

MATCHING FOR SUSTAINABILITY:

**A GUIDE FOR COMMUNITIES SPONSORING SYSTEMS OF CARE
FOR CHILDREN WITH SERIOUS MENTAL DISORDERS
AND THEIR FAMILIES**

**DRAFT
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INTRODUCTION

The goal of this guide is to assist states and communities improve their strategies for raising the required non-federal matching funds for the Comprehensive Community Mental Health Services for Children and their Families Program.¹ Sustainability is critical to the success of any systems reform effort and therefore vital to the projects funded under this program. The first step to sustainability is for the funded sites to be able to raise the non-federal matching funds required under the law. This Guide:

- Summarizes federal rules on non-federal matching funds (from the law, regulations and policy guidance issued by the Center for Mental Health Services);
- Presents data on the sources of non-federal match funds raised by the sites funded under this program;
- Describes strategies used by sites that have successfully raised non-federal matching funds;
- Discusses the connection between match requirements and sustainability of a site and summarizes how successful sites have used the match requirements to further their sustainability goals;
- Provides three case studies of successful sites' strategies to raising match.

PART I: FEDERAL RULES

GOALS OF THE COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN AND THEIR FAMILIES PROGRAM

The Comprehensive Community Mental Health Services for Children and their Families Program, according to its legislative history, was intended to change the way child mental health services are delivered in this country. Based on testimony, Congress made clear the intention was to turn a fragmented service delivery pattern, where families had multiple case managers and received ineffective services from multiple agencies providing uncoordinated care, into a single delivery system of care for children with serious mental or emotional disorders. The new program was also, quite explicitly, built upon the prior Child and Adolescent Service System Program (CASSP) of the Center for Mental Health Services, which articulated goals and principles for interagency, comprehensive integrated systems of care for children and their

families. The legislation emphasizes, for example, the need for a single case manager for each child and family.

In other words, in creating this program, Congress was not merely authorizing a new, short-term demonstration initiative designed to help some children to some degree. Such programs generally end when the federal funds run out. Demonstrations of this type have their place for breaking new ground in service delivery. This program is, instead, a seed money program designed to start initiatives that are sustainable and will continue long after the federal government withdraws its support. Moreover, the seeds of reform sown as a result of these grants, it was hoped, would affect child mental health services delivery statewide. While each state may need to demonstrate, test and adapt the CASSP system of care philosophy to suit its own political, economic and cultural mix, the purpose of this program was to encourage states to bring to scale the innovations underlying the CASSP program and to implement the CASSP plans that had already been written.

Ten years later, the program may have a long way to go in order to achieve these high expectations. However, its purposes have not changed over this period and in many communities, successful and sustainable systems of care have emerged.

PURPOSE OF FEDERAL FISCAL RULES

The fiscal rules built into the program clearly comport with the underlying vision described above. Federal funds are provided over a significant period of time, now six years, in contrast with federal demonstration programs which typically run for three years. The federal government at no time finances all of the costs of these systems; states, localities and other non-federal sources are expected to invest in these projects to demonstrate their own commitment and to lay the groundwork for long-term sustainability. These match requirements are a core element of the program and cannot be waived.

This approach is not unique to this program. According to the Comptroller General of the federal Department of Health and Human Services:

In theory, the lure of federal grants entices state and local governments into allocating new resources to satisfy the non-federal match for programs they otherwise would not have funded on their own...(However,) they would most likely agree to spend new resources on the same project if most of the project costs were paid for by the federal government.ⁱⁱ

Over time, the federal contribution declines and various other funding sources must pick up costs. This facilitates a gradual hand-off from the federal grant to state, local, tribal and private sources of funds. This hand-off is reinforced by the fact that matching funds must be spent for the same purposes as authorized for the federal funds allocated under the grant. For example, match dollars cannot be spent on residential treatment services that have a bed capacity of more than 10, because that is not a permitted expense under the statutory language governing the program.

Other support for the site's activities must come from the major federal programs funding children services, such as Medicaid, the Individuals with Disabilities Education Act (IDEA), foster care and child welfare family support programs. This strategy relies upon the availability of such on-going sources of support for child mental health services, and the ability of local systems of care to use those funds in a more coordinated, family-friendly and effective way as a result of their participation in this program. According to the House Committee Report on the authorizing legislation:

While this federal grant will not pay for (Medicaid and other services funded by mainstream federal programs), it is important that children receive these services to the extent that they are eligible.ⁱⁱⁱ

WHAT COUNTS AS NON-FEDERAL MATCH?

Under federal law, each public entity that receives a grant under this program must make available, either directly or through donations from public or private entities, a non-federal contribution towards costs incurred in carrying out the purposes of the grant as outlined by the federal government program.^{iv}

Federal law defines matching funds as:

- non-federal public or private funds;
- funds that are not used as match for any other federal program;
- funds that are spent on the system of care;
- either cash or in-kind, fairly evaluated;
- for Indian Tribes or Tribal Organizations, Section 638 funds.

The federal law also includes maintenance of effort provision. In calculating the non-federal match, sites cannot include an amount equivalent to the amount expended by the applicant for the same purposes over the prior two-year period. This means that funds spent over the two previous years for community mental health services for children in the same locality as that served by the grant must be averaged. Then, funds that are to be counted as non-federal match funds in each year of the grant must be those that exceed this averaged amount.^v Note that federal grant funds cannot be expended on residential services and thus such spending should not be counted in calculating the maintenance of effort requirement.

Non-federal match may be either cash or in-kind. Cash match can be:

- Funds redirected from residential or other institutional services and spent on community services for a child who is served by the program—the federal maintenance of effort requirement applies only to prior spending on community services;

- Funds redirected from services previously furnished to a child in another part of the state who is returned (or moves to) the area served by the program and is provided services through the system of care;
- Funds that are spent on the system of care and children served by the system of care.

Although match funds may not be federal funds or funds used to match any federal program, this does not mean that funds used to supplement reimbursements under other federal programs cannot be match. For example, additional costs of a Medicaid-covered service can be funded with grant or matching funds if the Medicaid reimbursement is less than the actual cost of the service. A non-Medicaid service can also be paid for with grant or matching funds even when furnished to a child who is Medicaid-eligible.

In-kind match:

- May be plant, space, equipment or services;^{vi}
- Must be an allowable cost under the terms of the grant if the party receiving the contributions were to pay for them;

In-kind funds must be fairly evaluated. This means:

- Space or equipment where a third party retains title must be valued at the fair rental rate;
- volunteer services by professional or technical personnel, family members, consultants and others must be an integral and necessary part of an approved program and constitute an allowable cost if the program had to pay for them;
- When calculating volunteer rates when the grantee does not have employees performing similar work, rates must be consistent with those paid for similar work in the labor market in which the grantee competes;
- Supplies must be calculated at the market value at the time of the donation.

Common examples of in-kind match are the costs of personnel from other systems (teachers, child welfare workers, etc.), family organization time, vehicles for transportation, training costs, outreach activities, utilities or phone costs, space or equipment. Sources of in-kind match include other child-serving agencies, local businesses, foundations, public universities and community colleges, charities and faith-based organizations.

WHAT FUNDS CANNOT BE USED AS MATCH?

There are strict rules that describe funds that cannot be counted as match. These rules stem from the federal law, from other federal law governing matching funds, and Department of Health and Human Services policy issuances. Matching funds cannot be:

- Federal funds from any source;
- Non-federal funds that have been used as a match for other federal grants (such as the non-federal share of Medicaid costs);
- Funds that are spent for a purpose not permitted for the federal grant funds;
- Funds not spent on the system of care, but spent instead in another part of the state or locality;
- Funds expended for services to children in the community or in other parts of the state or locality who are not served by the system of care.
- Funds that are required to meet the federal maintenance of effort requirement – that is, funds equivalent to those spent in the prior two years (averaged) on community mental health services for children with serious mental or emotional disorders (see discussion of maintenance of effort rule, page 3)..

The rules with respect to using funds from federal entitlement programs, such as Medicaid, Title IV-E and IV-B of the Social Security Act (child welfare funding) and IDEA have caused considerable confusion. While these funds are crucial to running and sustaining a system of care, neither the federal nor the non-federal share of these program funds can be used as match (see box next page).

OTHER MATCH RULES

Matching funds must be funds (or in-kind contributions) that are in-hand, and grantees may not count contributions that have been promised but not received. When grantees request permission to carry-forward non-federal contributions from one fiscal year to the next, the match ratio that applies is for the grant year in which the funds will be spent, not the prior grant year in which the matching funds were raised. If the match requirement is higher in the new fiscal year, it is often desirable to spend the match in the year it was collected, instead of carrying it forward.

The requirements for meeting the non-federal match rest with the public entity that has been awarded the grant. It cannot be required of contractors or sub-contractors, although contractors or subcontractors may contribute to the match. The grantee may request assistance in meeting the match requirements from public or private entities, including child serving agencies, private corporations, foundations and non-profit entities, but it may not demand this assistance.

Medicaid Funds and Non-Federal Match

Considerable confusion may arise over determining which funds at the state or local level are, in fact, the Medicaid federal contribution and state or local Medicaid match. Typically, a grantee site will receive funds for serving Medicaid-eligible children and families from the state or locality up front, on a quarterly basis or shortly after a service has been rendered. The federal government's contribution to the cost of that Medicaid service will be paid at a later date to the state Medicaid agency, which in some circumstance will pass those funds along to the mental health authority.

For purposes of considering which funds can be counted as the non-federal match, a grantee site should set aside (and not count) an amount equal to the amount of Medicaid reimbursement it receives for each service to a Medicaid-eligible child. This rule applies regardless of when, or from which agency, the grantee receives the payment.

At the state level, the mental health authority must count as Medicaid funds an amount equal to the state or local contribution for a Medicaid-reimbursed service and the federal share. An example of how this might work is included as an appendix to this report.

ACCOUNTABILITY WITH RESPECT TO MATCH

All costs used to satisfy matching requirements must be documented by the grantee and are subject to audit. Audits may be conducted by the federal agency and in addition, many states and localities have audit rules that must be followed.

To ensure that matching funds have been appropriately calculated, the grantee should strive to ensure that all matching funds meet the following criteria:

- Are verifiable from the recipient's records;
- Are not included as contributions for any other federally-assisted project or program;
- Are necessary and reasonable for proper and efficient accomplishment of program objectives;
- Are allowable under applicable cost principles;
- Are not paid by the federal government under any other award;
- Are provided for in the approved budget of the grantee.

The critical federal auditing requirement is Circular A-133, the Single Audit Report, from the Office of Management and Budget (OMB). This circular requires providers that have received more than \$300,000 in federal funds during the previous year to meet audit requirements set out in the circular.

Independent audits are the most certain way of ensuring that all federal and state

requirements are met.

RULES FOR INDIAN TRIBES OR TRIBAL ORGANIZATIONS

The over 500 federally-recognized Indian Tribes and Alaska Native Villages have different rules and different options with respect to raising the non-federal match for this program. Tribes are sovereign entities that have a government-to-government relationship with the federal government. Nearly 2.5 million Americans identify themselves exclusively as American Indian or Alaska Native, 944,433 of whom live on federal reservations or on off-reservation trust lands. These reservations are located in whole or in part within thirty-five states. Tribes have varying relationships with the states, and when boundaries overlap with more than one state this further complicates such relationships.

Federally-recognized Indian Tribes or Tribal Organizations are eligible for grants under this program and as of 2003, 11 children mental health service grants had been awarded grants to Indian Tribes or Tribal Organizations.

For these entities, state agency funds are generally not appropriated and therefore not available for meeting the non-federal match requirements. Potential non-state sources of match funds for Tribes include:

- Certain federal funds through the Bureau of Indian Affairs and Indian Health Service;
- Tribal funds from various sources, such as casinos;
- Tribal in-kind match, including match from other systems such as child welfare
- Family in-kind match
- Donated time or resources from community groups or foundations

Indian Tribes and Tribal Organizations have greater flexibility under federal law with respect to federal funds that may be used to meet the matching requirement. Under Public Law 93-638, the Indian Self-Determination Act, federally-recognized Indian Tribes have the option to withdraw from federal agencies the funds used to operate programs for their tribal members. These tribes then assume direct administration of federal Indian Health Services or Bureau of Indian Affairs funds. Those that assume this responsibility are then free to use the funds converted under PL 93-638 as match for this program.

In addition, as for other grantees, Indian Tribes or Tribal Organizations can use in-kind contributions, volunteer time (often from elders, tribal leaders and community agencies), training time and costs and contributions from other tribal organizations. Other potential sources are for-profit or non-profit organizations including third party reimbursements.

Although relationships between Indian Tribes and states are sometimes strained and resources are scarce, there are tribes that have been successful at securing funds from state agencies and receiving funds from state programs. Individuals living on Tribal lands are still citizens of their state, and have as much right to access state programs as other residents. Mental

health agencies in some states provide direct general revenue support to a site, and this facilitates the site being able to meet its match requirement.

Unfortunately, many of the Indian Tribes and Tribal Organization sites have found it particularly difficult to raise the non-federal matching funds for this program. While converted 638 funds represent a good source of match for those Tribes that have elected to directly administer these funds, many of the over 200 federally-recognized Indian Tribes have not chosen this approach. Even where the Tribe may have control of 638 funds, there are many competing health and social service needs for these resources. Obtaining the match funds from this source is often extremely difficult.

Few states provide funds for mental health services to Indian Tribes, although there are exceptions and some Tribes have built good relationships with their state mental health authority or other state leaders. When there is a strong and positive relationship between the state and Tribe, states find the resources and some Tribes do use state funds as a match.

Tribes do not all exercise their right to develop their own taxes, and these tribes have no mechanism to raise the resources they need for match. Although some Tribes generate revenue through gambling operations, it is not always easy for sponsors of a child mental health program to secure those funds.

Most of the funds Tribes can tap into to support a child mental health services site are federal, and therefore (except for 638 funds) unavailable for match.

As a result, for these sites in particular, non-federal resources generally come from for-profit or non-profit organizations including third party reimbursements, in-kind contributions, volunteer time, training time and costs and contributions from other tribal organizations.

PART II: RAISING MATCH FUNDS

The following information is intended to help sites determine how, and from where, to raise the non-federal match funds. It is based upon conversations with 14 federally-funded sites, several of which have successfully completed their period of federal funding and are sustained and even expanded in their local communities. Sites were asked to explain their strategies for securing match funds, the sources of their match and to share advice for sites struggling to find non-federal match funds. In addition, they were asked their views on how the federal fiscal requirements had affected them.

KEY FACTORS FOUND IN SITES WITH SUCCESS IN RAISING MATCH

In discussions of match issues with these sites, several common factors, or themes, emerged. These successful sites were similar in several important ways, as summarized below. A separate discussion on the sites run by Indian Tribes and Tribal Organizations focuses on the unique challenges facing these sites.

Philosophical Approach

All of the successful sites had grasped the essential objective of the federal law and shared in its underlying assumption — systems change in children’s mental health is needed and all relevant partners (agencies, community and families) must be involved in that change. A shared vision across agencies and the broader community was their essential starting point. Successful sites did not view the federal program as a means to obtain time-limited support for a project of services. Indeed, they did not consider that their grant funded a “project” at all. Instead, they used the federal grant to further their goal of ensuring adoption of a philosophical approach of interagency collaboration to meet the needs of children in their home communities.

Little projects go away; the Village left an impression. (Child welfare collaborating official)

Prior Experience

Several of the successful sites had used the federal grant to build upon existing collaborative efforts. In these communities, a strong collaboration existed before, during and therefore after the grant. They used the federal funds to move this collaboration to a new level, engage in new programming and build new infrastructure. Applications for the federal program were produced through these collaborations and not solely by one lead agency. In some locations these efforts involved collaboration between the site and the state. For example, North Dakota had strong interagency relationships at the state level and applied for a grant to initially cover just one region of the state. The collaboration between agencies at the local and state levels led to a successful experience that was later expanded statewide.

However, this was not a universal approach. Although it was reportedly more difficult, many successful sites built their collaborative structures as they applied for federal money. However, all sites engaged in meaningful collaboration at least by the time they designed and wrote the application.

Approach to Fiscal Planning

Successful sites addressed fiscal planning holistically, dealing with resources for ongoing support of their program and non-federal match issues as one. Although many sites expressed concern that they had not focused early enough on sustainability issues, they had soon come to realize that the important issue is the total budget. As one director said, you have to “get out of the match frame of mind.”

Successful sites are adaptable. Leaders take account of the site’s changing fiscal needs over the 6-year grant cycle and respond to changing fiscal times. They track and react to changing policy environments and position themselves to take advantage of opportunities, such as a new funding source. Or they actively work to create new opportunities. More than one site had supported expansion of Medicaid coverage in the state. This careful financial planning is coupled with best-practice programming that brings strong community and family support.

State Level Coordination

Strong Interagency Collaboration

Successful sites demonstrated very strong interagency partnerships that involved commitment of resources from more than one partner agency. Conversations with partner agencies of successful sites showed that they value the return on their investment of time and/or money in the system of care.

Building strong collaboration requires regular face-to-face contact. Sites emphasize that it isn't always easy, and it takes time and effort. These successful sites had structures for collaboration in existence or they built them with the federal grant. These structures ensure system planning at the state and/or local level (see box next page), and they enable ongoing and meaningful discussions to occur at regular and often frequent intervals regarding policy, program and financing.

Additionally, these sites had interagency structures for collaboration around the service needs of particular children who were especially hard to serve and who were engaged with more than one agency. For example, in South Carolina, the Village Council, set up by a site that has since completed its federal grant, still meets regularly once a week to discuss how to serve certain children. In North Dakota a state review team from a graduate site also continues to meet for the same purpose (see box on review team for hard-to-serve children, below).

It's easy to sustain when infrastructure and relationships are there. (You can) use the federal grant to get there. (MH county official)

The Partnership, North Dakota

North Dakota has two state level coordinating bodies. The System of Care State Team addresses systems issues and a separate group deals with cross-agency service needs of specific children. The state has reached agreement on a set of core values, beliefs and principles across agencies, and these form the platform for the work of the state team.

The System of Care State Team has operated in North Dakota since the state received its federal grant in 1994 and meets quarterly. Membership on the team includes representatives from state, regional and local agencies, including all state agencies involved with children's services: mental health and substance abuse, child welfare, special education, developmental disabilities and juvenile justice as well as the Medicaid Director and families. Also represented are county human service agencies, public schools and the state supreme court.

The purpose of the State Team is to provide a forum to discuss systemic issues and to provide leadership across multiple systems from a statewide perspective. It promotes program development, clarifies roles and processes and determines the best strategies for the delivery of an integrated service delivery system of care for children with complex needs involved with multiple systems. The group strives to remove barriers, improve understanding of agency issues and of challenges faced by children and families. This in turn will lead to better outcomes, increased access and ways to address the gaps in the continuum of care.

The team makes quarterly reviews of aggregate data for client and service tracking, local training needs and system of care trends from the single plan of care computer application and other sources. It guides and monitors the development and implementation of the wraparound certification process for care managers in juvenile corrections, child welfare and mental health systems and determines the approved outcome measures for this process. It resolves any disputes or system of care issues raised by regional teams. Agencies participate in the development of a statewide continuous quality improvement process with the regional teams.

The team is able to identify and address gaps in the continuum of care and service array and has developed methods to improve access to care as well as to control escalating costs of out-of-home services.

The group makes decisions by consensus, whenever possible, but must stay within the budget, regulatory and operational parameters of each agency.

Joint Initiatives

Hard evidence of this strong interagency work exists in successful sites. A single plan of care across agencies is in place; there are (or there are active plans for) cross-agency electronic access to the child's plan of care. In many sites, case workers are trained through the same curriculum and may be certified using the same standards across more than one agency, typically mental health and child welfare. All agencies work together on ensuring resources are secured;

all work from the same philosophical approach towards children and families.

State Review Team for Hard To Serve Children

The North Dakota Partnership

In addition to a systems State Team, North Dakota has a separate System of Care State Review Team that meets to conduct child-specific reviews. The team addresses the needs of children with intensive needs who are engaged with more than one system. The State Review Team works to braid funds together in order to find the best solution for the child. Agencies engaged on this review team are: mental health and substance abuse, juvenile services, education, Medicaid and developmental disabilities. Youth for whom all known options have been exhausted can be referred by local systems.

The coordinating council reviews the systems-level issues in providing appropriate services across the eight human service centers around the state and to secure resources for those services. The group also addresses policy issues at the state level to remove barriers for effective local delivery of coordinated care for children and families.

Effective Services

Successful sites have focused on outcomes. There have been changes not only in how systems are organized, but also how mental health services are delivered to families. Wraparound approaches, on a strengths-based model that engages families and older children in planning their care, has led to strong family satisfaction, and therefore strong family support for the site. The system of care wraparound approach has been installed in all collaborating systems, not only in mental health. Issues of blending, braiding or otherwise mixing funds to ensure services were paid for was addressed administratively, allowing the child and family team to have a seamless array of appropriate services.

It's large scale philosophy, not just pockets of change. (Juvenile justice collaborating official)

Program Staff With Funding Expertise

Especially relevant with respect to raising non-federal match funds, these sites invested the time and the resources to ensure they could bring strong financial and program expertise together, so as to build a financially viable, strong and effective program. In these sites, program needs drove searches for funding -- and these searches were nearly always successful. Often, program staff leave resource issues to the fiscal experts, which can lead to a situation where resource availability drives the program. In these situations, innovation is hard, if not

impossible. In successful sites, a blending of the expertise on program with expertise on the details of how various funding sources can be used has led to the site accessing significant resources for programs they wish to run.

You need to know what questions to ask—need to understand enough to push funding stream administrators with sophisticated questions. (County mental health site director)

Individuals with this combination of skills either need to be found and recruited, or they need to be created through training, travel to conferences where such information can be gleaned, or through study and discussions with state and/or local experts. Planning for sufficient staff time to accomplish this is crucial.

The projector director or senior program staff must learn fiscal issues – it takes time, but it really pays off. (MH County Director)

These program and funding experts are backed up by site leadership that is willing to take some risk. These sites frequently expand their thinking regarding funding sources; they “think outside of the box.” Occasionally, this creativity may result in billings that are ultimately disallowed, but this, according to more than one site, should not be a concern. Budget for some such issues, and move on.

Once this expertise exists in the program staff, fiscal administrators have then been helpful with the specifics of securing resources. As one site pointed out, often, fiscal administrators are cautious and concerned about breaking new ground, even though other communities may already have led the way and be using resources in a certain way. Expertise in program staff can help to overcome this.

This strong business expertise is needed, not only to find the non-federal match, but also to secure the site’s future financial underpinning. Successful sites have experts in mainstream funding programs such as Medicaid, TANF, Title IV-E and B and they do not forget state and local funding opportunities. Successful sites have made fiscal expertise, program expansion and creativity an organizational goal.

The Village in South Carolina has taken this financial responsibility down to the program supervisor level. Those in charge of specific programs within the system of care, such as a program for very young children, are expected to help find the resources to keep their program operating. This may involve working with the local community to secure small contributions or grants, or seeking additional grant opportunities from state or federal sources. The Village helps its program supervisors to fully understand the challenges of keeping a system of care afloat by rotating them through the senior management team.

Expertise on funding sources has been found or encouraged among partner agencies as well. Successful site’s interagency planning teams know the details of a wide range of federal mainstream funding programs for mental health, child welfare, education, juvenile justice, substance abuse and other services. This relieves some of the pressure on the non-federal match

requirement and builds sustainability.

Look beyond your own agency and learn what other states/communities do and find out how they really did it (County mental health site director).

BUDGETING FOR MATCH

There are ways in which successful sites have approached the development of a budget and fiscal plan that enables them to find the appropriate non-federal match as well as leading them towards a successful plan for sustainability. Site leaders must know what they want to fund and sustain, what resources they need and how to find them. This section discusses overall budget strategy and budget planning.

Studies of community initiatives that are successfully sustained have found that diversifying funding is essential. Community initiatives need to bring together resources and use them in new ways. Combining various public funds along with private resources in innovative ways can create a sound budget for the short-term and the long-term. Successful agencies also combine cash resources with in-kind contributions.^{vii} Typically successful sites under the child mental health program have incorporated such strategies and have multiple funding streams cutting across the child serving agencies and often they have other public funds and private resources as well.

Sites need not reinvent the wheel on strategic financial planning. According to The Financing Project,^{viii} key elements of success for sustaining comprehensive community initiatives include:

- Making the best use of existing resources
- Maximizing available sources of funding
- Creating more flexibility in existing categorical funding streams;
- Generating new resources
- Advocating for new state and local revenue sources

As the later sections of this report make clear, system of care sites have adopted these key elements for success in dealing with issues of non-federal match funds and sustainability. However, to accomplish these goals requires careful planning with broad community input.

Plan Early and Often

One of the strongest recommendations to other sites from those who are successful is to plan early, plan more carefully and plan more aggressively around funding issues. Early years should not be spent only building the program based on the federal grant, but investing resources toward creating a sustainable budget. A five-year budget plan is needed from the beginning, and should be regularly amended to reflect experience and lessons learned. Match planning seems the most critical aspect in the first years, but match planning should be seen as only a subset of sustainability planning.

Raising matching funds and sustaining the site are inseparable. (Mental health official in Florida).

Several sites regretted not engaging earlier in comprehensive planning. One reason for delay in focusing on sustainability was that everything else took time – building relationships, figuring out program, identifying sources of funds, creating community support. Even when in place, these plans have to be flexible and will inevitably change. At first, as many sites pointed out, they did not even know what questions to ask. Or, as one director put it, “we didn’t know what we didn’t know.”

Early planning should also involve forming a partnership with the state agencies (if the site is local and such relationships are not yet forged) in order to begin planning in collaboration with the state for future sources of funding.

Plan Jointly

An integrated strategy on funding will move the whole system forward. All partner agencies need to be part of fiscal planning and all agency funds should be mined for the appropriate reimbursements. In some cases, policy changes may be needed to tap into some of these opportunities and sites should not shy away from raising those issues locally or at the state level. This is an ongoing process and time must be devoted to it.

Each agency can look at what it could pay for, and the collaborative can strategize as a group. (County mental health site director)

State or county cross-agency committees that address the funding of all relevant services in all relevant agencies are seen as an essential ingredient for a system of care by most successful sites. Partners on these committees include not only officials representing other core child serving agencies but also families, and many also include community providers, private funders (United Way, for example) and others. These committees meet regularly and grapple with fiscal and program issues. They map the various funding streams that can be available for system of care services and they wrestle in a coordinated way with the problems of how to fund activities for which resources are not readily apparent.

An example of a cross-agency committee is the Purchasing Alliance established by THINK in Florida (see box).

County-Level Coordination:

Tampa-Hillsborough Integrated Network for Kids (THINK) Purchasing Alliance

THINK, a county-based system of care, established a Purchasing Alliance involving all relevant public agencies, families, community organizations, such as the United Way and others in order to address financing issues in a coordinated way. The purpose of the Alliance is to create a focal point for community participation and governance of the system of care.

The Purchasing Alliance's role is to identify and pursue opportunities for revenue maximization using new revenue streams and opportunities for blended funding in order to leverage all available resources to meet children's identified needs. It advocates for public policy that supports an integrated, comprehensive, community-based approach to children's services. It has developed shared community outcomes for the children's funding initiative in the county and works to identify resources that will sustain the system of care.

The Purchasing Alliance meets regularly, typically for a half-day to engage in integrated planning. During those meetings specific funding for programs is discussed as well as overall financing issues. The group also works on quality assurance, data management, family concerns and issues raised by specific systems, such as school readiness for young children or problems of teenagers in the child welfare system. The Alliance continues to assess needs and establish priorities in order to respond to current issues in the community.

Membership in the Alliance includes representatives from the school district, the county sheriff's office, juvenile justice agency, State Attorney General's office, the circuit court, regional and county child welfare agencies, the Florida Department of Children and Families (the state mental health authority) as well as the Medicaid agency. Non-governmental representatives include the family organization, United Way, the School Readiness Coalition, local university faculty and other providers and advocates. Family members are reimbursed for travel and per diem expenses, as are other members, and also for child care expenses or lost wages.

The North Dakota Partnerships state-level interagency systems of care planning group (see page 11 above) also tackles reimbursement issues. This group includes not only child serving agency representatives, but the Medicaid director as well.

Budget How to Spend Federal Grant and Match Funds

Within this broader fiscal planning, the site can then make the greatest use of the flexible federal grant and its match, but at the same time reduce its dependence on those funds if that should prove necessary due to fiscal constraints. Successful sites frequently commented that funds that are the most readily available to fund services (such as Medicaid) should be drawn down first. Successful sites have restricted grant and match dollars to funding those activities that can be funded no other way or for non-repeatable expenditures, such as data infrastructure

and data integration projects, training on strengths-based evidence based practice and the wraparound approach, equipment and start-up costs for new services.

The federal grant and its match also offer an opportunity for sites to test out the value of a wide range of services. As one site emphasized, the early years of the grant provide a valuable opportunity to explore all potential options for a system of care program. While these flexible federal resources are available, sites can build and operate a comprehensive system. As the federal grant declines and the realities of long-term financing hit home, the program may have to be scaled back to more essential core elements — but is left with a more modest system of care that will run for the long-haul because it is composed of elements tested and found critical by the interagency collaboration.

Make Maximum Use of Mainstream Funding Sources

Financing the services required for children and families must rest primarily on stable, ongoing sources of funds. The more these funds are tapped, the less difficulty there is in finding the resources for other activities — resources that can be furnished through the grant and its match.

For a more detailed summary of federal entitlements and block grant funds across all the key child serving systems, see *Mix and Match: Using Federal Programs to Support Interagency Systems of Care for Children with Mental Health Care Needs* a publication of the Bazelon Center for Mental Health Law that is available on their web page, www.bazelon.org. These funding streams include: Medicaid, Title IV-E and Title IV-B, IDEA and other education funding streams, Juvenile Justice block grants, TANF, Title XX, child care and mental health, substance abuse and other block grants.

One helpful approach used to maximize mainstream funding for on-going services is the braiding of resources between various funding streams (Medicaid, Title IV-E, Title IV-B and other federal programs). However, braiding is not a feasible strategy for securing match funds, since braided funds are normally either federal resources or the non-federal match for other federal programs.

Reduce the Level of Grant and Match

Another budgeting strategy is to reduce the level of federal funds requested (and therefore the match) as the site moves into the mid- to late-years of the grant. If more of the program is supported through permanent funding under mainstream programs, fewer federal (and therefore match) funds are needed.

SOURCES OF NON-FEDERAL MATCH & HOW THEY WERE RAISED

This section discusses the specific sources of match and sustainability funds of the successful sites, and the strategies they have used to secure them. Successful sites report a number of approaches to securing the support they need from partner agencies, families and community to generate matching funds from sources other than the mental health authority.

Resources From Public Child Serving Agencies

Systems of care are interagency collaborations for delivering public sector services to children with serious mental and emotional disorders. Thus, it is natural that by far the most significant resources for the sites are the public agencies themselves, led by the mental health authorities who are normally the sponsoring agency for the grant.

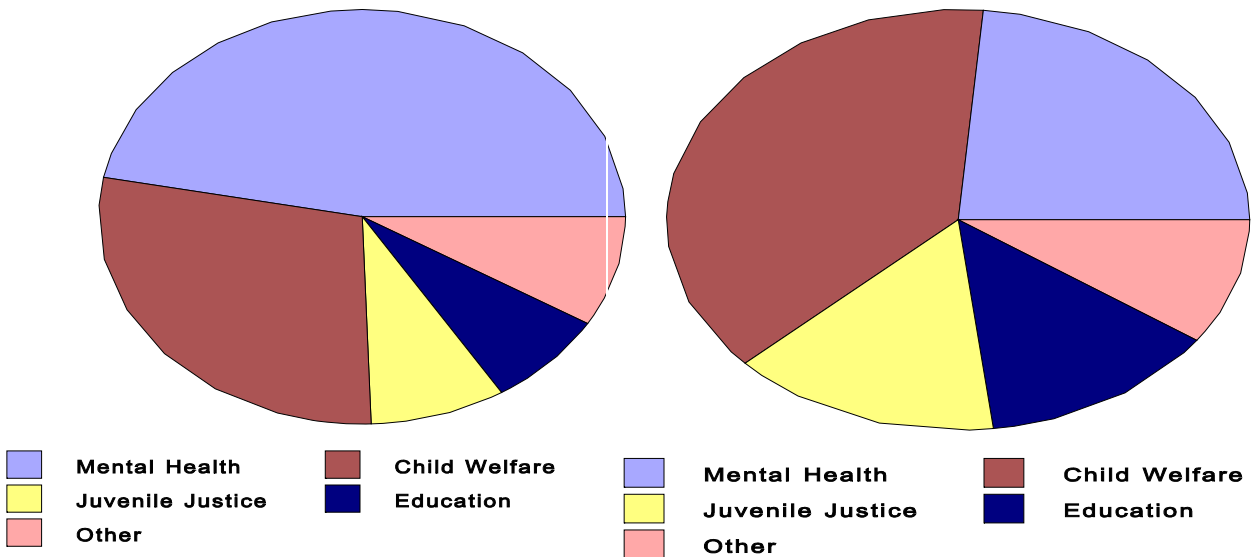
The mental health authority is the agency most often providing non-federal match funds. As the charts below indicate, in the past mental health agencies provided the most significant amount, but recently child welfare agencies have been increasing their contribution.^{ix} While juvenile justice and education frequently provide support, their contributions are smaller. (Note, these data do not include sites run by Tribes and Tribal Organizations.)

Cash and In-Kind Support

2002

2003

Over the life of the federal program, mental health systems at the state and local level have been the backbone of support for systems of care, and particularly for providing the match



for the federal grant. Although most recently, child welfare agencies have moved into the overall lead across all sites in providing resources, all sites report significant and critical mental health system financial support. This was particularly true for sites that have successfully sustained their operations as federal funds are terminated. For those communities or states where child mental health services are administered through a child agency or special board, instead of through the mental health authority, then

these specialized child entities provide essential core support.

Mental health system resources are most commonly from state general funds, with specific appropriations for children’s mental health. Several sites had new state appropriations. Another source is the tobacco settlement funds. Some sites have access to local revenue either from general fund or raised through targeted taxes. Although a new appropriation specifically for children’s mental health is the most straightforward way to obtain state mental health resources for match, existing mental health budgets can be realigned (across child and adult services) to produce the match.

The strongest partner for mental health authorities in systems of care collaboratives is usually child welfare. Most sites have very strong connections between these two agencies, and in general child welfare agencies are providing significant on-going sustainability resources as well as a mix of cash and/or in-kind match funds. Child welfare resources can be redirected from out-of-home care, contributed in support of staff who are co-located in the child welfare system or in-kind support as child welfare staff provide needed community services for children targeted by the site.

Juvenile justice agencies — probation departments, courts, youth authorities — are also very engaged in collaboration, although often they are restricted in how much they can contribute in cash match. Embedding mental health staff in juvenile justice agencies can enable the site to tap into either cash match, or in-kind support through space or payment for training. Some sites work well with courts, which contribute staff time (including time of court-appointed child advocates and others) as well as being another source of funds for some sites. For example, programs to divert juveniles from incarceration to appropriate community services are gaining interest around the country and can pay for services. Sites in Minnesota and Missouri work with diversion programs that provide resources for system of care services. Other sites

Partnering with Probation:

work with juvenile justice prevention programs (see box next page).

Santa Cruz, California

Santa Cruz Interagency System of Care is primarily a county-operated site of interlinked programs that includes strong partnerships with non-profit providers. Core public agencies include Probation, Mental Health, Substance Abuse, Court and Community Schools.

The second highest contributor to the non-federal match for services is the juvenile justice system. Santa Cruz has utilized a number of probation-linked grants and initiatives to develop and sustain the system of care, as well as provide funding for services to non-Medicaid youth. Examples of recent initiatives include Challenge Grants (from state funds), federal funds from the Center for Substance Abuse Treatment and private funds from the Robert Wood Johnson foundation. Local county dollars, as well as federal TANF funds, round out the interagency funding streams.

Using these resources, the Probation department has been able to support joint planning, programming and integrated service delivery to high-risk youth and their families. The service continuum includes field and home-based programs, through residential/day treatment and detention options. Significant decreases in out-of-home placements have occurred, saving the county 60% of the group home placement costs that would have been incurred. This significant shift from residential to community-based wraparound has been accomplished while maintaining community safety, as well as support for these programs.

State departments of education have resources, should they choose to use them, that can be made available for cash match for services provided in schools, or at schools' requests. More commonly, sites work with individual local schools — particularly those with a high percentage of at-risk children — and are frequently able to secure in-kind match. One of the most successful approaches with schools is co-location (discussed below). The new emphasis on positive behavior supports to improve school functioning has also opened the door for some sites to work more closely with schools or with education agencies. Schools have also been willing to pay for system of care wraparound training, either of staff needed by the site to furnish services (in or to the school) or of school personnel who then provide services to system of care children.

Since its inception ten years ago, PACT 4 Families in Minnesota has placed social workers in schools who work 12 months a year, and schools have been charged little or nothing over the past three years due to financial crisis in school funding.

Depending upon local circumstances some other agencies may be able to make significant contributions. Mentioned by several sites were substance abuse authorities, vocational rehabilitation, and agencies for mental retardation and developmental disabilities.

Effective Approaches to Work with Other Public Agencies

Strategies that have successfully ensured that other child serving agencies contribute to the match include:

- Placing (or embedding) staff within other agencies and having the other agency contribute (cash or in-kind) for their costs,
- Ensuring that the system of care is responsive to the goals, objectives and major concerns of partner agencies,
- Having other agencies purchase services from the system of care when children in their system use system of care services,
- Offering various opportunities for other sites to benefit from the system of care, such as providing access to training,
- Creating state level collaborations, including blended funding pools, that translate into improved interagency collaboration locally.

Embedding Staff in Other Agencies. Having system of care staff placed in other agencies emerges as one of the most successful approaches for accomplishing both program partnerships and shared financial commitments. By embedding mental health expertise within a school, child welfare agency, probation department or other agency, the system of care ensures that children are identified and have access to the services they need. It also leads to agencies contributing to the site in several different ways.

In some sites a system of care employee co-locates in another agency and the space and administrative supports contributed by the other agency become in-kind match. In other sites, there is a collaborative agreement that certain staff expertise is needed to meet the needs of system of care children. A partner agency then hires the staff to do this while training of such workers is often provided by the mental health authority using the federal program or other funds. The salary and other costs of the individual hired by the other agency is also in-kind support for the system of care.

In South Carolina, 90 child service workers from The Village program are co-located with other agencies. In contrast, six work out of the clinic's own facility. Most of these workers are in schools, several are in child welfare agencies and juvenile justice (primarily probation) and a few are in a physical health care clinic. This site has received cash funding from partner agencies to cover its costs in training workers who will then be embedded in that other agency and furnish services to the children in its charge (see box next page).

Embedded Staff in Partner Agencies:

Charleston, South Carolina

When The Village received its federal award in 1993, it was able to add five school-based positions, expand a self-contained High School program and fund two staff to work in child welfare and one in the juvenile justice agency. These staff are masters level therapists. Since there had been a year of cross-agency planning to design the grant application, this approach was one that was already anticipated and the workers were welcomed into these other systems. In fact, agencies were very excited to have these individuals on-site.

These new staff required four to seven months of training in wraparound and the system of care. The Village provided this initial training for them at a cost of between \$10,000-15,000 per worker. Staff were then placed in schools and other agencies, following discussions with agency staff, school superintendents and principals. Once they were on site and providing services to system of care children, services could be billed to Medicaid through the site. Generally, each staff person carries a caseload of around 25-30 children. This approach was so well received, that soon many of these workers' training costs were being paid by the other agency. Even without support for training costs, other agencies had provided in-kind support for these workers by underwriting overhead costs.

While this approach has been successful with all three partner agencies, it is particularly successful with schools. As word spread from principal to principal, more schools expressed an interest. At this time, two school districts contribute \$30,000 as cash match (in addition to in-kind match) and 88 schools (mostly middle- and grade-schools) have system of care case workers on site to meet the needs of any of the over 70,000 children in those schools. Thirty-one system of care staff have offices in these schools, but also go to the child's home or any other place in the community where they are needed. They provide family services as well as child interventions. Children can self-refer or, more often, are referred by the school for services. The schools have seen behavior change as a result of this work, and have become even more enthusiastic over time. The therapists are also backed-up by a psychiatrist who visits the schools once a month; this has been very helpful to the schools.

Clinicians who are co-located learn the rules of the partner agency and soon are trusted by agency staff. The collaboration is further strengthened through meetings of the agency directors once a month and of the deputy directors to focus on difficult cases and how to work better together. These collaborations helped bring down barriers and improved program collaboration. Partner agencies also see improved outcomes.

Meeting Partner's Goals Systems of care must demonstrate success in terms of partners' goals. In South Carolina, the Village has had an impact on both juvenile justice and child welfare objectives. The juvenile justice system has the lowest rate of incarceration for juveniles in the state (8% compared with state average of 16%) and credits this to the fact that better recommendations are being made to the court as a result of its collaboration in the system of care. Child welfare sees the benefit of more staff to help reduce caseloads, improve decisions on child permanency and to have mental health staff goes out when there is a crisis.

Agencies won't put money on the table with people they don't know and don't trust. (Site mental health director)

In another state, the governor was committed to expanding after-school programs, and by addressing this need the site was able to secure support from schools and the education agency. Still another site garnered greater financial support from Education after it developed school-based wraparound services. In South Carolina, The Village program has held breakfasts for school principals on a regular basis in order to network together the schools that were working with The Village and to deal with issues that may arise.

Even just working at some level with children engaged with other systems can demonstrate to other agencies the value of having more staff to do the job, reducing workload problems for their agency, and improving services. If the other agencies' work moves more smoothly, this is rewarding and more productive for them.

Another successful option has been to use the grant funds to develop pilot projects for the system of care that resonate with one or more partners, so as to work out the bugs in a program and to build a track record that might enable it to be funded with non-federal resources in the future.

Redirected Funds. About one-third of the sites contacted had redirected residential expenditures into community care in one way or another. As residential care is reduced, and the system of care successfully keeps children in the community, children benefit and all agencies can appreciate this more effective and efficient use of funds. Redirecting resources to community care does not, however, immediately create resources for match. A significant amount of the funds used to pay for residential care are Medicaid dollars. One way match funds can be generated is when community care is less expensive per child resulting in overall savings, some or all of which can then be redirected towards the match. Alternatively, some of the funds previously used as state match for Medicaid residential services might now fund non-Medicaid services as part of the child's package of services, thus allowing state or local funds previously used as Medicaid match to become match for the federal grant instead. Although this approach does not increase site resources, it increases the amount of its funds available to claim as match.

In Minnesota, PACT 4 Families was able to make significant cuts in the number of children placed in residential settings over the life of its federal grant, and this led to counties redirecting the funds towards home visits and other earlier intervention programs. Another

example of redirected funds is in Riverside, California, where funds previously spent on hospital care for children and adolescents were redirected to community mental health services by reducing both the number of admissions and the lengths of stay. All of the redirected funds were then counted as non-federal match, since none of those monies had previously been used to provide community mental health services to children.

Agency Payments and Contributions: Often other agencies are able to contribute funds if there are incentives for them to do so. When their resources can be matched in some way by mental health resources in order to expand the array of options for serving a child, it is easier for another agency's staff to justify sharing funds with the system of care. Partner agencies can also be charged for the services of the system of care, one child at a time, as those services are furnished to children in their care. Sites may also use this strategy to charge other agencies or providers of services to children.

Another way of securing contributions from partner agencies is to request direct contributions from them. In Minnesota, this is state policy. Localities are required to engage in collaboration, and the system of care site is one approved way in which they can meet this obligation (see box).

Offering Training Opportunities: Several sites have strengthened their partnership with other agencies by including them in training opportunities or using grant funds to purchase training and technical assistance for their staff. The CMHS training meetings were cited as a particularly helpful set of activities for leaders and staff of other agencies by a number of the sites. Others had brought CMHS sponsored system of care and wraparound leaders into the site for the benefit of other agencies or asked for specific technical assistance on other agencies' issues of concern.

THINK in Florida used its resources to pay for senior staff of partner agencies to attend training conferences sponsored by the Center for Mental Health Services, where they learned an extraordinary amount about systems of care and how their sister agencies in other states had dealt with issues. Gateways for Success in South Carolina used the grant to fund the training of therapeutic foster homes for the child welfare agency, which later agreed to pick up these costs when the benefits of being able to keep children in their own communities was demonstrated.

In some sites, partner agencies will pay for training expertise in order to have their own staff better prepared to work effectively with children and families and if the trained staff provides services to system of care children, the cost of the training is match.

**Partner Agencies Contributing Funds:
PACT 4 Families, Minnesota**

PACT 4 Families is a four-county system of care that has 110 partners and since 1996, all partners have contributed cash funds to the site. This is the result of a state policy that requires county agencies to use certain funds for collaborative purposes. The state created a state level blended funding arrangement and in 1992 gave authority for integrated funding at the local level as well. The system of care site was one option for the use of these funds. However, counties could choose whether or not they would collaborate on this particular project — and all of the four counties did. Although the legislative requirement has since been dropped, as a super fund was created for counties with fewer mandates, the four counties have chosen to continue transferring resources into the collaborative's integrated fund.

To become a partner in the collaborative, a collaborating county must contribute \$1 per capita and schools contribute \$1 per child, while other agencies contribute from \$100 up to \$5,000. These resources flow because the local communities have seen how much is being done by the site and want it to continue. In addition to the system of care work, PACT 4 Families also has other funds that are used for prevention and intervention. The annual budget is approximately \$6 million. However, as fiscal issues become more strained, the Collaborative is holding cross-agency meetings to determine how to set priorities, and most agencies will have to cut back services as key partners lose resources. Although collaborative funding may be in jeopardy due to these budget constraints, it has been a very effective mechanism to forging the working relationships around a system of care and continues to be a priority with the agency partners.

Moving Beyond Collaboration Towards A Single System. Strong partnerships become permanent as agencies' activities become intertwined. Once it is clear that everyone is working towards the same goal, and once the system of care has established what the key goals are for partner agencies and is able to assist in meeting those, the development of software that enables information sharing across agencies on a child's plan of care, joint training and certification programs for case workers, having joint emergency responses to children in crises are all ways in which a system of interagency care becomes just "the way we do business."

Developing a single curriculum for system of care staff and a single procedure for certifying those workers is highly effective. Several states either now do this or are developing the means to do it, including New Jersey and North Dakota.

Cross-Agency Training and Certification:

North Dakota Partnership

The state is now engaged in strengths-based, family-focused wraparound training and certification for care coordinators/case managers in juvenile corrections, child welfare and mental health systems. This will enable all workers -- child welfare and mental health case managers, juvenile justice and education front line staff -- to be cross-trained in a strengths-based approach and all will get certified through a single system. Each agency is providing the trainers, but the training program is the same. This enables the training curriculum to provide the contextual requirements for each system, while incorporating a unified set of operating values. Parents are also involved in the training. The state interagency team monitors the development and implementation of this certification process across the child serving agencies and determines the approved outcome measures for this process. As of June 2003, 130 staff across several agencies had been trained and certified through this process.

Another step towards a truly integrated system of care is to have single plans of care accessible to all members of the interagency child and family team, preferably accessible through electronic means. Sites with electronic records include the Partnership in North Dakota (see box) and THINK in Florida. Support from other sources for such software development can count as match. THINK developed its Data Integration program in collaboration with Hillsborough Kids, Inc. and it has been recognized as a national best practice. Initially, THINK received \$400,000 from the county child welfare agency to develop the project and once the system was established other agencies wished to participate. The Data Integration Project now connects nine agency information systems, including the Hillsborough County School Board. It minimizes duplication of case management and of overlapping services and results in better case planning and coordinated delivery.

Data Infrastructure Systems

The Partnership, North Dakota

Cross-agency integrated data bases strengthen the interagency collaboration and improve services to children.

The Partnerships in North Dakota uses a web-based software program created through a two-to-three year process with other agencies and designed and produced by state information technology staff. This unique software was based on a paper cross-agency single plan of care for each child and family put in place in 1999. Each child and family team has a facilitator (may be from any one of the four core child serving agencies) who has the responsibility for changing and updating the electronic record. All other members of the team are able to access the record and the case plan for information purposes (with consent of family/child). This allows those staff to determine whether a child is participating in the system of care and receiving services or to contact the lead case worker about the case, since this information is available on the plan.

The software meets the needs of all who need it, including the child welfare foster care, child protective services and family preservation workers, mental health case managers and juvenile justice agency staff. A great deal of time was spent in discussing each groups needs for information, as well as the needs of business people so their rules and practices could also be incorporated. At one point, this led to a re-tooling of ideas and creation of a different format to allow for the number of users who would need access. The state felt fortunate to have in-house programmers who were very skilled in their profession. The final product has complex information, but is easy to use with drop-down menus and clear fields of information. The state expects it to be a very valuable tool and one that can be used well into the future due to the careful, interagency design.

Blended Funding. The blending of resources to create a pool of funds that are available for use in a flexible manner can create a source of non-federal match. Generally, blended funding occurs at the state level while braiding of funding streams to create a seamless budget for the child and family team out of mainstream funding is the more common local strategy (and one that can lead to sustainability).

One of the states where blended funding has been utilized is New Hampshire. The mental health authority in New Hampshire leads a Children's Care Management Collaboration whereby funds for infant mental health (based on system of care concepts) are distributed to 14 entities around the state through contracts awarded through a competitive process. The state interagency collaboration provides technical assistance to those entities and requires that they report on how they have spent the money. The collaboration includes the mental health authority, child welfare, Head Start and agencies responsible for IDEA Part C and Part B. A second collaboration, managed by the Department of Education, has enabled family information and referral services as well as materials on the system of care to be made available through a single phone number operated through the state library.

In Westchester County, New York, the federal site has itself benefitted from a blended funding arrangement (see box).

New York: Westchester Funding Community Network

In New York, legislation was enacted in 2002 to require state agencies to collaborate and blend funding for child services. The legislation systematized a process that had been in place since 1993. State agencies were encouraged through the Children's Needs Plan to blend their funds and then send them to the counties as flexible resources. State agencies participating and providing the most significant funding are mental health and education; other agencies that participate to some degree include child welfare and the MRDD authority. Pooled funds are made available to counties for a Coordinated Children's Services Initiative and flow to county-based interagency planning groups to support community systems of care for children at risk of residential placement.

The Westchester Community Network received a \$75,000 grant annually for three years through this blended funding arrangement to provide cross-system integrated services for children with serious mental disorders. The site used these resources to create an organized youth movement and to provide peer support for children coming back from out-of-home placements. Since that grant ended, the site has been able to compete (and has received) several other small grants through this state level interagency collaboration for blended funding. The county-level interagency planning group also remains in place and strongly supports the site's services.

Role of States can play an important role in ensuring that there is interagency collaboration at the local site level. Interagency bodies (see above) that meet to deal with systems issues and statewide policies facilitate the support of partner agencies in the sites around the state. Some states have entered into formal Memoranda of Understanding with other agencies. Others have not felt the need. Even those who have found MoUs helpful stress that this is just the beginning of meaningful cross-agency working relationships.

Overall, successful sites stress that the bottom line in working with other child serving agencies is to ensure that the site meets them where they are. People will not put money on the table with people they do not know and do not trust. Asking other agencies what they really need and then figuring out how the system of care can meet that need is, according to sites, the only approach that can really work well. Then other agencies can be asked what, if anything, they can contribute towards funding that need.

We did not do enough early enough to get the up-front buy-in from partners; sites must keep partners informed, engaged and part of the decision-making. We must show benefits to them. (Mental health site director)

In pursuing any or all of these strategies, sites have found that support for the system of care increased over time, as more agencies understood and adopted a system of care philosophy and appreciated the need for collaboration.

It's more work when you do it wrong (Juvenile justice collaborating official)

Family Advocacy:

Other Public Revenue Sources

System of care sites have engaged in, or benefited from, efforts to raise other public funds for children's services. Some sites have actively sought new dollars or they have engaged in, or encouraged others to engage in, educational efforts designed to generate increases in funding from sources that already fund the site.

New State or Local Public Funds Securing new or increased state or local general fund appropriations requires strong community support and education of policy makers. Community leaders – and particularly those who are engaged with the site, such as by being a board member of a non-profit site – can generate support both among legislators and other policymakers and the community. These individuals can be highly influential, especially if they have standing within the community and may themselves have access to potential private funders for the site.

Families play a key role in securing for successful sites the support of policymakers at all levels that in turn translates into financial resources. Successful sites have found that families influence decision makers in partner agencies, the governor's office and in the legislature as well as those who may give private funding.

All successful sites emphasize the importance of including families in the planning, operation and monitoring of the system of care, as well as of ensuring that workers are trained to provide strengths-based and family-friendly services. Ensuring that families feel the benefit of the system of care directly – such as by having workers accompany them to an IEP meeting – empowers the family and strengthens their support for the system of care (see box).

Successful sites have paid attention to the need for a family organization to provide support to other families, as well as to educate the community and policymakers on system of care issues. The family organization can be strengthened, and the relationships between agencies as well, if families who are in other systems are also given information about and access to the family organization.

Family groups can play a key role in obtaining state or local government resources. In Kansas, the family organization has engaged in significant efforts to education the state legislators about the value of the system of care, using data from the site and building relationships between family members and their own legislators. Providers also supported the family group in these efforts. As a result, several important policy changes have been made, including the successful application for a Medicaid home and community-based services waiver, expansion of the system of care concept to other parts of the state and appropriation of new money for the sites.

THINK, Florida

THINK involves family members in all aspects and at all levels of the system of care, ensuring the cultural competency of the system by providing meaningful opportunities for participation by representatives of minority groups and those in rural communities.

Families were involved in educating lawmakers about the devastating effects of proposed budget cuts for several important services for youth with serious mental disorders. The THINK family involvement coordinator presented her family's personal story to lawmakers and policymakers in an effort to inform and educate them about the struggles faced by children with SED and their families. Families also traveled to Tallahassee for a rally on the Capitol steps and provided lawmakers with information on the success of community-based services. Children who receive services through these programs, along with parents and advocates, visited lawmakers. These efforts were successful and the funding for these programs has been reinstated.

The local Federation of Families has organized an Advocacy Committee, with the help of THINK staff. The goal of the committee is to train family members to advocate with policy makers and elected officials. Families are also encouraged to register to vote. Future events will include families meeting with lawmakers and creating position papers for children's issues. Training is provided to enable families to participate in system of care meetings.

The family organization struggles – but they are effective advocates. We all need to give them resources. (Site mental health director)

Another education effort that can have many benefits, including ensuring broad based community support that translates into financial support, is to use the media. Although most sites have some level of public relations work, few have pursued a specific, strategic media strategy. One site that has is THINK in Florida (see box next page). Florida's media buy has resulted in significant positive coverage for the site, and generated much community support.

Many successful sites also stressed the importance of using data on improved child outcomes to present to policymakers directly and to other agencies, the community at large and to potential private funders. Several sites collected their own specific data targeted to their specific needs. Some sites have made effective use of the CMHS data, others have not found it as helpful.

Using the Media

THINK, Florida

THINK in Florida has a multi-media social awareness campaign using a leveraged media buy strategy. The site and a communications company were able to obtain significant media sponsorships and public service support for the Parent Helpline at 2-1-1.

The 2-1-1 number is a toll-free social services hotline in Hillsborough County and is sponsored by THINK, the Crisis Center of Tampa Bay and private entities. The 2-1-1 number was created by the United Way of America and the Alliance of Information and Referral Systems to coordinate access to community resources through an easy-to-remember number. Forty-five states now use the 2-1-1 number.

Through the collaboration with Roberts Communications, THINK was able to purchase media time on television, radio and in movie theatres as well as space on billboards to promote the number. Parents and children with mental health care needs who called were then referred to the site. By using a professional media firm, THINK was able to take advantage of significant discounts the firm could obtain, as well as their media contacts. As a result, for a cost of \$150,000 the site actually purchased over \$270,000 worth of time and space. Accomplishments included:

- 39 billboards providing free space,
- Public service ads at 65 high-volume movie theaters throughout the county,
- Thousands of placements of public service announcements on prime TV channels and radio,
- Donated space in local papers

In addition, the site purchased key media opportunities at full price, in order to reach targeted audiences, such as Spanish-speaking families, or to buy time during peak hours on prime TV or radio stations.

The overall impact of the media campaign has been to reach many children and families who would otherwise not be aware of the system of care as well as to educate the general community concerning children's mental health issues and the need for services.

Support from States. For sites that are not statewide reforms, working with the state child serving agencies has been critical. For any site to succeed over the long haul, there will need to be changes in state policy and support from the state level for the interagency partnerships that other agencies are forging with mental health. Local interagency collaborations can approach state officials jointly, data in hand, to request appropriate policy changes and direct financial support.

Expanding Medicaid Coverage. More than one site has worked successfully for an expansion of Medicaid-covered child services. Although this does not immediately raise non-

federal match funds, expanding the funds available for on-going services can free up for use as match money currently spent on those services, and can improve the system of care's program of services. Medicaid reimbursement is particularly key for Native American sites, since Medicaid services to Native American children is paid 100% by the federal government (see section on sources of funds for Native American sites, below).

Successful sites have built better relationships with Medicaid by including the Medicaid director (or senior staff if the director is not a realistic possibility) on the interagency fiscal planning team. The North Dakota Partnership has taken this approach. If this is not feasible, then that team must work with Medicaid issues and with the Medicaid agency staff to ensure that a full array of services are reimbursable. For example, in Florida, THINK took advantage of state interest in increasing federal revenues to develop and support an expansion of Medicaid to add targeted case management. To accomplish this, the site communicated with the regional Medicaid federal office of the Centers for Medicare and Medicaid Services (CMS).

Special Taxes. A number of states either raise funds through specific taxes for mental health or children's services or permit counties to do so. In some states, counties may have the authority to institute a new tax that can be targeted for certain human services purposes. Such taxes can be new taxes (such as a tax on cigarettes) or be add-ons to existing taxes (such as property, personal income, sales, or business taxes).

This strategy often requires a specific referendum or ballot initiative and that in turn requires a large-scale mobilization effort. However, children are a sympathetic group and where this strategy can be implemented it provides a stable and reliable long-term funding base for children's services, including mental health services. Hillsborough County in Florida and several sites in California benefit from special taxes and California is considering a new additional tax initiative as well.

Special Tax Levies:

THINK, Hillsborough County, Florida

Florida's THINK project already benefits from a special tax levy. Florida permits each county to create by ordinance an independent special district to provide funding for children's services within the county. A vote is required to obtain the county residents approval. The state statute fixes the maximum amount the county may raise (mileage rate) and property taxes are the source of the funds. These funds are under the control of a governing council, and the state statute also delineates the required governing board. In Hillsborough County, the Children's Board, sponsor of the system of care site was established in 1989. Once approved, the revenue is collected as part of all county property taxes.

The governing council of the Children's Board computes the proposed mileage rate, to be put to a vote in the county, not to exceed 0.5 mills of the assessed value of properties subject to county taxes. The tax was approved in 1988 through a referendum held in conjunction with a primary election.

The Children's Board can use the ad valorem tax revenue, along with other revenue, to fund preventive, treatment and rehabilitative services for children. It may allocate funds to other child serving agencies in the county, obtain property or equipment, employ staff and operate programs directly. The resources of the Children's Board continue to grow and are the only source of "discretionary" funding. According to their strategic plan, funds are primarily focused on prevention and early integration.

The political feasibility of creating new taxing districts or specific targeted taxes will depend on the attitude of local voters toward taxes and children's services. Pursuing this approach requires significant advocacy, and in most communities would be best pursued in collaboration with other children's or human services advocates. In California, a statewide ballot initiative is planned for 2004 that will increase funding for both adult and child mental health services substantially. To support it, a coalition of groups has formed an advocacy campaign and raised funds by soliciting donations from individuals, corporations and non-profit entities. (See box next page.)

Ballot Initiative for Mental Health

California

In the 2004 general election, Californians will consider a new ballot initiative to guarantee funding of mental health services drafted and supported by a coalition of providers and advocates in the state. The Mental Health Services Act initiative would provide adds about \$500-600 million a year to the state mental health budget of \$2.3 billion. The new funds would be used to expand mental health programs for both children and adults, using an integrated services model to provide a full array of services. For children, it would target children not covered and services not reimbursable under existing programs, with the objective of avoiding out-of-home placement and custody relinquishment.

Resources for the Mental Health Initiative would come from personal income tax (a 1% surcharge applied to every dollar earned over \$1 million). Funds would be distributed to the counties or to nonprofit agencies if the county declines to participate. This investment in adult and children's community services is expected to generate significant savings through reduced hospital, jail, medical and other social welfare costs.

To promote the initiative, political consultants have been hired to build broad support, raise funds and gather signatures. This effort will cost about \$3 million, but public opinion polls indicate strong support for it. Funds to carry out the campaign have been raised from individuals, corporations and non-profit agencies in the state.

California already also has other revenue specifically directed for mental health services, including a tax on cigarettes that is allocated to children's mental health.

Raising In-Kind Match Support

Sites rated the ability to use in-kind contributions as match as extremely important. Without doubt, partner agencies often find it much easier to provide in-kind support, services, activities or other supports. Space, staff time, training costs, equipment (such as cell phones, lap tops for data entry by community workers), supplies, etc. are all valuable. Often overlooked is that the mental health authority itself can provide in-kind match. For one site, using a mental health authority building saved rent, and the value of the rent counted as match.

Claiming Donated Time. In-kind donations also include families' time and the time of other community members who participate on the site's boards and committees or provide services to families. This can amount to a significant sum and successful sites stress the importance of capturing the data to document this and claiming the match. To claim donated time as match, sites should ensure that accurate time logs are kept, using consistent rules, and that the value placed on the time is appropriate and acceptable to auditors.

Tracking In-Kind Contributions of Time

A number of sites have developed documentation to support the claim of in-kind contributions of either staff or volunteer time to a system of care site.

These documentation forms are used across agencies and for interagency and other planning groups, family-team meetings and other occasions where time is being contributed to serving the needs of system of care children. Information that sites collect includes:

- Name of individual concerned
- Title or indication of role (e.g. family member) of individual
- Date of Activity
- Explanation of Activity
- Time spent (time in; time out)
- Allocated cost of time per ½ hour unit and space on form for total value of time spent to be calculated and entered (requires information on form or other documents distributed with forms regarding rate per hour for staff, family members or others)
- Entity funding the time (if individual is employee of an agency or other organization)
- Costs of child care (if the individual is a family member)
- Costs of transportation to event (time and out-of-pocket)
- Contributed overhead costs for any space that is used (rent, utilities, phone, fax, supplies, other equipment)

Medical School Contributions Another source of in-kind assistance for sites in certain locations is medical schools. Sites located near a teaching hospital have benefited from in-kind services provided by residents, training opportunities or assistance with evaluations or research. This partnership provides the site with a way to expand services and also a way to claim additional non-federal match.

Private Funding

Although few sites have raised significant resources from private sources many receive small donations or grants from various sources. These small contributions are an excellent source of very flexible funds, and can be used as match for the federal grant. As a result, they can be a critical piece in the total picture. Entities providing funds to sites include United Way, local and national foundations, business groups, universities and community groups of various kinds.

Foundations Local foundations, including family foundations and community foundations, provide resources to sites through grants, often for specific programs — particularly summer programs, respite care, after school activities and other non-clinical activities — and sometimes these foundations will underwrite the basic costs of the system of care. Sites must generally compete for these funds with other local entities.

Few sites have grants from national foundations, although there are examples of sites successfully competing for awards from foundations such as the Robert Wood Johnson Foundation (for substance abuse services through a Reclaiming Futures grant) and the Casey Foundation.

One site where local foundation support has been available to support system of care work is in South Carolina, where children served by Gateways to Success benefited from a contribution of \$100,000 by a local family foundation to the Greenwood Youth Initiative to hire staff for community-wide system of care work and to pay for travel to CMHS conference.

United Way United Way provides resources to a few sites, usually for a specific part of the program. While many United Way organizations are not able to expand their list of recipients at this time, this is not universally true. Children are a particularly appealing population for United Way support, and special programs of the system of care or the overall ability of the site to keep children with their families, make a child mental health grantee very competitive for United Way funding (see box, next page).

Business Support

Business groups as well as individual businesses have supported the systems of care in various sites. Sometimes a site can secure private support by appealing to a particular interest of the potential partner.

Community Groups

Community groups fund certain activities for several sites. These tend to be very unique opportunities, tailored to the particular interest of a group or even an individual who has influence. For example, one site worked with the fire department to secure support for a data base on fire setters for a specialized program for such children.

Community organizations may also contribute resources to non-profit entities affiliated with a site (even a publicly operated site) that benefit children of the system of care and can contribute to the non-federal match. Children served by Gateways to Success, a state operated system of care in South Carolina, benefited from a \$130,000 contribution from a local non-profit

Private Funds From Various Sources

community entity, \$70,000 of which was used as non-federal match. The funds were contributed to provide seed money for a housing grant from the state, and through this grant and the private non-profit's funds Gateways to Success was able to provide 16 units of housing for adolescents.

In the second year of this award, the amount of funds available for the non-federal match

The Partnership with Families, Missouri

The Partnership with Families in St. Charles County, Missouri receives both cash and in-kind contributions from a number of agencies and private sources. The site has devoted specific staff time to developing these resources; at one point having a full time person. Today, there is no longer a dedicated development resource; however, care coordinators, parent partners, and the Community Mental Health Center's Development Department use the connections previously made to continue tapping into a variety of services and supports for the Partnership with Families.

The United Way provides over \$350,000 a year towards the costs of services for system of care children, funneled through various community child agencies, such as a youth shelter and school mental health consultation. These funds are increases in grants the United Way already made to these community providers, and were not new grants. However, in its annual report to United Way, the system of care highlights how these funds are used for children with serious mental disorders and has the full support of United Way. These funds are not only helping children, but also count as match for the site.

This same site has a major initiative to find private funding from around its community. A community education campaign highlighting the needs of children, and particularly issues such as alcoholism and suicide, drew attention to the issues. From this community education campaign, a grass roots initiative developed resulting in a tax campaign supporting a children's services tax in St. Charles County. Community volunteers (many of whom were community leaders) organized the campaign effort. In addition to giving their time to the tax campaign, many of these leaders were in positions where they could influence donations of cash or in-kind support to the system of care and its children.

As a result of all of these efforts, the site receives cash support from a local bank, the Rotary and Variety Club (about \$3,000 from each for one year). In kind support includes services through faith organizations, particularly Catholic Charities, businesses (donations of bikes from a bike shop, tickets from Six Flags, YMCA passes etc) and community members (coats, food, school supplies, etc.)

Finding match is ultimately a unique experience for each site. The mix of funds used for the match varies considerably across sites and most have found some specific and unusual source of match funds in their locality or state. These include:

- A statewide system of care program that distributed funds to counties in California, and another program that provided counties with restructuring funds;
- Redirected child welfare Medicaid reimbursements in North Dakota;
- Community re-investment initiative that moved funds from the institutional budget to community services in New York.
- Children's cabinets or children's boards exist in several states and counties and provide resources for mental health;

In the end, it is important to be flexible, to cast a wide net in looking for resources and to be aware of what other states and communities have done, and how they really did it.

Diversify. Be creative. And pray. (Mental health county site director)

Sources of Support for Indian Tribes and Tribal Organizations

American Indian and Alaska Native sites report more difficulty raising non-federal match. However, some sites have been very successful at securing the match and in building strong financial support for the ongoing operation of their programs.

The single most important sources of funds for Indian Tribes and Tribal Organizations are the 638 program funds, if the Tribe has chosen to assume the authority to control these monies. Sites not only can seek these resources directly, but they can also partner with providers who are themselves funded by 638 funds and/or with Indian Health Service and Bureau of Indian Affairs resources and then claim in-kind match for services such providers donate to children in the system of care. For this reason, it is all the more important for sites to partner with Tribal child welfare workers and to demonstrate an ability to keep children out of child welfare placements.

The potential importance of state mental health funding for Indian Tribes and Tribal Organization sites means that sites may want to work hard to try to obtain it. Although these sites may have difficult relationships with their states, the state may be supportive. The existence of other system of care sites in the state may help an Indian Tribe or Tribal Organization site negotiate funds. In North Dakota, Sacred Child is built into the Department of Human Services' budget (see box). In addition, states may be persuaded to support the site by the presentation of data. A state study of child well being indicators that showed children on the reservations doing very much worse than other children helped to spur support from one state.

**Sacred Child, North Dakota
State Support for Native American Site**

Sacred Child, a consortium of North Dakota tribes, has received state general revenue funds, through a specific line-item appropriation to the site — of \$200,000. This was included in the Department of Human Services (the mental health authority) budget. In addition, the site received several other state resources, each being only one-time awards:

\$50,000 from the general fund in the first year of the tribes' system of care federal grant;
\$63,000 for a mentorship program
\$100,000 for its 3rd and 4th years of operation

Reasons for this state's support of a Tribal site include a commitment by the state mental health authority to bring systems of care to children on the reservations. The state has statewide systems of care initiative for other children and advocacy efforts by the site, which include a children's mental health day in the state legislature that attracted a great deal of attention. This advocacy was supported by data that demonstrated the effectiveness of the site's program.

Tribal organizations can also consider advocating for their needs with state legislators or partnering with other sites around the state in order to press for funding for the Native American site as well. They can also advocate with their own tribal elected officials.

It is important to reach the people within the state who can make the key decisions. In Maine, it took the site several years of meetings for the Passamaquoddy Tribe to get financial aid from the state. Eventually they were able to persuade the state mental health commissioner to visit the site and see the services to children and families first hand. Shortly after, a grant for \$100,000 was forthcoming.

Tribes also provide cash match for sites from various other sources. Tribal entities that have been found to have an interest in funding system of care services include the tribal court and child welfare agency. Sites may also be able to tap into funds raised by the gaming industry. Tribes in the Sacred Child site in North Dakota received casino funds in the amount of \$50,000 and \$45,000 respectively.

Other sources of funds for Native American sites have included foundations and third party insurance.

In-kind support is also used significantly by the Native American sites. In fact, these sites generally have more in-kind than cash match. Anything furnished to the child that is in the child's plan of care can count as match. Other agencies can provide data on the billable costs of staff who furnish services to system of care children and contributions by these staff (such as participation on boards and committees) can then be calculated in monetary terms. Child welfare agencies are a particularly good source of in-kind match for Native American sites, and the special education system provided significant in-kind support to the Passamaquoddy Tribe in Maine when it saw that the site was reducing residential placements. The site's children

previously were placed at the highest rate in the state, but now there has been a 95% reduction in the number of children placed. This is in part due to the special education system hiring 19 individual aides to work with children with serious mental disorders on a one-to-one basis while they are in school. The costs of these 19 aides are now in-kind support for the site.

In addition, it is important to track all donated administrative services, the costs of space, supplies and equipment in order to claim match. Families' time must be accurately tracked and claimed. The time of local community volunteers working with these children or running activities for them can also be claimed. Also eligible as in-kind support is any time devoted to site affairs, such as participating on the governing board, by people who are employed by any 638 program, as well as those who are either volunteers or funded by any non-federal sources (see box regarding tracking time, above).

Private funds may also be available to Native American sites as well. In Maine, a private group, Keeping Kids Safe Down East, that runs a program for children under age 6 and their mothers, offered to support the Kmihqitahasultipon Project the system of care. This group has provided funding for three years (\$80,000 a year) to underwrite the costs of a child therapist, equipment and staff training.

Finally, tribes can be innovative in thinking of ways to generate income. In Maine, the Passamaquoddy Tribe has developed a curriculum for an intensive, six-week training on wraparound services for those working with Native Americans. They have applied to the state for recognition of this curriculum, which would give them the opportunity to receive a state contract to fund provision of that training to other tribal communities. In addition, state approval would enable the site to bill Medicaid for the services furnished by the newly trained aides.

Securing on-going funding for basic services is as important for Native American sites as for other sites. Tribes that have a 638 contract or compact have a significant opportunity to secure Medicaid reimbursements. The federal government pays the full cost of Medicaid services that are either furnished by an Indian Health Service facility or, for a 638 Tribe, could have been furnished through such a facility. Many mental health ambulatory services fall under this rule. As long as the service could have been furnished in the facility, the full 100 percent federal match can be claimed by the state and passed on to the Tribe.^x Services, such as day treatment, that clearly could not be furnished through an outpatient clinic are not reimbursable under this rule. The claims for these services flow through the state Medicaid agency, which also receives federal administrative funds. The Passamaquoddy Tribe in Maine, sponsored by an Indian Health Service clinic, has aggressively pursued Medicaid reimbursements and will use these funds to underwrite a significant part of its program once federal funds terminate this year.

Another potential source on ongoing financial support for services to children is special education funding under the Individuals with Disabilities Education Act. Federal law permits IDEA funds to be provided directly to tribes by the Department of Interior to ensure that children aged 5-21 with disabilities receive a free and appropriate education. In addition, IDEA funds for infants and toddlers (aged 0-3) are also provided directly to tribes by the Department of Interior.

MATCH FUNDS IN TOUGH BUDGET TIMES

Since this survey was conducted in the spring and summer of 2003, many sites discussed the recent round of state and local budget cuts that their agencies were facing. Few sites were able to stave off cuts entirely, and clearly as the percentage of the program for which non-federal match must be raised increases, these sites must struggle with two conflicting trends – requirements that they raise more state and local money while states and localities are scaling back.

Nearly every state is facing budget problems in 2004 and for most these difficulties will extend into the future. State mental health directors recently met to discuss how states might deal with this crisis. They concluded that difficult budget decisions should be made by taking a long-term, value-oriented approach.^{xi} This philosophy was identical to that used by successful sites contacted for this study, who also believe that holding onto the essential approach and elements of the system of care is the major objective in tough fiscal times.

Before sites make budget cuts due to fiscal pressures, they should therefore identify their core values and engage in a planning process that includes an environmental scan with their partner agencies. Any cuts should be decided upon only through interagency alliances. If these steps are followed, thoughtful budget decisions can be made and the site can still accomplish long-term goals in a time of shrinking resources.

There is more stability by being collaborative – losing federal funds must not erode philosophy (Mental health site director)

Specifically, sites interviewed for this report suggested the following ways to respond to budget threats and tight fiscal constraints:

- Bring proposed cuts to the table for discussion across agencies (generally through the ongoing interagency system fiscal planning team) and work out how best to make reductions across systems with the minimum of adverse impacts on children and families. Threats and opportunities must be discussed, thought through and solved together.
- Braid funds so that it is possible to restructure and refinance activities that are threatened with cuts.
- Ensure that the philosophy and approach of the system of care continues, even while there is a reduction in services offered. Then when budget times improve, the system can easily grow again without losing the essential elements and approach to child services.
- Continue to provide support for those partners who can influence decisions on budget. This includes the family organization as well as other agencies and community groups.

For example, PACT 4 Families in Minnesota has responded to a large budget deficit this year by making changes. Agencies are working together more than ever to help minimize the impact of these changes in the four counties. The standard phrase in this collaborative these

days, is “coordination and collaboration versus competition.” Several other sites report very similar approaches to more difficult fiscal environments. Santa Cruz County Interagency System of Care in California is one site that has made strong efforts to ensure sustainability (see box)

Responding to Changing Fiscal Times

Santa Cruz, California

As the fiscal climate has changed, the Santa Cruz system of care is bringing partner agencies together to deal with potential cuts, maximize revenue and plan strategic responses (e.g. refinancing services, new grants, prioritizing cuts, etc.) Fiscal expertise across agencies is key to seeing the program and fiscal possibilities and to correlate program and fiscal resources in planning. Finding staff who combine these skills has been difficult, but has paid off.

Another direct approach (discussed above) is to ask for fewer federal dollars. This may be most effective for sites in the middle years of the grant, when their programs are well enough established to draw down mainstream resources or garner private support.

Finally, several sites reported that, in retrospect, they found the federal grant requirements and the requirements for match helped them to argue against cuts, since cuts to the match would lose their county or state even more in federal funding.

It is also important to remember that building an effective system of care is an incremental process at the best of times. Fiscal situations change, leaders change and opportunities come and go. It is important to view development and sustainability of a system of care as a never-ending journey, rather than a concrete and attainable short-term goal.

MEETING FEDERAL FISCAL REQUIREMENTS UNDER LAW

Sites contacted for this study were asked whether they had problems in meeting the federal requirement for maintenance of effort — that is, maintaining funding for children’s community mental health services in the area of the site so as to continue to spend at a level at least equal to the average spending for these services over the prior two fiscal years. No site contacted had had difficulty meeting this mandate.

Sites were also asked about advantages or disadvantages of the federal match formula. All graduated sites contacted for this study felt the match requirements were fair and, in fact, helped them by forcing them to plan early for sustainability and to secure real commitments of resources from various sources. Although it had seemed a hard mandate at some earlier point in the grant cycle, graduated sites now indicated that the matching requirements had played out as anticipated by the program’s drafters.

Sites still grappling with the match issues were less enthusiastic. While they appreciated the approach and generally supported it they also found it hard to increase the level of support in years 4 and 5. This may be particularly difficult for sites reaching this stage of their grant at this time, given the severe fiscal crises in the states. Nonetheless, only a few sites recommended change in the federal rules. Most felt that, despite having to cut back, the essential elements of their program — particularly their strengthened interagency collaboration — would continue.

THE END OF THE ROAD

Despite the best strategies for sustainability, there will often be a drop off in services once federal funds terminate. Most sustained sites have reduced their programs to some degree, despite having built reimbursements from mainstream programs into their budgets and despite having been very successful in securing interagency collaborations and tapping into diverse sources of funding. Although the federal contribution may be relatively low by the final year, it usually has been funding those activities that are the most difficult to fund through other monies. Some of the potential sources of replacement for these flexible funds cited by these sites were:

- Federal mental health block grant;
- Federal substance abuse block grant;
- Various other federal discretionary grant programs;^{xii}
- Increased support from the state mental health authority;
- Increased support as partner agencies pick up the slack.

We will find a way to continue what is good, especially direct services (Mental health site director of site in year four of grant)

Native American sites have looked to Medicaid for support of on-going services as well as continued access to 638 funds and various other tribal monies, such as casino funds. It is important for the Native American sites, as well as all other sites, to get a copy of their state Medicaid plan, rules and provider manuals to learn exactly what is billable and what is not in order to create a viable sustainability plan.

CONCLUSION

Raising the non-federal matching funds for the Comprehensive Children and Families program in the Center for Mental Health Services has not proved too difficult a task for most sites funded. However, it requires attention to both program and fiscal planning, expertise among the staff of the site, considerable time and effort in building various relationships, specific strategies to improve funding opportunities from public and private sources as well as the generation of strong support from families, communities and policymakers.

Most importantly, the successful sites have:

- Recognized the program creates a sea change
- Created strong support for innovation and a different way of doing business
- Benefited from strong ongoing support from many players.

As with any large social change, systems of care require buy in from the community -- from other agencies, families, community groups, public, providers/practitioners, local government, legislature and other funders. When they adhere to principles of a system of care, as developed through the national CASSP program, systems of care are:

- Effective and successful for the children and families they serve;
- Gain political support;
- Able to bring about long-term change for children and families, and therefore
- Sustain themselves.

System of care is not a thing; it's a change of culture in existing systems. (State mental health official)

SITE VISITS:
Tampa-Hillsborough County Integrated Network for Kids (THINK), Tampa, Florida
The Partnership, North Dakota
Charleston, South Carolina

THINK: Program Summary

The Tampa-Hillsborough County Integrated Network for Kids (THINK) is a community-based system of care in Hillsborough County, Florida. The Children's Board of Hillsborough County, the lead agency, is an independent taxing authority with a Governor-appointed board of county agency leaders and others. THINK is dedicated to implementing system of care principles and a wide range of mental health and related services and supports organized to work together. THINK has expanded the service capacity in the county, closing service gaps and reaching out to underserved populations and areas of the county. THINK involves family members in all aspects and at all levels of the system of care, and ensures cultural competency by providing meaningful opportunities for participation by representatives of minorities and rural communities.

THINK makes every attempt to coordinate services across agencies and systems to ensure that services are complementary, rather than contradictory. Coordination is also important to maximize limited resources, reduce duplication and promote continuity of care. Both formal services and informal community and family resources are considered when developing the individualized Family Support Plan.

THINK has created several interagency structures to facilitate the integration of services for children with serious emotional disorders across agencies and funding streams. A key mechanism for interagency collaboration around financial issues is the Purchasing Alliance. This high-level group works to understand categorical funding streams and to integrate financing of the services and supports that children need. The Purchasing Alliance provides a structure and process for dealing with funding issues across agencies and systems and it promotes complementary contracting and reinvestment plans. The Children's Board, with members representing leadership across agencies, was able to ensure that the Purchasing Alliance included representatives of the five agencies that provide the majority of local funds for children's services: the departments of Children and Families, Juvenile Justice, the School Board, the Hillsborough County Department of Children's Services and the Medicaid agency, all of which signed a cooperative agreement at the beginning of the grant period. Other participants include families, private agencies such as the United Way, and providers.

In addition to the Purchasing Alliance, THINK established an Interagency Management Team that deals with programmatic issues and problems relating to the THINK grant and individual children and their service needs. This team provides oversight for the operation of the system of care, recommends funding options to the Purchasing Alliance and seeks to improve

services and address problems that arise. The membership includes families, core county agency staff and representatives of local Community Councils. These Councils assess local needs and provide input from families, youth, community residents and providers. Finally, the site has established a Provider Council, where providers from all child serving systems have a forum for exchanging ideas on implementation and how to build capacity, as well as identifying provider needs, such as training and technical assistance. The Provider Council makes recommendations to the Community Councils and the Interagency Management Team.

To test the blending and management of non-traditional service dollars, THINK has contracted with an Administrative Service Organization (ASO). Case managers and families translate family support plans into budgets, and the ASO then purchases services that most closely match the family needs and goals. The ASO acts as a fiscal intermediary, allowing funds to be used to underwrite the child and family plan in a seamless manner. The ASO retains the responsibility of tracking revenue and has the capacity to track revenue from multiple sources.

Strategies to Raise Match

THINK engaged in resource planning with all its partners early in its grant. Using the Purchasing Alliance to bring all contributing agencies and interested parties together, the site has used several strategies to secure resources. One individual from the site works with each agency/system regarding clinical issues of implementation. New programs were started with grant funds, and the plan is to transition to purchase of service arrangements whereby each agency pays for services for each child using that service.

Children in more than one system are a particular target population and the site maximizes funds from the various child systems to serve them. This has been an effective strategy since these children are of considerable concern (and expense) to other systems. Embedding mental health staff in other agencies has been important and schools, juvenile justice and child welfare have provided ongoing in-kind resources to cover a small percentage of the cost of those positions. Agencies have engaged in complementary contracting for services in order to ensure a viable system of care for children and families.

The site has a good working relationship with the school district in the county. Principals' breakfasts are held on a regular basis in order to deal with issues. Through the Interagency Management Team, issues concerning children who are particularly hard to serve can be brought forward. Teachers are supported by the staff the system of care has embedded in the schools. Teachers can easily contact that individual by leaving notes in his or her mail box and relationships with teachers are built to ensure that the children, and the site, has family advocates within the school. THINK has strived for consistency in the staff who work in the school, and this is not only helpful to the children but is very helpful to teachers and administrative staff. THINK has also offered schools multiple opportunities for professional development on system of care principles and service delivery. THINK built its school programming on an existing, known and popular program called Family and Schools Support Teams (FAST) and expanded the teams to middle-school and high school children with serious mental disorders.

Schools in the area report that there are significant advantages to them in the collaboration with the site. They appreciate the structure for collaboration and the relationships that have been built and they have adopted the values and philosophy of the system of care and found that it improves school situations.

Relationships with child welfare are also very good. Prior to the grant, child welfare was a crisis-oriented system undergoing constant change and in chaos from a series of reforms. Child welfare managers were concerned about safety and the need for therapy and services, but needed first to address a stable environment for the children. System of care values and principles have since been adopted and collaborative services are being provided. Early successes brought still more buy-in as THINK resulted in better case planning, improved wraparound services and better data. Child welfare representatives participate actively on the Purchasing Alliance and strategize on how to maximize resources.

The child welfare agency also helped the Children's Board to develop an integrated data system that uses child welfare as the base system, but that is compatible with other systems. This system minimized duplication of case management, bringing the child welfare and mental health providers into a more efficient team. This leads to better case planning, wrap-around services and better outcomes for child welfare.

THINK has made significant efforts to build a close working relationship with the state Agency for Health Care Administration (Medicaid) in order to access funds for a wide range of basic services. This joint planning led to developing a State Plan Amendment to add targeted case management for children who are at risk of abuse and neglect. This initiative is part of a larger state initiative requiring state agencies to work with localities in maximizing federal revenue for services, also spearheaded by the Children's Board.

Exposing staff of other agencies to national experts on system of care issues has been beneficial to all. THINK invested resources to sponsor staff from partner agencies -- schools, child welfare, mental health and juvenile justice in particular -- to attend Center for Mental Health Services grantee and training meetings. Clinical staff of residential and day programs were also sponsored by THINK to attend training. Exposure to national technical assistance led schools to request training in Hillsborough County on wraparound, positive behavior supports and systems of care.

THINK has made effective use of data. In addition to the required longitudinal study, the site used its evaluation contract to hire a health economist who has calculated savings per child per year from some of the site's services. The evaluation showed that the system of care had saved the local community significantly, improved child and family functioning, provided services in less restrictive community-based settings and empowered and engaged families. THINK has also sought support from private sources, including the local university, a local private business foundation whose CEO was on the Children's Board of Directors, and a media firm. With the help of the media contractors, THINK launched an integrated social marketing campaign to get the word out to the community about services and where parents could turn for

help.

Sources of Match

Hillsborough County has a property ad valorem tax that enables it to raise local tax funds for the Children's Board. Using this taxing authority, the Children's Board provided all of the required non-federal match over the six years of the grant. Over \$9 million cash will have been contributed for non-federal match by the end of the grant. In-kind support has also increased steadily, enabling THINK to draw down previous year funds.

By year 5 (2003), the Children's Board is still the largest funder and provides the greatest share of the non-federal match. The site also receives cash funds from the state mental health department and in-kind resources from child welfare, education, and county systems and other sources. The education system is the second largest funder, primarily through in-kind donation of space.

The state mental health agency provides less than 1% of the non-federal match (\$18,000), but this is in cash. Child welfare provides nearly 20% of the in-kind match, (\$1 million). Education contributes 11% of in-kind match (\$568,000) and the county 6% (\$300,000) from county general fund dedicated to children. Additional match, all of it in-kind, comes from the University of South Florida, the Federation of Families for Children's Mental Health and a local business.

Some resources are contributed for specific purposes. For example, Roberts Communications, a local media business, has furnished significant in-kind support for a highly successful media campaign. In-kind support is also contributed by the families, in the amount of \$11,000 in 2002.

Sustainability Issues

THINK has a sustainability plan, developed through the Purchasing Alliance with all core child serving agencies. It expects to be able to generate 80% of its current budget in the first year it loses federal funding. Long term support for this county-based system will also require significant state mental health authority support.

The site initially focused on managing the grant and designing and hiring needed staff for new programs and developing a family organization. An early focus on sustainability was hampered by enormous administrative changes in child welfare and mental health. However, now that the infrastructure is in place, data is available and the relationships are built, sustainability should not be hard. The federal grant has enabled them to find the points of mutual advantage with other agencies and nearly all are now committed to the system of care approach.

The site has involved the state mental health authority since the early days of the grant and benefited from the agency's ability to generate specific legislative requests for children

services. A state level cross-agency collaboration exists, with mental health, child welfare, Medicaid and health state agencies meeting monthly.

The Partnerships, North Dakota: Program Summary

North Dakota has a state-operated public mental health system, and in 1994 the state received a federal grant to develop The Partnerships program, an interagency collaboration for a system of care for children with serious emotional disorders. The Partnerships program is now the core of the public mental health case management system for children in North Dakota. It provides therapeutic and supportive services to children with serious emotional disorders and their families so they can manage their illness and live in the community in the least restrictive setting.

The state is organized into eight human services regions, each of which has a Human Services Center (community mental health center). The original grant funded services in three regions, but was expanded to become statewide after four years of operation. Initially, the state utilized interagency governance entities in the regions called Children's Services Coordination Committees to implement the Partnerships locally. The grant was also used to fund an expansion of services, including intensive case management, transition services and school-based services, as well as the development of local parent organizations through a contract with the statewide parent group. Services for children and families are organized through mental health care coordinators (case managers) hired by each Human Services Center.

North Dakota now has strong interagency collaborations for children with serious mental disorders. The federal grant allowed these collaborations to move up to a new level.

As a graduated site, North Dakota not only succeeded in raising six-years of non-federal match resources, but has also been able to sustain a statewide system of care for children since the grant ended in 1999. The overall budget for the system of children's mental health services in the state is over \$5 million. Half of the children served are Medicaid-eligible, services for other children are funded through mental health general fund, juvenile justice and education resources.

The Partnership operated (and the state still operates) with a state interagency team. The children who are hardest to serve are referred to the state level review team, but most issues are dealt with at the regional level. A separate state interagency coordinating body exists to deal with policy and funding issues.

The State Team, an interagency coordinating committee, is the forum for discussing systemic issues and provides leadership across multiple systems from a statewide perspective. This group strives to remove barriers, improve understanding of agency issues and of challenges faced by children and families. The team reviews aggregate data for client and service tracking, assesses local training needs and system of care trends, using a single plan of care computer

application and other sources. It is positioned to resolve any disputes or system of care issues raised by regional teams. Agencies participate in the development of a statewide continuous quality improvement process with the regional teams.

Strategies to Raise Match

From its inception, the Partnership engaged in co-location of staff with other agencies. This has proved to be a very successful strategy in working with the other key agencies: child welfare, juvenile justice and schools. Using federal funds, the regional Human Services Centers were able to hire care coordinators and place them in a partner agency, where they were able to draw on other-agency staff to help meet the needs of children and families. This approach led to partner agencies becoming enthusiastic about collaborating with mental health through the Partnership. In time, policy and practice in those agencies changed. Out placed staff are generally in the employment of the human services center; however, in schools they are often school employees.

In order to determine how best to fund services and find match, each agency examined the need and determined what it could underwrite. This was a cooperative process that led to flexible new ways of using resources. For example, in one case, mental health hired a staff person with financial support from juvenile justice and then placed that mental health worker in the juvenile justice agency because at that time the juvenile justice agency had no FTE available to allow it to add a needed worker.

The state is now engaged in cross-agency strengths-based, family-focused wraparound training and certification for care coordinators/case managers in juvenile corrections, child welfare and mental health systems. This will enable all workers -- child welfare and mental health case managers, juvenile justice and education front line staff-- to be cross-trained in the same strengths-based approach and all will get certified through a single system. Each agency is providing the trainers, but the training program is the same. This enables the training curriculum to provide the contextual requirements for each system, while incorporating a unified set of operating values. Parents are also involved in the training. The State Team is monitoring the development and implementation of this certification process across the child serving agencies and determines the approved outcome measures for this process. As of June, 2003, 130 staff across several agencies had been trained and certified through this process. All current case managers and care coordinators in all three systems should be trained by the end of 2004.

A new development (initiated in June, 2003) that also strengthens collaboration is a shared electronic treatment plan, based upon the team approach. This system uses web-based software that was relatively easy to install in all agencies. It enables each agency's staff to see the interagency plan for a child. To view the plan, staff must be given security clearance by the care coordinator/case manager. The shared record and single plan of care means that all agencies are working off jointly developed goals and tasks.

Collaboration also allows cross-system outcomes measurement and similar goal setting

for children and families. The state is measuring outcomes such as living in the community, success in school, number of juvenile justice contacts, etc.

The state also ensured that collaborations used all appropriate funds for the costs of on-going services to children and families. In addition to collaborating with the Medicaid agency to be sure that all appropriate Medicaid services were billed to Medicaid, the state uses child welfare Title IV-E funds and made maximum use of the intensive in-home services funds under Title IV-B. This allowed the federal funds to be used in a flexible manner, that was very beneficial and valuable to every child-serving agency.

Sources of Match

The first year non-federal match was primarily provided by the regional Children's Services Coordination Committee in Fargo, the first of the state's eight human services areas to be funded. In addition, in-kind match from the mental health authority was significant and this was supplemented by funds from other child serving agencies contributed at the regional level. For years 2-6, the Partnership secured a specific state general fund appropriation for the Partnerships, as follows:

Year 2: \$ 138,163
Year 3: \$ 480,094
Year 4: \$ 704,782
Year 5: \$1,124,430
Year 6: \$1,395,88

These funds were secured, in large measure, because the Governor strongly supported the system of care approach and parents engaged in active advocacy for the site. In addition, one key legislator was receptive and by the end of the grant, over \$1 million had been added to the human services budget for the system of care services.

The costs of the staff embedded within other systems were shared between mental health and the other agency from the beginning. Additional resources from other agencies have been secured over time. Today, the costs of some care coordinators are shared – for example, in one region, juvenile justice splits the cost of one care coordinator, schools share costs of three workers and one school hired the worker and mental health then split the costs of that position -- but generally these staff are funded by the mental health authority.

Other sources of funds have been the juvenile court and private resources from the United Way that are used to fund safe beds. The site also used refinanced Title IV-E funds. The child welfare agency funded services up-front, and when the federal reimbursement was received those resources were directed into the site. These funds were then used as non-federal match during the term of the grant, along with child welfare in-kind resources.

As the state shifted from having the Partnerships in three regions to establishing it statewide, it was able to count as match for the federal grant non-federal funds expended in the new regions.

The state also used in-kind services as part of its non-federal match. Parents were asked to keep track of time they devoted to the system of care, including time spent on the board. The state created a system to document volunteer time at each meeting using uniform time sheets, and the state employment agency provided an estimate of the value of such time in order to meet auditor requirements. These contributions amounted to \$25,000 in one year.

Sustainability Issues

Following the termination of the grant, some services have had to be cut back. To do this, the state undertook a review of core service through a survey of all agencies and parents and then focused on how to continue to finance those core services.

Although the federal grant has terminated, the structures for coordination at the state and regional level remain in place and the philosophy and approach of strengths-based, family-focused wraparound services has become the established way all systems do business. The federal grant to North Dakota changed the way agencies within the state operate and allowed the state to change how they allocate their own mainstream resources.

State officials believe that without the grant it would not have been possible to know what the essential core service elements were. The grant enabled them to build a full program of community services -- a Cadillac program -- and to test it through several years. Although they later had to scale back -- to a smaller, practical Chevy -- they now have a sustainable, effective service system for children in North Dakota because they know, from experience, what are the most effective and the most family-friendly services.

The state continues to seek other resources so as to continue to innovate and to expand its array of available services for children. For example, North Dakota Native American tribes are applying for a child welfare federal system of care grant from the Administration on Children, Youth and Families. Federal block grant funds are also being used to fund services, such as respite, that cannot be funded through mainstream programs.

Today, regardless of what door a child and family enter the state system, North Dakota continues to move closer to institutionalizing a strengths-based approach across all systems with individualized care, assessment of both formal and natural supports and they receive a team approach to their care so everyone is working towards the same goals. This is the case for those

families who come voluntarily, as well as those who enter the system through involuntary procedures.

The Village, South Carolina: Program Summary

The Charleston/Dorchester Community Mental Health Center received a federal grant in 1993 to establish a system of care for children with serious mental disorders. Funds were used to provide services to children at sites located around the community — in schools, health clinics and a homeless center — and for mobile outreach, emergency and crisis services as well as long-term home-based services. The federal grant enabled both a significant increase in the level of service and a change in approach. Initially, the system of care had 16 employees, by the end of the grant there were 152 employees serving 1,700 children at any one time. The priority population of the original grant was the over 500 children identified by the planning committee, who were engaged in one or more of the child serving systems.

From day one, the Village intended for its mental health counselors to become part of the community and utilize community strengths to support children and families. At the time the grant was submitted, agreements had been reached with other agencies for joint purchase of services through a wraparound fund, for in-kind contributions of space and salaries from schools, community sites and the mental health center, and the state mental health authority committed to providing \$333,000 in annual funds.

Today, the program of services furnished as a result of the Village project is funded through local revenue streams (\$17 million) and by the state mental health authority (\$5 million). Most of these funds are Medicaid; other resources come from federal and other grants and insurance. All core child serving agencies are engaged in the system of care and contribute in-kind support and some contribute cash support as well. Working together on the Village project taught the core service agencies how to work together and to work with families to provide wraparound community-based services.

The Village grant has ended, but the mental health center and its partners continue to work together to provide interagency, wraparound services for children. The mental health center provides clinic-based services. There is a strong collaboration with schools. The mental health center provides school-based services through 50 counselors who are based in schools and a child psychiatrist who visits each school at least once a month. In partnership with education, it runs an alternative high school. A broad array of community services are also furnished, including independent living skills, intensive home-based services, and wrap-around services to reduce the number of out-of-home placements in foster homes, group homes or residential treatment centers, reunification services and a program of services for very young children.

Masters level mental health counselors are stationed in 75 schools in Charleston County and 14 in Dorchester County to provide assessments and services. Counselors are also co-

located at county juvenile justice and child welfare agencies. Other sites for co-location include the Center's adult services clinic, a center for abused children, a substance abuse agency and a primary care clinic. In addition, the mental health center jointly operates an alternative special education High School with the school system. Through an arrangement with the local medical school, it is also able to use child psychiatrists and residents to provide services, supervise other staff and provide consultation and education to other agencies.

Strategies to Raise Match

Throughout the grant, and beyond, the CMHC approached other agencies by asking them what they need, and listening carefully to their response. As a result, services have been tailored to the goals of partner systems. The site particularly targets kids at risk of out-of-home placement, facing expulsion from school or placement in an institution. These children receive intensive treatment services, behavioral aid services in school and community and services to ensure structure at home. Another new focus is on trauma issues.

The Village has made extensive use of the concept of co-location, embedding staff in a number of agencies around the two counties it serves. In total, there are 90 staff from the community mental health center who work out of other agencies, whereas there are only 6 who provide these same services within the mental health center itself. This strategy has been particularly successful with the schools. In addition to schools, child welfare and juvenile justice agencies are the primary sites for these workers, with others placed in a primary health clinic and a substance abuse agencies. Embedded staff learns the rules of the partner agency and are soon trusted by agency staff and are then really able to help the children.

Each of these masters level counselors is given extensive training prior to placement. The Village used its federal grant to train these staff for four to seven months on the system of care philosophy, strengths-based, family-focused services and wraparound. Generally, these costs ran between \$10,000 and \$15,000 per person. Once the staff were placed, they were able to bill Medicaid for the ongoing services they provided children in these various sites. However, funds were still needed to cover other costs, such as overhead.

From the beginning, this strategy resulted in other agencies contributing to the site. Some initially contributed only the in-kind costs of space and administrative support. However, schools were soon underwriting the training costs as well. As the site continued, and proved the value of these workers to the partner systems, more of these embedded staff were paid for by the other system, relieving pressure on the federal grant and leading to a more sustainable system of care.

Other services are also available to children in these systems. A psychiatrist goes to each school on a regular basis and site has provided after school programs and summer camp experiences and some therapists take children on recreation activities. In addition, these children have access to any other relevant service of the center. Embedded staff also work with the family, as well as the child. Parents feel supported when staff attend their child's IEP meeting.

The Village created structures to facilitate interagency collaboration. Prior to applying for the grant, some coordination across agencies had been occurring. There was a one-year planning process conducted by the heads of the core child serving agencies. Receipt of the grant then enabled the creation of The Village Council, which initially met every quarter. Today, this Council continues to meet, now once a week, and discusses those children who present the greatest challenge. Generally, these meetings are attended by the deputy directors of the agencies. An additional interagency group was formed by the agency directors to deal with systems issues, and this group also still meets once a month.

To strengthen collaboration and to ensure a greater level of understanding regarding systems of care and strengths-based services, the grant site sponsored staff of other agencies to attend CMHS training and technical assistance opportunities. As a provider agency, the community mental health center was most focused on changing practice for children and families, so as to create a system of supports and a full array of family- and child-driven services. This required reorienting staff, and the site found CMHS training sessions to be very helpful in bringing partner agency staff up to speed.

The site has been able to generate support from known citizens in the counties served, particularly those who sit on its governing board and know the program well.

Sources of Match

The site's initial non-federal match was primarily from the state mental health authority, which continues to provide about \$5 million a year to the site. Another \$17 million is raised locally, including funding for on-going services from Medicaid. There is also a small pool of flexible funds from the state, to which all core agencies contribute.

Significant matching funds were raised by partner agencies through their contributions to embedded staff. In addition to in-kind support, two school boards provide \$16,000 and \$14,000 in cash match and certain schools have paid the \$10,000 initial training costs for their embedded staff. The level of match from schools, as well as the number of staff working out of the schools, increased over the course of the grant as schools began to see the behavioral changes and other benefits of co-location. The site was able to continually engage more schools as word spread among principals about how beneficial this has been. After the grant ended, schools contributed in a single year funds to train eight new staff to co-locate, a indication of the value schools place on these workers.

Prior to the grant, child welfare funds had primarily funded residential care for children with serious mental disorders, all of whom in state custody. The agency had good relationships with the mental health center and the grant enabled wraparound services to come to scale in the county, thus allowing child welfare to avoid many foster care placements. Site staff are placed at the Charleston Department of Social Services to work with foster care and adoptive children who are experiencing difficulty being maintained in their current placements as well as children of families identified with on-going child abuse/neglect concerns. Children can receive alternative services to avoid out-of-home placements. The child welfare agency appreciates having the

additional staff support since this reduces the work load on its own staff and staff believe better decisions are now made about child permanency. Child welfare in-kind support for these workers represented non-federal match during the life of the grant.

There are two staff co-located at juvenile justice agencies working with children with serious mental disorders. Juvenile justice officials find in-house, embedded staff understand the juvenile justice system, and vice versa. The county has the lowest rate of incarceration for juveniles in the state and provides in-kind support to the system of care by under-writing overhead costs of embedded staff and the time of a psychologist hired by juvenile justice to serve the same children. The site also provides assessments and intensive outpatient treatment for youth with dual diagnoses entering the court system and services to children in detention.

The CMHC was also able to tap into in-kind support from the medical school (where training includes multi-systemic therapy) and residents provide home visits and services in detention centers. The site has also saved resources, and secured additional in-kind match, by using state-owned buildings.

Sustainability Issues

A key factor in the success of The Village, which has now sustained its program for over five years, is staff who understand program and have the vision for a system of care and also understand fiscal issues. Clinicians in the site understand finances and are brought into the hunt for resources. To facilitate this, information on resource issues is shared with program staff and line supervisors rotate through the interagency management team for six month terms where they learn the complexity of funding issues. This helps bring about a shared responsibility and accountability with the staff as they must face managerial and fiscal problems.

The site has engaged in significant fiscal creativity and has not been afraid to take risks. However, this approach also requires a strong auditing component — the site found it better to police itself. With a comprehensive understanding of funding streams, the program budget could be built around that, reflecting program priorities. Medicaid is the key funding source for on-going services, and the state has expanded the array of child services that can be billed to Medicaid since the initial grant was awarded, recently making wraparound a billable service.

The grant taught all agencies a new way of doing business and a philosophy for children's services as well as funding new services that can now be billed to Medicaid and other payers. All agencies now work to keep children from out-of-home placement or to return them as quickly as possible. Collaboration has been strengthened enormously, and the structures for working out problems across agencies (Director interagency agency team and deputy director team to deal with difficult cases) continue to operate even though the grant has ended.

The federal grant enabled the site to greatly expand services to children. Prior to the grant it was rare for mental health to deal with the most difficult children and there was little co-location. As a result of the grant, mental health got out of the office into the real world and created real partnerships with other agencies.

With significant numbers of staff co-located in schools, even the in-kind match has been significant and helped the site to meet its obligations. In addition, the education system has used discretionary, non-recurring federal funds to support the site. For example, the site and the schools secured a safe schools grant that will be used to work with schools that were not previously part of the collaboration.

The Village interagency meetings help new staff orient to the strengths-based system of care approach, and there has been large scale philosophical change as a result of the grant.

Notes

- i. The Comprehensive Community Mental Health Services for Children and their Families Program is authorized under Public Law 102-321, as amended, Public Health Service Act, Part E, Title V, Sections 561-565.
- ii. See Principles of Federal Appropriations Law, Second Edition, Volume II, 10-59, as quoted in letter from Gemma Flamberg, Senior Attorney, Office of the General Counsel, US Department of Health and Human Services, in Note to Gary DeCarolis, Center for Mental Health Services, dated January 12, 1998.
- iii. House Report 102-464, Community Mental Health and Substance Abuse Services Improvement Act of 1992 (Section 104 of which is the Children's and Communities' Mental Health Systems Improvement Act).
- iv. Public Health Service Act, Part E--Comprehensive Community Mental Health Services for Children and their Families Program, Section 561(c) CHECK
- v. See communication to Gary DeCarolis from Gemma Flamberg, Senior Attorney, Office of General Counsel, Department of Health and Human Services, January 12, 1998 regarding Matching Requirements under the Children's Program.
- vi. Public Health Service Act, Part E---Comprehensive Community Mental Health Services for Children and their Families Program, Section 561(c) (2)(A) CHECK
- vii. *Sustaining Comprehensive Community Initiatives: Key Elements for Success*. Financing Strategy Brief, New York, NY: The Financing Project. April 2002. www.financeproject.org
- viii. *Sustaining Comprehensive Community Initiatives: Key Elements for Success*. Financing Strategy Brief, New York, NY: The Financing Project. April 2002. www.financeproject.org
- ix. These data based on surveys of the federally-funded sites in 2002 and 2003. Response rates (and the sites responding) varied in the two years and may have influenced the shift in proportion of funding to some degree.
- x. Under Section 105(b) of the Social Security Act, states receive 100 percent federal Medicaid match for the services furnished in Indian Health Service facilities (clinics). This reimbursement is paid at the all-inclusive facility rate. Those tribes that have opted to take over Indian Health Service activities under Public Law 93-638 also are covered by this rule. They can receive the all-inclusive facility rate for services provided to Medicaid-eligible children, although the state Medicaid agency must bill the federal government for these funds to be obtained.
- xi. *Bridging Budget Gaps: Strategies for State Mental Health Agencies*, National Association of State Mental Health Program Directors, Alexandria, Virginia. In press, 2003.

xii. Bazelon Center for Mental Health Law, *Mix and Match: Using Federal Programs to Support Interagency Systems of Care for Children with Mental Health Care Needs*. (2003). Washington, D.C.: Bazelon Center for Mental Health Law. At www.bazelon.org.