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## ABSTRACT

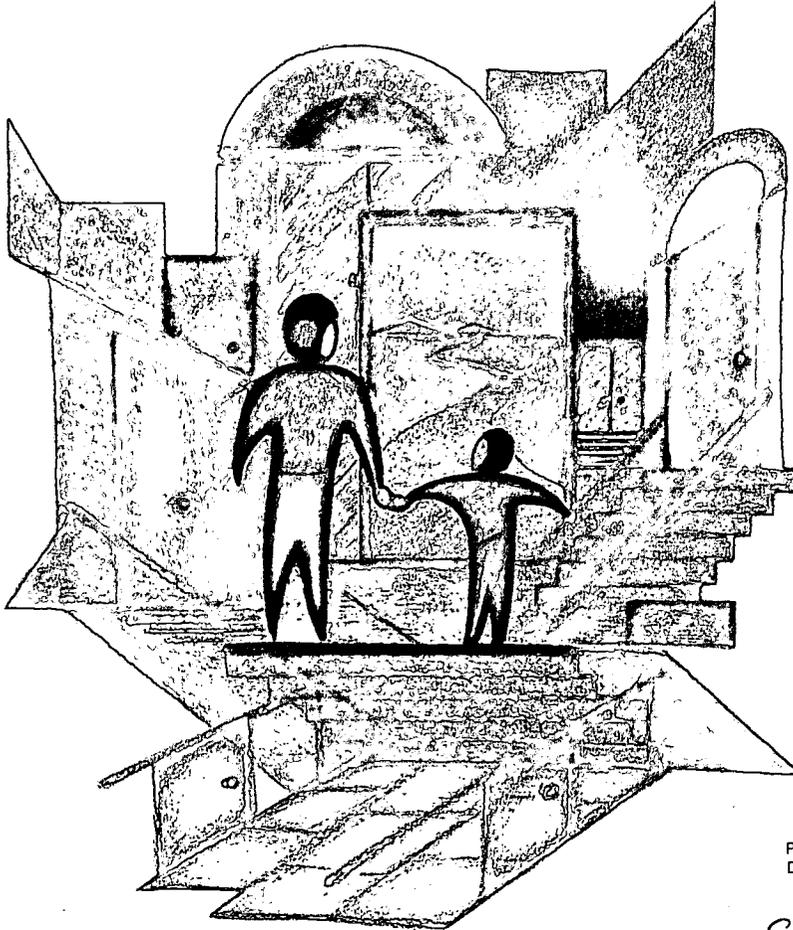
Noting that family resource centers (FRC) embody the comprehensive approach needed to respect families and meet their needs for providing their children with a healthy, nurturing beginning, and that financing issues fundamentally affect how responsive family resource centers will be to the needs of the people they serve, this guide was developed to help those involved in running and funding family resource centers to make well-informed strategic decisions about funding. Following an introductory chapter, chapter 2 describes FRC characteristics, how they differ from traditional services, and their implications for funding. Chapter 3 outlines principles and strategies for effective financing for both policymakers and FRC staff and includes a systematic process for FRC staff to use to ensure that they are making the best use of the financing options available to them. Chapter 4 describes current sources of financing for FRCs. The funding structure for one center is highlighted to illustrate the complexities of funding that most centers need to juggle. Chapter 5 discusses critical financing issues, including reducing the mismatch between family support principles and the current system of fragmented, categorical programs and funding. Chapters 6 and 7 offer ideas for FRCs and funders on how to improve the financing environment for family resource centers. Six appendices include budgeting information, information on state funding for FRCs, and materials for use by FRCs to develop creative financial options. (Contains 39 references.) (KB)

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# Financing Family Resource Centers: A Guide to Sources and Strategies



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## Starting Points

Meeting the Needs of Our Youngest Children

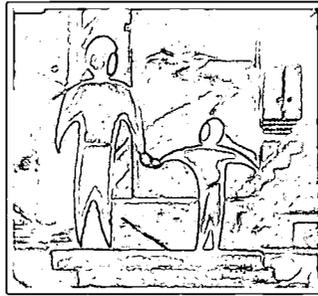
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# Financing Family Resource Centers: A Guide to Sources and Strategies



## Starting Points

Carnegie Corporation of New York  
The Finance Project

By Sara Watson and Miriam Westheimer

With research assistance from  
Kristine Stanik and staff from the  
Family Resource Coalition of America

April, 2000

## Starting Points

This brief was created as part of **Carnegie Corporation of New York's Starting Points State and Community Partnerships for Young Children**.

Starting Points was established to plan and implement the reforms described in the Corporation's task force report, *Starting Points: Meeting the Needs of Our Youngest Children*.

The four goals of the initiative are promoting responsible parenthood, ensuring high quality child care, providing children with good health and protection, and mobilizing the public to support young children and families. Starting Points sites are Baltimore, Boston, Pittsburgh, San Francisco, Colorado, Florida, Hawaii, North Carolina, Rhode Island, Vermont and West Virginia. National partners include The Finance Project ([www.financeproject.org](http://www.financeproject.org)), Columbia University School of Public Health ([www.columbia.edu](http://www.columbia.edu)), the National Center for Children in Poverty ([www.nccp.org](http://www.nccp.org)), and the Families and Work Institute ([www.familiesandwork.org](http://www.familiesandwork.org)). More information about Carnegie Corporation can be found at [www.carnegie.org](http://www.carnegie.org).

## The Finance Project

The Finance Project is a non-profit policy research, technical assistance and information organization that was created to help improve outcomes for children, families and communities nationwide. Its mission is to support decisionmaking that produces and sustains good results for children, families and communities by developing and disseminating information, knowledge, tools and technical assistance for improved policies, programs and financing strategies. Since its inception in 1994, The Finance Project has become an unparalleled resource on issues and strategies related to the financing of education and other supports and services for children, families and community development. For more information, visit TFP's website at [www.financeproject.org](http://www.financeproject.org).



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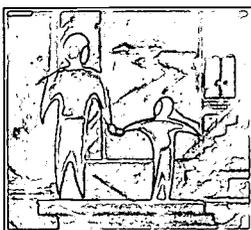
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## Preface

In 1994, the publication of *Starting Points: Meeting the Needs of Our Youngest Children* by Carnegie Corporation of New York heralded a “quiet crisis” for our nation's youngest children. Today, the crisis is no longer quite so quiet. The 11 states and cities that are part of the Starting Points State and Community Partnerships are part of a growing chorus focused on improving the lives of young children and their families. This guide is one of a set of products sharing the experiences of Starting Points sites, as well as other states and localities, to help the nation move toward a healthy, nurturing beginning for all its children.



The human and social services community has entered a new and important era. At the behest of parents and practitioners who insist that healthy development is a holistic, not piecemeal, process the most innovative policymakers and funders are taking notice. They are breaking through the rigid walls of a paradigm that prescribes categorical solutions to non-categorical human situations. In the old paradigm's place lies an emerging consensus: comprehensive approaches hold the key to strengthening our communities, supporting our families, and nurturing our children's healthy development to adulthood.

Comprehensive approaches are built upon a foundation of principles that respect families and respond to their developmental needs. They are premised upon the idea that families' needs and aspirations, not bureaucratic processes, should be the driving forces behind the availability, accessibility, affordability and quality of opportunities in each community.

Comprehensive approaches require the leaders of public and private institutions to cross entrenched lines in order to forge vertical and horizontal partnerships for service integration. And, the most promising designs are carried out within a results-oriented framework that demands measurable progress toward improving the life circumstances and competencies of children, families, and communities.

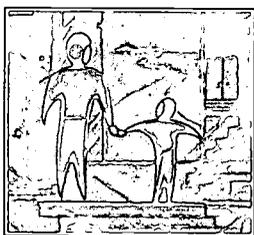
Family resource centers embody this approach. A family resource center is a safe, comfortable, neighborhood-based setting for children and families. It is an entry point for families to access an array of supports—from parenting and communication classes, to health and child care services, to job and education training, to recreation activities. Family resource centers are places where parents—often in their own languages and cultural traditions—can increase their competencies and reduce their sense of isolation. Children can access social, educational and enrichment opportunities, and interact with adults who care about their needs and their futures.

For these reasons, family resource centers have caught the attention of leaders who want to do better by children. The demand for family resource centers is increasing, and there are calls to take the model to scale and weave it into the fabric of communities nationwide.

In this atmosphere, financing issues are more important than ever. Not even the most promising strategy can withstand a misaligned, undiversified, or short-sighted funding base. How revenues are generated and how funds are channeled to family resource centers influence what programs and services are available. Financing determines how services are provided and who benefits from them. State and local officials use financing to define their investment and program priorities, and those decisions create incentives that guide how service providers and community volunteers do their jobs. For these reasons, financing fundamentally affects how responsive family resource centers will be to the needs of the people and communities they serve.



This paper, *Financing Family Resource Centers: A Guide to Sources and Strategies* was written by Sara Watson and Miriam Westheimer. It was developed as part of The Finance Project's role as the Program Management Office for Carnegie Corporation of New York's Starting Points initiative. The guide is intended to help those who run family resource centers—and those who fund them—make well-informed, strategic decisions about financing. The guide describes the characteristics of family resource centers, principles and strategies for financing them, and current financing sources. It also discusses potential reforms for improving the financing environment.



The Finance Project (TFP) is an independent, nonprofit organization based in Washington, D.C. that was established in 1994 by a consortium of private foundations to promote more effective financing of family and children's services. TFP's mission is "to support decision making that produces and sustains good results for children, families and communities by developing and disseminating information, knowledge, tools, and technical assistance for improved policies, programs and financing strategies." As a result of self-initiated projects supported by core funding and work commissioned by public- and private-sector clients, TFP has emerged as a respected and authoritative resource on social policies, programs, and systems reforms. TFP's work is concentrated in six substantive areas or lines of business: the *Finance Strategies Group*, *Better Results Group*, *Community Systems Group*, *Governance Group*, *Welfare Information Network* and the *Information Resources Group*. Across its major lines of business, TFP

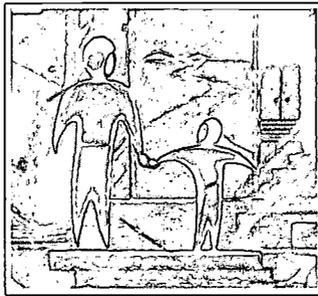
undertakes several activities including knowledge development, policy tool development, information brokering, technical assistance, and program management.

As a part of its work, The Finance Project produces a series of working papers on salient issues related to financing for social, human, and neighborhood services. Some are developed by project staff; others are the products of efforts by outside researchers and analysts. Many are works in progress that will be revised and updated as new information becomes available. They reflect the views and interpretations of the authors. By making them available to a wider audience our intent is to stimulate new thinking and induce a variety of public jurisdictions, private organizations, and individuals to examine the ideas and findings they present and use them to advance their own efforts to improve public financing.

We are pleased to make available *Financing Family Resource Centers* for this purpose.

Cheryl D. Hayes  
Executive Director  
The Finance Project

# Financing Family Resource Centers: A Guide to Sources and Strategies

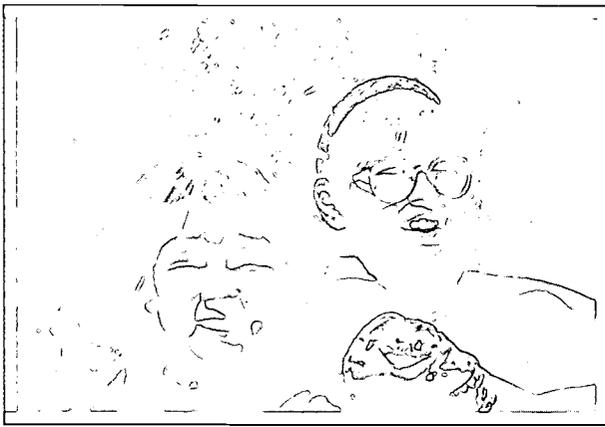


## Executive Summary

FAMILY RESOURCE CENTERS (FRCs) ARE AN increasingly popular way to provide a variety of support to all types of families where, when and how they need them. Located in communities and designed to be accessible to families, these centers aim to put into practice much of what practitioners and policymakers have learned about what works best for children and families. The past decade has seen a steady increase in the number of these centers because of the creativity and resourcefulness of many individual FRC “entrepreneurs” and the increasing number of funders willing to invest in new ways of supporting families.

Yet FRCs have achieved this success despite an array of obstacles associated with the current financing environment. Their comprehensive, integrated approach to working with families runs counter to the requirements of most funding streams available for family services and programs. In order for them to

serve large numbers of families, they need to be resourceful in putting together creative financing packages, and funders need to work with them to make financing systems more flexible to adapt to what works best for families. This guide gives a set of principles and guidelines for developing a financing package; it describes the financing options available to FRCs; and it provides ideas for both FRCs and funders on how to make the most of existing financing opportunities, and how to improve the financing environment.



### **Principles for Effective Financing:**

Following a core set of principles will help both FRCs and funders design a financing package that fits their needs. These principles start with ensuring that program drives funding, rather than vice-versa; others include using research- or experience-based approaches; making the best use of existing funds before seeking new funds; exploring financing strategies that cut across traditional program and organizational boundaries; and pursuing reforms that move towards a more effective system.

### **A Financing Policy Agenda for Funders:**

A general set of strategies can help funders improve the financing system. These include making better use of existing funds, through reallocating or redirecting funds; maximizing available federal and state funding; improving the flexibility of existing categorical funding streams; creating public-private partnerships; and creating new sources of revenue.

**A Financing Policy Agenda for FRCs:** At the same time, FRCs can follow a systematic path to maximize opportunities within the existing system. They can start with seeking funds that fit their mission, rather than changing their mission to fit available funds. Then they can pursue a wide array of financing options, analyze which ones best fit their circumstances, expect to reorganize and reallocate them to fit their families' needs, and then fit them back together in order to track them for accounting and accountability purposes.

**Financing Options for FRCs:** The guide describes the wide array of possible financing avenues, including federal, state and local public funds; philanthropic and other private sector funds; community fund-raising; fees for services; sources of in-kind support; and policy changes that may not raise cash but that can help FRCs accomplish their mission of helping families.

**Critical Financing Issues:** The report identifies three overarching financing issues affecting the financing opportunities available to FRCs: (1) Reducing the mismatch between the principles of family support and the current system of fragmented, categorical programs and funding; (2) Benefiting from the shift to results-based decisionmaking; and (3) Promoting collaboration and expanding the number and types of partners contributing to family support.

**Ideas for FRCs:** FRCs can take a variety of steps to improve their own ability to attract sustainable funding. For example, they can maximize the use of existing federal, state, and local funding streams, collaborate with others to ease competition and gain economies of scale, diversify their funding, create public-private partnerships to broaden the base of support and leverage new resources, advocate for changes in existing financial systems, recruit new allies, position the FRC to serve new roles when new and appropriate funding streams become available, and create administrative systems that enable the center to manage a large number of funding sources.

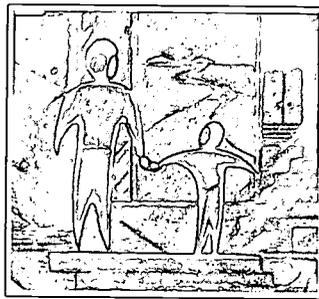


**Ideas for Funders:** Funders too can take action to improve the ability of existing systems to facilitate FRCs' abilities to improve family results. For example, they can change funding rules to more closely align them with a family support orientation, encourage more efficient operations through collaboration and networking, maximize available federal and state funding, increase the flexibility of existing systems, change administrative processes and rules that conflict with family support principles, require community input in decisionmaking, consider using existing organizations, such as FRCs, before creating new ones, and consider new public and private revenue sources to support FRCs.



As public and private funders move to make children and family services more accessible and effective, FRCs will be in an ideal position to contribute to these changes. FRCs will be most successful if they can be creative in seeking sustainable funding, as well as flexible in taking advantage of changing policy environments and requirements. Funders will use their resources most effectively if they consider how to change the financing system to incorporate new research and results about what works best for families. As they do, they will find a ready and growing system of family resource centers with good ideas, immense creativity, and roots in the community that put them in a unique position to improve the lives of children and families.

# Chapter 1: Introduction



**A COMMON GREETING WITHIN AFRICA'S MASAI Tribe is, "How are the children?"** The implication is that a community's well-being can be measured, at least in part, by the status of its children. One can imagine how this personal, everyday greeting might be translated into decisions, policies, and systems within the community. Children's needs would be taken into account in work environments, zoning laws, building permits, transportation systems, and recreation opportunities. Members of the community would always be thinking about how to ensure the well-being of their children.

In sharp contrast to this image, America's public policies, laws, and governmental structures generally do not place a high priority on what works best for children. Even services designed specifically for children often do not reflect what society knows about the best ways to support children and families. Instead, this nation has fragmented, competitive, categorical funding and service delivery systems that run counter to many of the "lessons learned" about what works.

One element of the system that is oriented toward what works for families and children is the family resource center (FRC).<sup>3</sup> FRCs are designed to bring these fragmented components together and put into practice much of what practitioners and policymakers have learned about what works best for children and families. The past decade has seen a steady increase in the number of these centers because of the creativity and resourcefulness of many individual FRC “entrepreneurs” and the increasing number of funders willing to invest in new ways of supporting families.

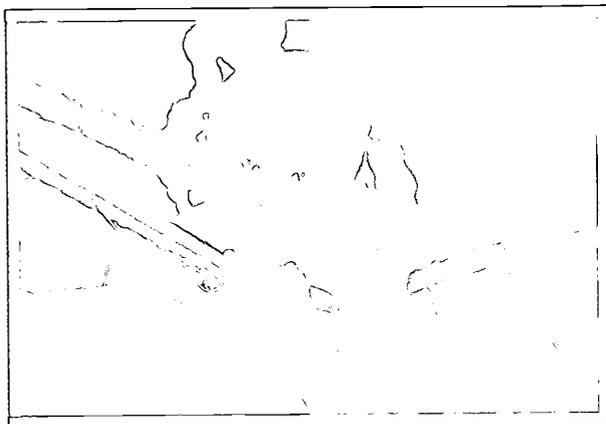
“People who finance family support centers and family support services are among the most creative financial people in the country. They have to be.”

—Mark Friedman

FRCs have achieved this success despite an array of obstacles associated with this financing environment. Their comprehensive, integrated approach to working with families runs counter to the requirements of most funding streams available for family services and programs. Their staff tend to be more experienced in working with children and families than in financing and accounting. Yet they have adapted; they have become adept at identifying, collecting, reorganizing, blending, allocating, and accounting for numerous funding sources to increase program flexibility and responsiveness for families.

Although the number of FRCs is growing, they still reach only a small proportion of the families that could benefit from their support. If FRCs are to expand sufficiently to affect results for large numbers of families, FRC staff will need to make the most effective use of all the financing strategies currently available to them. Moreover, funders will need to consider how to improve the financing systems within their control.<sup>4</sup>

The purpose of this guide is to both inform and encourage those who run family resource centers and those who fund FRCs. It aims to do so by giving

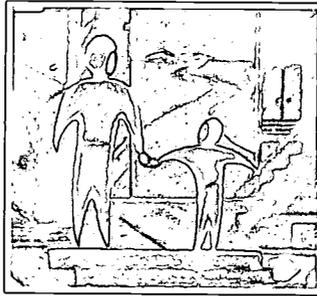


them information and tools to improve the financing of individual centers and whole systems, and by encouraging them to follow that course. It does so with the understanding that the best possible solutions will emerge when FRC staff, family members and funders work together to create the conditions necessary for families to thrive. The guide does not prescribe a particular package of financing strategies for a center or network of centers. Rather, it aims to help FRC staff and funders make their own decisions about what is best for their center and their community.

Chapter 2 describes FRC characteristics and their implications for financing. Chapter 3 outlines principles and strategies for effective financing for both policymakers and FRC staff. Chapter 4 describes current sources of financing for FRCs. Chapter 5 discusses critical financing issues. And Chapters 6 and 7 offer ideas for both FRCs and funders on how to improve the financing environment for family resource centers.

1. From a speech by Rev. Dr. Patrick O'Neill, Framingham, Mass.
2. See Lisbeth Schorr, *Within Our Reach*. Complete citations for all references are in the bibliography.
3. This report uses the term “family resource centers” (FRCs). They have many other names, including family support centers, family centers, comprehensive service centers, and community family centers. The term “family support” is used to describe a set of beliefs and an approach, a philosophical shift in human service delivery, and a national movement for social change. Although the guide’s primary focus is on the centers themselves, many of the ideas and strategies apply to other aspects of family support.
4. This guide uses “funders” to mean people who control both public and private funding streams, such as federal agencies, state legislatures, private foundations, etc. Of course, these two types of funders work in different environments, and have different constraints, responsibilities, and authority. When necessary, the text distinguishes between the two types of funders.

# Chapter 2: What are Family Resource Centers?



FRCS ARE FRIENDLY, WELCOMING PLACES, located within the communities they serve, where parents and other family members can access information, support, services, or referrals. Although family resource centers vary widely, they all operate in accordance with the principles of family support practice that are based on family support premises. These premises and principles are the end product of a three-year project conducted by the Family Resource Coalition of America that sought to elicit guidelines for family support from community-based family support practitioners, family members, and professionals (see Appendix A). In sum, the premises affirm the primacy of the family for children's healthy development. The principles describe practices that respect families and build on their strengths. Understanding that all services—family support and traditional—can vary along a continuum, the table below is designed to clarify how a family support approach differs from traditional services (see Table 1).<sup>1</sup>



**Table 1:**  
**How Family Support Services Differ From Traditional Services**

**Family Support Services**

- Prevent crisis and promote well-being
- Focus on family and community support
- Build on family strengths
- Universal access
- Comprehensive services
- Families help each other
- Parents help design and direct services
- Services and staff reflect cultural, linguistic and racial diversity of the community
- Long-term services

**Traditional Services**

- Intervene after a crisis
- Focus on individual
- Emphasis on family deficits
- Strict eligibility requirements
- Fragmented services
- Professionals are “experts”
- Professionals drive services
- Services and staff do not reflect diversity of community
- Short-term services

Source: Family Resource Coalition of America, *Family Support in The United States: Helping Children Succeed by Strengthening Families and Neighborhoods*.

Most family resource centers strive to do “whatever it takes” for the children and families coming through their door. This means having an extremely flexible menu of services and, at times, offering services that are not on the official menu, because that is what the family needs. Although some policy changes have begun to bring a few funding streams more closely in line with family support practice, following the family support approach often means operating in direct contrast to existing systems and financing mechanisms.

Individual centers vary considerably in the ways they put into practice family support principles and premises. FRCs can be found in church basements, hospitals, redesigned private homes, apartment complexes, YMCAs, or schools. They can be large enough to fill a ten-room home or small enough to fit into part of a classroom. Variations in how FRCs are organized and operated include the following.

- ◊ **Type of services.** Some FRCs focus more heavily on certain types of services, such as health

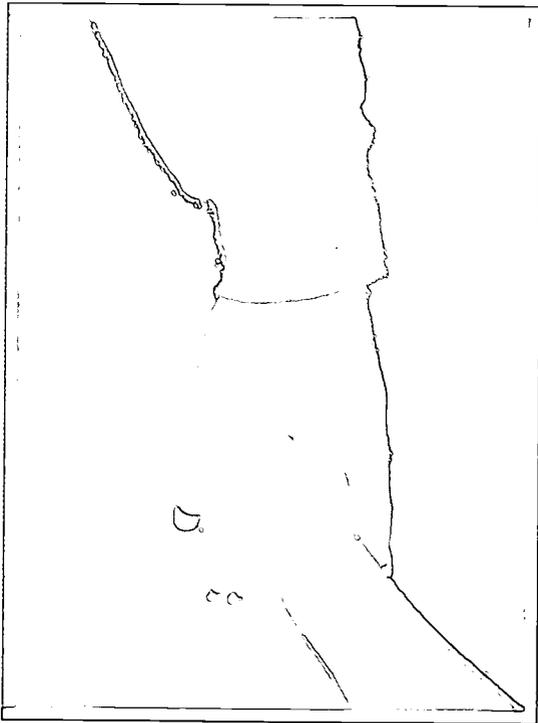
care, or on certain populations, such as families with young children. But most centers are deliberately diverse, providing a wide variety of services that target all types of families, including home visiting, parent education, immunizations, counseling, tutoring, mentoring, and peer support.

- ◊ **Staffing.** FRCs use many different types of staff, including professionals, such as physicians and attorneys; paraprofessionals; and parent volunteers.
- ◊ **Organizational structure.** FRCs have a variety of formal structures. **Comprehensive, stand-alone** centers were established from the outset as family resource centers (e.g., Vermont’s Parent/Child Centers; the Beethoven Project in Chicago, Seattle’s family support centers, Oregon’s Birth to Three, and Maryland’s Friends of the Family). In **school-based or school-linked centers**, schools have adopted a broader view of their role in the lives of the children they serve. These include California’s Healthy Start, Rhode Island’s Child Opportunity Zone Centers,



Kentucky's Family Resource/Youth Service Centers, and the Beacon Schools in New York City and San Francisco. **Adapted centers** began with a special focus but expanded their services so they now more closely resemble family resource centers. They include selected YMCAs, community health centers, and community housing service agencies.

- ◆ **Network.** An FRC can be an independent entity or part of a larger, usually city-, county-, or statewide network. Sometimes these networks are a result of state or local government planning and funding, such as in Allegheny County, Pennsylvania, and other times they have emerged independent of the government structure, such as in Vermont.
- ◆ **Location.** FRCs are located throughout the nation—in densely populated cities and isolated rural areas, and on islands, suburban streets, and Native American reservations.



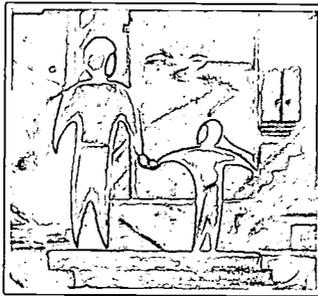
These characteristics influence what financing strategies best fit a particular FRC's structure and environment. For example, FRCs in school systems can easily partner with schools to access federal education support, such as Goals 2000 funds. Networks of FRCs need to be especially careful to consider how financing strategies may affect others in their network. Although urban FRCs may have access to urban renewal initiatives, such as empowerment zones, rural centers need to focus on other strategies, such as community fundraising. Moreover, while urban FRCs may need to find funds to support higher space costs, rural FRCs must be able to fund generally higher transportation costs.

Creating a funding system for family support presents significant challenges. It requires a great deal of creativity—both on the part of FRC staff, who need to learn how to blend and adapt traditional funding streams, and on the part of funders, who need to re-examine how they structure funding opportunities. Innovators in policy and practice are overcoming these challenges to build family support systems in many states, cities, and local communities. This paper draws from these examples to offer ideas to FRC staff and funders on how to move toward funding systems that promote family support policies and practices.

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1. See also Sharon Lynn Kagan and Bernice Weissbourd, eds., *Putting Families First*; and Family Resource Coalition of America, *Guidelines for Family Support Practice and Making the Case for Family Support*.

# Chapter 3: Principles and Strategies for Effective Financing



THIS CHAPTER DESCRIBES BROAD PRINCIPLES and strategies for both policymakers and FRC staff to create a better fit between financing and the field of family support. The first part discusses basic principles that apply to both individual centers and entire family support systems. The second part suggests strategies that policymakers can use to improve the overall financing environment for FRCs. Although FRC staff can advocate for these policy-level changes, they also need to work within existing rules to improve the financing picture for their centers. So the third part describes a systematic process that FRC staff can use to ensure that they are making the best use of the financing options available to them.



## Principles for Effective Financing Strategies

A substantial body of research and experience has led to an emerging set of principles for successful, sustainable financing strategies for children and family services. These principles can help a mission-driven organization be successful in the short term and lay the foundation for long-term sustainability. A package of financing strategies for a single center or a network of FRCs will be most successful if it:

- ❖ **Is driven by a compelling and well-conceived mission and agenda.** A financing strategy will be most effective if it begins with what people want to support and sustain—the desired results and the services, supports, opportunities, relationships, and systems that are expected to accomplish those results. Those implementing the mission and agenda then integrate the particular funders' needs into that mission and agenda.
- ❖ **Supports the use of research- or experience-based approaches to improve results.** Both FRCs and funders will be most successful at achieving their goals if the financing strategies enable them to take the actions that research or experience have shown are necessary to accomplish the desired results. They will also benefit from orienting their planning and delivery system toward specific results for children and families; measuring those results, when feasible; and using the information to constantly improve.
- ❖ **Incorporates multiple funding sources that cut across traditionally separate service and program domains.** FRCs are interdisciplinary, and their results cut across different departments, professions, and other boundary lines. Developing a variety of funding sources enables different agencies to invest in their centers' success, and it protects FRCs against changes in budgets and politics in any one area.



- ❖ **Makes use of public and private funding already being expended in the service systems.** Before asking for more funds, it is essential that both funders and FRC staff ensure that they are making the best use of the resources they have.
- ❖ **Is accompanied by modifications in governance and service delivery systems to achieve goals for a more comprehensive and seamless service system.** Wonderful programs, no matter how successful, cannot thrive long in national, state, and local service systems that beat them down. FRCs cannot succeed forever based on one individual's courage and creativity, or on a single foundation's limited grants. Once FRCs have demonstrated the success of their approach, public systems need to step forward to help them reach large numbers of children and families in an environment that supports doing "whatever it takes" to improve results.<sup>1</sup>

## A Financing Policy Agenda for Funders

With these principles as a foundation, funders can consider how to marshal resources to achieve their vision for family resource centers. The traditional approach to paying for a new service has been simply to ask for more money, but new financing strategies are emerging that rely on new public funds only as a last and carefully considered option. A variety of



experiences with children and family support systems across the nation has led to the development of several types of strategies that aim first to make better use of existing funds and leverage private dollars.

Implementing these strategies could go a long way toward expanding and stabilizing family resource centers. Although FRCs can play a role in these strategies, most of them require actions by public and private funders. Other publications describe these strategies in detail; they are summarized below.

◆ **Make better use of existing funds.** Before asking for new funds, any organization or system needs to ensure that it is making the best use of existing resources. A first strategy is redirecting, reallocating, and reinvesting existing resources to align them with community needs and priorities, and with the best research and ideas on how to improve results for children and families.<sup>2</sup> One way is to emphasize prevention-oriented services. Some states also have found it more efficient to pool funds from different sources into one flexible program, rather than create several new programs. FRCs fit well with both of these approaches; their services are prevention-oriented, and their comprehensive approach means that they can carry out activities on behalf of diverse systems, including health, education, social services, child welfare, and employment.

For example, the Prince Hall Family Support Center in St. Louis, Missouri, consists of reallocated staff from five state offices and 14 nonstate organizations housed in a former hospital. State and nonstate agencies often share the costs of equipment and supplies. The center also conducts joint training and staff development.

◆ **Maximize available federal and state funding.** A second strategy is to maximize the use of available federal and state funds for family resource center services. Dozens of federal and state grants are available to FRCs. An increasingly

popular strategy that states are using to raise funding for family services is to maximize their reimbursement from the federal Medicaid program and Title IV-E of the Social Security Act, which funds child welfare services.<sup>3</sup> States can identify the services they currently provide with state dollars that could be financed by federal entitlement program dollars. Once they determine that these services can be financed by federal dollars, they can free up state funds to meet other service needs. It is important that family support programs ask that the newly freed-up funds be used to provide family support services. In Kansas City, Missouri, the Local Investment Commission raises more than \$4 million per year for Caring Communities by maximizing reimbursement for administrative costs under Title IV-E.



◆ **Improve the flexibility of existing categorical funding streams.** A third strategy is to improve existing categorical funding streams to increase FRCs' ability to use them to provide what families need. For example, the funds from several different funding streams could be pooled so they can be used more broadly than any one funding stream would allow. Iowa's Decat Program and the Blended Funding Project in King County, Washington, are examples of this approach. In King County, the mental health,

child welfare, and special education systems have pooled funds to serve children with serious mental health problems. Maryland also pools a variety of funds and passes through a combined and less categorical pot of money to its network of FRCs. This strategy can have dramatic benefits but can be difficult to enact.

A slightly less controversial approach is to reduce some of the categorical restrictions on a particular funding source so it can be used more flexibly. If changing even some of the rules for categorical funding streams proves too daunting, another approach is to align or coordinate existing categorical streams so they are compatible with one another.

- ◇ **Establish public-private partnerships.** A fourth way to change the larger financing arena is to establish public-private partnerships that can leverage both cash and in-kind resources. These partnerships bring together public sector representatives with those from the private sector—for example, employers, unions, faith-based organiza-

tions, and service providers- to pursue common goals. This strategy can be pursued at the national, state, and local levels. These partnerships can play a variety of roles, including encouraging foundation and corporate funding, advocating public-sector funding changes, and contributing knowledge and expertise to help FRCs and networks of FRCs work better. They can also create innovative financing tools, such as facilities funds, that use private-sector strategies to encourage investments in public goods and services.

- ◇ **Create new sources of revenue.** A final component of a complete financing plan is to generate new sources of public revenue directed to family support centers. These sources include creating new, dedicated revenue streams, broadening the tax base, and targeting tax relief to families. Strategies to convince the public to support new funds include making a compelling case for the need for new funds to support families and children (e.g., Seattle's Families and Education Levy, San Francisco's Proposition J, and California's Proposition 10), and linking the source of revenue to the expenditures (e.g., tobacco taxes and taxes on marriage licenses).<sup>4</sup>



## A Financing Agenda for Family Resource Centers

While funders work to improve the overall-financing environment, FRCs can take steps to improve their use of the existing system.

1. The cardinal rule in financing for family resource centers, as well as for other mission-driven organizations, is to seek financing that fits the mission, rather than changing the mission to fit available funds. The first step in analyzing what financing strategies will work best is to **determine what the community needs and wants and, therefore, what the FRC wants to fund.** What does experience, research, and community input indi-



cate is most needed among the people the FRC intends to serve? What kind of services fit best with the FRC's history, style, and neighborhood?

2. The second step is to **identify** available funding opportunities. Learning about the many diverse ways in which FRCs have been and can be funded is critical. This report and the others referenced in the text and bibliography can help people identify funding sources they may not have considered.
3. Once different funding sources are identified, the third step is to **analyze them and decide** which ones are most appropriate for each aspect of the center's workplan. For example, core functions that need to persist over time are difficult to support with short-term funds. Innovative pilot projects to test new strategies may be appropriate for one-time grants. FRCs do face a chronic shortage of funds for certain purposes, such as administration and long-term, ongoing services. For this reason, truly strengthening family support involves not only FRC staff rethinking their approaches, but also policymakers considering how to change the rules to improve the overall financing options. (Table 2 at the end of this chapter provides a self-assessment tool that FRCs can use to conduct the analysis outlined in this step.)
4. The next step is to **seek the best funding mix**, using strategies such as those described in Chapter 4, including grant writing, community fundraising, and charging fees for services. (This report does not give detailed instruction in fund-raising, though Chapter 4 lists many excellent resources that explore this topic in depth.)
5. Given the categorical nature of most funding streams and FRCs' approach to providing seamless services to families, most centers will still need to **reorganize and reallocate** portions of different funds to cover all of their costs. They will need to use the "back office" to mix up categorical funds so

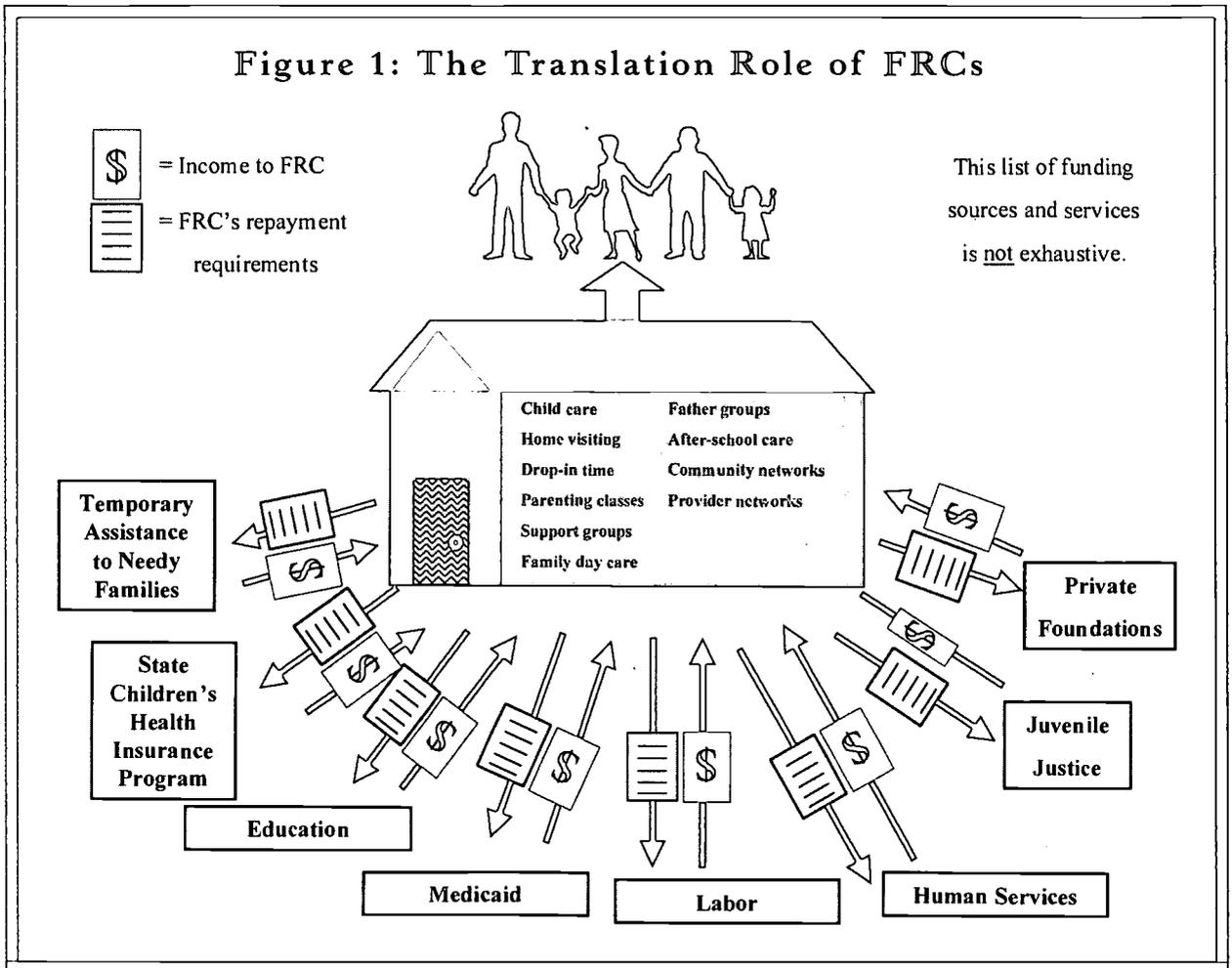
the "front office" can meet the needs of families. FRCs will also need to ensure that they are using the most restrictive dollars first, to cover services only those funds will support. The less restrictive funds can fill in the gaps. The description in Chapter 4 of the Addison County Parent/Child Center in Vermont provides an example of this sorting of different funds to cover a variety of needs.

6. Finally, after reorganizing and reallocating the incoming funding streams so they fit into a system that allows for seamless services to families, center staff must disentangle the funding for **accounting and accountability** purposes. They must do so primarily to meet the reporting requirements of the numerous funding sources. The figure on the next page illustrates this process.

Step three above recommends that FRCs analyze how different funding opportunities fit different elements of the center's workplan. Most FRCs face times and situations when they must raise any funds possible just to keep their doors open. Yet, over the long term, FRCs often have choices about what funding streams to pursue for different components of their work plan. For each element of work that needs funding, FRCs can use these questions to help assess, what funding source is the best fit.

- ❖ **Mission:** Does this financing strategy enable the center to follow its mission? Key to any FRC's success is the degree to which its financing strategies enable it to pursue the type and scope of activities that fit its mission. Does this strategy enable the center to provide the services the community needs most, in a way that is consistent with the center's purpose, culture, and environment?
- ❖ **Quality:** Does this financing strategy enable the center to provide a high quality service that will improve results? Each service has different characteristics and different requirements in order

**Figure 1: The Translation Role of FRCs**



to be delivered in a manner consistent with what research and experience indicate is necessary for success. FRCs need to match the characteristics and requirements of the service to the funding source that is most appropriate. Ongoing operations require steady, long-term funding; other activities, such as building a facility, are intentionally short-term, so a one-time grant works well. One type of service may require sufficient funds to pay for highly skilled workers; another type may require flexible funding to allow the broad use of paraprofessionals. It is important that the funding source enable the FRC to provide what is necessary to improve results in order to protect and enhance its reputation over the long term.

- ◇ **Accessibility:** Does this financing strategy enable the center to serve the population it needs to serve? A financing strategy may require the center to provide universal access, targeted access, or limited access only to certain populations. If a center is accustomed to serving all comers, choosing a funding source that restricts access may have ramifications for its entire agenda. It may be difficult for the FRC to deny families access to certain programs. Limiting access may also give the FRC a reputation of only serving certain families and possibly decrease its ability to raise funds based on its value to all families.
- ◇ **Efficiency:** Do the benefits of this financing strategy outweigh the administrative costs? The



choice of financing strategy can help an FRC maximize the amount of its resources dedicated to productive uses, or it can consume large amounts with administration and waste. It can also contribute to, or take away from, every other FRC activity. Every action has an opportunity cost—some other activity foregone—and FRCs need to consider whether a particular funded activity is worth more than other uses of its time and resources.

- ◇ **Politics:** Does this financing strategy help the center gain allies and partners? Finally, and very importantly, pursuing different financing strategies may mean fostering effective partnerships that can help, or ill will that can haunt the center long after the grant period. Centers need to look for financing strategies that help them build a supportive political environment, rather than one that is hampered by turf issues and conflict.

Despite the ardent dream of a financing strategy for every service that is universal, ample, simple, and non-controversial, all financing strategies have advantages and disadvantages. One strategy may secure funds that are large and renewable but have large administrative costs. Another strategy may secure funds that are very attractive in terms of mission, quality, accessibility, and efficiency, but accessing them would generate so much political controversy that it would hurt the center over the long term.

One way to evaluate the desirability of a financing strategy is to look at how the strategy ranks in each of the categories captured by these questions; how the center could mitigate the drawbacks of a particular funding stream; and how the center could enhance the advantages of a particular funding stream. FRCs could use these categories as a framework to systematically analyze which funding sources make the most sense to pursue. Funders could also use this framework to consider the tradeoffs that FRCs must make to use a given

funding source and determine whether these tradeoffs reflect the desired policy.

Table 2 shows how a center could analyze a particular financing strategy. Every financing decision that a center director makes need not be analyzed in detail; most FRC directors do not have the time. However, using the categories may prompt some thinking about why a funding source is desirable or raises some concerns, and what advance planning is needed to ensure that the center achieves its goals.

- 
1. Adapted from Frank Farrow and Charlie Bruner, *Getting to the Bottom Line: State and Community Strategies for Financing Comprehensive Community Service Systems* (National Center for Service Integration). See also Cheri Hayes, *Financing Services for Young Children and Their Families: Meeting the Challenges of Welfare Reform* (The Finance Project) and "Financing Early Childhood Supports and Services" in *Community Mobilization* (Families and Work Institute).
  2. See also Lynn Karoly et al., *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions* (RAND).
  3. Publications that describe how to maximize funding under Medicaid include Center for the Study of Social Policy, *The Cosmology of Financing: An Approach to the Systematic Consideration of Financing Options*, and *Leveraging Dollars, Leveraging Change: How Five Sites Are Using Refinancing as an Entry Point for System Reform*.
  4. See Barbara Hanson Langford, *Creating Dedicated Local Revenue Sources for Early Care and Education*; and Mary O'Brien, *Financing Strategies to Support Comprehensive, Community-based Services for Children and Families* (The Finance Project).



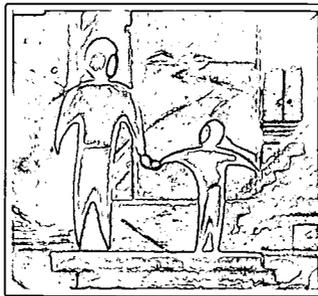
**Table 2:  
Self-Assessment of Financing Strategies**

Service to be funded: \_\_\_\_\_

Possible financing strategy and amount: \_\_\_\_\_

	Advantages	Ways to Enhance Advantages	Disadvantages	Ways to Mitigate Disadvantages
<b>Mission:</b> Does this financing strategy enable the center to follow its mission?				
<b>Quality:</b> Does this financing strategy enable the center to provide a high-quality service that will improve results?				
<b>Accessibility:</b> Does this financing strategy enable the center to serve the population it needs to serve?				
<b>Efficiency:</b> Do the benefits of this financing strategy outweigh the administrative costs? What is the opportunity cost?				
<b>Politics:</b> Does this financing strategy help the center gain allies and partners? What friends or opposition will it bring? What are the long-term ramifications?				

# Chapter 4: Current Financing Options



MOST FRCS DEPEND ON PUBLIC AND PRIVATE funding that is used in two ways. One kind of funding supports “core” operations; these funds are flexible dollars that support whatever the FRC needs to do to pursue its family support strategy. In addition to this funding, there are special program funds that support particular projects.

FRCS piece these funds together in a variety of ways; a given center may have a single, formal funding source, or dozens of large and small funding sources that fluctuate almost daily. Staff and board members need significant technical expertise, entrepreneurial spirit, and patience to pursue the difficult and time-consuming processes of applying for, accounting for, and reporting on these funds. An adaptation of the budget for the Addison County Parent/Child Center in Vermont illustrates the complexities of funding that most centers, especially independent, stand-alone centers, need to juggle. This center has 38 funding



sources, including 7 federal sources, 11 state sources, 2 local public sources, and 18 private sources. These 38 sources are then allocated among 20 separate expense items. A simplified version of the center's budget is presented in Appendix B.

A few funding streams, such as the federal Community-Based Family Resource and Support Program grants and several state programs, provide core support. However, most funding for FRCs comes as reimbursement for delivering individual services or as grants for specific projects that together make up a center's repertoire. For each FRC, the key to successful and sustainable financing is to design and assemble the set of financing strategies that optimizes the tradeoffs among the fit with its mission,

ability to deliver high-quality services, ability to reach the right people, ease of administration, and political positioning.

The major types of financing strategies available to FRCs are:

- ◇ federal government funds;
- ◇ state government funds;
- ◇ local government funds;
- ◇ philanthropic and other private-sector funding;
- ◇ community fund raising;
- ◇ fee-for-services;
- ◇ in-kind support; and
- ◇ policy changes.

## Creativity Abounds

The First Step Family Resource Center in the small town of Port Angeles, Washington has used a creative mix of financing to thrive as a small, independent non-profit organization for the past 16 years. With an annual budget of \$300,000, the director, Nita Quan, uses all of her experience and contacts to make services happen for families. One program especially illustrates this creativity. Last year, the Washington Department of Social and Health Services (DSHS) asked the center to organize a parenting class for families in the child welfare system. The center proposed a 33-session curriculum but found that DSHS did not have enough clients, making the per-client cost too high. The director realized that other parents could benefit from this high-quality curriculum and sought other parents and other funding. She contacted the local community college and asked it to make this class part of its family life curriculum; the community college agreed and provided an instructor. This gave participating parents the added benefit of receiving college credit for the class, but there was a small catch: a mandatory \$8 tuition charge. The director arranged to pay some of the tuition through a federal grant to the community college to support single parents. A local foundation contributed funds for an evening snack for parents and their children (the class included childcare). Finally, once the director realized the class had grown too large for the center's meeting space, a local church donated the classroom space.

This one class had at least five different funding sources from federal, state, and local entities. The obvious downside was the time spent in obtaining and coordinating the funds. However, with this diversity also came advantages: college credit for the students, a new dimension to the Center's relationship with the community college, and a class that was not narrowly focused on parents involved with DSHS but had a wider range of participants. Nita Quan concluded, "So many of our projects are put together like that. I always worry about the perception of "double-dipping," but the truth is that these activities wouldn't happen if we didn't find ways to combine funding sources."

## Federal Government Funds

One federal source is aimed directly at providing "core" FRC funding, while dozens of different, and usually much larger, programs can reimburse FRCs for individual services or support individual projects. The main federal funding source for FRCs is the Community-Based Family Resource and Support Program, which is funded by the U.S. Department of Health and Human Services. It provides grants to states to develop and implement, or expand and enhance, a comprehensive statewide system of community-based family resource services. In fiscal 1999, 56 jurisdictions received grants totaling \$29.8 million. (More information can be found at <http://aspe.os.dhhs.gov/cfda/p93590.htm>.)

Dozens of federal programs also pay for services that FRCs routinely provide, usually in partnership with other organizations or as subcontractors to state or local agencies that receive federal funds. These programs are described below.

One caveat is that most of these funds are already claimed by a variety of state and local service providers, and family support center staff need to consider carefully the ramifications of competing with their local partners for existing funds. However, FRCs can "add value" to existing fund recipients by providing some needed expertise or service or helping them reach new populations. For example, managed care companies with Medicaid contracts can partner with FRCs to identify unenrolled families who can qualify for Medicaid or the Children's Health Insurance Program (CHIP).

FRCs can also position themselves to receive new funds. One of the most striking recent trends has been the involvement of FRCs as service providers under welfare reform. At the same time that states were looking for organizations to provide job support services, some FRCs were expanding their mission to include the employment aspects of family life. These developments have enabled many FRCs to become key service providers with Temporary Assistance for

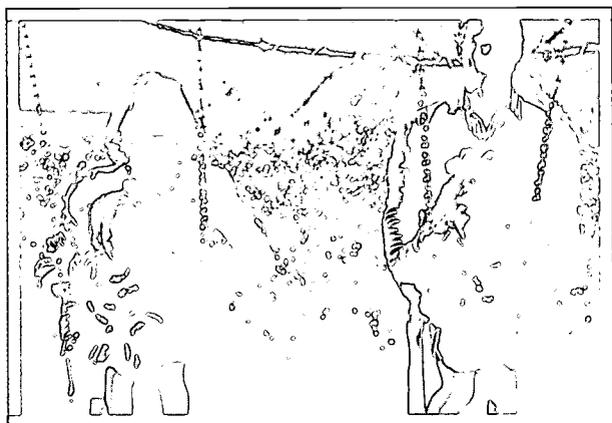
## Windows of Opportunity: Welfare to Work

In Maryland, the welfare-to-work initiative was very decentralized, with the state making few additions to the federal regulations. Over the years, Friends of the Family (a support organization for the state FRCs) and the statewide network of family support centers have worked with each county's department of social services to develop ideas on how to use the local family support center to help parents succeed in this new environment. As a result, Maryland centers have a variety of arrangements and contracts with local departments of social services that have expanded their ability to help families. Some centers provide a whole range of TANF-related services; for example, parents perform formal jobs or work-related activities at the center, with the center providing childcare and parenting classes. Moreover, at some centers, if the department of social services or center staff identify young parents without a high school education, they can help them enroll in a General Educational Development (GED) program, to earn a high school equivalency certificate and receive life readiness skills training.

Needy Families (TANF) funds. This serves the needs of both FRCs and the funders because it helps FRCs keep their doors open and improves service delivery to parents. With welfare caseloads dropping, many states have unspent TANF funds that could be used for family support services.<sup>1</sup>

For example, Washington has contracted with the First Step Family Resource Center in Port Angeles to disburse TANF checks to some clients. Clients initially were suspicious of the center. However when they came in to get their checks, they realized they could also get free diapers, help with budgeting,

access to a phone and fax for job hunting, a preschool program for their children while they were job-hunting, and a support network of other parents. Using the center to disburse TANF checks has turned what could be an unpleasant experience into a supportive one.



FRCs can access three major categories of federal funding programs.

- ◆ **Entitlement programs.** In entitlement programs, the federal government agrees to pay a certain amount of money for each person and/or service that meets specified requirements. Two entitlement programs—Medicaid and Foster Care (Title XIX and Title IV-E of the Social Security Act)—are relatively large programs that pay for a wide variety of services. Many FRCs are subcontractors under these programs, providing services such as preventive health care (e.g., immunizations and pregnancy and postnatal support for teen mothers), screening for developmental disabilities, home visiting, counseling, case management, outreach to families, and parenting support services.
- ◆ **Block grants.** Block grants are payments to states for a generally described purpose. Although the amount for each grant is set by formula, the state decides exactly how the funds will be used and how they will be allocated among communities. Several block grants cover services that family

resource centers often provide. Below are some examples (the figures reflect the latest actual or proposed annual allocations).

- Temporary Assistance for Needy Families (TANF): funds not only cash assistance, but also child care, job training, and other services FRCs can provide to help low-income families achieve self-sufficiency (\$17 billion) (U.S. Department of Health and Human Services (USDHHS))
- Child Care and Development Block Grant: assists low-income families with childcare. (\$1.18 billion) (USDHHS)
- Maternal and Child Health Services Block Grant: supports planning, promoting, coordinating, and evaluating health care for pregnant women, mothers, infants, and children. (\$695 million) (USDHHS)
- Adoption and Safe Families Act: funds community-based family preservation services for families in crisis, adoption-related services, and family support services that promote the safety and well-being of children and families, especially those at risk. (\$295 million) (USDHHS)
- Social Services Block Grant: funds social services based on program goals. (\$1.9 billion) (USDHHS)
- Community Services Block Grant: provides services and activities to reduce the causes of poverty. (\$500 million) (USDHHS)
- Community Development Block Grant: provides loans and grants primarily to urban areas for economic redevelopment and other services, primarily in economically disadvantaged urban areas. (\$4.7 billion) (U.S. Department of Housing and Urban Development)

◆ **Discretionary grants.** These funds are awarded on a competitive basis and may go to organizations, local governments, Indian tribes, or other entities. The grant may require local organizations to collaborate and submit one application supported across the community. Following are examples of discretionary grants that community-based organizations can receive directly. (The grant amounts reflect the latest actual or proposed annual allocations.)

- Even Start: Family Literacy Programs: improves literacy among families with young children (\$125 million) (U.S. Department of Education)
- Goals 2000: Parental Assistance Program: assists local consortia in establishing parent information and resource centers. Also requires the implementation of the Home Instruction Program for Preschool Youngsters (HIPHY) and Parents as Teachers (PAT) programs, both of which can be administered by FRCs (\$30 million) (U. S. Department of Education)
- Juvenile Mentoring Program: supports one-on-one mentoring programs for at-risk youth. (\$12 million) (U. S. Department of Justice)
- Family Violence Prevention and Services/Grants for Battered Women's Shelters: funds a wide range of discretionary activities to prevent and reduce family violence and protect victims and their dependents. (\$71 million) (USDHHS)<sup>2</sup>

## State Government Funds

Many states have created funding streams to establish family resource centers or major family resource programs. While in some cases the funding comes from one source, funding may also come from several state agencies that pool their funds because the FRCs' flex-

ibility enables them to meet the agencies' diverse needs. Some states, such as West Virginia and Kentucky, provide small amounts of start-up or coordination money (approximately \$40,000-\$50,000 per site) to local communities, expecting them to raise significant service dollars. Others states, such as Maryland, provide larger grants that support not only coordination, but also direct services.

States have created these initiatives for a variety of reasons. Funders have included family resources centers as a key component of another reform effort; positioned them as the solution to a problem that has compelled public action; or used a particular event such as the release of findings from the early childhood brain research as an opportunity to launch a new program or policy. In Kentucky, the Family Resource/Youth Service Centers were created as part of statewide education reform. In Virginia, the centers emerged from a public campaign to improve health care for children. Maryland's effort began partly as a response to teen pregnancy, child welfare, and infant mortality concerns, but the initiative has since increased its scope by providing services under the umbrella of welfare reform. Connecticut's program was started in part because of concerns about quality and quantity of child care, while Hawaii's initiative was launched to reduce child abuse. In these states, people who were deeply concerned about a particular issue viewed a comprehensive family support approach as part of the solution.

Many of these programs, such as those in Maryland, Vermont, and Pennsylvania, fund not only FRCs, but also intermediaries that provide centralized support services. These services include training and technical assistance as well as policy analysis and advice to senior decisionmakers. Appendix C lists states with state funding streams for family resource programs.<sup>3</sup>

The mechanisms for funding family support—either core operations or individual services—include the following.



- ◇ A line item in the state general fund appropriations budget. This is often ideal for supporting core operations.
- ◇ A line item in a single state agency budget that can be directed to core support or for individual services. Vermont's Agency for Human Services contracts with many FRCs to provide services.
- ◇ A blended pot of funds allocated from several agencies' individual budgets, such as public health, education, social services, and economic development.
- ◇ User fees, licensing fees, or allocations of other specialized fees or narrowly based taxes for family support. Alaska, Washington and several other states use the revenues from purchases of heirloom birth certificates to fund family support.
- ◇ Special dedicated revenue streams. Washington State uses the revenues from a special tax on alcohol, tobacco, and soda pop syrup to fund family support and other violence prevention activities.
- ◇ Children's Trust Funds. These funds are separate accounts in a state treasury that designate specific revenues for specific purposes. Often they are easier to control and change than other state budget accounts. They can collect specialized revenues, such as foundation grants and special taxes or fees. Children's Trust Funds are also a major repository for state tobacco settlement funds.
- ◇ Public-private partnerships which are coalitions of public and private entities dedicated to improving results for children and families. Examples are EduCare Colorado which has funded early care and education supports in that state; and the Family Investment Trust in Missouri, which funds the Caring Communities initiative.

## Local Government Funds

Some cities, towns, school districts, counties, and other local governments have created financing

## North Carolina's Smart Start

Smart Start is a comprehensive early childhood initiative with a state-funded budget that has grown to nearly \$230 million in six years. Many local Smart Start partnerships have discovered that the most effective way to serve families is to provide needed services in family resource centers located within targeted communities. Under one program, a family resource van regularly visits small, isolated, rural communities to bring them enrichment programs and health services.

mechanisms for family support centers including the following.

- ◇ A line item in the general-fund appropriations budget. Allegheny County in Pennsylvania currently provides about one-quarter of the funding for its network of family support centers. Some FRCs in Vermont receive funding from their local towns.
- ◇ Allocations in local agency budgets. These are usually for reimbursements for specific services funded at the local level, especially in areas that have county-driven social services. The center in Olympia, Washington, has a contract with the court systems in eight counties to provide court-mandated counseling for parents who are getting a divorce, as well as a contract from the private industry council for parenting classes for noncustodial parents who are delinquent in their child support payments.
- ◇ User fees, licensing fees, or allocations of other specialized fees or narrowly based taxes for family support. In Washington State, the legislature gave counties the right to enact a marriage license fee and use the money for family support; in Thurston County, 80% of this revenue is directed to the family resource center.

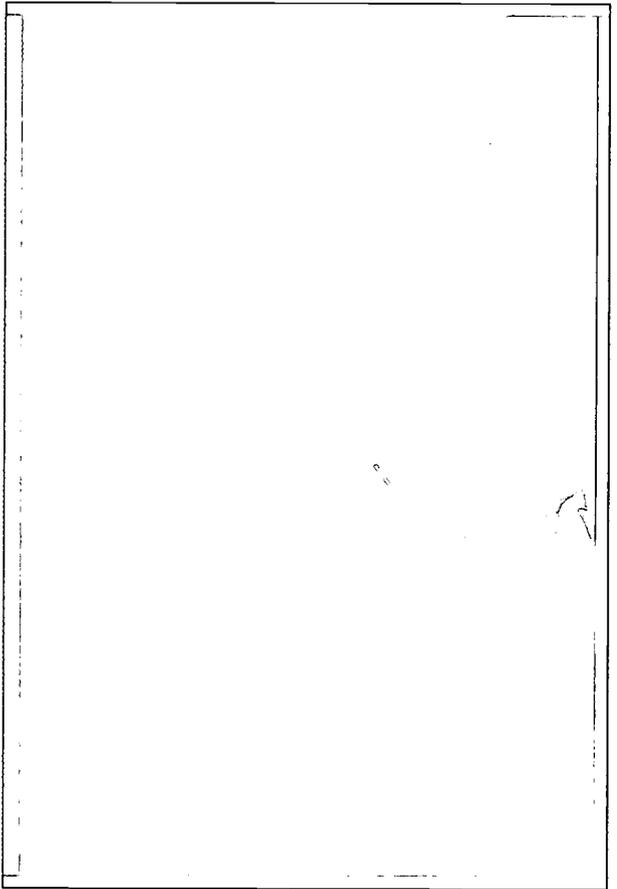
- ◇ Special, dedicated revenue streams to support family support services, through both special taxing districts and special tax levies. Florida allows its counties to enact special taxes to pay for family and children's services. Voters in Seattle approved its Families and Education Levy in 1990 and again in 1997. The levy (a property tax) currently funds eight family centers as well as school-based family support workers and wellness centers in middle schools.
- ◇ Public-private partnerships. New York City's Beacon Schools initiative is funded through a public-private partnership between the New York City Department of Youth Services and the private Fund for the City of New York.<sup>4</sup>

## Philanthropic and Other Private Sector Funding

Many FRCs or even networks of FRCs can trace their beginnings to philanthropic interest in starting these centers in their community. In West Virginia, the Starting Points grant from Carnegie Corporation of New York provided the start-up funding for its network of family support centers. Carnegie's funding enabled the centers to establish themselves and demonstrate their impact on families; they now receive significant state funding. The Heinz Endowment in Pittsburgh was instrumental not only in funding local centers, but also in convincing local policymakers to invest in them. In these and other cases, private-sector funds enable the centers to establish themselves and demonstrate their work with families, in order to build public sector support.

As discussed earlier, it is important for centers to align financing strategies with what is being financed. Foundation funds are often ideal for filling in the gaps that public funds cannot or will not support. Compared with many public-sector-funding sources, these grants frequently have the advantages of few restrictions and reporting requirements; however, foundation grants are usually more limited in scope

and duration than are public funding streams. Typically, they also are easier for newer, smaller, or more rural centers to access than are larger, formal public systems with their stringent requirements. For example, many public programs will not pay for food, even though this is important for attracting families to many services. FRCs can use generally less restrictive private funds to fill those gaps. Centers in Allegheny County (Pennsylvania) use Early Head Start funds to provide services to children from birth to age three. Yet these families also come with older children who need a place to do their homework. Early Head Start rules would not allow the funds to be used to support these older children, so the centers turned to private sources of funds in order to provide homework support for the older siblings of children in Early Head Start.<sup>5</sup>





Another way to facilitate private-sector contributions is to use tools that make it possible and sometimes profitable for institutions or individuals to make loans to otherwise unbankable human service organizations. Traditionally, human service organizations have not had access to debt financing, which would allow them to pay off capital expenditures over time. However, debt financing can be a valuable financing strategy, enabling centers to renovate or purchase space long before they could save sufficient funds to do so.

Institutions or individuals making these types of investments are called “nonprofit development lenders.” One financing tool is a facilities fund, which

provides capital to purchase, construct, or renovate buildings and other physical infrastructure to serve children and families. These lenders also often provide technical assistance in facilities management. Facilities funds have been created in a number of cities and states, including New York City, San Francisco, Illinois, Massachusetts, and North Carolina. Currently, most of these funds are used for child care facilities, but FRCs may be able to use these funds, or other creative financing techniques, to build or renovate buildings.<sup>6</sup>

## Community Fundraising

Community fundraising works well to fund those services for which the center might have trouble

## Community Fundraising in West Virginia

Every year for the past six years, the Early Childhood Alliance of the Family Resource Network (FRN) in Mercer County, West Virginia, holds a Kiddie Fair that brings together more than 300 families with service providers, business representatives, members of the board of education, and scores of community volunteers. Families arrive at the Kiddie Fair in buses donated by the local Head Start center, are greeted by a community volunteer, and receive a map identifying the fair’s booths, services, and activities. For example, after receiving information on how to identify a high-quality child care setting, families can move on to learn about Head Start, preschools, and family day care settings. Parents can have their children immunized by local health department nurses or screened for developmental growth, vision, hearing, and speech problems. If concerns arise during the screening, parents are immediately referred to the appropriate agency’s nearby booth and can talk to a qualified professional to plan any follow-up.

Every social service agency in the county is represented at the fair. According to FRN Coordinator Shannon Perdue-Atwell, it has become an event that “everybody who’s anybody in the family business needs to be at.” To ensure that getting information, support, and services is also fun, a face painter, storyteller, and fitness trainer volunteer their time to keep children and their parents smiling. To make sure they want to come back next year, children leave with goodie bags filled with crayons, donated toys, and, of course, resource and referral information for their parents.

The FRN coordinator sees this kind of event as critical to a rural community, where access to services is so difficult and where people do not have enough opportunities to come together as a community in support of its children and families. However, this type of event is a huge undertaking. The Kiddie Fair takes nine months to plan and costs approximately \$45,000 to run almost \$10,000 comes from cash contributions from the various community partners and \$35,000 is donated in in-kind contributions. (Appendix D shows the diversity of partners contributing to this effort.)

raising funds any other way. It is important as a source of glue money that can fill the gaps in the categorical funding streams. Fundraising activities include holding local events such as fairs, concerts, and dinners; using direct mail solicitation; and asking organizations that routinely conduct community fundraisers to designate the center as a recipient of the funds raised.<sup>7</sup>

For these events to be successful, centers need a corps of volunteers who are interested in taking on such events, sufficient cashflow to pay for up-front expenses, and enough community presence to expect good participation.

Although these types of fundraising events can be time consuming, they can send a powerful message about the center's importance to the community and can help contributors feel invested in the center they played a role in creating. They can also be an effective organizing tool, bringing benefits beyond the funds raised. Olympia, Washington, is not a wealthy community, but the family support center managed to raise \$1.9 million over 5 years to renovate an old fire station that serves as its office. The director, Jean Sloan, says that donations from moderate-income families made up the bulk of the contributions; the largest individual gift was just \$3,000.

## Fees for Services

Some FRCs raise funds by charging for services they provide. They raise funds not only from clients who can pay the fees, but also other organizations that can benefit from the centers' expertise.

❖ **User fees** for some programs, such as child care, are common. Centers may consider starting a child care service both to benefit families and bring in revenue. (However, good quality child care, especially for young children, often costs more than the revenue generated solely by parent fees.) Centers need to consider whether the program guidelines allow or require such fees and whether user fees will impact program participa-

## Think Locally, Buy Locally

Although centers might be accustomed to buying program designs and curricula from large national organizations, they can also look to other local FRCs. Oregon's Birth to Three family resource center put together a curriculum on parenting teenagers, called "Make Parenting a Pleasure," and have marketed it to other family resource programs. The FRC has sold more than 800 copies of the curriculum, generating over \$50,000.

tion. In some cases, charging fees may encourage participation, giving people a greater sense of ownership and choice; in other cases user fees may discourage participation. Some centers have sliding-fee scales or provide an opportunity for parents to volunteer in lieu of paying fees. This helps ensure that services are available to all, regardless of their ability to pay.

- ❖ **Training or consulting fees** are another source of income. FRCs have expertise that other organizations need on topics such as child development, outreach to families, service design and delivery, and evaluation. The Addison County Parent/Child Center in Vermont runs a four-day training institute on "Families in the Center." The training addresses how to work with at-risk youth, families moving from welfare to work, and children in a center-based program.
- ❖ Some FRCs raise funds through the **sale of child- and family-related items**, such as books, car seats, toys, or other essential items. The Cross-Community Coalition in Denver operates a thrift store that provides sales, job training, and essential items for families. (However, nonprofit organizations do need to be aware of the legal and tax requirements covering these types of fundraising activities.)



- ❖ **Renting out facilities and equipment**, such as a building or van, can be another source of funds and partnership. One FRC in Colorado that took over a historic mansion uses part of it for an office and rents out the remaining space for special functions. (FRCs also need to ensure that they address insurance and liability concerns when pursuing this financing strategy.)

## Sources of In-Kind Support

Donations of in-kind goods and services from organizations and individuals are often essential to filling in funding gaps. They also provide important evidence of the community's support for the center's work. Seniors and teens are good sources of volunteers; locating a family center near an elder center or a high school makes it easier to recruit these volunteers. Legal, graphic design, accounting, public relations, printing, and retail businesses are potential sources of in-kind goods and services. In one community, a printer called the center, saying he had some unexpected "downtime" on his presses and offered to print a brochure for free if the center could deliver copy that evening. The center agreed and received 10,000 copies of its brochure at no charge.

The Americorps program, as well as local work-study programs, can be an excellent source of staff at relatively little expense to the center; however, these programs can have significant administrative costs. In the Americorps program, young people work for a year in community-building jobs in exchange for a stipend and scholarships. At least eight states have specific partnerships between FRCs and Americorps, with volunteers hosting storytelling hours at the FRC, conducting home visits, offering administrative support, providing translation services and recruiting children for health insurance programs.

For more information, contact Americorps, at [www.americorps.org](http://www.americorps.org) or (202) 606-5000.

## Policy Changes

Policy or practice changes that make the center more effective or enable it to provide more and better services can be just as valuable as other resources.

Although such changes may not necessarily give the center cash, they may facilitate the center's work, or reduce its expenses. Promoting policy or practice changes may be an appropriate part of a portfolio of financing strategies, but it is not without controversy. Each center needs to decide whether advocating for policy changes fits with its long-term mission.

An example of a policy change is a requirement that new, multifamily housing units or schools include space for family support programs; this would be an enormous boost to centers trying to find space near families. An FRC in Fremont, Colorado, is working with a coalition to develop housing that will include space for a family center. Another example comes from the Bryant Family Resource Center in Tacoma, Washington, which wanted to support families by improving the neighborhood's physical infrastructure. The FRC aggressively pursued and won passage of a change in the building code that gives the city leverage to force owners to fix up buildings. This change did not bring the center any cash, but it did facilitate its work to improve the neighborhood.

An example of a practice change is co-locating staff from other agencies in a family support center. This





brings staff closer to the family, and it gives the center a way to work with agencies to increase their family support orientation. Louisville, Kentucky's Neighborhood Place centers consist of co-located staff from many state and local agencies, usually at or near schools.

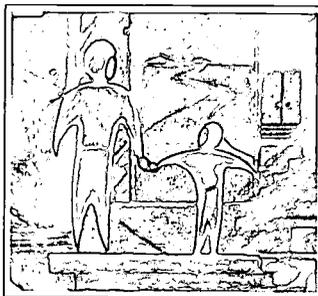
This chapter has described a wide array of financing strategies, and FRCs may be tempted to choose those that seem easiest or are just available, regardless of their fit with the centers' missions and needs. Although centers need to remain open to new funding opportunities, they will be most successful at achieving their mission if the program drives financing, rather than if financing drives the program.

For example, when the First Step family resource center in Port Angeles, Washington, was considering participating in welfare reform, the board was skeptical at first. The director, Nita Quan, commented, "The first thing I do when thinking about a new project is to go to the board and ask, "how does this fit with our mission?" Sometimes they say, 'We're about children and babies and nurturing and bonding. What does employment have to do with that?' And I remind them that the world is different now. The reality of parents' lives is that they have to be in the workforce and they need different kinds of support to be successful. So it was a good fit with our overall mission."

Each family resource center will need to consider what mix of financing strategies is appropriate for its mission and environment. Using the five categories described in Chapter 3 (mission, quality, accessibility, efficiency, and politics) may provide a framework for a center and its board to systematically identify its options, evaluate the advantages and disadvantages of each one, and determine how it can mitigate the disadvantages and maximize the advantages of chosen strategies.

1. A comprehensive source of information on TANF, including ways to use TANF funds for family support, is the Welfare Information Network, at [www.welfareinfo.org](http://www.welfareinfo.org).
2. For a more detailed description of federal funding sources that could be used for FRC services, see Hansine Fisher, *Federal Funding for Early Childhood Supports and Services: Sources and Strategies*; Nancy Reder, *Financing Out-of-School Time and Community Schools: A Guide to Federal Funding Sources and Strategies*; and Robert Halpern, *Trends and Issues in Financing After-School Programs* (The Finance Project).
3. Many of these initiatives are described in more detail in Gail Koser, ed., *From Communities to Capitols* (Family Resource Coalition of America). Also see Barbara Langford with Scott Groginsky, *Financing Out-of-School Time and Community Schools: A Guide to State Funding Sources and Strategies* (The Finance Project).
4. See Barbara Hanson Langford, *Creating Dedicated Local Revenue Sources for Out-of-School Time Initiatives*; and *Creating Dedicated Local Revenue Sources for Early Care and Education* (The Finance Project).
5. Philanthropies vary greatly in their interests and structure and include private, community, family, and corporate foundations. Several publications provide advice on how to maximize private funding and detail the pros and cons of this funding source. For example, see Juliette Fay, Jennifer Gilbert, and Katherine Wrean, *Building Villages to Raise Our Children: Funding and Resources* (Harvard Family Resource Project).
6. For more information, see Amy Kershaw, *Making Space for Children*; and Carl Sussman, *Creating Facilities Loan Funds for Community-based Child and Family Services: A Guide to Issues and Strategies* (The Finance Project).
7. See Family Resource Coalition of America, *Keeping the Lights On: Fundraising for Family Support Programs*.

# Chapter 5: Critical Financing Issues



THE EXPERIENCES OF FAMILY RESOURCE centers point to different financing issues that must be addressed to implement the principles and strategies described in Chapter 3. Some of these issues can be addressed at the community level, some need policy-level solutions, and many require a combined approach. Financing issues and ideas for addressing those issues are summarized in Table 3 at the end of the chapter.



## Reducing the Mismatch Between the Principles of Family Support and the Current System of Fragmented, Categorical Programs and Funding

FRCs are constantly struggling against a pervasive mismatch between the philosophy of family support (doing what the family needs) and the restrictions of categorical programs (doing what the program rules allow). Specific issues include the following.

- ❖ **Support for isolated, remedial programs.** Most categorical programs provide support for isolated, remedial programs, rather than for a comprehensive, preventive approach. Many practitioners believe that the strength and success of the family support model lies in its ability to respond to the myriad problems confronting families using a comprehensive preventive approach.
  - ❖ **Overcoming restrictions on who can be served.** Most categorical programs encourage or require the center to focus on a particular target population, usually those most at risk or who have already experienced problems. In an era of limited resources, it makes sense to spend funds on those most in need. Yet the philosophy of many centers is more inclusive, emphasizing that all families need support in some way. In addition, classes and programs often benefit from a mixed population. This situation sometimes creates a mismatch between what the center's board and staff believe is best for its community and what the program rules allow.
  - ❖ **Overcoming restrictions on what services can be provided.** In addition to restrictions on who can be served, the categorical nature of funding often restricts what services can be provided and to whom. This constrains the ability of family support programs to respond most effectively to
- the families they serve with services that are tailored to their needs and goals.
- ❖ **Surmounting the difficulty in sustaining support over time.** The short-term nature of most funding sources forces FRC staff to spend a great deal of time on fundraising. If their fundraising efforts are not successful, good services may disappear after start-up funds end. Funders need to think strategically about how to help grantees sustain their operations, and FRCs need to think about sustainability from the beginning. One-time grants can be helpful in filling specific gaps, addressing individual needs or problems, or trying out new approaches. Yet family support is a long-term endeavor. Financing opportunities need to shift more toward long-term investments, with evaluation results used to constantly improve how funds are spent. Another issue is the common practice of providing level funding over time, which eventually forces FRCs to reduce services or deny staff even cost-of-living wage adjustments.
  - ❖ **Expanding funds for family support, particularly for certain hard-to-finance activities.** Both FRCs and funders can do much to improve the use of current resources. However, if FRCs are to expand to serve the most vulnerable populations they will need more support. Several types of needed activities may be especially hard to fund, including capital improvements, construction, ongoing operations, and the collaboration and coordination necessary to help families. Particularly vexing is the lack of funds for administrative support. One director pointed out that administrative fund restrictions precluded the center from hiring a receptionist. This reduced the quality of its services because there was no one to greet and orient families and make them feel welcome—a major tenet of good family support practice.

- ◆ **Taking advantage of windows of opportunity.** FRCs need to recognize and take advantage of changing policy environments, such as welfare reform and the increasing linkages between family support and economic development, without violating their core mission. These changes give FRCs an opportunity to increase their scope and apply what they do well to new areas of interest for children and families.

## Benefiting from the Shift to Results-Based Decisionmaking

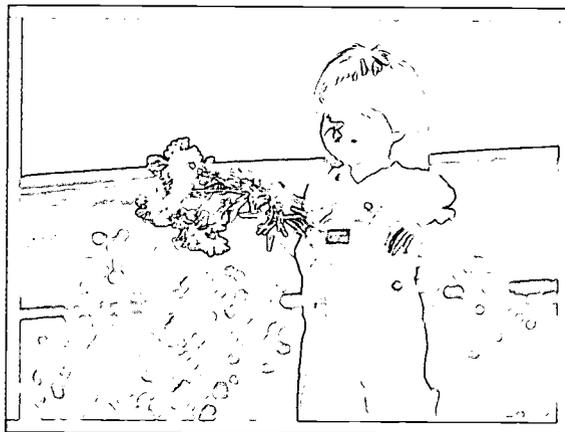
A second issue is how FRCs can use the current shift to results-based decisionmaking to improve their financing picture. Public and private funders are increasing their use of results data to measure the success of individual programs and orient their budgets to improve the status of children and families. To benefit from this shift, FRCs will need to be able to measure the impacts of their programs and demonstrate that their work contributes to better community-wide results. However, both funders and FRCs need to consider a number of issues to ensure effective and appropriate uses of results data.

- ◆ **Resolving technical issues related to measuring results.** The population and environments with which FRCs work present challenges to traditional methods of evaluation. Their populations are often transient, and results data may be ephemeral, hard to measure, or inappropriate. However, given the emphasis on accountability, FRCs will increasingly be asked to show the effectiveness of their work. FRCs need better research and better partnerships with funders on using results data as effectively and fairly as possible. They also need information on how to set realistic expectations, given time and other resource constraints and the multiple factors affecting family well-being.
- ◆ **Finding new ways to measure what family resource centers do.** Family resource centers promote positive skills, capacity building, and the

development of family strengths. However, traditional evaluation frameworks tend to measure the reduction of negative events or behaviors.

Measuring the success of family support programs means developing new ways of thinking about evaluation and choosing indicators that facilitate the measurement of positive changes and impacts on people's lives.

The Family Resource Coalition of America (FRCA) is researching innovative ways to design and measure child and family indicators that reflect family support. For more information, contact FRCA at (312) 338-0900 or [www.frca.org](http://www.frca.org).



- ◆ **Matching expectations to resources.** Poor results are expensive, as are many of the needed solutions. FRCs cannot address deep-rooted problems among a large population with resources that allow very limited interventions for a small group. Many funders take an effective pilot project in one neighborhood and expect it to serve ten times as many people with only twice the funds. What they do not realize is that it was the quality inherent in the pilot that made it successful. Family resource centers need adequate funding to provide supports in a way that is consistent with what research and experience say is necessary to achieve good results. They also need to know what is reasonable to promise, and funders need to know what is reasonable to expect.

## ◇ **Coordinating reporting requirements.**

Traditionally FRCs have struggled with the complex task of dealing with multiple funders with multiple reporting requirements. With the shift to results-based accountability, most funders have not reduced their reporting requirements; instead, they have added a second set of results-based reporting requirements. Meeting different funders' requirements for both measures of activity and measures of results is an even greater challenge. Funders need to consider coordinating their reporting requirements and funding the administrative costs associated with choosing and measuring results data.

## **Promoting Collaboration and Expanding the Number and Types of Partners Contributing to Family Support**

Providing services to families in a family resource center requires extensive collaboration with community partners and a multitude of funders. Although these families benefit when the organizations designed to support them are working together, managing a collaborative process can be extremely challenging.

◇ **Encouraging community partnerships and funding processes that support these partnerships.** Community partnerships are essential to most FRCs' survival. They are key to helping families find what they need and to sustaining the center in prosperous years and lean ones. Yet these partnerships are sometimes strained by the process of fundraising. In the same community, two potential partners often seek the same funds. Funders may inadvertently adopt grant-making practices that encourage groups to compete, rather than collaborate. Funders may also ask communities to create collaborative groups or systems, even when they already exist, creating new tensions. A major issue for both funders and FRCs is how to improve grant-making and grant-seeking so the process pre-

serves relationships, encourages healthy competition but discourages hostility, and helps each partner use its strategic advantage to the fullest.

◇ **Expanding the number and types of people and organizations contributing to family support.** Family support, like many social services, seems to draw on many of the same funds, with the same people vying for attention. One of the financing principles refers to the need for broad bases of support. There is a need for new partnerships, new ways to support families, new rationales to care about families, and new ways to think about family support. The recommendations also need to include ways to begin thinking creatively about how to broaden FRCs' constituency and revenue base.

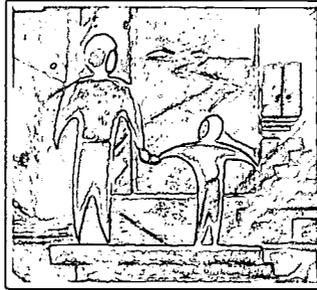
◇ **Reducing FRCs' economic, social and logistical isolation.** Some FRCs are part of close-knit networks with plenty of moral and physical support, while others are isolated in a variety of ways. Many centers are individual start-ups that depend on the skill and commitment of one or two people. Their directors sound like rural family physicians when they express concern about what will happen to this essential community institution if they leave or take a vacation. Others directors express the need for training to improve their financial skills but lack the resources to do so; some directors manage to get the training but have no time to apply it. There is a need for public and private funding entities to consider offering organized support to their FRCs. This support could include joint training, technical assistance, opportunities for center directors and staff to communicate with one another, and logistical support. There is also a need for system changes to support FRC structures so centers are not dependent on the lifelong commitment of one or two individuals.



**Table 3:**  
**Issues and Ideas for Family Resource Centers and Public and Private Funders**

Issue (Chapter 5)	Ideas for FRCs (Chapter 6)	Ideas for Funders (Chapter 7)
<p>Reducing the mismatch between the principles of family support and the current system of fragmented, categorical programs and funding.</p>	<ul style="list-style-type: none"> <li>◦ Establish a mission and workplan and match each element of the workplan to the most appropriate financing strategy.</li> <li>◦ Incorporate sustainability from the start.</li> <li>◦ Advocate for changes in existing financial systems.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Move toward a family support orientation.</li> <li>◦ Make better use of existing funds through results-based decisionmaking.</li> <li>◦ Increase the flexibility of existing systems.</li> <li>◦ Adopt a more comprehensive view of prevention</li> <li>◦ Use community input in decisionmaking.</li> </ul>
<p>Benefiting from the shift to results-based decision-making.</p>	<ul style="list-style-type: none"> <li>◦ Measure and use results, when feasible.</li> <li>◦ Advocate for changes in existing financial systems.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Make better use of existing funds through result-based decisionmaking.</li> <li>◦ Increase the flexibility of existing systems.</li> </ul>
<p>Promoting collaboration and expanding the number and types of partners contributing to family support.</p>	<ul style="list-style-type: none"> <li>◦ Maximize the use of existing federal, state, and local funding streams.</li> <li>◦ Collaborate with others to ease competition and gain economies of scale.</li> <li>◦ Diversify funding.</li> <li>◦ Create public-private partnerships to broaden the base of support and leverage new resources.</li> <li>◦ Advocate for changes in existing financial systems.</li> <li>◦ Recruit new allies.</li> <li>◦ Position the FRC to serve new roles when new and appropriate funding streams become available.</li> <li>◦ Create administrative systems that enable the center to manage a large number of funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>◦ Move toward a family support orientation.</li> <li>◦ Encourage more efficient operations through collaboration and networking.</li> <li>◦ Maximize available federal and state funding.</li> <li>◦ Increase the flexibility of existing systems.</li> <li>◦ Adopt a more comprehensive view of prevention.</li> <li>◦ Change administrative processes and rules that conflict with family support principles.</li> <li>◦ Use community input in decisionmaking.</li> <li>◦ Consider using existing organizations before creating new ones.</li> <li>◦ Consider new public and private revenue sources to support FRCs.</li> </ul>

# Chapter 6: Toward Improved Financing for FRCs: Ideas for FRCs



**FRCs CAN TAKE SEVERAL STEPS TO IMPROVE**  
their use of existing financing strategies in order to  
create the best possible package for their center.

## Establish a Mission and Workplan and Match Each Element of the Workplan to the Most Appropriate Financing Strategy

The first response to the often-asked question “How does our FRC get money?” should be “Money for what?” FRCs need to know what they want to create and sustain before deciding how to finance it. They then need to pursue financing strategies that are the best match for different elements of the workplan. Long-term, flexible funding is necessary for certain core functions, but other functions can succeed with short-term, restricted dollars. A capital campaign

may be successful in generating funds for a one-time need, but the center requires a different approach for an activity that needs ongoing support.

## Incorporate Sustainability from the Start

Too often, planning for the continuation of new projects or community initiatives happens too late. The time to start planning for the long-term funding of a new initiative is whenever the new initiative gets started. Although short-term or pilot project funds might work well to *start* a service that is intended to be long term, FRC staff need to consider how to design the initiative to attract a different kind of funding over time.

## Evaluation Results that Made all the Difference

A three-year demonstration grant from the United Way of Southeastern New England to Rhode Island’s Children’s Friend & Service organization helped launch two family support centers in Rhode Island—one in Central Falls and one in South Providence. With unusual foresight, the demonstration project was immediately connected to an independent evaluation conducted by Professor Lenore Olsen of the Rhode Island College of Social Work. At the end of the three year project, the two centers found themselves faced with two contradictory, but not uncommon, realities. On the one hand, they had very positive evaluation results, showing **reductions in family stress and isolation, an increase in the number of parents moving to economic self-sufficiency, and improvements in parenting skills.** On the other hand, their three-year funding cycle was coming to an end.

Determined to keep these centers open, the executive director of Rhode Island’s Children’s Friend & Service, Lenette Azzi-Lessing, called a press conference at one of the centers. She invited the governor; the directors of the state departments of human services, children, youth and families, education and health; families; and family support center board members. First she introduced the researcher, who highlighted the positive findings. Then a parent spoke about her experiences as a young single mother and the support she received from the center. Finally, the governor and two state department directors spoke about the importance of this kind of program and the impressiveness of its proven track record. Not coincidentally, a few months after the press conference, when the department of children, youth and families budget was presented to the state legislature, the governor’s office announced an additional \$300,000 budget for the two centers. “There is no question in my mind,” said Azzi-Lessing, “that we got the money because we had proven results. The governor was willing to sign on to the family support approach not only because it makes good sense, but also because it gets results.”

## Measure and Use Results, When Feasible

Choosing and measuring results is a powerful trend in the human services field. Providers are expected to show changes among children and families as well as to participate in work to change systems.

Documenting the centers' impacts on improved results for children and families is an effective tool to attract funding. FRCs can make a much stronger case for funding if they can orient their services toward the results they want to achieve, measure those results, and use the findings to constantly improve what they do. They also need to communicate results to funders, legislators, the media, and others.

However, for various reasons, some FRC services are not conducive to results-based measurement. The families whom the center serves are often transient, its services may be anonymous or infrequent, the center may serve too few families to show significant changes, or tools to measure relevant changes may not exist. One way to address the issue of small numbers is to have an umbrella organization that collects data across centers.

Yet there will still be some services whose impact cannot be measured directly, or that cannot be expected to produce measurable changes for children and families. In these instances, centers can still show funders how the research supports their approach to helping families. They can also demonstrate that their services fit into a larger package of interventions that the community agrees are logically linked to improved results for children and families.

FRCs can also be valuable participants in initiatives to achieve systemic changes in the way systems organize, fund, and deliver services to children and families. They can be funded to explore the impact of practice changes, because many of their fundamental operating procedures embody the types of systemic changes that reform advocates often seek.

## Maximize the Use of Existing Federal, State, and Local Funding Streams

FRCs need to think broadly and creatively about maximizing the use of federal, state, and local funding streams, as described in Chapter 3. For example, they can persuade state and local agencies to pursue increased reimbursement for services delivered under the federal Medicaid and child welfare programs. There are significant challenges to using Medicaid funds: administrative costs are often high, the lag time for payments can create cash-flow problems, Medicaid funding can be very categorical, and the program has stringent rules about who can provide particular services. In addition, state funds freed up by greater reliance on Medicaid can be spent on a variety of services, not just children and families family services. Notwithstanding these issues, Medicaid is an entitlement program that covers a large number of people and is a significant potential source of funds. Although FRCs cannot change the state's operation of federal entitlement programs, they can



encourage state and local agencies to do so and ensure that funds freed up from any changes are devoted to children and family services.

FRCs can also help agencies find creative ways to use funding streams that were not even considered when the regulations were written. For example, because of growing concerns about lead poisoning from the paint used on windows in many lower income housing communities, the Rhode Island Department of Human Services found a way to use Medicaid funds to replace the windows, as the window replacements were approved as a medical necessity.

Vermont's Parent/Child Center Network (VPCCN) provides another example of how to use existing funds creatively. The purpose of a Goals 2000 Title IV grant for parental assistance centers was to establish statewide resource centers for parenting information, and support existing or create new home visiting programs, specifically the Parents as Teachers (PAT) program or the Home Instruction Program for Preschool Youngsters (HIPPPY). VPCCN already had a statewide resource service through its network. To meet the other requirement, it used a small portion of the grant to start a PAT program and then applied most of the money to increase support for VPCCN operation and develop a statewide management information system. The system will be used as a reporting mechanism to the various state government agencies from which the network receives money.

## Collaborate with Others to Ease Competition and Gain Economies of Scale

Successful FRCs depend on strong, stable partnerships with others in the community. Turf battles, harmful competition, and duplication of effort can hurt their short-term and long-term futures. Some of the most successful FRCs have formed partnerships with similar organizations in their community, so if a grant announcement is published the group decides who will be the lead applicant and what role each partner will play. This saves the time and effort often wasted when similar organizations compete for the same small funding sources.

In addition, small, stand-alone organizations do not benefit from the economies of scale that often help large organizations or networks of smaller organizations. FRCs can improve their efficiency by working together with other organizations to pool resources. For example:

- ❖ Organizations can create purchasing pools for office supplies and other items to take advantage of volume discounts. They can also share office and conference space.
- ❖ Several agencies can pool resources to hire one policy staff member, advocate or volunteer coordinator.
- ❖ Similar organizations can conduct joint staff training. This can be particularly helpful when a good relationship exists between the family resource center and the local Head Start center. Head Start centers tend to have excellent training resources. Joint training not only can save money, but also can improve relations and promote collaboration.
- ❖ Umbrella organizations can help FRCs obtain group health insurance for their staff.
- ❖ Coalitions can make strong appeals for funding. In Denver, six FRCs formed a coalition to apply to



the state department of social services for the contract to serve TANF clients; forming the coalition strengthened their application and the FRCs won the joint contract.

## Diversify Funding

Diversifying funding will help FRCs gain stability over the long term. It will help insulate centers from political changes that may reduce or eliminate a source of funds, and it will help them gain support from a variety of constituencies and stakeholders.

One way to seek diverse funding is to provide various services that are usually funded by different sources, for example, health, child welfare, education, and economic development.

The Family Resource Coalition of America has free fact sheets, which describe many of the ways that FRCs can describe their work: parent advocacy; childcare; incarcerated parents; domestic violence; father involvement; working with adolescents; welfare reform; teen parents; school-linked services; family literacy; and prevention of child abuse.

Another way to diversify funding is to recognize that a particular service can often be presented in different ways to attract funders with different interests. For example, an FRC working on parents' employment can present itself as an employment center, a source of continuing education, and a leader of community mobilization efforts. This can attract funders interested in job training and counseling, GED classes, and parent leadership. One Arkansas center funded a home visiting program by using Job Training Partnership Act funds to employ parent paraprofessionals. The act funded not only their time, but also parenting materials, children's books, and a curriculum for training the home visitors.

FRCs can also consider their work in other con-

texts, such as fostering economic development and promoting family-friendly workplaces. Appendix E presents a tool that FRCs can use to systematically think through the different funders that might be interested in different facets of the centers' work.

## Create Public-Private Partnerships to Broaden the Base of Support and to Leverage New Resources

There is growing national momentum to create public-private partnerships. These partnerships link public agencies with businesses, the media, civic groups, nonprofit entities, and others to work together to improve the well-being of children and families. The private sector can bring not only financial contributions, but also advocacy leadership, technical expertise, and in-kind resources. The cardinal rule is to identify the other partner's interests and determine how they mesh with the FRC's goals. For example, the FRC and a local company may discover a mutual interest in promoting job success among parents entering the workforce. A job-mentoring program can help both partners accomplish their goals. The firm can contribute access to these parents, information on workplace issues, and advocacy for public funds to implement the mentoring program. The FRC can contribute staff to organize mentors, training for mentors, and evaluation functions. Both the firm and



FRC win, and both have opportunities to develop new resources and new partners.<sup>1</sup>

## Advocate for Changes in Existing Financial Systems

FRCs can reach their full potential to help families only when the public and private systems that govern their financing and programmatic structure support them. When policy restrictions and regulations prevent centers from effectively serving families, policymakers need to know about it. FRCs are in a good position to provide concrete evidence about why some policies make it easier for them to help families and achieve better results, while others make it harder for them to do so. Policymakers appreciate specific stories that illustrate issues and solutions, and parents who are affected by these regulations are powerful communicators of those messages.

One way to influence decisions about funding streams and their regulations is to be at the table when those decisions are being made. Many new funding streams require the involvement of community councils or advisory groups; FRC staff, board members and parents are ideal members for such groups. FRCs are community-based, so they offer a highly desirable perspective. FRCs can take four steps to improve their chances of being invited to the table:

- ❖ Have sufficient contacts in the policy community so that center staff know when such groups are forming and are known to the people who are drawing up the invitation lists.
- ❖ Ensure that the political leaders know the center's work so they will nominate or encourage staff and families to join the group.
- ❖ Have a broad enough network among community members so the center is seen as representing an active constituency; and
- ❖ Establish a reputation for sufficient technical knowledge or expertise so center staff or families

are invited based on their ability to contribute these assets.

## The Power of People's Stories

In 1996, the newly elected council in Allegheny County, Pennsylvania, pledged a 20% tax cut. Finding funds to implement this cut endangered the \$1 million in county funds for family resource centers. At the council's first public meeting after the election, parents told their stories about the centers' impacts on their lives. The new council members were so impressed that they visited the centers the next week, and then voted to preserve county funding for the centers.

## Recruit New Allies

FRCs face enormous challenges and, therefore, need supporters from many perspectives and positions. As FRCs begin to think and plan strategically, they need to reach out beyond their traditional allies to people who are in a position to influence the FRC's work. One of the best strategies for changing people's views is to offer them new experiences; many policies have been created as a result of a policymaker's firsthand experience within his or her community. Appendix F provides a simple tool for systematically examining who are the stakeholders in a community, who needs to be approached, and how they can be reached.

## Position the FRCs to Serve New Roles When New and Appropriate Funding Streams Become Available

As political leaders and policies change, so do the funding opportunities for FRCs. To sustain themselves in the long term, FRC board members and staff need to stay abreast of policy shifts.



Several examples have already referred to welfare reform, the Americorps program, and the Children's Health Insurance Program. Another opportunity is the new America Reads program. This program gives FRCs a chance to position themselves as key to successful early learning experiences because of their high quality child care programs and parent-child developmental approaches. Or when "empowerment zones" are being created in urban area across the nation, FRCs can make the case that one way to empower a community is to help take good care of its children.

Many states, such as Georgia, Oregon, Washington, Maryland, and Missouri, are creating local collaboratives and giving them more authority for public spending on family and children's services. Some of these collaboratives are using FRCs as their main service delivery vehicle, primarily because they embody the principles underlying this devolution movement. For example, the Washington, D.C. child welfare system has begun using local collaboratives to address child abuse and neglect; each collaborative bases some or all of its operations in family resource centers. Local collaboratives in Georgia also have turned to FRCs as their service delivery vehicle.

In describing how the first few FRCs were launched in Allegheny County, Pennsylvania, Marge Petruska of the Heinz Endowment said, "We looked for and went after anything that had a *glimmer of prevention dollars*." One way to think about this approach is to look for such "glimmers" and determine how they can be turned into bright lights.

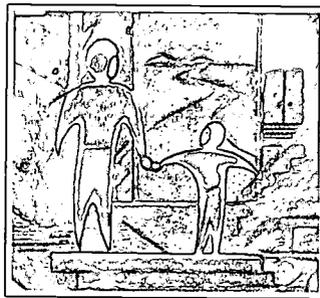
## Create Administrative Structures that Allow the Center to Manage a Large Number of Funding Sources

FRCs are at the center of a complex financing process that involves bringing together multiple, disparate funding sources, combining them into a

large funding pool, allocating them based on families' needs and family support principles, and accounting for the funds to the original funding sources. Yet even the strongest will and desire to carry out these roles is not enough. FRCs also need sophisticated administrative systems to help manage this process of organizing and reorganizing complex funding sources. They need cost accounting software, as well as the hardware and training, to help them track costs and revenues, and demonstrate the cost effectiveness of their work.<sup>2</sup>

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1. See Child Care Partnership Project, *Engaging Business Partners: An Employer Toolkit Template, and A Handbook for Successful Public -Private Partnerships* (The Finance Project).
  2. See Robert Harrington et al. *Developing Cost Accounting and Decision Support Software for Comprehensive Community-Based Support Systems: Integrated Feasibility Analysis* (The Finance Project).

# Chapter 7: Toward Improved Financing for FRCs: Ideas for Public and Private Funders



ALTHOUGH THERE ARE MANY CREATIVE ways for FRC staff to raise funds in the current environment, changes in broader systems will ultimately determine whether family support centers can expand beyond isolated programs constantly scrambling to patch together inadequate budgets. As Lisbeth Schorr has pointed out, successful programs cannot flourish in systems that squelch them.



“Environments that support and sustain effective interventions create new vertical alliances. These alliances are between program people and community leaders who know what needs to be done locally, and the outsiders who can reach the levers of policy change. It is these alliances that can begin to change the rules that govern how accountability is maintained, how the money flows and how the regulations are written...Systems change cannot be left to program people acting alone. Systems change must be firmly anchored in programmatic experience. But it is futile for funders—public and private—to keep looking for program people who will work smarter and more collaboratively to come up with the money to sustain a program, because so much of what determines sustainability depends on decisions made far from the local community.”

—Lisbeth Schorr

There are a variety of ways funders can improve FRCs’ financing options to strengthen their ability to help children and families. In several cases, such as the use of results, they provide the *funder* counterpoint to a similar idea suggested for FRCs.

As the principles in Chapter 3 suggest, in any reform strategy, the first priority is to make the best use of existing resources. Consequently, most of the ideas below suggest ways to improve the current system without significant new outlays.

## Move Toward a Family Support Orientation

Family support premises and principles have evolved from a long history of working with families to determine the most effective way to help them make good choices and live healthier, more productive lives (see Appendix A). Funders may want to consider assessing their rules against these premises and principles,

to determine whether the rules help or hinder programs from adhering to these guidelines. Changing these rules to move toward a family support orientation would change everything from the time-limited nature of most funds, to the lack of money for administrative services. Many of the following ideas flow from this one.

## Make Better Use of Existing Funds Through Results-Based Decisionmaking Planning, Budgeting, Management and Accountability

One of the most powerful trends to sweep through family and children services is the increasing use of results, indicators, and performance measures to set goals, allocate resources, and evaluate performance. Focusing on results has the potential to improve the use of funds by forcing a critical examination of how funds are being used and how they could be used to achieve better results. This examination can lead to moving funds from less effective, and often more expensive, interventions to those that are more effective and less costly. (The publications listed in the endnote describe results-based decisionmaking in more detail.)<sup>2</sup>

At the same time, funders need to take into consideration the particular difficulties of measuring many FRC services, as described earlier. This shift requires a careful partnership between funders and program staff to explore what is fair and feasible in terms of using results.

One example of how results-based decisionmaking can move funds toward prevention is for public funders to form natural pairings of programs that provide prevention and remediation for the same problem, such as child abuse. Savings from improved results can be cycled back into more prevention services aimed at the same result. Under Maryland’s Systems Reform Initiative, local collaboratives that



save funds by reducing out-of-state placements can invest those funds in more activities to reduce placements even further. Rhode Island is piloting a similar initiative. However, setting this positive trend in motion requires that policymakers be willing to invest money up front to start improving results.

## Encourage More Efficient Operations Through Collaboration and Networking

Competitive grants often pit one family service organization against another in a community. This process forces groups to waste valuable administrative time competing for the same funds, and it promotes competition instead of collaboration. It also forces communities to focus on what is wrong with their neighborhoods, rather than encouraging them to focus and build on family strengths, when attempting to justify funding requests. Instead of competitive grants, funders can consider using ones that require communities to collaborate and submit one proposal. This would enable family support centers to offer and focus on what they do best—reaching families—and encourage other partners to complement their abilities.

Encouraging not only collaboration, but also the creation of more formal networks of FRCs and related organizations, can help these organizations operate more efficiently, as described in the ideas for FRCs. Networks of FRCs can take advantage of joint training and technical assistance on topics of interest to virtually all FRCs. They can set up communication mechanisms such as list-servers that can greatly boost morale. North Carolina's Smart Start, supported by the North Carolina Partnership for Children, has an extensive intranet system that enables local staff to keep in contact with one another and the state. Networks can also help with purchasing supplies at a volume discount or obtaining health insurance coverage for center staff.

## Encouraging Collaboration

According to Steve Heasley of the West Virginia Governor's Cabinet on Children and Families, the Family Resource Network system seeks to promote the development of supportive relationships among service providers and local organizations within the community. Every county is eligible to apply for a grant of \$50,000, which is approved only if the proposal outlines a plan for collaboration that brings together a variety of community-based approaches to serving families in the specific community.

Many funders that have created networks of FRCs also have created intermediaries to provide organizational support to them. These intermediaries can be independent nonprofit entities that are linked to a particular center or associated with state or local governments or universities. Maryland created a formal organization, Friends of the Family, to support FRCs and provide quality assurance. Vermont centers established their own organization. Private foundations in the San Francisco Bay area created Family Support California to encourage FRCs.

These intermediaries can also play a variety of roles. They can support individual FRCs; organize activities that encompass more than one FRC, such as evaluations across the entire network of centers; and facilitate communication between a group of FRCs and other stakeholders, such as the legislature, governors' office, and school board. For example, Claudia Zundel and staff in the Colorado Department of Human Services are developing a common database to help centers manage the evaluation and other data requirements of diverse funders.



## Maximize Available Federal and State Funding

Before investing more resources, funders need to ensure that they are maximizing the use of existing funds. One way is to ensure that states and localities are maximizing the use of federal Medicaid and child welfare programs, (Title XIX and Title IV-E of the Social Security Act). Although these programs have restrictions, they are among the largest sources of social service funds, and, as entitlement programs, they must provide services to all who qualify.

Many states have begun exploring the opportunities for increasing revenue under these programs. A further development is to identify locally funded expenditures that can qualify for federal match. States and localities can increase their reimbursement by increasing the amount of services that are claimed or increasing the number of people who qualify under these entitlement programs. Pursuing this expanded reimbursement provides opportunities for FRCs to be partially reimbursed for their efforts. For example, the Local Investment Commission (LINC) in Kansas City, Missouri has begun to claim local expenditures to administer Title IV-E of the federal child welfare program. Qualifying local public dollars spent on the administration of associated services are claimed by the state agency and then federally reimbursed under Title IV-E at a rate of 50%. The state has committed to pass through to local participating agencies a portion of the federal reimbursement. This creates an ongoing, relatively flexible source of funds that can be used for a variety of child and family supports.

For more information, including instructions on how to claim administrative expenses under Title IV-E, contact LINC at (816) 889-5050 or [www.kclinc.org](http://www.kclinc.org).

## Increase the Flexibility of Existing Systems

FRCs' strategic advantage is their ability to know and deliver what local children and families need. Making

full use of this advantage with existing resources requires financing systems that give centers the flexibility to set priorities, plan programs and services, and allocate resources in response to community needs.<sup>3</sup>

However, loosening categorical funding restrictions is not without controversy; many advocates fought long and hard to create those restrictions to ensure certain services for certain populations. Below are specific ideas for increasing flexibility that can be explored to try to accommodate diverse interests.

- ◇ **Reduce categorical restrictions and pool resources across programs and agencies.** This would create a more flexible, combined resource fund that FRCs could use to serve families more flexibly.
- ◇ **Ensure that state plans make maximum use of federal flexibility.** Often federal rules allow significant latitude in state uses of funds. However, state agencies may be hesitant about pursuing these options, perhaps because they are not aware of the opportunities or are concerned about state auditing rules.
- ◇ **Provide local collaboratives more latitude over the use of funds** in exchange for more accountability for results.
- ◇ **Align and coordinate categorical funding streams.** This could be done without necessarily changing program rules.
- ◇ **Create intermediaries to blend funds.** Even if two or more smaller funds have categorical restrictions, intermediaries can blend funds and pass down larger pots of funds to family support centers. The “back room” accounting can then be done at a location more centralized than the individual family support center.
- ◇ **Allow restrictions to be met at the state level, rather than requiring each individual program to meet them.** Many funds have particular restrictions, such as allowing no more



than 10% of funds to be used for administrative costs, that could be met in one of two ways. Funders could require that each program funded by this source of money meet all restrictions. Or funders could allow the spending of individual program's to vary, so long as the total expenditures meet the restriction. For example, funders could require that each FRC funded by a statewide grant limit administrative expenditures to 10%, or they could make the program more flexible by allowing an individual programs expenditures to vary and requiring only that the total statewide expenditure not exceed 10%. This allows programs with low administrative costs, perhaps because they have free space or other advantages, to balance out those with legitimately higher administrative costs.

## Adopt a More Comprehensive View of Prevention

During the past few years, there has been a great deal of research on the causes of poor results and the frameworks for addressing them. A large body of research has emphasized a prevention-based approach and proposed that poor results can be seen as the result of the presence of "bad" factors or the presence of "good" ones. Examples are the "risk and protective factor" model proposed by Hawkins and Catalano, the "resiliency factor" model proposed by Bonnie Benard, and the "asset factor" model proposed by Peter Benson.<sup>4</sup> As a result, there is increasing recognition that a comprehensive approach, rather than a single silver-bullet intervention, is required to improve long-term results.

Funders need to examine this research and consider the implications of the findings for their own decisions about funding. They may want to consider whether funding decisions reflect current research about what works to improve family results. The next step is to ask whether funding could be shifted

toward the broader approach that research indicates is more effective in improving results.

"The 'silver bullet' of this metaphor is not a gun bullet; the legendary silver bullet was Salversan, the first cure for syphilis. The origin of this metaphor illustrates just how inappropriate this goal is for human behavior. Unlike the diseases we have managed to conquer, complex human behaviors have complex and interrelated causes, and can only be successfully combated by complex, interrelated interventions."

— Lisbeth Schorr

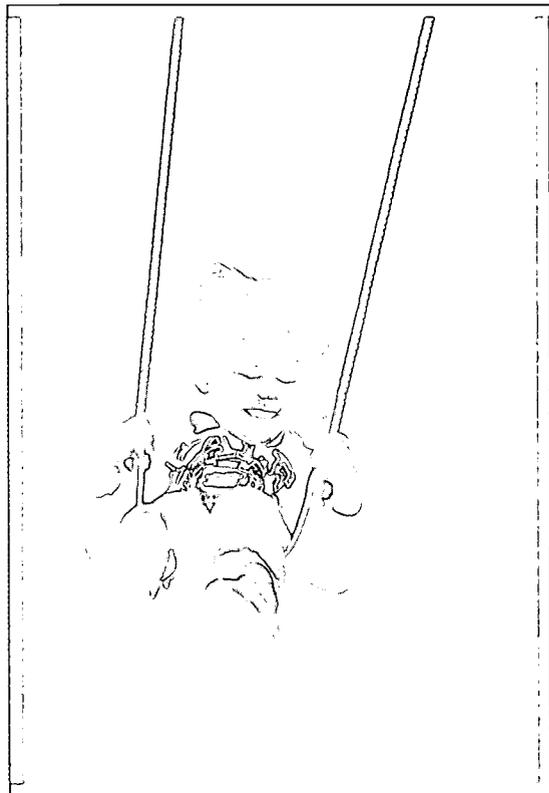
## Change Administrative Processes and Rules that Conflict with Family Support Principles

Too often, family support initiatives are undermined by the unglamorous and under-examined rules of personnel, purchasing, and auditing. Money spent on documentation is money that cannot be spent on services. Even worse, some rules force family centers to operate in ways that conflict with family support principles. For example, match requirements are a useful way of knowing that the center is supported by the community. However, excessive requirements about documenting the match reduce the time available to pay for services. In addition, match rules that, for example, value an attorney's time higher than a neighborhood leader's time, undermine the family support principle of valuing community expertise. Another example is allowing centers to charge to programs that part of receptionists' time they spend greeting families. Allowing for inflation increases in funding over time will also support centers' efforts to retain high-quality staff. Funders need to examine their administrative processes to assess whether rules

can be changed or eliminated to facilitate the shift to family support principles.

## Use Community Input in Decisionmaking

One way to ensure that new programs make the most of local expertise is to involve local people, including FRC staff and families, in the planning and decision-making process. People with deep roots in the community can identify ways to reach families that fit with local mores, help ensure that new programs are embedded in the community, and help design creative and effective approaches to improve the lives of children and families. For example, when state agencies prepare to write state plans to use federal dollars or implement state-funded programs, they can ask FRC members and others to provide recommendations. This will help ensure maximum flexibility to fit local circumstances.



## Consider Using Existing Organizations Before Creating New Ones

An increasingly common requirement of public grant programs is to create a new collaborative body or service system. Yet creating these new structures is usually costly and time-consuming and sometimes politically divisive. Often existing collaboratives or service systems could fulfill the new requirement. When new policies create new requirements for working with families, as in the case of welfare reform, policymakers should consider using existing organizations before building new ones. This could include using existing family support centers to reach families in new ways. To ensure that existing entities can meet new goals, funders can specify what the entities are required to accomplish and allow local people to demonstrate that existing ones will suffice.

## Consider New Public and Private Revenue Sources to Support FRCs

Although data are still limited, there are preliminary indications that family support centers are effective ways of reaching families and improving their well being. Certainly the best ones embody the state-of-the-art research on the attributes of effective service delivery. Although the competition for new revenue sources is keen, there is sufficient evidence for funders to consider creating or targeting new revenue sources to expand the reach of family support centers in their communities. Examples of these revenues include the following.

- ◆ **Public-private partnerships.** The ideas for FRCs described the value of public-private partnerships at the local level; funders can also help create these partnerships to promote family support on a larger scale. For example, funders can establish partnerships to use private-sector-financ-



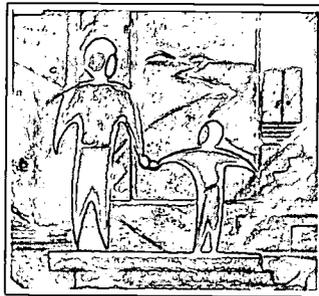
ing tools to promote human service investments, such as the facilities funds discussed in Chapter 3.

- ◇ **Tobacco settlement funds.** States are grappling with how to spend their multimillion dollar tobacco settlements funds, due to begin arriving in 2000. Many states are considering using these funds for a broad array of services to improve children's health. There is ample precedent for FRCs to provide an array of health-related services, from immunizations and disability screenings to substance abuse prevention and nutrition and cooking classes. Before establishing new service delivery systems, funders can consider using organizations that already exist and are designed to reflect community needs and preferences.<sup>5</sup>
- ◇ **New revenue streams logically linked to family support.** There are many options for creating new revenue streams that can be targeted to family support. Chapter 3 describes specific types of local dedicated revenue streams that have been created to support early care and education as well as school-age care. These include special taxing districts, tax levies, children's trust funds, income tax check-offs, and specific fees and taxes related to children. *Money Matters* and other publications previously cited describe these options in detail. Although some taxing proposals are controversial and difficult to enact, others may face less opposition. In particular, creating a new product that people are willing to pay for, and that logically links to family support, may be a reasonable way to create new revenue. Alaska's "heirloom birth certificates" is such a product.
- ◇ **Prevention funds.** A politically challenging but appealingly direct approach is to take a small amount from the budgets of selected programs in children and family services and create a pool to fund family support. In 1992, Pennsylvania Governor Robert Casey used his children's cabinet to pool funds from the departments of educa-

tion, health, and public welfare to create the first 27 family support centers across the state. The centers are now funded through a combination of federal, state, local, and private funds.<sup>6</sup>

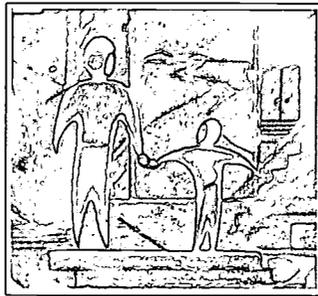
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1. See also Lisbeth Schorr, *Common Purpose: Strengthening Families and Neighborhoods to Rebuild America*.
  2. See Sara Watson, *Using Results to Improve the Lives of Children and Families: A Guide for Public-Private Child Care Partnerships*; Mark Friedman, *A Strategy Map for Results-Based Budgeting*; Mark Friedman, *A Guide to Developing and Using Performance Measures*; and Atelia Melaville, *A Guide to Results and Indicators* (The Finance Project).
  3. For an overview of broad financing changes, see Frank Farrow and Charlie Bruner, *Getting to the Bottom Line: State and Community Strategies for Financing Comprehensive Community Service Systems* (National Center for Service Integration).
  4. See J. D. Hawkins and R.F. Catalano, *Communities That Care: Action for Drug Abuse Prevention*/[www.drugabuseprevention.org](http://www.drugabuseprevention.org); Bonnie Benard, *Fostering Resiliency in Kids: Protective Factors in the Family, School and Community* /[www.resiliency.com](http://www.resiliency.com) org; and Peter Benson, Nancy Leffert and Jolene Roehlkepartain, *Starting Out Right: Developmental Assets for Children* /[www.search-institute.org](http://www.search-institute.org).
  5. See Lee Dixon, *Tobacco Revenues as a Source of Funding for Children's Services: Developments in State Use of Tobacco Settlement Funds and Tobacco Taxes* (The Finance Project)/[www.financeproject.org](http://www.financeproject.org).
  6. See The Finance Project, *Money Matters: A Guide to Financing Quality Education and Other Children's Services*.

# Chapter 8: Conclusion



YEARS OF ACADEMIC RESEARCH AND grass-roots experience have created a body of knowledge about the types of support that work best for families. Family resource centers embody much of that research and experience. As public and private funders move to make children and family services more accessible and effective, FRCs will be in an ideal position to contribute to these changes. FRCs will be most successful if they can be creative in seeking sustainable funding and flexible in taking advantage of changing policy environments and requirements. Funders will use their resources most effectively if they consider how to change the financing system to incorporate new research and results about what works best for families. As they do, they will find a ready and growing system of family resource centers with good ideas, immense creativity, and roots in the community that put them in a unique position to improve the lives of children and families.

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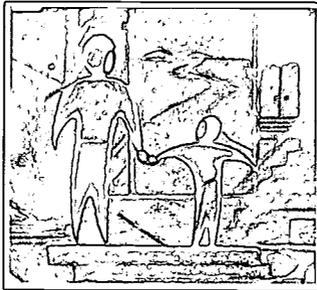
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# Appendices





## Appendix A: Premises of Family Support and Principles for Family Support Practice

### Premises of Family Support

1. Primary responsibility for the development and well-being of children lies within the family, and all segments of society must support families as they rear their children.
2. Assuring the well being of all families is the cornerstone of a healthy society and requires universal access to support programs and services.
3. Children and families exist as part of an ecological system.
4. Child-rearing patterns are influenced by parents' understanding of child development and their children's unique characteristics, a personal sense of competence, and cultural and community traditions and mores.
5. Enabling families to build on their own strengths and capacities promotes the healthy development of children.
6. The developmental processes that make up parenthood and family life create needs that are unique at each stage in the life span.
7. Families are empowered when they have access to information and other resources and take action to improve the well-being of children, families, and communities.

### Principles for Family Support Practice

1. Staff and families work together in relationships based on equality and respect.
2. Staff enhance families' capacity to support the growth and development of all family members—adults, youth, and children.
3. Families are resources to their own members, to other families, to programs, and to communities.
4. Programs affirm and strengthen families' cultural, racial, and linguistic identities and enhance their ability to function in a multicultural society.
5. Programs are embedded in their communities and contribute to the community-building process.
6. Programs advocate with families for services and systems that are fair, responsive, and accountable to the families served.
7. Practitioners work with families to mobilize formal and informal resources to support family development.
8. Programs are flexible and continually responsive to emerging family and community issues.
9. Principles of family support are modeled in all program activities, including planning, governance, and administration.

Family Resource Coalition of America, *Guidelines for Family Support Practice* (Chicago: Family Resource Coalition of America, 1996).



## Appendix B: Budget and staff allocations at the Addison County (Vermont) Parent/Child Center (sample)

### How Multiple Funding Streams are Allocated Across Expense Items

	FY '99 Budget	Dept. of Social Welfare	Human Services Agency	Dept. of Education	Dept. of Health	Success by Six
Salaries & Fringe**	800,000	80,000	90,000	58,000	68,000	80,000
Vans	20,000	3,000	5,500	500	2,000	4,500
Office Supplies	10,000	1,000	2,000	1,000	1,000	500
Phones	9,000	2,000	1,000	1,000	2,000	500
Equipment	8,000	—	—	—	—	—
Insurance	14,500	11,000	—	—	—	2,000
Rent	8,000	—	7,500	500	—	—
Training	4,000	1,000	2,000	—	—	500
Advertising	2,500	—	750	500	—	750
<b>Total (\$)</b>	<b>876,000</b>	<b>98,000</b>	<b>108,750</b>	<b>61,000</b>	<b>73,500</b>	<b>86,750</b>

	Town Support	United Way	Medicaid Reimbursements	Juvenile Justice	Goals 2000	
Salaries & Fringe**	10,000	4,000	190,000	180,000	40,000	
Vans	—	—	2,500	2,000	—	
Office Supplies	—	500	2,000	1,000	1,000	
Phones	—	1,500	2,000	1,000	1,000	
Equipment	—	—	8,000	—	—	
Insurance	1,500	—	—	—	—	
Rent	—	—	—	—	—	
Training	—	—	—	500	—	
Advertising	—	—	—	500	—	
<b>Total (\$)</b>	<b>11,500</b>	<b>6,000</b>	<b>203,500</b>	<b>185,000</b>	<b>42,000</b>	

\* Please note that this chart is based on the funding strategy used by the Addison County Parent/Child Center but the actual numbers are fictitious.

\*\* See allocation of salaries across funding streams in the budget below.

## How Staff Positions are Allocated to Different Funding Streams

### Funding Streams

Staff Position	Dept of Social Welfare	Human Services	Dept of Education	Dept of Health	Success by Six
Home Visitor	.2	.4	—	.4	—
Home Visitor	.2	—	—	—	—
Home Visitor	—	.3	—	.4	—
Child Care Provider	.4	.3	—	—	—
Provider's Network Leader	—	.4	—	—	.6
Parenting Instructor	—	—	.4	—	—
Van Driver	—	—	—	—	—

Staff Position	Town Support	United Way	Medicaid Reimbursement	Juvenile Justice	Goals 2000
Home Visitor	—	—	—	—	—
Home Visitor	—	—	—	.8	—
Home Visitor	—	—	.3	—	—
Child Care Provider	.3	—	—	—	—
Provider's Network Leader	—	—	—	—	—
Parenting Instructor	.2	—	—	—	.4
Van Driver	.4	.3	.3	—	—

#### Notes:

1. Although each staff person has a full time position, the individual salaries are pieced together from different funding sources, depending on the services each person provides. The staff and the families they serve are most likely unaware of the complicated fiscal planning that is involved in providing these family support services.
2. Although this chart depicts only 10 different funding sources, it should be noted that the actual budget used by the Addison County Parent/Child Center has 38 different income streams. Eighteen of them are based on categorical funds that require specific, individualized accounting procedures.
3. The unrestricted income is typically used to fill in the gaps. So, for example, because the child care provider could not provide the quality of service expected by the center with the resources received from the departments of social welfare and human services, the center has added additional resources for that person through the unrestricted funds received from the town. Another way of looking at this is that it actually costs the center money to provide high quality child care services under the state regulations.
4. A similar process takes place to allocate expense items across the different funding streams. This strategy may be more common among other non-profits as many of them allocate different expense items to different grant lines or specific project.
5. Please note that this chart is based on the funding strategy used by the Addison County Parent/Child Center but the actual numbers are fictitious.

## Appendix C: State Funding for Family Resource Programs

### State Funding for Family Resource Programs

State	Program	Year Started	Current Budget/State Funding*	Contact Information
Arkansas	Arkansas HIPPY Programs	1986	\$366,000/\$201,000	Alta Jones Arkansas HIPPY Training and Technical Assistance Arkansas Children's Hospital 300 Marshall Street, Slot 651 Little Rock, AR 72202-3591 Phone: 501-320-3671 Email:amj@exchange.ach.uams.edu
California	Healthy Start	1991	\$39 million/all from state	Pat Rainey, Administrator California Department of Education 721 Capitol Mall, Rm. 556 Sacramento, CA 95814 Phone: 916-657-3558 Fax: 916-657-4611
	Family Support California	1992	\$1.2 million/none from state	Connie Busse, Executive Director 1730 Franklin Street, Suite 300 Oakland, CA 94612 Phone: 510-588-1200 Fax: 510-588-1212
Colorado	Colorado Family Resource Network	1995	\$239,026/na	Virginia Martinez, Program Director 1580 Logan Street, Suite 315 Denver, CO 80203 Phone: 303-837-8466 x 122 Fax: 303-837-8496
Connecticut	Connecticut Family Resource Centers	1988	\$6 million/all from state	Shirley Moore-Childs Program Manager Bureau of Early Childhood Education and Social Services Connecticut State Department of Education 25 Industrial Park Road Middletown, CT 06457 Phone: 860-807-2059

\* "State funding" refers to funds administered through the state, and may originate from federal, state, local or private sources.

This chart was researched and prepared by Kristine Stanik and other staff from the Family Resource Coalition of America.

State	Program	Year Started	Current Budget/State Funding*	Contact Information
Florida	Full Service Schools	1990	\$11 million/ all from state	Sylvia Byrd Department of Health 2020 Capitol Circle SE, Bin #A13 Tallahassee, FL 32399-1723 Phone: 850-488-2838 Fax: 850-410-1304
	Team Florida Partnership	1995	Na	Barbara Foster, Project Director 2020 Capitol Circle SE, Bin #A13 Tallahassee, FL 32399-1734 Phone: 850-644-4393 Web: www.teamfla.org  Jim Bailey (Coordinating Committee Chair) Phone: 850-922-1218 Fax: 850-488-2341
Georgia	Georgia Family Connection	1991	Na	Project Director 100 Peachtree Street, Suite 500 Atlanta, GA 30303 Phone: 404-527-7394 Fax: 404-527-7443
Hawaii	Hawaii Healthy Start	1985	\$6.97 million/\$6 million	Gladys Wong, Program Head 2881 Waimano Home Road Pearl City, HA 96782 Phone: 808-453-6020 Fax: 808-453-6023
Indiana	Healthy Families Indiana	1993	\$28 million/ all from state	Phyllis Kikendall, Program Coordinator 402 West Washington, Room W364 Indianapolis, IN 46204 Phone: 317-232-4770 Fax: 317-232-4436
Kentucky	Kentucky Family Resource and Youth Service Centers	1991	\$43.55 million/all from state	Robert Goodlett Office of Family Resource and Youth Service Centers 275 East Main Street, 3CG Frankfurt, KY 40621 Phone: 502-564-4986 Fax: 502-564-6108
Maryland	Maryland Family Support Centers	1985	\$8.40 million/na	Margaret Williams, Executive Director Friends of the Family, Inc. 1001 Eastern Avenue, 2nd Floor Baltimore, MD 21202 Phone: 410-659-7701 Fax: 410-783-0814

State	Program	Year Started	Current Budget/State Funding*	Contact Information
Massachusetts	Massachusetts Family Network	1994	\$4.40 million/all from state	Rachel Weil or Fran Basche Massachusetts Department of Education Early Learning Services 350 Main Street Malden, MA 02148-5023 Phone: 781-388-6355 (Rachel) or 6351 (Fran) Fax: 781-388-3392
Minnesota	Minnesota Early Childhood Family Education	1974 (pilot) 1984 (state wide)	\$39.13 million/ \$20.79 million	Betty Cooke, Ph.D., Early Childhood and Family Initiatives Specialist 1500 Highway 36 West Rosewell, MN55113-4266 Phone: 651-582-8329 Fax: 651-582-8494
Missouri	Caring Communities	1993	\$21.6 million/all from state	Sandra M. Moore, Chief Executive Officer The Family Investment Trust 3915 West Pine St. Louis, MO 63108 Phone: 314-531-5505 Fax: 314-531-2285 Web address: <a href="http://www.mofit.org">http://www.mofit.org</a>
	Parents As Teachers	1985	\$4.8 million/none from state	Mildred Winter, Executive Director Parents As Teachers National Center, Inc. 10176 Corporate Square Drive, Suite 230 St. Louis, MO 63132 Phone: 314-432-4330 Fax: 314-432-8963
Montana	Family Support Network	1989	\$200,000/all from state	Barbara Sample 3302 4th Avenue North, Suite 103 Billings, MT 59101 Phone: 406-256-7783 Fax: 406-256-9879
New Hampshire	Network New Hampshire	1997	\$20,000/none from state	Lisa Brennan 91-93 North State St. Concord, NH 03301 Phone: 603-224-1279 Fax: 603-227-9191

State	Program	Year Started	Current Budget/State Funding*	Contact Information
New Jersey	New Jersey School-based Youth Services Program	1987	\$7 million/na	Roberta Knowlton Capitol Place One 222 South Warrant Street, CN 700 Trenton, NJ 08625 Phone: 609-292-7816 Fax: 609-984-7380
New York	New York Family Support Services Program	1984	\$48.85 million/all from state	Andrew Ultisky, Director or Mary Ellen Giblin Ph.D., Assistant Director Bureau of Consumer and Family Supports Office of Mental Retardation and Developmental Disabilities 44 Holland Avenue Albany, NY 12229 Phone: 518-473-1890 Fax: 518-486-6714
North Carolina	North Carolina Smart Start	1993	\$218 million/ \$215 million	Monica Harris, Public Information Director The North Carolina Partnership for Children, Inc. 1100 Wake Forest Road, Suite 300 Raleigh, NC 27604 Phone: 919-821-7999 Fax: 919-821-8050 <a href="http://www.smartstart-nc.org">www.smartstart-nc.org</a>
Ohio	Ohio Family and Children First Initiative	1994	na	Linda McCart, Executive Director, Family and Children First Team 77 South High Street, 30th Floor Columbus, OH 43266 Phone: 614-752-4044 Fax: 614-728-9441  Jerry Bean Ohio Family and Children First Initiative Office of the Governor 77 South High Street, 30th Floor Columbus, OH 43266 Phone: 614-752-4044 Fax: 405-810-0637



State	Program	Year Started	Current Budget/State Funding*	Contact Information
Oklahoma	Early Childhood Development and Parent Education Program	1974	na	Linda Passmark, Ph.D., Programs Assistant Administrator, Child Guidance Division Maternal and Child Health Services Oklahoma State Department of Health 1000 Northeast Tenth Street Oklahoma City, OK 73117-1299 Phone: 405-271-4470 Fax: 405-271-1011
	Oklahoma Family Resource Coalition	1981	\$20,000/none from state	Dawn Singleton, Certification Director 5005 North Pennsylvania, Suite 204 Oklahoma City, OK 73112-8883 Phone: 405-810-0631 Fax: 405-840-0631
Oregon	Oregon Family Resource Coalition	1990	na	Lyn Horine Phone: 503-588-2292
	Oregon Commission on Children and Families	1993	\$72.41 million/all from state	Donna Middleton, Executive Director Oregon Commission on Children and Families 530 Center Street NE, Suite 405 Salem, OR 97301 Phone: 503 373-1283 Fax: 503-378-8395
Pennsylvania	Pennsylvania Family Centers Initiative	1992	\$8 million/na	Wayne Stevenson (interim lead contact), Director, Bureau of County Children and Youth Program Department of Public Welfare Office of Children, Youth and Families PO Box 2675 Harrisburg, PA 17105-2675 Phone: 717-787-6292 Fax: 717-787-0364
Rhode Island	Rhode Island Child Opportunity Zones	1993	\$455,000/ all from state	Barbara Burgess Rhode Island Department of Education Office of Integrated Social Services 255 Westminster St. Providence, RI 02903 Phone: 401-222-4600 x2363 Fax: 401-222-3080



State	Program	Year Started	Current Budget/State Funding*	Contact Information
Tennessee	Tennessee Family Resource Center	1992	\$3.46 million/ all from state	Jan Bushing, Director of School-based Support Services Department of Education 6th Floor, Gateway Plaza 710 Robertson Parkway Nashville, TN 37243-0375 Phone: 615-741-00345 Fax: 615-741-6236
Vermont	Vermont Parent-Child Center Network	1986	\$1.7 million/ \$751,977	Paula Duncan, Director of Planning Vermont Agency of Human Services 103 South Main Street Waterbury, VT 05671-0203 Phone: 802-241-2227 Fax: 802-241-2979
Virginia	Comprehensive Health Investment Project	1988	\$2.09 million/na	Angie Francis, Executive Director CHIP of Virginia 145 West Campbell Avenue, Suite 440 Roanoke, VA 24011 Phone: 540-345-9370 Fax: 540-342-4161
Washington	Readiness to Learn	1993	\$3.6 million/ all from state	Christine McElroy Office of the Superintendent of Public Instruction PO Box 47200 Olympia, WA 98504 Phone: 360-753-6760 Fax: 360-664-3575
West Virginia	West Virginia Family Resource Networks	1998	\$1.24 million/ all from state	Steve Heasley Governor's Cabinet on Children and Families Building 5, Room 218, State Capitol Complex 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone: 304-558-0600 304-558-0596
Wisconsin	Wisconsin Family Resource Centers	1989	\$2.3 million/na	Mary Anne M. Snyder, Program Director Children's Trust Fund 110 East Main Street, Suite 614 Madison, WI 53703 Phone: 608-266-6871 Fax: 608-266-3792

## Appendix D: Fund-raising and Community Organizing in West Virginia

### 1999 Kiddie Fair Report

Category	Cost	Source
		<b><u>Cash Donations</u></b>
Brushfork Armory Rental	\$375	Bluefield Regional Medical Center
Brochures & Posters	\$513	Mercer County Board of Education
Screening Forms	\$200	Mercer County Board of Education
"Goody Bags"	\$500	Starting Points (\$150), Southern Highlands (\$350)
Food—Children, Volunteers & Staff	\$1,350	CASE of WV (\$500), St. Luke's Hospital (\$400), Princeton Community Hospital (\$400), Mary's Cradle & Infant Resource Center (Church-based) (\$50)
Curtains for partitions	\$150	Early Intervention, Walmart
Miscellaneous	\$150	Starting Points (Balloons, Helium, Bubble Mix (7 gallons needed), etc.)
Survey forms	\$15	Starting Points
Screenings—Medical, Vision, Hearing, Immunizations	\$6,000	Health Department, Mercer County Schools, Princeton Speech, Community Hospital, Southern Highlands
<b>Total in Cash</b>	<b>\$9,253</b>	
		<b><u>In-Kind donations</u></b>
Sandwiches for children & parents	\$400	Bluefield Ministerial Association
Volunteers—26	\$1,820	Vo-tech & high school students
Staff time	\$12,180	Staff from CASE of WV, Community Connections, Starting Points, Southern Highlands, Head Start, Board of Education, Health Department (Right from the Start), WIC (Women, Infants and Children)
"Goody Bag" donations	\$400	Hardees, McDonalds, Shoney's, Hospitals, etc.
Transportation—Head Start	\$500	CASE of WV, Head Start
Thank you letters & postage	\$50	Health Department, CCI, Head Start
Publicity—30 minute program on WVVA & LIVE coverage	\$10,000	WVVA (local NBC affiliate)
Radio spots & live coverage	\$5,000	Adventure Communications
Advertisements on marquees	\$1,000	Local gas stations, banks, etc.
Vendors (about 40 different organizations and services)	\$4,000	Day Care Resource & Referral, 3 hospitals, 2 fitness centers, Discovery Toys, Timberline Health, Birth to 3, Starting Points, SAFE, WIC, Right from the Start, Family Resource Center, Mary's Cradle, Girl Scouts, 4-H, Adult Education Programs (at least 4), SHARE, Head Start, Mercer County Schools K-4, Action Youth Care, DHUR, WUV Extension, State Police (free fingerprinting and child safety seat check), WV Children's Health Insurance, Foster Care Recruitment, March of Dimes, etc.
<b>Total In-Kind</b>	<b>\$35,350</b>	



## Appendix E: Thinking Outside the Box to Improve Financing for FRC Services

This exercise can help FRCs develop creative ways to finance their wide variety of services.

- Write down the types of services the center currently provides, not the ones staff think the center might provide in the future.
- Then look at the different funding sources and try to match them up with the type of service. Remember every service needs to have a funding source next to it, even if it's volunteer services. Don't allow staff to say, "Oh, we just do that as part of..." Everything has costs and everything has trade-offs! For example:

Service	Funding Source
Parent advocacy training	Foundation grant
Father involvement	General operating funds
Child care	Child Care Block Grant

- Now look for gaps. This example shows the center using a portion of its unrestricted, general operating money for activities to involve fathers. So one possibility might be to look for funds that are earmarked for father involvement and free up those precious unrestricted funds for something else.
- Also, in this example, parent advocacy training is privately funded. Will that funding continue? Are there ways to incorporate that activity into other funding sources? What about community development money?
- When the center has determined that an activity needs a better, bigger or more stable funding source, have a brainstorming session to see what creative ways it could be funded. Think of all the people who benefit from it. Draw a "spider web" to spin off all of the benefits, all of the people who benefit, all of the people who might support this, etc. Use "thinking out the box" techniques to be creative about the new ways to view old and new services.

This activity could be a good way to prepare for a board meeting and could generate some interesting discussion.

Examples of types of FRC services:

- Parent Advocacy
- Childcare
- Incarcerated Parents
- Domestic Violence
- Father Involvement
- Working with Adolescents
- Welfare Reform (welfare to work programs)
- Teen Parents
- School-linked Services (communications among families, communities and schools)
- Family Literacy
- Prevention of Child Abuse



## Appendix F: Analysis of Stakeholder Positions

FRCs can use this chart to analyze their priorities for communications with key stakeholders—people in the community who can affect them (including federal, state and local officials, private foundations, key media executives, etc.).

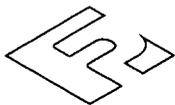
In the first column, list all the major stakeholders, starting with the most influential at the top and the least influential at the bottom.

In the second, third and fourth column, sort the names in the first column by whether they are known supporters, neutral (or their level of support is unknown), or known opponents. The center will need to decide who are its first priority for communication to gain their support. One strategy is to start with stakeholders who are highest in the influence level and the strongest opponents. Another is to start with influential stakeholders who are at least neutral.

In the fifth column, list the stakeholders' interests, their history or other characteristics that the center could use to generate their support.

In the last column, list who knows the stakeholders or is influential with them. These people should be the messengers.

Influence	Supporters	Neutral/ don't know	Opponents	Interests	Contacts



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