From the Director...

The families we serve in child welfare often have needs that cut across service systems—and, too often, our response is limited by the constraints of traditional, categorical funding streams.

In this issue of Managing Care for Children and Families, we highlight initiatives that are breaking through two of the barriers to serving these families: They have overcome “turf” issues to achieve interdepartmental collaboration, and they have worked with funding sources to provide more flexible funds for services. By doing so, they have developed comprehensive services that respond flexibly across systems to the needs of the whole child and family.

These initiatives are supporting such reforms by redeploying current resources and developing new resources. Our lead article features approaches to redeploying current resources, and what these changes mean for families. The Practice Forum (page 5) explores how interagency collaboration is achieved and discusses approaches to developing new funds.

Throughout this issue, we highlight resources available to you from the Resource Center and other organizations. We hope these resources will help you as you explore ways to finance comprehensive services to meet your clients’ needs.

— Kris Sahonchik

Collaborative Approaches to Financing Comprehensive Services

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New Strategies:  
Supporting Comprehensive 
Services By Redeploying Funds

Across the country innovative efforts are underway to change the way dollars are spent to support services for children and families. The story of this hypothetical family served by a child welfare system illustrates the need for these changes:

Laura is a 29-year-old single mother, who didn't finish high school and has no successful work experience. She receives AFDC to support her two sons, John, 11 and Jerry, 8. Laura suffers from severe depression and alcoholism and has been traumatized by a series of physically abusive boyfriends.

Laura is unable to care adequately for her two boys, who frequently arrive at school hungry and with inadequate clothing. John has been diagnosed with attention deficit disorder and severe hyperactivity. He has been caught shoplifting twice and has been truant from school. When in school, he is often aggressive and violent. Jerry also has irregular school attendance and struggles with severe asthma.

When the family is referred to CPS, the caseworker finds neglect and opens a case. She is able to provide limited in-home care, funded by Title IV-B and Social Service Block Grant funds. However, there are waiting lists for other in-home services and for an alcohol treatment program. The community mental health agency, crucial to both Laura and John, is an hour—and three bus rides—away. Only one doctor in town will accept Medicaid to treat Jerry, and her office is also difficult and expensive to get to by bus. Truancy officers and special education personnel (funded by juvenile justice and education) also have only limited contact with the boys.

To serve families like Laura's more effectively, many sites are redeploying current resources—so they can be used in different places, for different purposes, and for different people. Their goal is to develop services that are more comprehensive (coordinated across programmatic lines) and more community-based (geared toward strengthening community resources to support children in their own homes). The linchpin of these efforts is effective collaboration across a wide range of public agencies and between agencies and communities.

States and counties are using three broad approaches to redeploy resources: supporting local collaboratives, redirecting out-of-home care dollars, and pooling funds for multi-agency children.

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Supporting local collaboratives

States that are supporting local collaboratives have set broad goals to develop more integrated services for children and families. In these states an interdepartmental body supports local collaboratives that engage stakeholders in assessing local needs. Efforts often focus on redeploying resources to a different place—usually a neighborhood-based, school-linked site.

Missouri’s Caring Communities initiative is an example of this approach. At the state level the interagency, public-private Family Investment Trust supports 14 community partnerships. These community partnerships oversee 84 neighborhood-based Caring Communities sites.

Each site is expected to develop strategies to meet five core results:
- parents working,
- children safe in families and families safe,
- children ready to enter school and succeeding in school,
- children and families healthy, and
- youth prepared for productive adulthood.

The state has created a $25 million joint budget for Caring Communities, including almost $10 million redirected from five state departments: social services, mental health, health, education, and labor.
and industrial relations. The budget also includes family preservation/family support funds and new funds generated by maximizing federal entitlements.

In the Kansas City Community Partnership, the Local Investment Commission (LINC) supports local School and Neighborhood Advisory Councils that are developing comprehensive, integrated services at school sites. The Commission manages the state Caring Communities dollars and works with the Councils to leverage other resources.

These collaborative bodies involve neighborhood leaders, business and civic leaders, parents and agencies in developing more integrated services at school sites. For example, at the Clermont School, a range of public services have been redirected to the school and combined with other local community programs. These comprehensive services would have made a difference to Laura and her children:

The family's child welfare case worker, who is stationed at the school, connects Laura to a support group at the school's community center and to parenting classes through the Practical Parenting Partnership program. A clinical social worker at the school provides therapy for Laura and John, and Jerry's asthma is treated at the school's health center, which is open every day from 4 - 9 p.m. The Truancy Officer from Family Court is based at the school and does home visits. In addition, the boys receive support from an after-school program, a Summer Fun program, and a conflict mediation program based at the school.

In this scenario, child welfare, mental health, health and juvenile justice resources have all been redeployed to a common educational site and are supplemented by other resources to more effectively support Laura and her family.

**Redeploying out-of-home care funds**

Other states are redeploying out-of-home care dollars to community-based services. These efforts focus on changing the service system for children in or at-risk of out-of-home care.

These reforms allow some of the funds for out-of-home care for children to be used to pay for individualized, community-based services for children and their families. State legislation and policy changes have lifted restrictions on funds so they can be used for this purpose.

Iowa has implemented this approach through its child welfare decategorization projects. Under Iowa's model, the whole child welfare allocation to local decategorization projects—including the state child welfare allocation and all projected federal earnings (from Title IV-B, IV-E and Social Service Block Grants)—can be used flexibly.

Local projects must demonstrate collaboration between the local Department of Human Services, the Juvenile Court, and the County Commissioners. Projects also have developed committees that include schools and a wide range of community groups to lead efforts to develop services that respond to client needs.

Projects develop annual plans that define how the flexible funds will be used. These plans must be approved by the state. Local projects are also allowed to keep the savings generated by their work. In FY 96, $97 million was available to decategorization projects, and over $15 million in savings was carried over and used to expand services.

In Dubuque County, Iowa, the decategorization planning committee has led a collaborative effort to change current service delivery systems to provide families with client-driven services. Flexible decategorization funds are used to hire case facilitators, who convene multi-disciplinary teams and challenge them to creatively meet the needs of each client.

Flexible child welfare funds are then used to expand the array of child welfare services to meet these needs and support children in the least restrictive setting. Joint planning between human services, the juvenile court and the school system have led to jointly-funded services. School liaison officers, for example, work between schools and communities to reduce truancy.

These collaborative efforts to expand community-based child welfare services would also improve the services offered to Laura's family:

Soon after the case is opened, the case facilitator meets with Laura, John, and Jerry along with their child welfare caseworker, school and mental health personnel, and other service providers. The team discusses the family's needs and develops a plan to meet them.

In-home, wrap around services are arranged for Laura, and the team draws on flexible family assistance funds to provide transportation to appointments at the community mental health agency. Day treatment services, providing after school and summer programming, are arranged
for the boys, and mentoring programs provide additional support for them. The school liaison officer keeps in touch with Laura, the school and the boys to encourage regular attendance.

In this scenario, flexible, redeployed child welfare funds allow for expansion of services for the family, and the collaborative planning process leads to new, jointly funded services.

Several states are now redeploying child welfare funds under child welfare waiver demonstrations, approved by the federal Department of Health and Human Services (see “Update on Child Welfare Waiver Demonstrations,” page 7).

**Pooling funds for multi-agency children**

Another approach is to pool funds across systems for children who are involved in multiple service systems or who are severely emotionally disturbed (SED). Most of these projects focus on a small number of these children who are in or at-risk of out-of-home care.

These projects identify and redirect funds that have been used for residential, out-of-home care and other services to pay for individualized, community-based service plans. By redeploying a broad range of child welfare, mental health, mental retardation/developmental disability, Medicaid, education and/or juvenile justice funds, these projects aim to coordinate a comprehensive set of social and health services.

One example of these projects is Wraparound Milwaukee in Wisconsin. The project, managed by the county mental health agency, integrates child welfare and Medicaid funds to provide coordinated social and health services for children who are in or on their way to residential treatment.

The project has adopted managed care techniques, in which case managers develop individualized service plans that are prior-authorized by the county mental health agency. The agency has, in effect, become a specialized health maintenance organization that authorizes services, adjudicates claims and pays bills.

The agency receives two case rates for the eligible children it serves—one from child welfare (drawn from redeployed county funds for institutional care) and one from Medicaid (drawn from redeployed funds for substance abuse and mental health services, including inpatient psychiatric hospitalization). With these flexible funds case managers are able to coordinate a broad range of flexible services.

If John's disorder deteriorates to the point of requiring residential treatment, this approach would provide more effective support for him and his family:

John's Wraparound Milwaukee case manager works with his child welfare case worker to develop a comprehensive set of individualized services for him and his family. Laura is provided with respite care and in-home services. The boys are provided with day treatment services and therapy, and discretionary funds pay for basketball camp. The same case manager arranges for psychiatric consultation and medication management for John, and coordinates this care with his therapist.

Having one organization and one case manager manage both child welfare and mental health/Medicaid benefits provides coordinated care to John and his family.

In each of these examples, department directors or legislators provided leadership in efforts to change the way current dollars are spent. By redeploying funds to different places, purposes or people, these efforts are providing more coordinated, community-based care for children and families.

For more information on the initiatives discussed in this article, contact:

Missouri: Deborah Scott, Chief Operating Officer, Caring Communities, Jefferson City, MO, (573) 751-2586

Iowa: Barry Bennett, State Decategorization Coordinator, Department of Human Services, Des Moines, IA, (515) 281-8164

Wisconsin: Bruce Kamradt, Director, Children's Mental Health, Milwaukee, WI, (414) 257-7639

For more information on these and other approaches to redeploying resources, see Financing Strategies to Support Comprehensive, Community-Based Services for Children and Families, 1996, by Mary O'Brien, available from the National Child Welfare Resource Center for Organizational Improvement, Portland, ME (207) 780-5810.
Overcoming Barriers to Collaboration

How have sites overcome barriers to collaboration to develop comprehensive services? Two recent surveys have identified approaches to overcoming barriers:

- a survey of eight initiatives that have brought funds together across programmatic lines to support the development of comprehensive, community-based services (Financing Strategies to Support Comprehensive, Community-based Services for Children and Families);
- a survey of 18 successful comprehensive children’s programs (Beyond Decategorization: Defining Barriers and Potential Solutions to Creating Effective Comprehensive, Community-based Support Systems for Children and Families).

The Financing Strategies study notes the importance of high level leadership—from administrators or legislators—in developing and sustaining collaborative initiatives. Several sites also noted that legislation was a factor in making collaboration happen and in maintaining it over time. The support of the governor was also seen as key in maintaining the work.

A crucial step was forming collaborative bodies of both directors and deputy directors at the state level, and having a staff group assigned to work on the effort. Successful collaborative bodies include a range of agencies—social services, mental health, education, health and juvenile justice—as well as budget staff and parents. Engaging the private sector in these collaborative bodies was also seen as an important strategy for sustaining these reforms in the long term.

The study also found that a key factor in successful collaborations was a conscious effort to build relationships across systems. While relationships are a function of personalities, they can also be built through processes the state establishes.

Collaborative bodies engaged in planning and program development provide opportunities for people to come together across department lines to work on common projects. A collaborative spirit can be built by having these groups focus on the common needs of children. Directing funds to the collaboration—in most cases, both redeployed funds and new funds—helps bring people into the collaborative project.

The Beyond Decategorization study reflected many of these themes. Successful administrators noted that major barriers were inadequate knowledge of and commitment to collaboration and lack of sustained external political support. To overcome these obstacles, they constantly worked to develop and maintain relationships and to prove that they were not trying to take over.

One administrator made a conscious effort to involve senior executive officials in the collaboration, and another recruited a CEO from the private sector to chair the collaborative. Small grants of new funds helped to ease turf issues.

A strength of these collaborative initiatives that can help sustain them is their bipartisan appeal. Improving coordination appeals to those who know it will result in better services and to those who want to eliminate waste.

This broad ideological appeal has allowed several of these initiatives to survive changes in political leadership in their states. However, to thrive in the long term, they also need to be able to meet what they all noted as a major challenge—obtaining better documentation of the outcomes of their work.


Partnering with the Private Sector

The first natural partners in collaboration are the agencies that spend public dollars on children’s services. However, many collaborative efforts to improve services for children find that it makes sense to draw on the interests and resources of other partners—including parents and families, community leaders, and civic and business leaders.

Involving these private partners is an important way of recognizing and formally incorporating what each of them can contribute to supporting at-risk families. It is also an important strategic step in building political and community support to sustain the initiative through changes in elected political leadership.

Business and civic leaders, in particular, can leverage significant resources for reform. In Missouri, the Family Investment Trust includes directors of seven state...
Partnering, from page 5

agencies and five civic and business leaders—including the CEO of a brokerage house, a partner in a business and management consulting firm, and a representative of a major employer.

Business leaders on both the state and the local level have spearheaded business involvement in providing jobs under welfare reform. In Kansas City business leaders played a founding role and continue in leadership positions on the local Caring Communities Partnership. They have provided job opportunities and leveraged other resources for children’s services. For example, the partnership known as the Local Investment Commission was able to obtain a donation of 25 cellular phones for child welfare workers from a telephone company.

In North Carolina, a non-profit public-private entity, the Partnership for Children, supports broad-based local collaboratives that work through the Smart Start initiative to improve services for children in their communities. Both the state level partnership and the local collaboratives are required to include a business representative, in addition to a broad range of public agencies, other community groups and parents.

The State legislature has appropriated $92 million to Smart Start, and the state partnership is required to raise 10% of that amount from private sources (including 5% cash and 5% in kind donations). A group of banks in the state have pledged $2 million over ten years. The local Downeast Partnership held a business luncheon and has formed a business council to solicit private sector support.

For more information on:
Missouri’s Family Investment Trust, call (314) 531-5505

North Carolina’s Partnership for Children, call (919) 821-7999

Generating New Funds

Initiatives to redirect current funds are almost always paired with successful efforts to generate new resources. In addition to the private sector, states look to foundations, children’s trust funds, governor’s discretionary funds and legislative appropriations to generate new dollars.

Another option is to seek discretionary federal grants in partnership with mental health, education, health or juvenile justice. The Substance Abuse and Mental Health Services Administration (SAMHSA), for example, provides grants for comprehensive community mental health services for children and families.

Finally, many states generate new funds by maximizing the use of federal entitlements. This strategy includes expanding the use of the Medicaid rehabilitation benefit or of the Early Periodic Screening, Diagnosis, and Treatment Services (EPSDT) program for treatment services and ensuring that eligibility for IV-E funding is checked across systems (e.g., juvenile justice, education).

Resources and More....

Here are some organizations and publications that can help you learn more about creative financing of comprehensive services for children and families:

On Financing:

On Collaboration:

This multi-volume resource provides practical advice on managing collaborative efforts. Volumes cover the following topics: From Program to Service Systems, Collaboration, Funding and Resources, Evaluation, Community Outreach, and Staffing.


Continued page 8, see Resources
Update On Child Welfare Waiver Demonstrations...

Under Section 1130 of the Social Security Act, the Department of Health and Human Services had authority to approve up to ten child welfare waiver demonstrations. The 9th and 10th waivers were approved in December, 1997, when New York and Michigan were granted authority to use Title IV-E maintenance funds flexibly.

Under the Adoption and Safe Families Act, signed into law in November, 1997, the Department has the authority to offer up to ten additional states waivers for innovative demonstrations each year for five years. The Department expects to issue guidance to states on applying for these waiver demonstration projects in January, 1998.

Most of the projects already approved have received waivers to support two innovations—using Title IV-E maintenance funds for community-based services and using federal funds for subsidized guardianship programs. To demonstrate the value of a range of innovative approaches, the Department is encouraging states to submit proposals for waivers needed to support other kinds of child welfare reforms.

...And More Creative Financing

There are numerous other examples of sites that are redeploying funds. The examples below illustrate the creative approaches being used to finance comprehensive services:

**West Virginia’s Family Resource Networks (FRN):** The Governor’s Cabinet on Children and Families has created the Family Resource Planning Fund to support the administrative costs of conducting planning and program development through local FRNs. The Fund contains administrative funds from Medicaid and TANF, funds from two block grants (child care and development and the community services block grant), flexible federal and state funds, and private funds. The fund included $1.4 million in FY 96. Contact: Steve Heasley, Governor’s Cabinet on Children and Families, Charleston, WV, (304) 558-0600

**Virginia’s Comprehensive Services Act:** State law has pooled the State and local portion of funds in nine specific funding streams that had supported out-of-home care, and specified that they be used to develop individualized, community-based services. Included are foster care funds, social service block grant funds, and funds from mental health, education and juvenile justice for residential placements. The funds, totalling $150 million in FY 96, are available to local interdepartmental teams that are supported by local and state collaborative bodies. Contact: Alan Saunders, Office for Comprehensive Services for at Risk Youth and Families, Richmond, VA, (804) 786-5394

**Multnomah County, Oregon’s Behavioral Health Program:** The county mental health agency in Multnomah County manages an interdepartmental pool of funds which provides comprehensive services for severely emotionally disturbed children. The pool includes state and county child welfare funds, state and county mental health funds, local education funds, and a capitated rate from Medicaid. Contact: Janice Gratton, Multnomah County Office of Behavioral Health, (503) 248-3999 ext. 4046

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Outlines a five step process for building integrated services on the local level, based on the experiences of practitioners engaged in these efforts.

**On System Reform Initiatives:**


This biennial report provides state-by-state information on comprehensive, cross-system initiatives that address the multiple needs of young children and families. It also provides a synthesis, drawing lessons and implications from this experience.

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- Strategic planning and implementation of concurrent planning for Santa Clara County, California

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