means to achieve mission and program outcomes as well as to increase organizational effectiveness and sustainability. • Participating organizations will be using technology and social media to enhance their internal communications as well as their connection to community and other organizations in their network. • Leaders of participating organizations will be part of a community of practice where peer-to-peer learning and sharing of best practices occur.
<u>Regranting Intermediary</u>	<u>Expected Outcomes</u>
Alliance for California Traditional Arts (ACTA)	<ul style="list-style-type: none"> • Each investment partner will increase specific, self-determined skills: • Leadership <ul style="list-style-type: none"> — Unified sense of purpose, accountability and skills to address current and future challenges — Clear strategic goals, articulated plan and operational model to achieve those goals, informed by community relevant evaluation to improve performance • Financial Stability <ul style="list-style-type: none"> — Different uses of revenue vs. capital. After careful assessment and planning, effectively puts capital to appropriate use. — Diverse sources of earned and contributed revenues. Has secured new donors and sources of capital and revenue. • Community Relevance <ul style="list-style-type: none"> — Inclusive program planning, committed to broad engagement of community and cultural values — Well documented and evidenced program impact valued by community members

TA/Leadership/ Regranting Intermediary	Expected Outcomes
California Rural Legal Assistance (CRLA) and Immigrant Legal Resource Center (ILRC)—Fund For Rural Equity (FFRE)	<ul style="list-style-type: none"> • Participating organizations will articulate clear strategic goals for their organizational work and utilize skills, methods, tools, and strategies acquired via formal CLP support and/or technical assistance to advance work toward those goals. • Participating organizations have greater financial awareness and stability, with a more diversified funding portfolio from which to leverage funds for future resource expansion. • The board and staff of participating organizations will have a shared sense of mission, goals and purpose to their work and demonstrate that shared sense through ongoing forms of internal and external organizational communications. • Participants pursue regional and cross-regional efforts to elevate and improve the stability, advocacy, and long-term impact of non-profits serving low-income communities of color in rural areas.
Community Foundation for Monterey County (CFMC), Community Foundation for Santa Cruz County, and Community Foundation for San Benito County—Central Coast Collaborative	<ul style="list-style-type: none"> • Participating organizations' board and staff have a unified sense of purpose and enhanced knowledge, skills, and structures that enable them to lead, support and advocate for their organization and community served. • Participating organizations have realistic strategic goals and a more nuanced understanding of what is required to achieve effective organizational change and adapt to unexpected internal and external changes. • Participating organizations have the plans, systems and materials they need to attract diversified sources of income to sustain and grow the organization over time. • The foundations will have enhanced their knowledge, relationships and capacities for supporting and strengthening community grantees serving low-income communities of color in the region. Regional alliance will show potential to result in increased regional collaboration and networks beyond the CLP.
Rose Foundation for Communities and the Environment	<ul style="list-style-type: none"> • Develop a clear, long-term roadmap that prioritizes how to build their capacity and sustainability. • Board, staff and key volunteers will have a unified understanding of each other's role in the organization, and will learn/hone the necessary skills to excel at their roles. • Active involvement in a robust peer network and help each other understand how to respond to organizational challenges. • Increased and diversified revenue sources, plus long-term development plans that integrate closely with strategic pragmatic objectives. • Sustainability of groups will be increased, which will allow them to focus more attention on their programmatic objectives.
Silicon Valley Community Foundation	<ul style="list-style-type: none"> • Participating organizations will have completed an organizational assessment, leading to a clear set of goals, and will have developed and implemented a plan to achieve those goals. • Participating organizations will have increased their messaging skills to effectively communicate their work, results, and ultimate impact that enables them to build a relationship with at least one new donor. • Participating organizations will have increased their financial skills to plan and adapt in both good and bad economic times, diversified their revenue sources and ultimately positioned themselves to better connect money to their mission.

Appendix B: Organizational Capacity Assessment

Community Leadership Project (CLP): Organizational Self-Assessment Tool

Welcome! This survey is designed to help you understand how effectively your organization is set up to carry out its work and reach its goals. The survey covers a range of topic areas such as vision, fundraising, and community engagement. Your answers will not only help you identify your organization's strengths and needs, but will also help the funders understand who is participating in CLP and how best to support the long-term health of organizations serving low-income communities and communities of color.

Instructions for Completing the Survey

We encourage multiple leaders, staff, and board members at your organization to *individually* complete this survey. All individual-level responses will be kept confidential. Survey data will be shared back to (1) your organization and (2) your CLP funder *only in a report that combines all responses together*.

- After a brief background section, the survey itself has 9 main sections, with 5 to 10 survey items per section.
- For each statement, you will be asked to indicate (1) how much you agree with the statement; (2) how much of a priority this area is for technical assistance. You will also have the option of providing comments.
- Some items may not apply to your organization, or may cover areas with which you are not familiar. If this is the case, choose the “don’t know/not applicable” option.
- Please save your work as you go along by hitting “Next” at the bottom of each page. To save your work and come back at a later time, hit “Save and Continue Later” at the top of the page, which is available starting on page 2 of the survey.

Once everyone at your organization is done taking the survey, please email Traci Endo Inouye at traci@spra.com, so that our SPR team can generate a report of findings for your organization. If you have any questions about the survey itself, please contact Traci Endo Inouye or Jennifer Henderson-Frakes at traci@spra.com or jennifer@spra.com.

Thank you for your time. Your participation in this survey is very important.

Best,

Social Policy Research Associates (SPR) Evaluation Team

Background

1) Organization Name: _____
Please write out full name (no acronyms)

2) About Me:

Name: _____

Role in my organization: _____

Email address: _____

3) About my Organization:

Year Established: _____

Annual Budget (approximate): _____

Organization's zip code: _____

4) CLP Funder:

- ☐ Alliance for California Traditional Arts (ACTA)
- ☐ Fund for Rural Equity (partnership of CRLA & IRLC)
- ☐ Community Foundation for Monterey County (CFMC)
- ☐ County Foundation Santa Cruz County (CFSCC)
- ☐ County Foundation for San Benito County (CFSBC)
- ☐ Rose Foundation for Communities and the Environment
- ☐ Silicon Valley Community Foundation
- ☐ Don't know/Not Applicable

VISION AND PLANNING

5) Please assess your current organizational capacity and technical assistance needs in the area of Vision and Planning.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Shared Purpose. A shared sense of purpose supports our organization and unites our board, organizational leaders, staff, and volunteers.										
Vision and Goals. We have a written vision or mission statement. That statement is up-to-date and used to guide our work.										
Strategic Plan. We have an up-to-date written, multi-year strategic plan approved by our board. The plan has clear and agreed-upon goals.										
Annual Plan. We consistently develop annual plans with measurable and program-specific goals.										
Strategic Planning Tools. We use strategic planning and monitoring tools (e.g., a "theory of change" or "organizational dashboards") to guide our work.										
Flexibility in Strategic Directions. We can quickly adapt our priorities and strategies in response to changes in organizational or environmental conditions.										

6) Right now, what we do well in the area of Vision and Planning is...

7) Our greatest challenge in this area is...

EVALUATION

8) Please assess your current organizational capacity and technical assistance needs in the area of Evaluation.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Program Evaluation. We effectively track program activities, short-term results, and long-term outcomes.										
Data-based Decision-making. We use evaluation data for improving our programs, assessing program success, creating new programs and even ending a program.										
Organizational Performance Assessment. Board, staff, and other important stakeholders honestly evaluate and discuss the organization's performance every year.										
Community Feedback. We gather and use community feedback to inform our work.										
Monitoring External Trends. We monitor policy, funding, or community trends that might affect our programming.										
Access to Expertise. We have access to the necessary internal and external expertise to support our evaluation processes.										

9) Right now, what we do well in the area of Evaluation is...

10) Our greatest challenge in this area is...

FUNDRAISING AND RESOURCES

11) Please assess your current organizational capacity and technical assistance needs in the area of Fundraising and Resources.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Business Model. Our organization can clearly describe its business model and how it supports the achievement of our mission.										
Fiscal Picture. Our leaders have a solid understanding of the organization's immediate and long-term fiscal picture.										
Fundraising Plan. We have a written fundraising plan, based on our annual plan. The fundraising plan has specific goals and its own budget.										
Fundraising Relationships. We have good relationships with funders and funder networks.										
Financial Communications. Our leaders can articulate financial resource needs clearly to both internal staff and external supporters.										
Fundraising Skills. We have staff with the understanding and skills necessary to support our fundraising efforts.										
Diversified Funding Sources. We have an appropriate mix of funding sources so that income is predictable and we achieve our full budget.										
Donation Tracking. We track each donation in a computerized database, and acknowledge every donation promptly.										

12) Right now, what we do well in the area of Fundraising and Resources is...

13) Our greatest challenge in this area is...

BUDGETING, ACCOUNTING, AND REPORTING

14) Please assess your current organizational capacity and technical assistance needs in the area of Budgeting, Accounting, and Reporting.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Accounting System. Our accounting system provides a clear, accurate and up-to-date picture of our finances. Staff is comfortable about its use.										
Bookkeeping. Accounts are reconciled monthly and financial statements are produced, including budget-to-actual comparisons.										
Budget Modifications. We track our budget-to-actual reports at regular intervals and make adjustments as needed.										
Forecasting Tools. We consistently use financial planning and forecasting tools to support our long-term planning.										
Internal Controls. There are "internal controls" on financial transactions to prevent people in the organization from mis-using funds.										
Reporting to Board. We provide our board timely and useful reports that allow them to actively monitor financial results at regular intervals throughout the year.										
Reporting to Funders. We produce the necessary reports, including tax returns and reports to funders.										
Cash Flow. We have sufficient cash available to meet obligations.										

15) Right now, what we do well in the area of Budgeting, Accounting, and Reporting is...

16) Our greatest challenge in this area is...

THE BOARD

17) Please assess your current organizational capacity and technical assistance needs in the area of your Board.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Board Composition. Our board members have needed skills and experience, as well as represent the diverse community we serve.										
Board Roles and Responsibilities. Our board members have written job descriptions that clarify their responsibilities for providing organizational guidance, community outreach, fundraising, and/or financial management.										
Board Financial Capacity: Our board has the knowledge and skills to carry out their financial management and fundraising responsibilities.										
Board Meeting Preparation. Board meeting agendas are planned between the executive director and the board chair. The agenda and information for decision-making is sent to members well in advance of the meeting.										
Board Minutes. Our board records its decisions and maintains records. Board members refer to the records when necessary.										
Board Decision Making. Our board decides issues effectively, guided by a clear, agreed-upon process.										
Board Decision Making. Board decisions are based on good information and give the organization a solid basis to move forward.										

18) Right now, what we do well in the area of our Board is...

19) Our greatest challenge in this area is...

ORGANIZATIONAL LEADERSHIP

20) Please assess your current organizational capacity and technical assistance needs in the area of Organizational Leadership.

Organizational leadership is defined as those individuals or groups of individuals who have primary responsibility for setting the organization's direction and providing overall guidance. These may include members of your Board.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Relevant Experience. Our organizational leaders have relevant experience in nonprofit management, as well as in our service area.										
Financial Literacy. Our organizational leaders have demonstrated understanding of financial concepts and our organization's financial data.										
Financial Literacy. Our organizational leaders regularly consider the financial implications of all decisions.										
Learning Orientation. Our organizational leaders are open to input and promote a culture of learning.										
Community Relationships. Our organizational leaders maintain direct relationships with the community we represent and serve.										
Attention to Self-Care. Our organizational leaders attend to self-care and the sustainability of themselves and staff.										
Decision Making. Our overall leadership structure allows us to make decisions and move forward quickly.										
Communication Protocol. Our organization has clear expectations and methods for communication across leaders and staff.										
Trust & Conflict Resolution. There are trusting working relationships among organizational leaders, who effectively address conflict and										

disagreements.										
Leadership Succession Plan. We have a succession plan in place to ensure a smooth leadership transition in the event of organizational leaders moving on.										

21) Right now, what we do well in the area of Organizational Leadership is...

22) Our greatest challenge in this area is...

STAFFING

23) Please assess your current organizational capacity and technical assistance needs in the area of Staffing.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Staff Expertise. Our staff has the expertise and commitment needed to carry out our programs. We bring appropriate levels of cultural responsiveness to the community we serve.										
Staff Diversity. Our staff reflects the diversity of the community and constituents we serve.										
Adequate Compensation. Our organization offers pay, benefits, and/or other rewards which are good enough to attract and keep qualified paid and voluntary staff.										
Manageable Workload. Staff members have a manageable workload and the organization takes measures to avoid staff burnout.										
Personnel Policy and Job Descriptions. We have a personnel policy and each staff member has a job description.										
Training. All staff receive training or professional development to help them stay up-to-date and to expand their skills.										
Regular Evaluations. Staff members are regularly evaluated in writing against the goals of their job descriptions.										
Acknowledgement & Rewards. Staff members are consistently acknowledged and/or rewarded for their contributions to the organization's achievements.										
Decision-Making Processes. Transparent lines of decision-making and clear processes exist within our organization to make decisions. These systems include our staff, board, and constituencies as										

appropriate.										
Staff Commitment. Our organizational culture is characterized by high levels of staff commitment so that they can get through periods of organizational challenge or uncertainty.										

24) Right now, what we do well in the area of Staffing is...

25) Our greatest challenge in this area is...

TECHNOLOGY AND INFRASTRUCTURE

26) Please assess your current organizational capacity and technical assistance needs in the area of Technology and Infrastructure.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Office Space. Our working space is large enough to effectively accommodate staff and volunteers, and reflects the culture of our organization and constituents.										
Equipment and Resources. All staff members have the necessary hardware, software, equipment and other resources to do their work.										
Database Management and Reporting Systems. Our organization uses electronic database(s) for tracking clients, program outcomes, financial information, and for reporting purposes.										
Electronic Communications. We have a way to electronically communicate with donors, constituents and community members.										
Website. We have a comprehensive and user-friendly website that is regularly updated. The website has what we need to communicate with and/or receive information from the public.										

27) Right now, what we do well in the area of Technology and Infrastructure is...

28) Our greatest challenge in this area is...

COMMUNITY ENGAGEMENT

29) Please assess your current organizational capacity and technical assistance needs in the area of Community Engagement.

	Please rate how much you agree or disagree with the following statements about your organization					Please indicate whether this area is a priority for assistance				Any additional notes (optional)
	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know N/A	Not a Priority	Low Priority	Moderate Priority	Top Priority	
Cultural Alignment. Our programming and outreach are aligned with the cultural norms of the community we serve.										
Systematic Recruitment of Volunteers. We effectively plan for, recruit, and manage community volunteers.										
Communication Strategy. We have a regularly updated communications plan that responds to the interests of multiple stakeholders.										
Community Trust. We are widely known and respected in the community.										
Community Mobilization. We have the ability to mobilize community support when needed.										
Alliances. We participate in alliances and networks that advance our goals and influence.										

30) Right now, what we do well in the area of Community Engagement is...

31) Our greatest challenge in this area is...

Appendix C: Technical Background on Organizational Capacity Assessment

The following tables provide technical information on the reliability of the organizational capacity assessment and the CLP 2.0 outcomes measures as well as the number of respondents by organization, regnantor, and overall. Internal consistency reliability estimates, calculated using Cronbach's alpha, ranged from *acceptable* (between 0.70 and 0.79) to *good* (between 0.80 and 0.89) for dimensions of organizational, suggesting that the items within each dimension generally hang together well and measure an underlying construct.

Exhibit C-1: Reliability of Organizational Capacity Assessment

Dimensions	K	Reliability Estimates	
		Agreement	Priority
Vision and Planning	6	0.79	0.83
Evaluation	6	0.81	0.85
Fundraising and Resources	8	0.81	0.84
Budgeting, Accounting, and Reporting	8	0.87	0.93
The Board	7	0.85	0.88
Organizational Leadership	10	0.85	0.93
Staff	10	0.83	0.91
Technology and Infrastructure	5	0.70	0.81
Community Engagement	6	0.75	0.87
Total	66	0.96	0.98

Reliability estimates for several of the outcome sub-measures fell in the *questionable* range below 0.70 (*unified purpose, flexibility, and business model*) and should be interpreted with care. Low reliability for these sub-measures may be due to the relatively low number of items (three or four) that comprise them.

Exhibit C-2: Reliability of CLP 2.0 Outcome Measures

Dimensions and Sub-dimensions	K	Reliability Estimate
Resilient Leadership	26	0.91
Unified Purpose	4	0.67
Leadership Capacity	7	0.74
Supportive Infrastructure	16	0.89
Adaptive Capacity	25	0.91

Dimensions and Sub-dimensions	K	Reliability Estimate
Strategic Planning	6	0.82
Network Mobilization	12	0.80
Flexibility	3	0.56
Evaluation	5	0.79
Financial Stability	19	0.90
Financial Literacy	8	0.81
Financial Systems	6	0.76
Data-Driven Decision-Making	3	0.75
Business Model	4	0.66
Community Capacity	10	0.78

Table C-3 provides an overview of the number of respondents per organization, for each regrantee intermediary, and overall. On average, approximately 6 respondents completed the assessment per organization, ranging from a low of 1 respondent to a high of 23 respondents.

Exhibit C-3: Number of Respondents by Regrantor and Grantee

Regrantor and Grantee	Respondents
Alliance for California Traditional Arts (ACTA) (n = 7)	31
Arte Americas: Casa de la Cultura	4
Danzantes Unidos de California	4
Kings Regional Traditional Folk Arts	4
Little Manila Foundation	5
Merced Lao Family Community, Inc	4
Modesto Cambodian Buddhist Society, Inc	6
Teatro de la Tierra	4
Central Coast (Community Foundations for Monterey, Benito, and Santa Cruz Counties)	157
Alisal Center for the Fine Arts	8
Big Sur Health Center	9
Community of Caring Monterey Peninsula	12
Loaves, Fishes & Computers, Inc.	9
Sol Treasures	10
The Village Project, Inc.	8
CASA of San Benito County	11

Regrantor and Grantee	Respondents
Community Food Bank of San Benito County	10
Homeless Coalition of San Benito County	6
Communities Organized for Relational Power in Action (COPA)	23
Conflict Resolution Center of Santa Cruz	10
Pajaro Valley Arts Council	13
Watsonville Law Center	20
YWCA of Watsonville	8
Fund For Rural Equity (partnership of CRLA & IRLC)	72
ACT for Women and Girls	3
Boys & Girls Club of Merced County	10
El Quinto Sol de America	4
Faith in Action	4
Fathers & Families of San Joaquin	8
Fresno Barrios Unidos	3
Fresno Street Saints	1
Hmong International Culture Institute	5
Hughson Family Resource Center	8
Merced Organizing Project (MOP)	6
People and Congregations Together	2
San Joaquin AIDS Foundation	5
San Joaquin Pride Center	2
West Fresno Family Resource Center	2
Westside Family Preservation Services Network	6
WildPlaces	3
Rose Foundation	34
Acta Non Verba: Youth Urban Farm Project	1
Black Organizing Project	4
California Healthy Nail Salon Collaborative	2
California Indian Environmental Alliance	5
Greenaction for Health and Environmental Alliance	5
Ma'at Youth Academy	3
Movement Generation	2
Oakland Food Connection	1
OneFam	6

Regrantor and Grantee	Respondents
People Organizing to Demand Environmental and Economic Rights (PODER)	5
Silicon Valley Community Foundation	53
Council on American-Islamic Relations	12
Institute for Sustainable Economic, Edu	3
Latinas Contra Cancer	2
Multicultural Institute	4
Pacifica Resource Center	7
Peninsula Interfaith Action	5
Sonrisas Community Dental Center	4
Sunday Friends Foundation	5
Third Street Community Center	5
Veggievolution Community Farm	6
Total	346

Appendix D: Organizational Capacity by Organizational Characteristics

Dimension	N	Vision		Evaluation		Fundraising		Budget		Board		Org leadership		Staffing		Infrastructure		Community	
		A	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P
OVERALL	57	3.11	2.86	2.96	2.98	2.86	3.17	3.16	2.71	3.02	2.75	3.23	2.68	3.08	2.71	2.92	2.87	3.25	2.76
BUDGET																			
\$50-\$100K	9	3.06	2.86	2.91	2.92	2.77	3.10	3.17	2.69	3.04	2.84	3.25	2.51	2.95	2.80	3.14	2.84	3.26	2.51
\$100K-\$250K	19	3.08	2.97	2.92	3.17	2.85	3.18	3.13	2.75	2.98	2.69	3.20	2.67	3.01	2.69	2.76	3.00	3.15	2.96
\$250K-500K	21	3.15	2.88	3.04	2.90	2.92	3.21	3.09	2.91	3.05	2.90	3.21	2.90	3.11	2.87	2.93	2.97	3.34	2.83
\$500K+	8	3.10	2.59	2.88	2.78	2.85	3.11	3.41	2.11	3.03	2.38	3.32	2.32	3.28	2.24	3.01	2.36	3.24	2.34
AGE																			
>5 years	7	2.87	2.74	2.90	3.00	2.74	3.20	2.92	2.95	2.82	3.04	3.16	2.52	2.86	2.71	2.91	2.85	3.25	2.73
5-10 years	19	3.24	2.85	3.08	2.96	2.90	3.15	3.24	2.63	3.14	2.56	3.25	2.55	3.07	2.63	2.99	2.79	3.27	2.75
11-20 years	16	3.05	2.84	2.85	2.86	2.83	3.06	3.07	2.60	2.86	2.76	3.16	2.77	3.13	2.64	2.85	2.80	3.23	2.58
20+ years	15	3.10	2.96	2.94	3.11	2.91	3.29	3.27	2.83	3.14	2.82	3.30	2.82	3.15	2.88	2.91	3.06	3.25	2.98
LEADERSHIP																			
Minority-led	47	3.10	2.88	2.97	2.97	2.85	3.20	3.15	2.72	3.01	2.78	3.22	2.70	3.10	2.70	2.94	2.89	3.31	2.72
Not Minority-led	10	3.13	2.80	2.87	3.01	2.94	3.02	3.21	2.66	3.07	2.57	3.24	2.56	3.01	2.76	2.84	2.82	3.00	2.95
REGION																			
Bay Area	20	3.25	2.69	3.11	2.79	2.92	3.16	3.21	2.42	3.02	2.58	3.31	2.50	3.17	2.53	3.03	2.69	3.35	2.66
Central Coast	14	3.03	2.91	2.87	3.06	2.88	3.17	3.08	2.85	3.07	2.67	3.20	2.68	3.01	2.81	2.77	2.91	3.09	2.94
San Joaquin Valley	23	3.02	2.99	2.87	3.10	2.81	3.18	3.16	2.89	2.99	2.94	3.18	2.83	3.04	2.82	2.92	3.01	3.26	2.73
FIELD																			
Human Services	18	3.08	2.83	2.87	2.98	2.83	3.16	3.13	2.75	3.07	2.62	3.25	2.62	3.07	2.77	2.83	2.82	3.17	2.79
Civic Engagement	16	3.03	2.82	2.99	2.93	2.79	3.18	2.99	2.85	2.87	2.91	3.11	2.81	3.02	2.67	2.72	3.01	3.26	2.73
Health	10	3.26	2.86	3.11	2.94	2.93	3.20	3.28	2.37	2.98	2.70	3.29	2.65	3.20	2.59	3.12	2.66	3.30	2.77
Arts & Culture	8	3.14	2.99	2.95	3.04	2.99	3.13	3.24	2.81	3.15	2.82	3.31	2.70	3.13	2.86	3.15	3.10	3.29	2.84
Immigrant Services	5	3.08	2.92	2.84	3.07	2.91	3.19	3.44	2.66	3.23	2.64	3.27	2.52	3.02	2.64	3.13	2.69	3.33	2.64

■ Less than 2.75
 ■ 2.75 to 2.99
 ■ 3.00 to 3.24
 ■ 3.25 and above

A = Agreement level; P = Priority level