



Solano County

Nonprofit Capacity

Diagnostic Findings + Recommendations

Presented to the Solano County Board of Supervisors
June 5, 2018

First 5 Solano Children and Families Commission and
Health and Social Services Department

Prepared by:



Background

Bay Area Foundation Giving Report

\$3 per capita foundation giving in Solano

UC Berkeley Fundraising/Volunteer Management Program

Grant from Zellerbach Family Foundation

20 Solano nonprofits participated

Nonprofit Capacity Assessment

Presented today

Since 2006, foundation giving has increased across the Bay Area, but Solano is at the bottom of the funding food chain:

lowest in total foundation funding

lowest in per capita giving

fewest nonprofits per capita

fewest funders per capita

lowest local foundation assets

...and the funding gap only continues to widen.

What Is Nonprofit Capacity?

Any nonprofit organization needs these seven **capacities** to varying degrees depending on its context, in order to function effectively:

Vision and impact model

Description of the impact the organization is trying to create, mapped to activities that help produce that impact (e.g., Theory of Change)

Governance and leadership

Board and staff leadership with appropriate skills

Program delivery

Staff, technology, facilities, and other capabilities to deliver programs effectively

Resource generation

A strong funding model

Internal operations and management

IT, financial management, communications and marketing, and human resources management

Evaluation and learning

Tools, processes, infrastructure, and culture that support continuous improvement

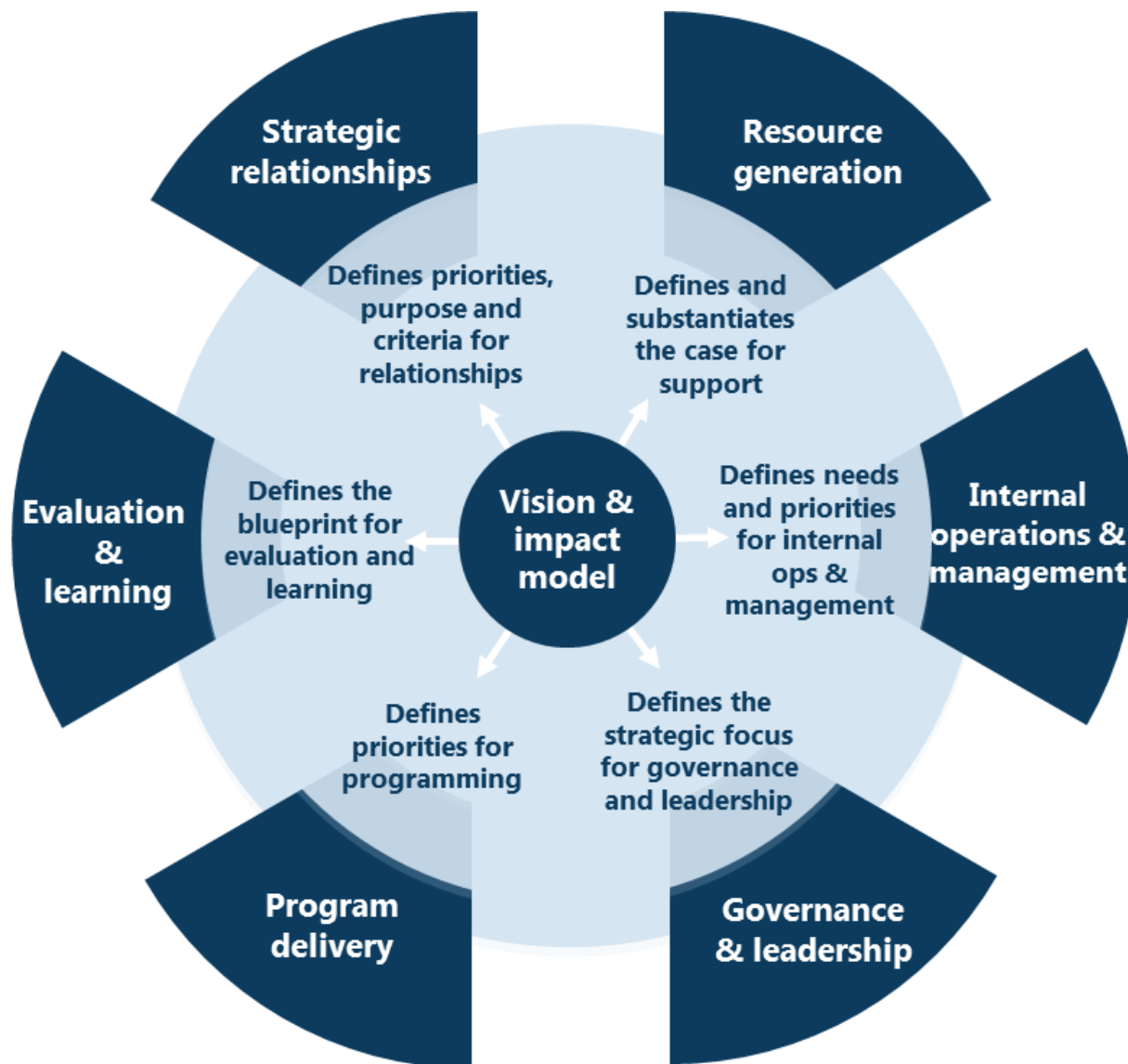
Strategic relationships

The ability to nurture and maintain external relationships necessary for success



Vision and Impact are Foundational

The Vision and Impact Model Drives Nonprofit Effectiveness



What is Capacity Building?

A simple definition of **capacity building** is:

**Any intentional
and sustained
effort to
improve an
organization's
functioning**

How Can Nonprofits and Funders Prioritize Among the Areas for Capacity Building?

Nonprofits and funders have limited resources available to dedicate to capacity building and must prioritize which areas of nonprofit capacity to focus their attention.

LFA recommends that nonprofits and funders choose the area(s) that best meet the following criteria:



- **Match an organization's specific needs** for growth and support (which can be assessed by the Nonprofit Capacity Diagnostic)
- Have **high leverage to influence other areas** of organizational need
- Are **well-suited for change** via capacity-building interventions

Nonprofit Capacity Diagnostic Overview



Diagnostic Tool

In partnership with First 5 Solano, LFA designed the Solano County Nonprofit Capacities Diagnostic to assess organizations' capacity across the seven dimensions of capacity



Assessment and Analysis

LFA administered the diagnostic tool to organizations throughout Solano County and analyzed the results to determine **three priority areas** for growth and development

Example of the Diagnostic Tool

Dimension: Vision and Impact Model

Definition: A clear and detailed description of the impact the organization is trying to create, which is mapped to the set of organizational activities that help produce that impact and a plan for achieving that impact (e.g., Theory of Change)

Indicate the extent to which the following statements are true for your organization on a scale from: 1=Not true, 2=Somewhat true, 3=Completely true, and Don't know

Level One

a) Our organization has a written mission and vision.

Level Two

a) Our organization has board-approved mission and vision statements that are used to guide our decisions and work.

b) Each and every one of our programs intentionally contributes to our mission and vision.

c) Our organization has a multi-year strategic plan with clear and agreed-upon goals.

Level Three

a) Our strategic plan is used to set written annual goals that are regularly reflected on and adjusted based on progress and learnings.

b) Our organization has a theory of change that details the impact it seeks and how each of its programs intentionally contributes to that impact.

c) All of our organization's staff and board members can clearly articulate our vision and impact model.

d) Our organization has a dashboard and system for monitoring progress on organizational and programmatic objectives.

e) Our organization can quickly adapt our programs and strategies based on changes in the external landscape (such as laws, policies, or new organizations in our field).

Level Four

a) Our organization has an annual implementation plan based on our strategic plan that details organizational and programmatic objectives, roles, and responsibilities with timeframes and resource implications.

b) Our organization relies heavily and regularly on strategic planning and monitoring tools, including a theory of change for each of our programs and organizational dashboard, to guide our work on an ongoing basis.

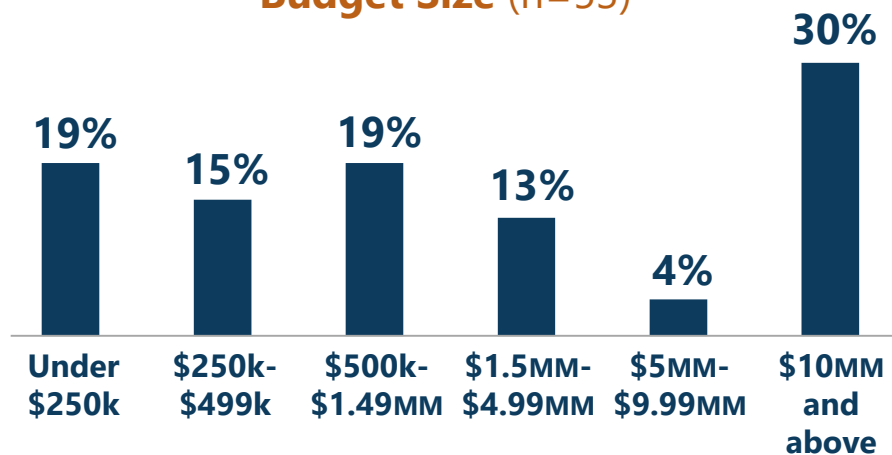
c) Our organization can quickly adapt our programs and strategies based on our progress and learnings.

About the Responding Nonprofits

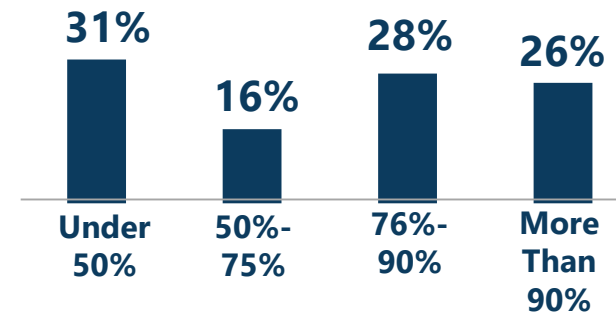
Of the 103 grantees of First 5 Solano and Solano H&SS initially identified, **54 responded** for a 52% response rate.

- Responding organizations have a range of annual budget sizes
- **Over one-third (34%) have an annual budget under \$500k**
- Many organizations are not overly reliant on government funding
- For **one-third** of respondents, **less than half of their budget comes from government funding**

Organization Annual Budget Size (n=53)



Percent of Annual Organization Budget from Government Funding (n=51)



Key Findings

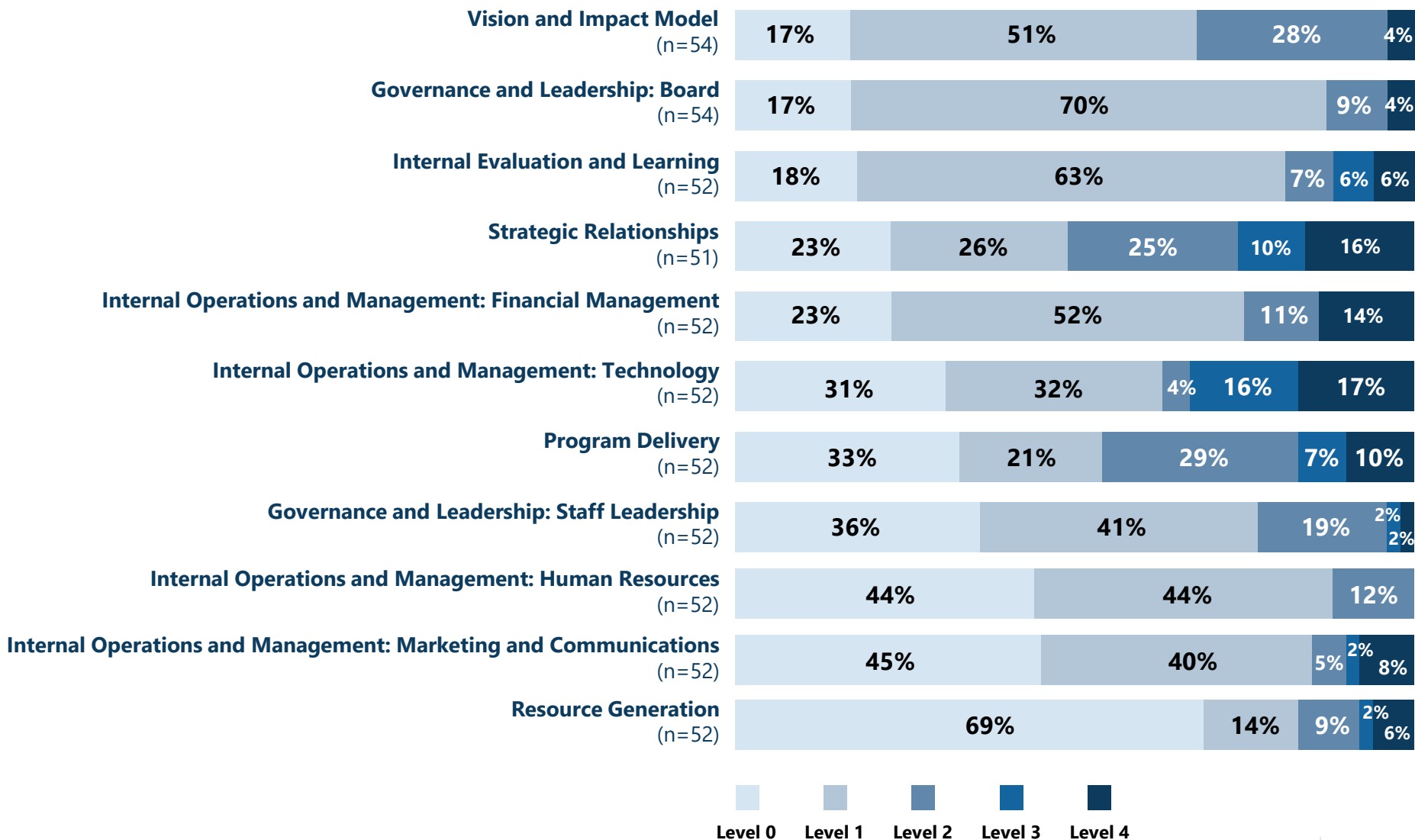
What did we learn about Solano County nonprofits' strengths?

- Solano County nonprofits **deliver services with intention, expertise, and cultural responsiveness.**
- Solano County nonprofits have **high levels of capacity**, relative to the other dimensions, in the following areas: **Program Delivery, Strategic Relationships, and Technology** (part of Internal Operations and Management).

What did we learn about where Solano County nonprofits need support?

- **Capacity is low** among Solano County nonprofits in many of the seven dimensions.
- **Low levels of capacity**, relative to the other dimensions, in **Vision and Impact, Board Development, Internal Evaluation, Resource Generation, and Human Resources.**
- **Key challenges** are **insufficient staff capacity and time, insufficient staff skill and expertise, and insufficient funding.**

Nonprofit Capacity Results in Core Dimensions



Self-Reported Capacity Needs



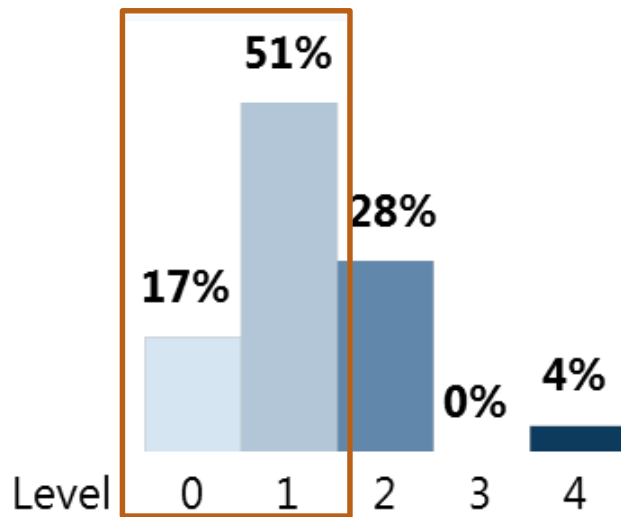
(n=54)

Recommended Areas of Nonprofit Capacity Investment



Vision and Impact Model

Nonprofit Capacity Level: Vision and Impact (n=54)



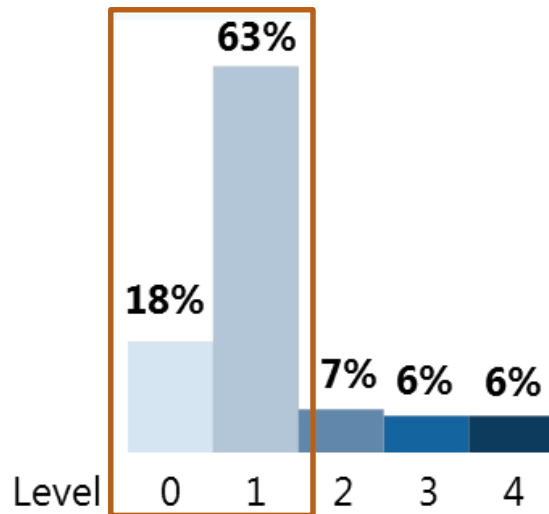
The data show that organizations have a **deep and foundational need for support in the area of organizational strategy.**

While organizations indicated in the survey that they have strong mission and vision statements, **the majority do not conduct strategic planning, or have a Theory of Change.**

“As an **independent nonprofit** that relies on donations for 85% of our budget, in a low-income area, **we tend to work in survival, not planning mode.**”

Internal Evaluation and Learning

Nonprofit Capacity Level: Internal Evaluation and Learning (n=52)



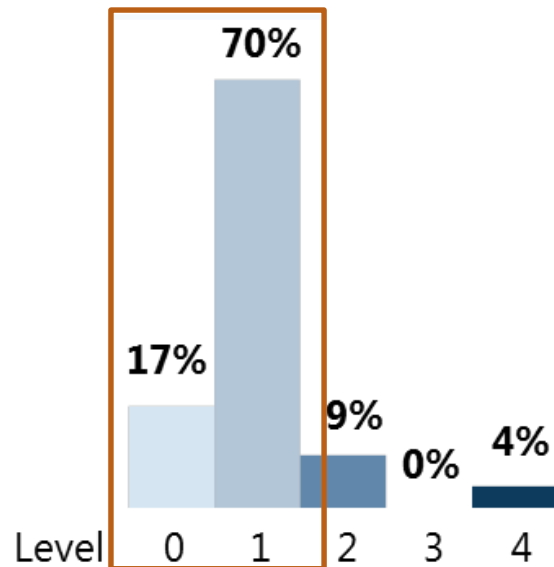
Organizations in Solano County **need support with their capacity to measure, track, and reflect on data.**

The majority of organizations collect data on the number of people they serve and client-level data; However, **most do not have a system for collecting, analyzing, and adjusting strategies based on outcome data.**

Everything is challenging in this area. We need to have a concerted effort and plan to manage data collection, analysis, and make changes based upon evaluation of data. We have taken initial steps, but **need to have a solid plan and implement across the agency.**

Board Governance and Leadership

Nonprofit Capacity Level: Board Governance and Leadership (n=54)

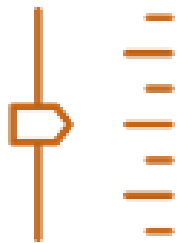


There is **room for improvement in the area of board governance and leadership**, particularly regarding:

- Board fundraising;
- Board members serving as ambassadors of the organization; and
- Board collectively engaging in reflective practices.

“Most members of the board have been working individuals from the field and the **board needs members that have connections, time, and financial connections.**”

Possible Capacity Building: Cohort Program for Vision & Impact and Evaluation & Learning



- A **medium intensity effort**: Cohort-based intervention focused on Vision and Impact, followed by Evaluation and Learning
- Includes some group sessions and some individual coaching
 - Organizations learn together with their peers--many organizations receive some information on topics like strategic planning and theories of change together in joint sessions
 - Each organization also receives coaching tailored to their organization
 - Costs are spread out over multiple years

Possible Capacity Building: Board Governance and Leadership



A **low intensity effort**: provide access to third-party resources to enhance board knowledge and capacity

- Create a small scholarship fund for organizations to apply to for support
- Provide access to BoardSource materials and resources
- Send executive directors and/or board members to CompassPoint trainings

Next Steps: Nonprofit Capacity Building Information Learning Session

- Hosted by Solano County Health and Social Services and First 5 Solano
- June 27, 2018: 1-4pm
- Designed for nonprofit leaders to:
 - Learn about the 7 dimensions of nonprofit capacity
 - Receive the results of the Solano nonprofit capacity assessment
 - Hear about the upcoming capacity building opportunities available for Solano nonprofits

Questions/Comments?