



Final Evaluation of the Low Income Investment
Fund's Constructing Connections Pilot: 2004–2009

Executive Summary



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PREPARED FOR:

LOW INCOME INVESTMENT FUND: ABCD INITIATIVE

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Executive Summary

In 2003, the Low Income Investment Fund (LIIF) launched the Affordable Buildings for Children’s Development (ABCD) Initiative to promote and support the development of quality child care facilities and spaces throughout the state of California. This is the executive summary of the final evaluation report of Constructing Connections, the local capacity-building component of the ABCD Initiative. The evaluation assessed the Constructing Connections pilot strategy from its launch in 2004 through 2009.

THE NEED

Underlying the importance of the ABCD Initiative is the finding that California has only enough licensed child care spaces for about one quarter of the state’s children.¹ This shortage exists despite the assertion that high-quality child care is one of the best public investments on behalf of children; studies show it provides a 12% public return on investment due to reduced future public spending (e.g., on criminal justice, welfare assistance, etc.).² Political and community attention to the importance of child care, particularly preschool, is growing across the state. At the same time, the facilities component of this need is complex and requires understanding and expertise that is outside the typical realm of early childhood education.

CONSTRUCTING CONNECTIONS

Through the Constructing Connections strategy, LIIF provided financial and technical support to lead site agencies in 11 California counties representing ten areas (see sidebar for counties and years of investment). Each site convened a local collaborative team of child care operators, developers, civic leaders, small business leaders, educators, children’s advocates and other stakeholders. Constructing Connections Collaborative members worked

Constructing Connections Sites

First Cohort 2004 - 2009

- Kern County
- Los Angeles County
- Riverside County
- Santa Barbara County
- Solano County
- Ventura County

Second Cohort 2005 - 2010

- Merced County
- Orange County
- Sacramento County
- Amador/Calaveras Counties

¹ California Child Care Resource and Referral Network. (2006). *The 2005 Child Care Portfolio*. Retrieved from <http://www.rnetwork.org/our-research/2005Portfolio.html>.

² Rolnick, A., & Grunewald, R. (March 2003). Early Childhood Development: Economic Development with a High Public Return. *Fedgazette*, 6–12. Minneapolis, MN: Federal Reserve Bank of Minneapolis. Analysis was based on the High/Scope Perry Preschool Project in Michigan.

together to identify and eliminate local and regional barriers to child care facilities development, streamline the development process and provide support to construction projects.

EVALUATION PURPOSE AND QUESTIONS

To help understand the extent to which Constructing Connections achieved its objectives, LIIF engaged BTW *informing change* (BTW), an independent research and strategic consulting firm, to conduct a multi-year, multi-method evaluation of Constructing Connections. This evaluation examined the impact of Constructing Connections from 2004 when the Cohort 1 sites were funded, through 2009, after the Cohort 1 sites had completed their five years of investment and while the Cohort 2 sites were in their final year. This evaluation was guided by the following questions:

Overarching Evaluation Question	
Has LIIF's ABCD Constructing Connections strategy achieved its objective of building sustainable child care facilities financing and development systems in targeted California communities?	
Evaluation Sub-questions	
1.	Have effective technical assistance systems been established in Constructing Connections counties that support local child care operators in developing child care facilities?
2.	Have Constructing Connections counties improved local regulatory environments for child care facilities development and increased regulatory agencies' awareness and knowledge about child care facilities development?
3.	Have Constructing Connections sites increased the availability of public and private capital for child care facilities development?
4.	Have Constructing Connections sites implemented comprehensive plans to ensure the local, centralized child care facilities development resources they have built will continue and be sustained over time?

EVALUATION METHODS

To answer the evaluation questions, BTW collected data from a variety of sources. This multi-method approach enabled BTW to capture the experience of Constructing Connections from various perspectives and, to the extent possible, corroborate the findings from several sources. The evaluation methods included:

- Key informant interviews with Constructing Connections site leads, members of the Collaboratives and LIIF staff.
- An online survey of 113 active members of the ten Constructing Connections Collaboratives.
- Secondary data analysis of site plans and reports, Learning Community meeting materials, LIIF staff check-in notes with sites, and the facilities pipeline database.

OVERALL IMPACT OF CONSTRUCTING CONNECTIONS

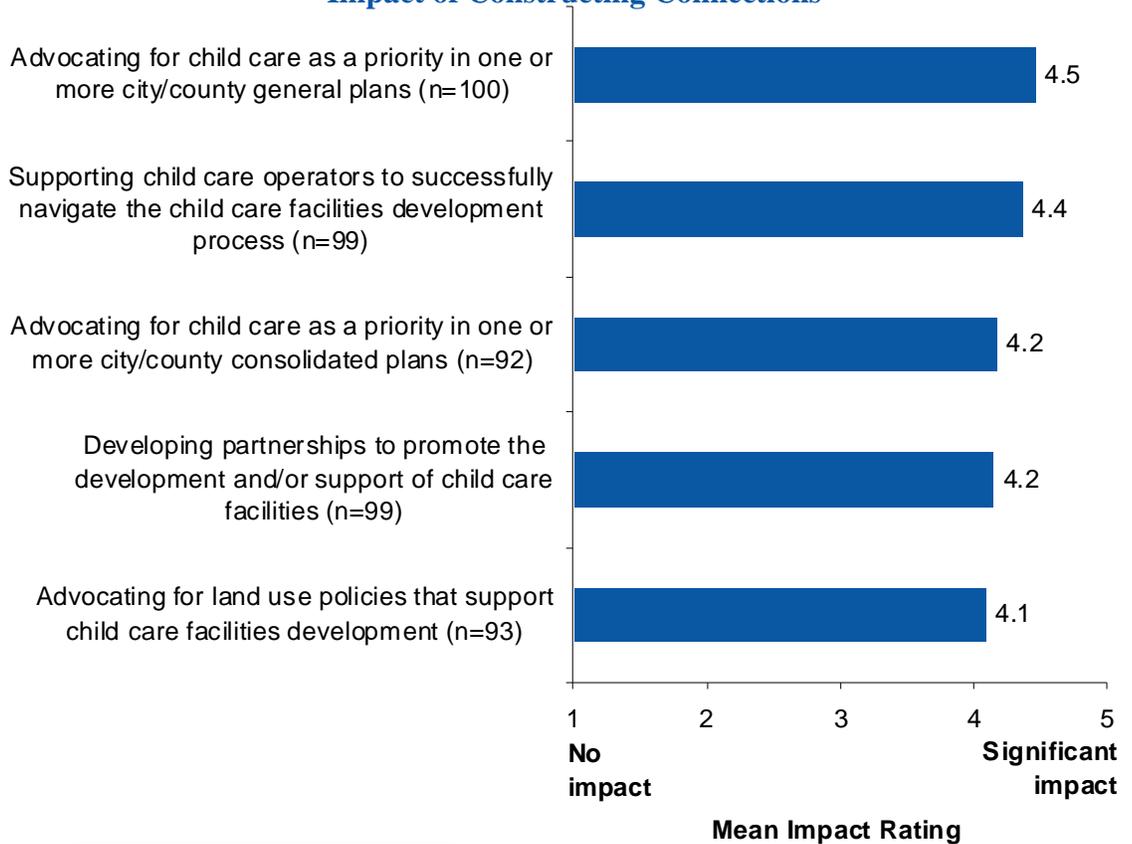
Constructing Connections sites reported that a collective total of 11,109 new or additional child care spaces have been released in their communities since 2005 (Exhibit 1).

Exhibit 1
Completed Child Care Spaces
Reported by Constructing Connections Sites

	Number of Pipeline Spaces			
	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Cumulative Completed/Start-up Spaces	626	4,740	8,175	11,109

Collaborative members reported that their greatest overall impact was in areas related to improving the regulatory environment and establishing comprehensive technical assistance systems (Exhibit 2).

Exhibit 2³
Impact of Constructing Connections

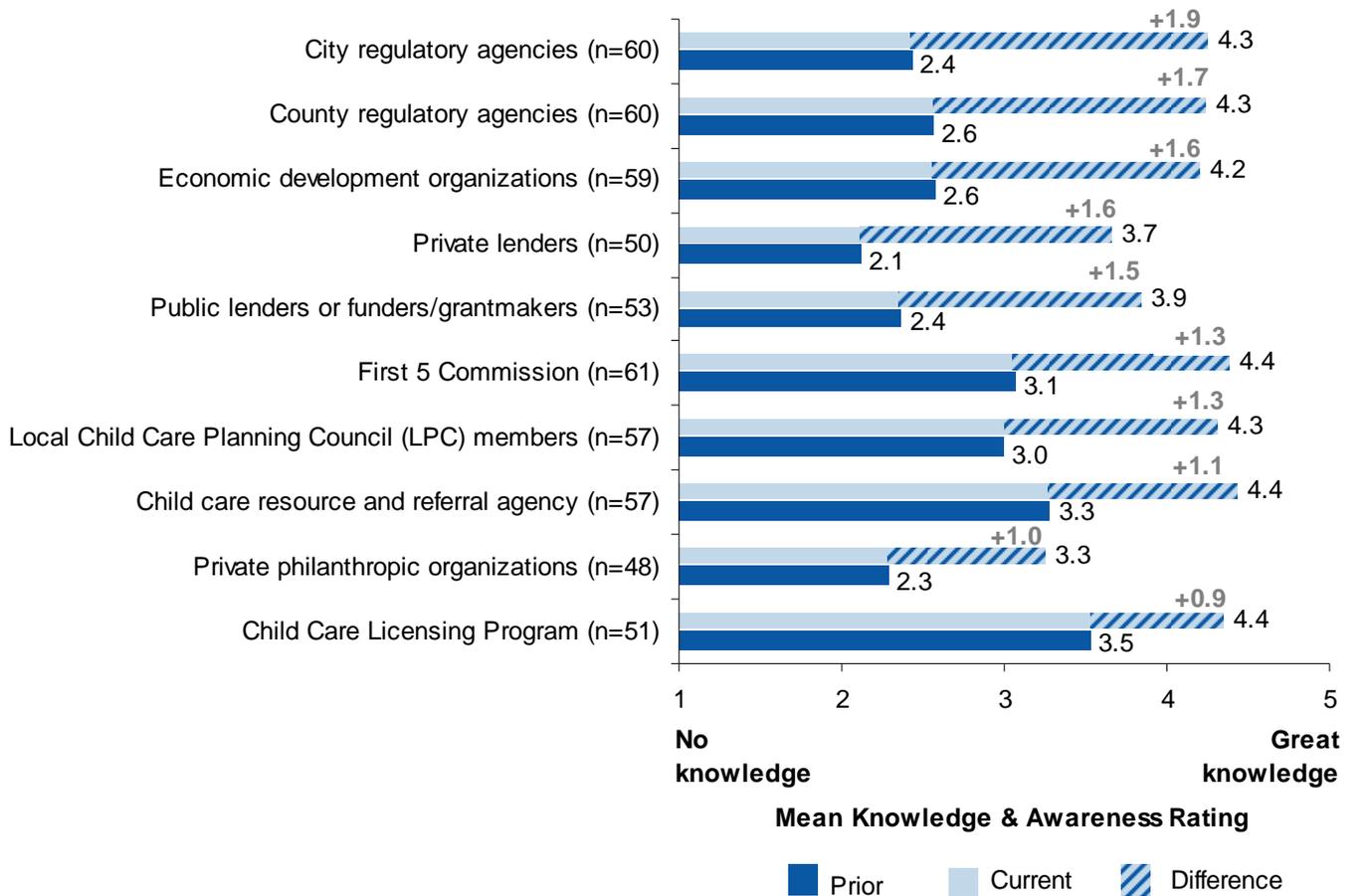


³ Mean ratings are on a scale from 1 to 5, with 5 being “Significant impact” and 1 being “No impact.”

Constructing Connections increased the knowledge and awareness of key community stakeholders about child care facilities financing and development in all ten sites. Members perceived significant changes pre- and post-Constructing Connections in the knowledge and awareness held by city and county regulatory agencies, economic development organizations, private and public lenders, among others engaged in the process of child care facilities development and financing (Exhibit 3).⁴

Exhibit 3
Increased Knowledge and Awareness About Child Care Facilities Development in the Community

Survey Question: What was the level of knowledge and awareness about child care facilities development within different groups in your community prior to Constructing Connections? What is the level of knowledge and awareness within these groups now?



⁴ Mean ratings are on a scale from 1 to 5, with 5 being “Great knowledge” and 1 being “No knowledge.”

All site leads (100%) credited LIIF resources and staff as very important supports for site development and systems changes. Throughout the project, LIIF staff provided training and technical assistance in key areas of facility development knowledge (e.g., public sources of capital, changes in licensing regulations, business plan requirements for financing, and preschool and school district issues related to child care facilities).

BUILDING TECHNICAL ASSISTANCE SYSTEMS

All ten sites (100%) built improved technical assistance systems to support child care facilities development in their counties. Three organizations hold central roles in the local technical assistance systems: Local Child Care Resource and Referral (R&R) Agencies; Local Child Care Planning Councils (LPCs); and Small Business Development Centers (SBDCs) or Small Business Associations. Collaborative members reported that they provide better technical assistance because of knowledge and skills they gained through Constructing Connections (mean 4.2) and that their organizations have increased their capacity to provide technical assistance (mean 4.2).⁵

Constructing Connections sites tracked and monitored the technical assistance needs of 209 facility development projects by the end of fiscal year 2008–09 (Exhibit 4).⁶ According to reports from the sites, 56 of these projects opened for business in fiscal year 2008–09 and provided 2,934 new or additional child care spaces. Constructing Connections sites reported that a total of 11,109 new or additional child care spaces have been released in their communities since 2005.

Exhibit 4
Completed Child Care Facility Projects
Reported by Constructing Connections Sites

	Number of Pipeline Projects			
	FY 05–06	FY 06–07	FY 07–08	FY 08–09
Number of completed/start-up projects per year	14	77	62	56
Cumulative Completed/Start-up Projects	14	91	153	209

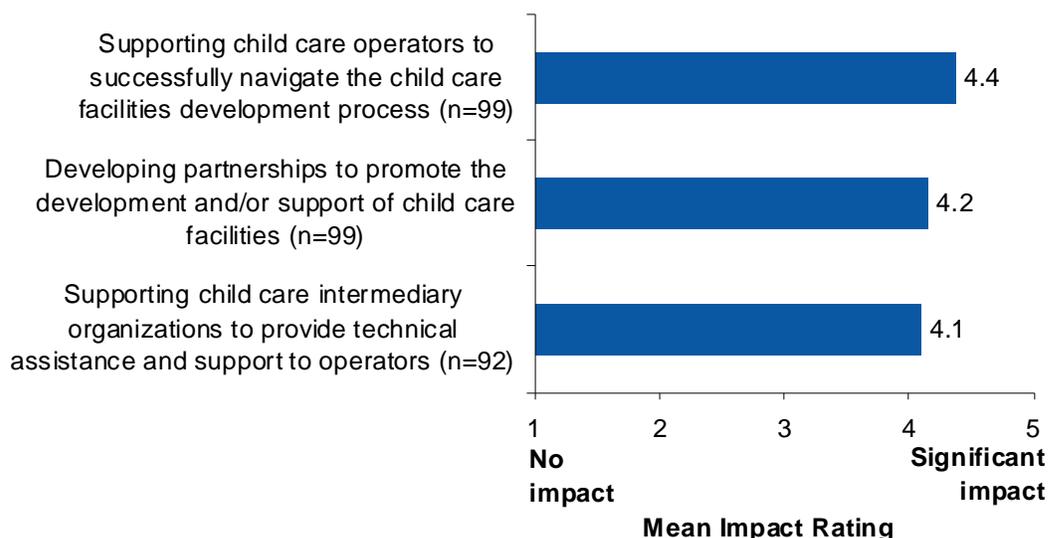
⁵ Mean ratings are on a scale from 1 to 5, with 5 being “Strongly agree” and 1 being “Strongly disagree.”

⁶ LIIF’s fiscal year begins July 1 of one year and ends June 30 of the following year.

Collaborative members reported that the technical assistance provided had important impacts on the community (Exhibit 5). This includes supporting child care operators to successfully navigate the child care facilities development process, supporting child care projects in the development pipeline, developing partnerships to promote child care facilities development, among other impacts.

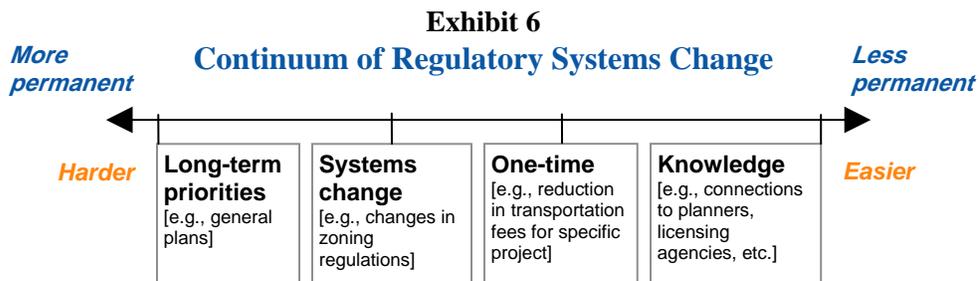
Exhibit 5
Impact of Technical Assistance

Survey Question: Please rate the extent to which your local Constructing Connections Collaborative impacted the following areas.⁷



IMPROVING THE REGULATORY ENVIRONMENT

All ten Constructing Connections sites (100%) accomplished improvements across various points along a continuum of short- and long-term regulatory change. This continuum depicts a progression of changes in regulatory systems from short-term changes that are generally easier to achieve to longer-term changes that are often more difficult to achieve (Exhibit 6).



⁷ Mean ratings are on a scale from 1 to 5, with 5 being “Significant impact” and 1 being “No impact.”

In all ten Constructing Connections sites (100%), cities and counties adopted or were planning to adopt policies favorable to child care facilities development in their city or county general plans (Exhibit 7). This represented a significant change from the beginning of Constructing Connections when it was much less likely that policies favorable to child care facilities development were included in general plans.

Exhibit 7
Child Care–Favorable Policies Adopted in City and County General Plans at Constructing Connections Sites

	Number of Policies Adopted	Number of Policies in Progress ⁸
City general plan	23	19
County general plan	5	3

“When we started Constructing Connections it took about 18 months to apply and ultimately be approved for licensing. This has been shortened to about three months.”

—Constructing Connections Site Lead

Eight of ten (80%) Constructing Connections sites successfully reduced fees, improved zoning regulations and streamlined processes related to child care facilities investment. Many of these led to changes in policies or regulations; others were on a case-by-case basis, potentially setting a precedent for similar circumstances in the future.

INCREASING THE AVAILABILITY OF CAPITAL

All Constructing Connections sites (100%) reported that they improved the overall climate for investment in child care facilities development. They achieved this through building relationships with the private and public financial and funding communities.

All sites (100%) reported that the most difficult area of systems change was increasing the availability of public and private capital for facilities development. A few sites had limited success in unleashing new capital for facilities development—public or private—and do not expect an increase in availability in the near future

At all sites (100%), site leads reported that child care facilities are better positioned to receive *public funding* because of the relationships and credibility Constructing Connections built through work on regulatory issues.

⁸ “Work in progress” activities range from attending hearings and delivering public comments, providing language recommendations, working one-on-one with a government official, or waiting for final adoption in a plan.

PROSPECTS FOR SUSTAINING IMPROVED COMMUNITY CAPACITY

All sites developed sustainability plans, which at the time of data collection for this evaluation were either implemented or in the process of being implemented, depending on the cohort. Of the six Cohort 1 sites, half reported that in the months following the end of their LIIF grants, their sites were following the general direction laid out in their sustainability plan. The other half reported lower levels of activity than planned in some areas (e.g., regulatory work, outreach to new partners), due to the loss of dedicated staffing and no new funding to restore it to the degree their site had anticipated.

“I’ve worked with different early childhood education projects in the past. [Constructing Connections] was by far one of the better ones. The training was terrific. I learned the ‘why’ of doing things a particular way. It was a lot of work, but it was good, meaningful work. It produced results and made a difference.”

—Constructing Connections Site Lead

In 40% of the sites, the local First 5 Commission has committed funding to continue Constructing Connections work into the near future. Four of the ten sites have received commitments of funding in some form to continue child care facilities development work in the year or years after LIIF funding ends (Riverside, Ventura, Solano and Sacramento counties).

LPCs, Local First 5 Commissions and the Constructing Connections lead agencies are the primary sources of resources for continuing work at Cohort 1 sites. Lead agencies for Constructing Connections projects are major contributors of future resources, reallocating various sources of funds in their budgets to enable sizeable commitments of staff resources and in-kind support (e.g., space, administrative support). All six of the Cohort 1 sites report commitments from their LPC to continue some part of the Constructing Connections work; LPCs also figure prominently in the sustainability plans of Cohort 2 sites.

All sites have plans or a process for maintaining leadership after the end of LIIF grant funding. Two-thirds of the Cohort 1 sites have identified one individual to supervise or directly perform many of the responsibilities held previously by the Constructing Connections site lead; in the other Cohort 1 sites, three or four partner organizations divided responsibilities and plan to remain connected in an active network. All four Cohort 2 sites anticipate having one lead staff member to coordinate their work when their LIIF grant ends in September 2010, but three of the four anticipate a deep reduction in the amount of time to be available for child care facilities work.

Most (78%) Collaborative members reported they were confident in their ability to sustain Constructing Connections work in 2010. Respondents from Cohort 1 and Cohort 2 sites reported similar levels of high confidence.

CONCLUSIONS AND IMPLICATIONS

“It was helpful to have those four systems-building elements to tie [the ten sites] together ... It was helpful to see how the other sites did these and hear their experiences.”

—Constructing Connections Site Lead

The Constructing Connections model works. By focusing on four areas of systems change—increasing the local capacity of operators and intermediaries, improving local regulatory environments, increasing local financial investment and enlisting new and expanded support of community development partners—Constructing Connections provided a comprehensive, flexible approach for addressing all key components of child care facilities development systems.

There is a need for an ongoing connective resource for Constructing Connections. LIIF was this resource through the six-year Constructing Connections pilot, serving not only as the fiscal conduit for local Constructing Connections grants but, equally importantly, providing expert guidance, technical assistance, network weaving and leadership to initiate and support the development of each Collaborative and cross-site learning. Sites are anxious to continue to access this knowledge and have opportunities for cross-site knowledge generation, albeit on a reduced level.

The systems change work of Constructing Connections is long term and ongoing. It took time to develop the relationships and build the knowledge that lay the foundation for systemic changes. In addition, because communities are dynamic—people come and go, external influences ebb and flow—it was important to periodically assess the shifts in the landscape and take the necessary steps to adjust strategies.

The accomplishments of Constructing Connections—within and across sites—warrant broad publicizing. Not only is it important to recognize the accomplishments of the model and the contributions of key players, publicity will promote appropriate replication. In addition, many lessons learned from Constructing Connections are applicable to other efforts in facilities development by effectively building knowledge, awareness and capacity across communities.