

1

Advancing Two-Generation Approaches FUNDING TO HELP FAMILIES SUCCEED



THE ANNIE E. CASEY FOUNDATION

Introduction

In November 2014, the Annie E. Casey Foundation released *Creating Opportunity for Families*, which emphasized the close connection between family stability and well-being and a child's success. Recognizing that kids thrive when their families do, we called for policies and programs that take the entire family into account — what many describe as a two-generation approach — to equip parents and children with the tools and skills necessary for both to succeed.

Specifically, this involves intentionally coordinating and aligning often isolated programs for kids and adults in a way that leads to accelerated progress in three key areas: (1) parents with family-supporting jobs; (2) children meeting developmental milestones; and (3) families able to fully support and engage in their child's development.¹

Over the past few years, the Foundation and others in the public, nonprofit and private sectors have invested in efforts to weave together programs and services for children and adults. These efforts have fostered collaboration among state and federal agencies and strengthened community-based organizations that typically focus on either children or adults. As these two-generation initiatives have emerged, common challenges have too: Many programs struggle with issues such as funding to coordinate child and adult services and collecting and integrating data on families.

In this brief — the first in a series highlighting these challenges — we focus on the funding required for programs to address parent and child needs at the same time, a key component of developing a sustainable and effective two-generation program. Most state and federal funding is designed for discrete purposes, geared toward either adults or children. Organizations and public officials must be creative in combining and weaving together public funds to support two-generation approaches.

This brief outlines the key funding sources of six organizations and partnerships pursuing a two-generation approach, along with their strategies for aligning multiple sources of funding to account for the needs of the whole family. The organizations — located in Connecticut, Indiana, Maryland, Minnesota, New York and Texas — represent a range of diverse ways to align and combine funding sources. In sharing these strategies, we hope to offer ideas for other organizations and partnerships seeking to bring together programs and services that enable parents and their children to thrive.

Funding Strategies

Being able to use funds and programs in more flexible, coordinated ways is critical to the success of two-generation efforts. The organizations and partnerships profiled in this brief have created a funding strategy that supports their goals and provides a solid path toward their long-term viability. A sustainable funding source lies at the core of their strategies, representing 30 to 80 percent of the two-generation budget. The source of that funding is private philanthropy or federal programs such as Head Start/Early Head Start; Maternal, Infant, and Early Childhood Home Visiting; or Social Services Block Grants. Most of the organizations also project funding for two to three years to foster the sustainability of their efforts.

These organizations primarily use three funding strategies:

Braiding is an allocation strategy that coordinates multiple sources² of funding for discrete purposes — such as the Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families — to do more for families than any single funding source could cover alone. Braiding can help streamline or bolster programs. It requires careful accounting of how every dollar from each funding source is spent. All of the organizations featured in this brief braid funding to connect families with available programs based on their eligibility.

Blending is a strategy that usually involves combining at least two separate funding sources for similar services to fully meet a family's needs. Few opportunities exist to blend funds for two-generation programs. Some of the organizations interviewed blend different funding — often from Head Start and the Child Care and Development Block Grant — for early care and education to create full-day, high-quality care for children. They also sometimes tap into local preschool financing. None blend funding for programs serving adults or to address the needs of families as a whole.

Pooling combines funds into one pot, rather than tying each funding source to a specific program or service. Typically, accountability for these resources focuses on high-level outcomes, such as the percentage of families achieving financial stability, rather than program-specific results, such as the number of families participating in a particular program. Pooling differs from blending in that

no mechanism usually exists to report which funding source covered every particular expense. The funding is also highly flexible to meet the needs of families in the program. Ideally, pooled funding would fill the gaps in financial resources available for child, parent or family needs.

Finally, philanthropic funds provide critical flexibility and freedom for two-generation programs, allowing organizations to pay for key functions that other funding does not support. Almost all organizations highlighted in this brief draw on philanthropic funding to support their infrastructure or coordination, fill in service gaps and, in some cases, pay for services when family members are not eligible for public programs. While some private funders require detailed reporting, their grants tend to have fewer restrictions than public-sector funds. The organizations we interviewed use private dollars to cover administrative costs including staffing; the systems required to integrate data on children and their parents across programs and partners; and program expansion and innovation.

Key Funding Sources

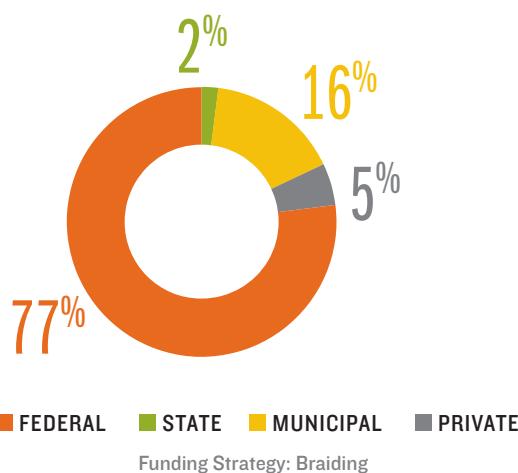
Through interviews, surveys and other materials, six organizations and partnerships shared the primary funding sources and strategies for their two-generation programs: Educational Alliance (New York), Goodwill of Central and Southern Indiana, Garrett County Community Action Committee (Maryland), Jeremiah Program (Minnesota, Texas and Massachusetts), the Mental Health Outreach for MotherS (MOMS) Partnership (Connecticut) and the San Antonio Dual-Generation Partnership (Texas).

Educational Alliance

For over 125 years, Educational Alliance has served as a community center for individuals and families in Lower Manhattan, with a myriad of programs for children and adults. In 2013, the Foundation selected Educational Alliance as one of four demonstration sites for an effort to advance two-generation approaches within, or in partnership with, early childhood programs.

The primary vehicle for the organization's two-generation strategy is its College Access and Success Program (CASP),

Educational Alliance BREAKDOWN OF TWO-GENERATION BUDGET



which engages a group of low-income parents of children enrolled in Early Head Start and Head Start in adult education classes that help open doors to higher education opportunities and, ultimately, greater financial stability.

The College Access and Success Program offers classes for English language learners and for earning a high school equivalency diploma, as well as college courses through the City University of New York system. The program also includes activities such as workshops to walk parents through how to prepare, apply and pay for higher education, as well as an advocate who helps them with their college and financial aid applications. In addition, CASP provides a range of programs and classes to help families build networks and support systems and improve their financial stability. CASP also enables parents to overcome obstacles to furthering their education by helping them improve basic English skills, arrange child care while they are in school and find resources to cover the application fee.

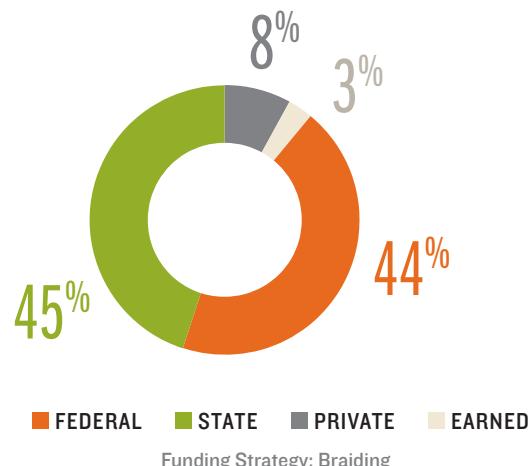
The majority of the funding for CASP comes from Head Start and Early Head Start, which pay for the early childhood education and family advocates who work with families to address their needs holistically. State funding pays for adult education and mental health therapists. Municipal funding covers the cost of providing child care and preschool, as well as the family advocate positions and program evaluation. Educational Alliance uses flexible corporate gifts and foundation grants for key staff or activities not covered through public funding, such as a college advisor, an in-house employment services team,

program evaluation and stipends for parents to promote retention and persistence. In addition, the organization has a coordinator who manages CASP; a combination of private (20–30 percent), Head Start and municipal early childhood education funds support this position.

Goodwill of Central and Southern Indiana

Goodwill of Central and Southern Indiana offers employment, education and health programs in communities across Indianapolis and other parts of the state to help families become financially stable. In November 2011, Goodwill began using the Nurse-Family Partnership® program, which is recognized for increasing access to health care for new mothers through home visits and improving the health and well-being of the mothers and their kids. Though the Nurse-Family Partnership focuses on first-time mothers and their children, Goodwill uses the home visits as a way to connect with the entire family and begin providing a wide range of support, including adult education, job- and skills-training programs.

Goodwill of Central and Southern Indiana BREAKDOWN OF TWO-GENERATION BUDGET

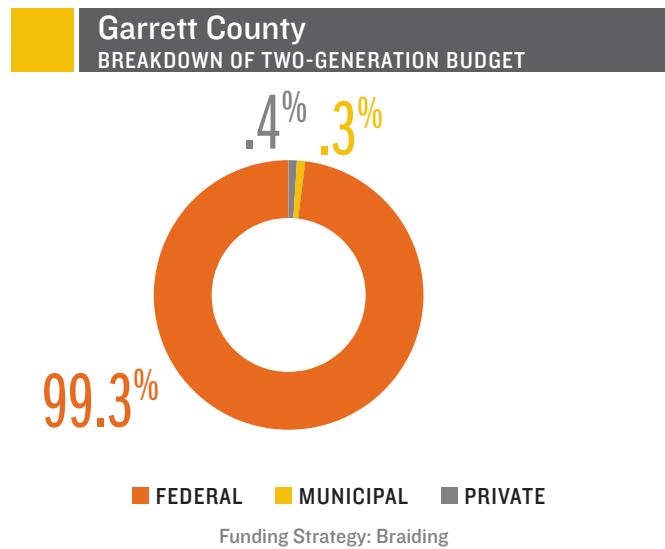


Goodwill's core sources of funding for this work (44 percent) are the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) and the Title V Maternal and Child Health Services Block Grant programs, which can support evidence-based nurse home-visiting programs. Nurses visit new mothers at home and work with a coach, called a Goodwill Guide, to develop a plan, connect the moms with the support they need and help them graduate from adult education programs. MIECHV competitive grants and revenue from Goodwill's retail

division pay for the guides. Goodwill also provides adult education for participating mothers through its Excel Center, a state-funded public charter school that helps adults earn a high school diploma and begin postsecondary education. Nurse-Family Partnership refers about 22 percent of participating mothers to the Excel Center. Profits from Goodwill's retail division and private funding offset administrative and leadership costs, in addition to paying for expanding the program to other parts of the state. Grants from private foundations cover job-preparation and placement activities, transportation and child care.

Garrett County Community Action Committee

The Garrett County Community Action Committee works with partners to improve the quality of life for residents of a rural Maryland county that sits at the western edge of the state. The agency, which aims to help low-income individuals achieve greater self-sufficiency, serves individuals and families and owns several housing developments and community facilities throughout Garrett County. Like Educational Alliance, the agency served as one of the Foundation's demonstration sites for promoting two-generation approaches.



To that end, the Garrett County Community Action Committee focuses its two-generation efforts on its Early Head Start and Head Start programs, which have 300 children enrolled at more than 20 centers throughout the county. The organization uses its Early Head Start grant to operate a home-visiting program. The agency employs 19 coordinators who work with families on issues ranging from housing and energy assistance to tax preparation; nine of them work exclusively with families in Head Start and Early Head Start.

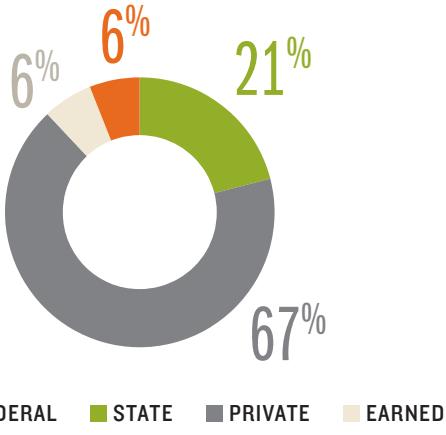
Head Start and Early Head Start funds represent 97 percent of the budget for the organization's two-generation initiative, covering home visiting, early childhood education, administration, parent engagement and family support staff who provide coaching. Federal funding from several other sources — including the Supplemental Nutrition Assistance Program Employment and Training, Workforce Innovation and Opportunity Act and the Low Income Home Energy Assistance Program — pays for additional services such as financial education workshops, budget counseling, career and college coaching and crisis assistance. Finally, a small amount of private funding supports staff training, parent workshops, coordination and program development, as well as a part-time staff member who works with families on mental health issues.

Jeremiah Program

The Jeremiah Program equips single mothers to excel in the workforce, prepares their children to succeed in school and aims to reduce intergenerational dependence on public assistance. The program's two-generation approach begins with establishing a supportive community for determined single mothers to pursue a career-track college education. By providing high-quality early childhood education, a safe and affordable place to live and training on life skills, the Jeremiah Program helps families become stable and forge a path out of poverty. The organization has two sites in Minneapolis and St. Paul and is building campuses in Austin and Boston.

The Jeremiah Program has intentionally cultivated a strong base of private support and limited its reliance on federal funding. About 66 percent of the funding for the Minneapolis and St. Paul sites comes from corporate gifts and philanthropy. This money covers general operating costs, coaching and technical assistance, including enhancing the quality of the early childhood programs. The organization uses state funds to help support the early childhood programs and to provide meals in the child development center, as well as affordable housing and homes for chronically homeless mothers. Pell grants pay the participants' tuition for higher education, and most receive financial support through the Temporary Assistance for Needy Families program — an average \$437 monthly for a family of two. The organization also earns a small amount of revenue from participant co-payments for child care and housing.

Jeremiah Program BREAKDOWN OF TWO-GENERATION BUDGET



Funding Strategies: Pooling and Braiding

Mental Health Outreach for MotherS Partnership

The New Haven Mental Health Outreach for MotherS (MOMS) Partnership in Connecticut is a collaboration of agencies that aims to help mothers overcome major challenges they've identified in their lives and foster the well-being of their families. The partnership specifically seeks to improve mothers' mental health and reduce their stress so they can better support their children's health, development and academic achievement — and pursue employment opportunities. One-stop centers called MOME Zones — conveniently located in neighborhood businesses or organizations — address basic needs, such as food and diapers, as well as mental health and employment challenges. They also offer mothers skill-building classes and workshops on job readiness and stress management.

Community ambassadors who are also mothers are trained to reach out to those who are more isolated and make referrals for assistance.

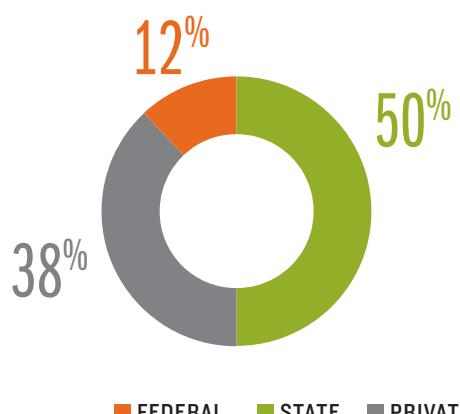
MOMS' primary funding source is the Social Services Block Grant, which supports programs that allow people to achieve or maintain self-sufficiency to prevent, reduce or eliminate dependency on social services. These funds pay for case management and clinical services for participating mothers and children. In addition, Medicaid covers mental health care for mothers, including mental health assessments, services to address stress and developmental screening for their kids. If a mother has a serious and persistent mental illness, Medicaid funds can also cover employment services such as job placement, coaching and training. Funding from foundations and corporations (38 percent) supports job-training programs, research, partnership development, communications and events.

San Antonio Dual-Generation Partnership

The San Antonio Dual-Generation Partnership is a multiagency effort focused on children and families in the city's EastPoint neighborhood, led by United Way of San Antonio and Bexar County and the San Antonio Housing Authority. EastPoint is one of three locations where the Foundation has teamed up with a community development initiative seeking to transform a neighborhood into a better place for kids and families to live, work and grow.

The San Antonio partnership aims to prepare parents for jobs and careers while providing quality early childhood and educational experiences for their children. To that end, programs for kids focus on their healthy development, growth and education, while those for adults concentrate on parenting, adult education, job skills and financial stability. EastPoint is home to five public housing developments and includes about 800 households with children younger than 10 — the initiative's primary focus. With all the partner agencies housed together, families can easily find and access what they need in one place.

MOMS Partnership BREAKDOWN OF TWO-GENERATION BUDGET

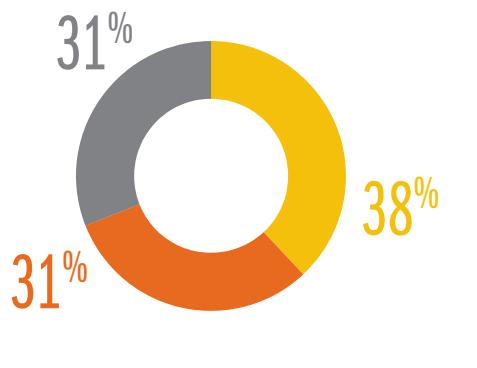


Funding Strategies: Braiding and Pooling

Two federal grants — from the Department of Education's Promise Neighborhoods and the Department of Housing and Urban Development's Choice Neighborhoods initiatives — help support the partnership's efforts. A portion of these grants pays for a local employment and training program for public housing residents called Jobs Plus; a career coach from

Goodwill San Antonio for other parents who do not live in public housing; child care assistance; and professional development to improve the quality of the neighborhood's child care centers. In addition, a strategic alliance with the city led to a federal Early Head Start-Child Care Partnership grant to expand high-quality early learning opportunities to infants and toddlers. The grant allows for providing a full-day, full-year early care and education program for eligible children from low-income families, removing a significant obstacle to securing employment or participating in training for their parents. Finally, about 30 percent of the San Antonio partnership's funding comes from foundations and corporations and goes toward the Goodwill career coach, Jobs Plus, professional development for neighborhood child care staff, industry trade certificate training for parents, financial coaching, child care assistance and the data systems necessary to support the multiagency effort. Municipal funds cover a range of support for families, including assistance for utilities, rent, school uniforms and short-term child care, as well as job fairs for parents to learn about and connect with prospective employers.

San Antonio Partnership BREAKDOWN OF TWO-GENERATION BUDGET



Challenges to Braiding and Blending Funds

While organizations have managed to strategically braid and blend state, federal and municipal funds to support their two-generation approaches, several noted challenges in doing so.

Limited Flexibility

Many federal programs are designed for specific purposes with very targeted eligibility criteria and precise allowable expenses, which makes braiding funds difficult. For example, Head

Start salary ranges can pose a challenge when organizations ask staff to take on more responsibilities as they adopt a two-generation approach. For some staff, those additional responsibilities can exceed the experience required under their contract; their position also may have a salary limit. In addition, many public funding sources leave little leeway for supporting tailored case management or coaching. The organizations in this brief allocate a portion of their funding from multiple sources to do so — a complicated balancing act. Limits on when and how public funding can be used for case management or coaching add another layer of complexity: Medicaid, for example, pays for targeted case management as a treatment but not a preventive measure.

Sometimes funding simply does not lend itself to a whole-family approach or does not follow families over time and through important transitions. For example, the organizations featured in this brief noted they cannot use Medicaid for family health services or for children who may face challenges because of their parent's serious mental health illness. And although Head Start funding is fairly flexible while a family has a child enrolled in the program, it does not continue once kids move on to kindergarten, which undermines families who need the program's comprehensive services and case management for longer periods of time.

Finally, the funding landscape can be particularly challenging for organizations trying to serve the unique needs of the growing number of immigrant families. Generally speaking, many organizations may struggle to address and even comprehend those needs, such as learning U.S. culture, navigating complex public systems and building social networks, in addition to learning English and improving literacy skills as necessary. Few specific funding sources exist for such activities; organizations typically offer them through a myriad of programs and services. Immigration status also affects families' ability to access public programs, even if their U.S.-born children are eligible for them. Successfully working with immigrant families usually requires more flexible funding to fill programmatic gaps, including from the private sector.

Tracking Data and Results for Different Funding Sources

Although supporting two-generation strategies under public funding, rules and regulations is possible, tracking data and results for different sources of funding adds a significant administrative burden. Moreover, funding tends to be scarce for the integrated data systems and staffing required for such

monitoring. Garrett County Community Action Committee, for example, invested money and staff time over a number of years to create systems that track and report child and adult data together to assess the effectiveness of the agency's programs and inform its efforts so that staff can better serve families. Still, few data systems are designed to do this, and even when they are, organizations must extract separated data to report to their respective funding sources.

Conclusion

Despite the funding challenges these organizations and partnerships have encountered as they've pursued two-generation strategies, they have found creative ways to align and weave together often disparate funding sources to address the needs of children and parents. While these specific examples can offer insights and even guidance for others involved in similar endeavors, policymakers and funders also have a role to play: They can help remove the common obstacles and challenges that prevent organizations from fully realizing an approach that takes the whole family into account (see "Supporting Two-Generation Strategies: Suggestions for Policymakers and Funders," a companion to this brief).

Creating opportunities for more braiding, blending and pooling of funding sources will not only bolster two-generation efforts but also underscore the reality that drives them: Children thrive when their families are fully equipped to foster their well-being and success.

ENDNOTE

- 1 For more information on the research and rationale behind two-generation strategies, see The Annie E. Casey Foundation. (2014). *Creating opportunity for families: A two-generation approach* (KIDS COUNT Policy Report). Baltimore, MD: Author. Retrieved from www.aecf.org/resources/creating-opportunity-for-families
- 2 Categorical eligibility is a policy in which families may become eligible for programs because they already qualify for another. For example, families may become categorically eligible for the Supplemental Nutrition Assistance Program because they qualify for non-cash Temporary Assistance for Needy Families support such as child care or transportation assistance.

Improving Funding for Two-Generation Strategies

The organizations and partnerships interviewed for this brief suggested several ways that state and federal funding could better support their two-generation efforts:

1. Expand funding to continue supporting Head Start and Early Head Start families when their children move into kindergarten.
2. Test strategies that allow families to gradually increase their earnings without immediately losing their eligibility for public programs that enable them to cover basic needs while they work toward financial stability.
3. Streamline the process of applying and qualifying for public programs. For example, organizations suggested allowing programs to automatically issue participants a child care voucher when they become eligible to enroll in Nurse-Family Partnership.

Finally, practitioners we interviewed wished for a dedicated public funding stream that would support the role of coaching and streamlined case management across multiple programs. This work with families — as a coach, navigator, family advocate or case manager — is a key two-generation function and support for families, but funding for it is seen as an administrative afterthought. As a result, programs must jump through countless hoops to provide such services and, even then, the full cost is rarely covered. There are several ways to address this issue. One organization we interviewed suggested a general administrative rate or indirect cost rate for coaching or case management that cuts across key poverty programs, which would eliminate the need to cost allocate and be more efficient for funders to collectively monitor.

See the companion to this brief, "Supporting Two-Generation Strategies," for additional suggestions for policymakers and philanthropy.

Prepared for the Annie E. Casey Foundation by Kristin Lehoullier and Shelley Waters Boots

ABOUT THE ANNIE E. CASEY FOUNDATION

The Annie E. Casey Foundation is a private philanthropy that creates a brighter future for the nation's children by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow.

© 2017 The Annie E. Casey Foundation



THE ANNIE E. CASEY FOUNDATION

701 ST. PAUL STREET BALTIMORE, MD 21202 410.547.6600 WWW.AECF.ORG