

WV CHILDREN & FAMILIES FUNDING STUDY

Public Sub-Recipient Award Analysis

August 2005

Division of Criminal Justice Services | Department of Military Affairs & Public Safety | State of West Virginia

Sub-Recipient Report Purpose

This report provides the findings of an analysis of state children and family service sub-awards made to local agencies and organizations in West Virginia. This study was conducted as part of a larger project related to understanding state and federal expenditures within WV - the WV Children and Families Funding Study Project. Further information, reports, and resources related to state and federal expenditures in West Virginia may be found at the project website - www.prevnet.org/fundingstudy.¹ This sub-recipient analysis is based on the best data available at the state level. The current project does not have the capacity to seek out and catalog all locally administered discretionary federal grants or private investments by foundations or charitable organizations. This study attempts, for the first time, to provide a point-in-time look at how all significant state discretionary sub-awards for children and family services are distributed across WV counties.

Sub-Recipient Analysis Overview

The focus of this report is on the relatively small amount of the total expenditures of state and federal funds made available to local community agencies or non-governmental organizations through discretionary grant programs or contracts. These funds were not distributed through some type of predetermined formula or rules. This discretionary funding was relatively small making up only about 2% of the total expenditures in the four major service systems. Nevertheless, this funding totaled more than \$100 million each year. These sources of funding were often very important to local communities since they provided seed dollars for new projects or development of needed services. These discretionary funds generally supported prevention programs at the local level since most of the available state and federal resources were dedicated to supporting on-going basic services and categorically defined programs.

Two types of analyses were conducted using the data collected. One type determined how discretionary funding was distributed based on population (funds awarded per

capita). The other type looked at correlations between the funding and key indicators of local need such as family poverty, per capita income, and unemployment.

Sub-Recipient Analysis Methodology

The analysis was limited to discretionary funds awarded by state agencies. Attempts to collect data on grants awarded directly to local communities by private foundations and federal agencies were unsuccessful.

The analysis of sub-recipient awards presented in this report is based on information obtained from state agencies that administer grant programs. The database compiled for analysis included the discretionary funding awarded by state agencies to local agencies and non-governmental organizations. Although it was not possible to capture every single dollar awarded to sub-recipients through discretionary grants or contracts by state agencies, the analysis included the vast majority of funds awarded to sub-recipients.

A total of 56 grant programs were identified, and grants made through these programs were included in the analysis. About half (25) of these grant programs fall within the **Safety and Family Stability** service system, twelve of the programs support services within the **Economic Support** system, ten fall within the **Health Care** system, and nine are **Education** programs. There are additional discretionary allocations of funds within each of the major service system categories made available for special projects at the local level that might be considered "miscellaneous discretionary awards." At a minimum, the analysis presented in this report was based on an extensive sampling of discretionary grants and contract awards across all major service systems.

Large grant awards for economic development projects were not included in the analysis. Since such awards are generally quite large and widely dispersed, inclusion of these awards would have significantly skewed the total funds awarded within each county toward those relatively few counties that received a large grant for an economic development project. It is recommended that grant awards made for economic development projects be considered in a separate analysis.

The primary unit of analysis for this study was per capita funds made available at the county level. In cases where funds were used to provide services in multiple counties, the award was distributed equally across the counties served. It is possible that multi-county grant awards are not generally distributed equally to all counties served. Typically, a disproportionate share of the funds available through such awards may be used in the county where the grant recipient's main office is located.

Nevertheless, due to the lack of reliable data on how funds were actually distributed, the study assumed funding was equally distributed across the affected counties. Since the primary unit of analysis for the research was per-capita discretionary awards at the county level, funds distributed to all counties based on population were not included. Such funds would not affect the conclusions reached related to discretionary fund geographic distribution.

The database of discretionary awards was constructed from data compiled over two state fiscal years, 2003 and 2004. Data for both years were accepted because of the vast differences in funding award periods. Some agencies award funding for 12 months based on the state fiscal year. Other agencies use the federal fiscal year, the public school year, or unique time periods that are longer or shorter than a 12 month period. Although the grant awards were either FY03 or FY04 funds, only one year of funding was included for each type of grant award. This methodology provided a representative sample of annual discretionary grant awards made to local counties across the four major service systems.

The competition for funds included in the study was in almost all cases governed by an application process open to community-based agencies and/or organizations. Most often, there was a "request for proposal" distributed by the administering state-level agency, and interested applicants submitted a proposal which was reviewed and

compared to other proposals received prior to the awarding of funds. Only discretionary funding that was available to all counties of the state was considered within the analysis. Thus, in theory, local agencies and community organizations located in every county of the state had an equal opportunity to compete for the discretionary funding made available.

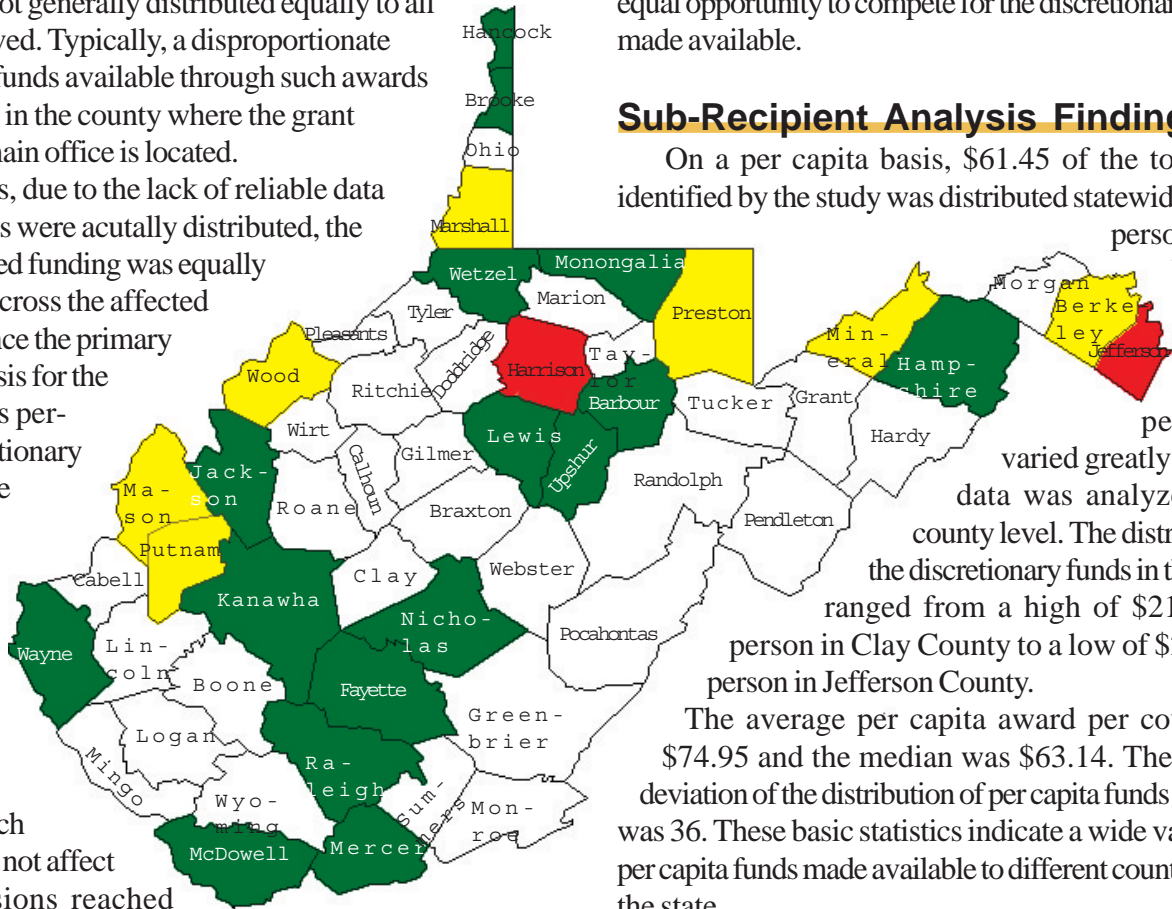
Sub-Recipient Analysis Findings

On a per capita basis, \$61.45 of the total funds identified by the study was distributed statewide for each person in West Virginia. The amount distributed per person varied greatly when the data was analyzed at the county level. The distribution of the discretionary funds in the sample ranged from a high of \$218.72 per person in Clay County to a low of \$29.39 per person in Jefferson County.

The average per capita award per county was \$74.95 and the median was \$63.14. The standard deviation of the distribution of per capita funds by county was 36. These basic statistics indicate a wide variation in per capita funds made available to different counties within the state.

Per Capita Distribution of Discretionary Funding by County

Per capita discretionary funding awarded is graphically depicted in the color coded map below. Counties that received total per capita funds at or above the state average are shown in **white**. Those receiving per capita funding in the range of the state average to 25% below the state average are shaded in **green**. Counties that received per capita funding 26% to 50% below the state average are shown in **yellow**. Counties receiving per capita funding



Discretionary Awards by Service Category		
<i>Data from: State Fiscal Year 2003 or 2004</i>		
Category	# of Awards	Total Funds Awarded
Education	140	\$12,664,445
Health Care	259	\$12,328,594
Economic Support	191	\$40,179,978
Safety and Family Stability	585	\$46,070,045
Totals	1,175	\$111,243,062

more than 50% below the state average are shaded in red.

Relationship between Allocations & Population Density

Analysis was conducted to determine if there was a relationship between population density of a given county and the discretionary funding made available to that county.

Per capita expenditures at the county level were found to be positively correlated with population density. However, the relationship was weak (9%) indicating that more densely populated counties were only slightly more likely to receive a higher level of per capita discretionary funding. Most (91%) of the relationship influencing how discretionary funding was distributed was due to factors unrelated to population density.

Relationship between Allocations & Key Indicators of Need

Income

When the data set of total funds awarded to each county on a per capita basis was compared to per capita income, a significant negative correlation was observed ($p=.01$) suggesting that those counties with lower per capita income tended to receive higher amounts of discretionary funding per capita. Even though a significant correlation existed, the percentage of association between per capita grant awards and per capita income was fairly low at 20.5%, leaving 80% of the variation in how grant awards were distributed attributable to factors other than per capita income.

Poverty

There was a relationship found when per capita awards were compared to the percentage of population living below the federal poverty level. Counties with higher rates of poverty tended to have somewhat more discretionary funding per capita. The association between per capita funding and poverty was low with only about 9% of the variation in how funds were distributed attributable to family poverty. Again, this leaves most (91%) of the variation in how discretionary funds were awarded attributable to other factors.

Unemployment

Per capita discretionary funds awarded to each county was also compared to the rates of unemployment in each county to determine if there was any relationship between the two factors. No significant relationship was found between these two variables.

Conclusions

There is a relationship between the variation in per capita discretionary funds awarded to each county and

key indicators of need (per capita income and family poverty); however, the percentage of association between these variables is low. This leads to the conclusion that there is an association between need and resource allocation and the awarding of discretionary funding is not a totally random process in West Virginia. Additionally, there are major influences effecting decisions about the distribution of discretionary state and federal funding that are not accounted for by the key indicators examined in this report.

Some factors determining resource allocation may be a result of the processes used to make award decisions. Since discretionary funds are almost always awarded to local community entities through some type of competitive process, it may well be factors inherent in the judging of the competition itself that determine in large part how funds are distributed. These factors may include: federal grant requirement and limitations, the nature of the application, the strength of relationships and networking between local and state personnel, the training and experience of grant reviewers, a history of providing support to particular local entities, or many others.

Other factors that may be significant are related to the local individuals or groups competing for the funds. Community organizations or local agencies with the necessary skills and abilities to prepare sound grant proposals and effectively manage grant awards may be better positioned to compete for the funds. A history of receiving discretionary funds in the past (a good “track record”) may also be a significant factor. In the absence of a consistent measure of community capacity for each county or local community, it is not possible to determine to what degree there is an association between receipt of discretionary funding and local capacities. Such factors as the levels of social capital (trust, connectedness, shared values) and human capital (individual and group skills and abilities that can be drawn upon to improve local conditions) within a given county, local community, or neighborhood may well be the most significant factors that influence how discretionary funds are distributed. However, currently available data does not allow us to draw that conclusion or examine the relationship between community capacity and the securing of discretionary resources.

Endnotes

¹ The Funding Study Project was established in 2001 to identify and monitor trends in state and federal funding streams. For details on the trends in expenditures and explanation of the functional service systems see the *WV Children and Families Preliminary Funding Report The Big Picture*, April 2003. This report is available online at www.prevnet.org/fundingstudy.

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