Blending & Braiding

Making your funding workout for you!

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www.csi-policy.org/blendandbraid/

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Agenda

• Understanding Blending & Braiding
• Developing Your Fiscal Coordination Model
• Engaging Your Partners in Fiscal Coordination
Acknowledgements

• Materials developed as part of the Blending & Braiding Your TANF Initiative
• http://www.csi-policy.org/blendandbraid/
• A partnership of:
  – Center for Systems Integration
  – Colorado Department of Public Health & Environment
  – Family Leaders & the Colorado Systems of Care Collaborative
  – Family Resource Center Association
  – Colorado Foundation for Public Health and Environment

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• Learning Objective:
  – Describe the differences between blending and braiding including criteria for when to use blending vs. when to use braiding.
Understanding Fiscal Coordination

• Braided and blended financing strategies are:
  – A means to an end – they must be developed within the context of community needs, resources available, and desired outcomes
  – Implemented using administrative systems that have the ability to track the use of funds and report back to multiple funders
  – Sustainable only with leadership buy-in, a clear vision, measurable results, and understanding of all of the resources available

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Understanding Fiscal Coordination

• **Braiding** is when:
  - Funds from various sources are used to pay for a service package, but tracking and accountability for each pot of money is maintained at the administrative level.

• **Blending** is when:
  - Funds are combined into a single pool from which they can be allocated to providers without discerning their source and specific requirements.
Braid & Blend Together

- Braiding and Blending are not an either/or:
  - Two or more funds are combined into a single pool
  - Additional funds from various sources are used to pay for a service package. Tracking for some funds is kept separate, tracking for funds in the pool happens together.

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When to Blend?

• You have information documenting the:
  – Cost of your services per person served (case rate)
  – Eligibility of all clients in your program
  – Outcomes as a result of the services

• Your funding streams allow more generalized reporting – e.g., no requirement that a fee be assigned to each service, use of cost allocation, etc.

• You have a strong relationship with your funder
**Blended Funding**

<table>
<thead>
<tr>
<th>Funding Stream A:</th>
<th>Funding Stream B:</th>
<th>Funding Stream C:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>$25,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

- 30% of kids served are eligible for Funding Stream A
- 50% of kids served are eligible for Funding Stream B
- 100% of the kids served are eligible for Funding Stream C

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When to Braid?

• Your funding streams cannot pay for all eligible populations and services
• Your funding streams require categorical reporting or cost allocation reporting
• You have solid decision-making systems for approving services funded by multiple streams
• You have strong tracking systems for monitoring how funding is spent
Programmatic Braiding

- Programmatic braiding:
  - Business as usual
  - Inflexible
  - Infrastructure driven
Fiscal Braiding

• Fiscal braiding:
  – Flexible in services provided and populations eligible
  – Adaptable as communities and needs change
  – Can be unreliable in funding levels – requires more sophisticated budgeting
  – Can be complex in reporting requirements – requirements more sophisticated accounting
When to Blend & Braid?

• Some of your funding streams are limited to braiding only
• Some of your funding streams can be blended
• It will decrease the administrative effort to blend some of the funding streams
• It will increase the flexibility of how funds are used to blend some of your funding streams
Organizational level braiding:
- Multiple funding streams expand population served
- Flexibility in services provided by your organization
- Ability to contract out for services

Organizational level blending:
- Similar as above, but less tracking post-hoc.
Multi-Organizational Level Braiding

- Authority over allocation of the funding stream has to be centralized
- Actual tracking and accountability can be managed by multiple organizations or can be delegated to a single entity
- Often utilizes a combination of fixed-price contracts, preferred providers, and other contracting models to distribute funding between organizations.

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Developing Your Model

• Learning Objective:
  – Learn how to implement a planning process to develop a braided or blended financing strategy.
Phase 1: Vision

• Identifying Your Vision
  – What will your program accomplish?
  – Why is it needed?
  – Overall, who will be served?

• Engaging Your Partners
  – Who needs to be part of the effort?
  – What are the different ways that partners can be involved?

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Phase 2: Definition

• Defining the Program (or System)
  – What population do we need to serve?
  – What are the outcomes we want to achieve?
  – What does the “Front Door” look like?
  – What are the services or interventions that are part of our program?
  – Where are we delivering the services?
  – Who will deliver the services?
  – What infrastructure is needed?
Phase 3: Financing Options

• Chart your current/available funding streams:
  – Expenses of your program; and
  – Eligible populations

• Research your funding streams
  – Regulations, funding guides, or phone calls with funders

• Find your gaps

• Research other funding options
<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Funding Stream 1</th>
<th>Funding Stream 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages 12 - 18</td>
<td>Eligible if family is eligible</td>
<td>Eligible</td>
</tr>
<tr>
<td>Age 19</td>
<td>Eligible if in high school &amp; family is eligible</td>
<td>Eligible</td>
</tr>
<tr>
<td>Age 20 - 24</td>
<td>Eligible if parents</td>
<td>Eligible</td>
</tr>
<tr>
<td>Income</td>
<td>Eligible at $75,000 or less</td>
<td>No income requirements</td>
</tr>
<tr>
<td>Disability/Need</td>
<td>No criteria</td>
<td>Must be without housing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Funding Stream 1</th>
<th>Funding Stream 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Costs</td>
<td>10% maximum</td>
<td>Not allowable</td>
</tr>
<tr>
<td>Case Management</td>
<td>Can fund up to 0.5 FTE</td>
<td>No</td>
</tr>
<tr>
<td>Emergency Shelter</td>
<td>Yes</td>
<td>Yes, through Host Home model only</td>
</tr>
<tr>
<td>Youth Leadership</td>
<td>Stipends &amp; staff time</td>
<td>Stipends only</td>
</tr>
<tr>
<td>Home Repair</td>
<td>Yes, one time</td>
<td>No</td>
</tr>
<tr>
<td>Housing &amp; Homelessness</td>
<td>Yes, four months or less</td>
<td>No</td>
</tr>
</tbody>
</table>
Phase 3: Financing Plan

• Develop the Coordinated Financing Plan
  – Blend, braid, or both?
  – Budget of estimated spend-down
  – List of allowable expenses for each funding stream

• Develop the Administrative Structures
  – Service delivery reporting requirements
  – Accounting processes
  – Decision-making processes
  – Tied to how you report back to funders

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Phase 3: Implement

• Implement:
  – Implement services and administrative structures
  – Implement your evaluation

• Track and gather feedback
  – Learn from your staff and clients – they will know best if it is working
  – Learn from your funder – are you meeting their needs?

• Improve

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Engaging Your Partners

• **Learning Objective:**
  – Learn three key strategies for engaging organizational partners, families, and youth in developing a braided or blended financing strategy
Engaging Your Partners

• As you identify who to engage in designing your funding model, think about:
  – Who will provide the funding?
  – Who will oversee the funding?
  – Who will implement the program?
  – Who will receive the services?
  – Who is already working on similar issues?
Engage your Funder

- Phase 2: Designing the program?
- Phase 3: Assessing the funding?
- Phase 4: Designing the financing plan?
- Phase 5: Implementation and Improvement?
Engage Families/Youth/Consumers

• Value of family/youth/consumer involvement
  – Understand the barriers and benefits of services from first-hand experience
  – Keep the focus on the outcomes – avoid the risk of financing for financing’s sake
  – Generate a more family, youth, and consumer friendly program or system
Engage Families/Youth/Consumers

• Why we shouldn’t engage families, youth, and consumers (common misconceptions):
  – Our topics are too complex and specialized
  – The conversation is too confidential
  – Family and youth members don’t sustain involvement
Resources

Family and Youth Involvement: A Workbook for Policy & Governance Boards and Planning Groups
Blending & Braiding Guide and Templates
(Available December 2010)

For more information and resources please visit:
http://www.csi-policy.org/blendandbraid/

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