



**Financing Evidence-Based Home Visiting Programs in Michigan**  
***A Strategic Financial Planning Toolkit***

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### About The Finance Project

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**Helping leaders finance and sustain initiatives that lead to better futures for children, families, and communities.**

The Finance Project is an independent nonprofit research, consulting, technical assistance, and training firm for public- and private-sector leaders nationwide. It specializes in helping leaders plan and implement financing and sustainability strategies for initiatives that benefit children, families, and communities. Through a broad array of tools, products, and services, The Finance Project helps leaders make smart investment decisions, develop sound financing strategies, and build solid partnerships. To learn more, visit [www.financeproject.org](http://www.financeproject.org).

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## INTRODUCTION

Home visiting programs offer expectant parents and families with young children guidance, risk assessment, and parenting information in their homes. Several evidence-based program models show promise in improving pregnancy outcomes, parenting skills, and early childhood health and development outcomes, particularly for high risk populations.<sup>1</sup>

Michigan communities have a long history of implementing home visiting programs, such as Nurse-Family Partnership and Parents as Teachers, but face challenges in sustaining and expanding these services in the current fiscal climate. Moreover, since existing funding for home visiting programs is administered by different agencies through various categorical funding streams, Michigan leaders have not yet had an opportunity to plan for a state system that promotes collaboration across home visiting programs and assures that quality services are delivered to those most in need.

This strategic financial planning toolkit provides state policy makers with a detailed set of decision points and strategies to guide new investments in a coordinated statewide system of evidence-based home visiting services. These are:

- Step 1: Determine what to finance
- Step 2: Estimate fiscal needs
- Step 3: Map current spending
- Step 4: Assess the gap
- Step 5: Develop financing strategies

When the five steps are completed, leaders will have the information needed to develop a written strategic financing plan that will serve as a roadmap to guide investment decisions for Michigan's home visiting services. A strategic financing plan is more than a budget, it is a source of comprehensive financial information to guide budgeting, accounting, and policies to support the implementation and scale up of high quality home visiting programs across the state.

### **Getting Started:**

*Assemble a Leadership Team*-- It is recommended that a group of stakeholders representing key state agencies and organizations and who have decision-making authority for funding and expertise in children and family policy work through the five steps outlined in this toolkit. Identifying a lead, or coordinator, with time built in for managing the project is critical to successful and timely completion of the workplan.

*Create a Workplan* – It is recommended that the leaders developing the strategic financing plan determine a timeline for when the strategic financing plan should be complete, as well as craft a reasonable schedule of meetings to discuss each step, time to conduct research, and a plan for decision-making. Establishing clear guidance on how consensus will be reached, who will develop the agendas, send reminders, and keep minutes will help to ensure the process goes smoothly and efficiently.

## DEVELOPING A STRATEGIC FINANCING PLAN

### STEP 1: DETERMINE WHAT TO FINANCE

The first step in developing a strategic financing plan is to clarify exactly what Michigan leaders want to finance. Critical decisions about goals for children and families will help Michigan leaders to estimate costs, assess funding gaps, and determine financing strategies to implement high quality home visiting services. Throughout this toolkit, stakeholders will consider two key categories of costs in supporting a state system of home visiting programs: program costs and state-level infrastructure costs.

- **Home visiting programs:** The majority of investments in home visiting directly support local agencies or organizations in providing services through: start-up and expansion grants, ongoing program funding, and grants for program evaluation.
- **State-level home visiting infrastructure:** Funding for statewide home visiting infrastructure ensures that communities offer quality services and that the state uses resources effectively. Costs may include: planning and coordination, technical assistance, a screening and referral system, and data systems.

#### Home Visiting Programs

Evidence-based home visiting programs can have a measurable impact on pregnancy outcomes and young children's development, but national program models vary in their approaches, goals, and costs. A consensus by Michigan leaders on the intended outcomes, target population, and preferred program models can ensure that limited resources are used strategically.

#### 1. What outcomes should home visiting achieve?

Michigan leaders may begin by consider which of the research-tested outcomes from home visiting programs are most critical for Michigan's children and families, based both on identified needs and alignment with state priorities.

##### → Action Step

Establish consensus around the top three to five outcomes that home visiting programs will achieve for Michigan children and families:

- Improved prenatal/pregnancy outcomes
- Improved child health outcomes
- Cognitive development/ school readiness for young children
- Improved social-emotional development for young children
- Effective parenting skills
- Prevention of child abuse/neglect
- Early identification of risks
- Improved parental health/wellbeing (ex. reduction of maternal depression)
- Improved family economic success
- Other \_\_\_\_\_

#### 2. What is the target population?

To complete a strategic financing plan, Michigan leaders will need to determine how many pregnant women and families will receive home visiting services in the next three to five years. Michigan's Early Childhood Investment Corporation (ECIC) has indicated

that state leaders are most interested in providing home visiting services for expectant families and families with children up to age three. Within this population, state leaders may choose to further narrow the target population to families with identified risk factors or needs.

Decisions about desired outcomes should inform planning regarding the target population for home visiting. For example, if state leaders focus on promoting maternal health, they may choose to target the approximately 30,000 pregnant women in Michigan who receive subpar or no prenatal care. A number of child and family indicators highlighted in **Tables I and II** can help Michigan leaders to determine how many and which families and children would benefit from home visiting. (At this stage, determine how many families should have an opportunity to receive home visiting services. Once the model, or specific set of home visiting services that you will implement has been determined, it will be necessary to identify how many of these families already have access to some, or all, of the home visiting services to be financed.)

#### Action Steps

- ➔ Identify risk factors that will inform selection of the target population.
  - Pregnant women receiving limited prenatal care
  - Teens who are pregnant/parenting
  - Single parents
  - Low-income pregnant women/families
  - Children with developmental delays
  - Families at risk of abuse/neglect
  - Other \_\_\_\_\_
  
- ➔ Set a goal for how many families (including pregnant women) will be served by home visiting programs in the next three years.
  - Year 1: \_\_\_\_\_
  - Year 2: \_\_\_\_\_
  - Year 3: \_\_\_\_\_

#### **Insert text box\*\*\*\*\*Conducting a Needs Assessment: Requirement to Access New Federal Home Visiting Funds\*\*\*\*\***

New federal funding for home visiting programs is available to states as part of health care reform legislation passed in March 2010. In order to access these funds, states must conduct a needs assessment to identify communities with concentrations of at-risk families that would benefit from home visiting, as well as communities that currently have limited access to home visiting services. This needs assessment will help to inform Michigan stakeholders' decisions about the target population for broader public and private investments in home visiting in Michigan.

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<b>Table I: Births in Michigan<sup>ii</sup></b>		
	Number of births	Percent of births
<b>ALL BIRTHS</b>	125,000 (est.)	
<b>PRENATAL HEALTH INDICATORS</b>		
Late or no prenatal care	4,145	3.3%
Less than adequate prenatal care	28,511	22.5%
Smoke while pregnant	17,850	14.1%
<b>SOCIO-ECONOMIC INDICATORS</b>		
Unwed mothers	43,347	38.1%
Births paid for by Medicaid (eligibility is 185% federal poverty level)	51,668	41.3%
Mother has no high school diploma	21,301	16.8%
Teen births (ages 15-19)	12,388	9.8%
Repeat teen births	2,270	

<b>Table II: Children Ages 0-3 in Michigan<sup>iii</sup></b>		
	Number of children (est.)	Percent of children
<b>ALL CHILDREN AGES 0-3</b>	500,000	
<b>ECONOMIC INDICATORS</b>		
Receiving Family Independence Program	39,500	7.9%
Receiving food assistance	145,000	29.4%
<b>DEVELOPMENTAL INDICATORS</b>		
Receiving early intervention/special education	19,000	3.8%
Could have a developmental delay	39,000	7.8%
<b>ABUSE/NEGLECT CASES</b>		
Substantiated child abuse /neglect	900	.18%

<sup>1</sup> Available data covered ages birth to five. To estimate indicators for the birth to three population, The Finance Project has multiplied the percentages of children (ages birth to five) meeting each indicator by the total number of children ages birth to three in Michigan.

### 3. Which program models will the state support?

There are several nationally recognized, research-tested home visiting program models. Michigan leaders may consider a number of factors in selecting a model or range of models to support. For example:

- Does the program model have a proven history in Michigan communities?
- Are the model's goals, outcomes, and target population aligned with leaders' decisions about intended outcomes and who will be served?
- What is the average cost of implementation?

Michigan leaders may choose to support more than one model, targeting more costly services, such as nurse-home visiting to higher-need populations. Another approach, common in Michigan, is to allow local communities to choose which home visiting model to implement, as long as they meet guidelines set by the state. **Table III** provides detailed information on major national program models to guide investment decisions.

#### Action Steps

→ Identify which program model(s) the state will support:

- Nurse-Family Partnership
- Healthy Families America
- Parents as Teachers
- Early Head Start<sup>2</sup>
- Parent-Child Program
- Other \_\_\_\_\_

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<sup>2</sup> While this is a federal program model, a state can choose to fund an Early Head Start look-alike program, or provide expanded funding for Early Head Start program slots.

**Table III: Selected National Home Visiting Program Models Serving Families Prenatal to Age Three**

National Program Model <sup>iv</sup>	Existing Programs in MI <sup>v</sup>	Goals	Population Served	Background of Home Visitors	Home Visit Frequency	Proven Outcomes (from random assignment studies) <sup>3vi</sup>	Average Cost <sup>vii</sup>
Nurse Family Partnership	Implemented in four counties	<ul style="list-style-type: none"> <li>Improved pregnancy outcomes</li> <li>Improve child health and development</li> <li>Improve families' economic self-sufficiency</li> </ul>	Low-income first time mothers, prenatal through 24 months	Public health nurses with pre-service and continuing training	Weekly, fading to monthly	<ul style="list-style-type: none"> <li>Fewer subsequent pregnancies/ greater intervals between births</li> <li>Increased maternal employment.</li> <li>Increased mother-infant responsive interaction</li> <li>Improved children's language development</li> <li>Reductions in juvenile crime, alcohol and drug use</li> </ul>	\$4,500 per family per year with a range throughout the country of \$2,914 - \$6,463. (May 2009)
Healthy Families America	Implemented in at least one site	<ul style="list-style-type: none"> <li>Promote positive parenting</li> <li>Prevent child abuse and neglect</li> </ul>	Families identified as at-risk using a screening tool, prenatal or birth to age 5.	Para-professionals with bachelors degrees/ pre-service & ongoing training	Weekly, fading to quarterly	<ul style="list-style-type: none"> <li>Reduction in child abuse/neglect (parent reported)</li> <li>Improved parenting skills</li> <li>Improved home environment for early learning</li> <li>Improved children's cognitive development</li> </ul>	\$3348 per family per year ( range from \$1950 to \$5768)
Parents as Teachers	Implemented in 106 sites	<ul style="list-style-type: none"> <li>Empower parents to give their child the best possible start in life</li> <li>School readiness</li> <li>Prevent child abuse</li> <li>Parental competence</li> <li>Home-school-community partnerships</li> </ul>	Families identified as at-risk, prenatal to age three (may extend to age five.)	Para-professionals with at least associates degrees/ pre-service training and annual credentialing	Monthly, biweekly or weekly, depending on need	<ul style="list-style-type: none"> <li>Parents more likely to read to children</li> <li>Improved parental attitudes about parenting</li> <li>Children's health (immunizations and reduced injuries)</li> </ul>	\$1,400 to \$1,500 per family <sup>viii</sup>

<sup>3</sup> Proven outcomes are not consistent across implementation sites and depend upon site-specific variables and fidelity to the national program model.

**Table III: Selected National Home Visiting Program Models Serving Families Prenatal to Age Three**

National Program Model <sup>iv</sup>	Existing Programs in MI <sup>v</sup>	Goals	Population Served	Background of Home Visitors	Home Visit Frequency	Proven Outcomes (from random assignment studies) <sup>3vi</sup>	Average Cost <sup>vii</sup>
Early Head Start (home-based model)	Implemented in 68 sites	<ul style="list-style-type: none"> <li>Promote healthy prenatal outcomes for pregnant women</li> <li>Enhance the development of very young children</li> <li>Promote healthy family functioning</li> </ul>	Low-income pregnant women and children up to age 3. <sup>4</sup>	No specific requirements; experience with infants/toddlers preferred. Staff have professional development plans.	Weekly	<ul style="list-style-type: none"> <li>Improved social-emotional development</li> <li>Reduced parenting stress</li> <li>Cognitive and language development<sup>5ix</sup></li> </ul>	\$10,544 (average for home-based and center-based models) <sup>x</sup>
The Parent-Child Program	Implemented in two program sites	<ul style="list-style-type: none"> <li>Develop children's language and literacy skills</li> <li>Empower parents to be their children's first and most important teachers</li> <li>Prepare children to enter school ready to learn</li> <li>Enhance parenting skills</li> <li>Prepare children for long-term academic success</li> </ul>	Low-income, low-education families, including teen parents and homeless families. Children age 16 months to age four.	Paraprofessionals, including parents previously in the program, with pre-service and ongoing training	Two visits/week	<ul style="list-style-type: none"> <li>Positive impact on high school graduation rate</li> <li>Participating children had similar early literacy skills, social competence skills and parent involvement in kindergarten, in comparison to a more-advantaged control group.<sup>xi</sup></li> </ul>	Average cost data unavailable. \$2400 in one community in Seattle <sup>xi</sup>

<sup>4</sup> 10 percent slots reserved for families above income requirement; another 10 percent are reserved for children with disabilities.

<sup>5</sup> Findings highlighted are specific to the EHS home-based model.

### **State-Level Infrastructure**

State level infrastructure helps to align policies and resources across state agencies, and provides a forum for local and state-level information sharing on issues such as: data, promising practices, and challenges in coordination of programs or funding. Infrastructure at the state level assures that communities offer high quality services and use resources effectively to meet families' needs.<sup>xiii</sup> State leaders may consider which components of the infrastructure will be a priority as they launch a state system of home visiting programs. Key components of a state-level infrastructure include:

#### **Planning and coordination across agencies**

A coordinating body can promote communication and collaboration across the agencies supporting home visiting programs and other services for infants and toddlers. Michigan leaders may choose whether to budget for dedicated staff, or a portion of existing staff time, to lead coordination efforts.

#### **Technical assistance and training to program sites**

State leaders may consider pooling existing resources or designating additional funds to build a coordinated state system of technical assistance and training.

#### **Screening and referral system**

State leaders may consider budgeting resources for the development of a screening and referral system to ensure that families are referred to home visiting services that meet their needs. This may include the development of uniform screening tools used throughout the state and training on how to use these tools.

#### **Data tracking system**

A state data system would coordinate data on who is served by various home visiting programs, what services a family receives, and what outcomes are achieved. A data system will allow state leaders to more effectively track whether families' needs are met, reduce duplication, and assess programs' effectiveness.

#### **Public awareness and education**

Finally, state leaders may invest in a public awareness campaign that helps build public awareness of the value of home visiting services and educates stakeholders on proven home visiting strategies and effective parenting practices more broadly. These efforts support recruitment of families and also build understanding of the need for sustainable funding.

### **Action Steps**

- ➔ Identify components of infrastructure that are needed in Michigan
  - Planning and coordination across agencies
  - Technical assistance to program sites
  - Screening and referral system
  - Data tracking systems
  - Public awareness and education
  - Other \_\_\_\_\_

- ➔ For each component identified above, what is the expected timeframe for implementation?

## **STEP 2: ESTIMATE FISCAL NEEDS**

Once Michigan leaders have a clear understanding of what they want to finance, the next step is to estimate the costs of implementation over a three year time period. State leaders will need to estimate both the costs of funding programs and implementing a state-level home visiting infrastructure.

### **Program Costs**

Michigan leaders can use **Worksheet 1** to calculate the cost of implementing one or more of the national program models described in the previous section, including the costs of start-up and expansion grants, program implementation, and program evaluation.

### **Start-up and Expansion Costs**

As Michigan leaders plan to fund new programs or expand existing programs, it is critical to budget for start-up or expansion grants to help program leaders to hire and train new staff and build the capacity to provide services. Michigan leaders may utilize local or state data on wages for specific job categories or conduct a state or local survey of existing home visiting program directors to assess typical start-up and expansion costs.

### **Program Implementation Costs**

While staffing is typically the largest expense for home visiting programs, implementation costs may also include staff training, administration, quality assurance and supplies (such as diapers or books provided to families).<sup>xiv</sup> Average per capita program costs for common national home visiting models are provided in Worksheet 1 to inform calculations. Michigan leaders may choose to adapt these figures, if state-specific cost data is available. (Average national program costs are typically determined by dividing a total program budget by the number of children served.)

If state leaders prefer to allow localities to choose between two or more program models, you can instead multiply the number of families served by an average per capita home visiting program cost.

### **Program Evaluation**

State leaders may choose to fund program sites or an independent research organization to conduct an evaluation of program outcomes. The costs of evaluation vary, from approximately \$10,000 to over \$3 million, depending on the rigor of the evaluation approach, including the use of control groups for a randomized study.<sup>xv</sup>

### **Action Step**

- Fill in **Worksheet 1** to determine the total cost of supporting home visiting programs over the next three years.

<b>Worksheet 1: Determine Home Visiting Program Costs<sup>xvi</sup></b>			
	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
<b>START- UP AND EXPANSION GRANTS</b>			
<b>PROGRAM IMPLEMENTATION COSTS</b>			
<b>Nurse-Family Partnership</b> (\$4500* number of families served)			
<b>Healthy Families America</b> (\$3348* number of families served)			
<b>Parents as Teachers</b> (\$1450 * number of families served)			
<b>Early Head Start</b> (\$10,544 <sup>6*</sup> number of families served)			
<b>Parent-Child Programs</b> (\$2400 * number of families served)			
<b>PROGRAM EVALUATION COSTS</b>			
<b>TOTAL</b>			

### **State-Level Infrastructure**

As a next step, state leaders can estimate costs for implementing key components of state-level infrastructure to support home visiting programs, as envisioned in Step 1. A survey by Healthy Families America found that states dedicate, on average, eight percent of their total home visiting budget to state infrastructure activities, such as evaluation, training, the provision of technical assistance, and advocacy. The survey found that support for state systems ranged from two to 20 percent of total state home visiting expenses.<sup>xvii</sup>

<sup>6</sup> This figure is an average of national costs for center-based Early Head Start and the home-based (home visiting) model. State leaders may research local costs of the home-based model alone, which is typically less costly than the center-based model.

Action Step

- Fill in **Worksheet 2** to determine the total cost of supporting home visiting programs over the next three to five years.

<b>Worksheet 2: Determine Costs of State-Level Home Visiting Infrastructure<sup>xviii</sup></b>			
	YEAR 1	YEAR 2	YEAR 3
<b>PLANNING AND COORDINATION</b>			
<b>TECHNICAL ASSISTANCE TO SITES</b>			
<b>SCREENING AND REFERRAL SYSTEM</b>			
<b>DATA TRACKING SYSTEM</b>			
<b>PUBLIC AWARENESS AND EDUCATION</b>			
<b>TOTAL</b>			

### **STEP 3: MAP CURRENT SPENDING**

Through a number of existing state programs, Michigan is already investing in home visiting services, although state funding for home visiting has recently seen cutbacks.<sup>xix</sup> An understanding of existing spending can help Michigan leaders to assess the gap in funding available to meet the goals identified in Step 1.

#### Action Step

- Using **Worksheet 3**, estimate how much Michigan is already investing in home visiting programs and state infrastructure (columns E and F). The Finance Project has provided information on existing state initiatives that support home visiting, but additional research is required to assess exactly how much funding supports home visiting programs and state infrastructure.<sup>xx</sup>

**Worksheet 3: Map Existing Spending on Home Visiting<sup>7</sup>**

<b>Program</b>	<b>A. Description</b>	<b>B. State Agency</b>	<b>C. Funding Source</b>	<b>D. FY10 Total Federal and State Program Funding</b>	<b>E. FY10 Funding for Home Visiting Programs</b>	<b>F. FY10 Funding for State Home Visiting Infrastructure</b>	<b>G. Total Families Served by Program</b>
<b>Zero to Three Secondary Prevention</b>	Grants to prevent child abuse and neglect in identified at-risk families with children age birth through three	Children's Trust Fund	State funds	\$4 million and 25% local match			2886 per quarter in FY09 <sup>8</sup>
<b>Children's Trust Fund Direct Service Grants</b>	Three-year start-up grants for child maltreatment prevention programs, which may include home visiting	Children's Trust Fund	Federal Community-based Child Abuse Prevention (CBCAP) grant and fundraising revenues	\$758,013 and 75% local match			3717 in FY09
<b>Nurse-Family Partnership</b>	Grants to implement the Nurse Family Partnership home visiting program model.	Department of Community Health	State funds and Medicaid reimbursement	\$0 (de-funded in FY10)	\$0	\$0	582 in FY09 <sup>9</sup>
<b>Maternal Infant Health Program</b>	Funds services to Medicaid-eligible pregnant women and infants for social and psychological concerns, health	Department of Community Health	Medicaid	\$10 million			35,000 in FY07

<sup>7</sup> This table does not include funding for the Early On early intervention program serving children ages birth to three with developmental delays and special health needs. Early On services are often provided through home visitation.

<sup>8</sup> Data on families served does not reflect an FY10 cut in funding.

<sup>9</sup> Data on families does not reflect program defunding in FY10.

**Worksheet 3: Map Existing Spending on Home Visiting<sup>7</sup>**

<b>Program</b>	<b>A. Description</b>	<b>B. State Agency</b>	<b>C. Funding Source</b>	<b>D. FY10 Total Federal and State Program Funding</b>	<b>E. FY10 Funding for Home Visiting Programs</b>	<b>F. FY10 Funding for State Home Visiting Infrastructure</b>	<b>G. Total Families Served by Program</b>
	education needs, transportation needs, access to medical care, immunizations and community services						
<b>Strong Families, Safe Children</b>	Preventive services to families at-risk or in crisis. Specific services are based on an assessment of local needs by Community Collaborative groups	Department of Human Services	Federal Title IV-B funds	\$5.3 million (est. amount supporting families with young children)			n/a
<b>Great Parents Great Start</b>	Grants to school districts to promote parent engagement and school readiness.	Department of Education	State school aid funds	\$5 million and 20% local match			11,863 (FY08)
<b>Local Maternal Child Health Block Grant</b>	Supports local maternal child health programs, which may include home visiting.	Department of Community Health	Federal MCH Block Grant (Title V)	\$6.88 million			n/a
<b>Early Head Start</b>	Comprehensive center-based or home-based services for children from birth to age three	Grantees in Michigan communities	Federal Early Head Start grants	n/a <sup>10</sup>			n/a

<sup>10</sup> In FY10, approximately \$256 million supported Head Start and Early Head Start grants, but only a small portion of this funding supports home-based Early Head Start services.

**Worksheet 3: Map Existing Spending on Home Visiting**

<b>Program</b>	<b>A. Description</b>	<b>B. State Agency</b>	<b>C. Funding Source</b>	<b>D. FY10 Total Federal and State Program Funding</b>	<b>E. FY10 Funding for Home Visiting Programs</b>	<b>F. FY10 Funding for State Home Visiting Infrastructure</b>	<b>G. Total Families Served by Program</b>
<b>Parent Information and Resource Center (PIRC)</b>	Funds to implement Parents as Teachers program model for families with children from birth to age five.	Life Services Systems	Federal PIRC grant	n/a			n/a
<b>Other</b>							
<b>TOTAL FUNDING</b>							

**STEP 4: ASSESS FUNDING GAPS**

After estimating your fiscal needs and cataloguing current resources, you are now ready to assess the gap between what you need and what you have. Using information collected in previous steps, **Worksheet 4** provides a tool to assess funding gaps for a state home visiting system over the next three years.

While it is not possible to know what existing funding will be available in coming years, state leaders may use current funding information and plan to update this worksheet at least annually.

**Worksheet 4: Assess Your Funding Gaps<sup>xxi</sup>**

	Year 1			Year 2			Year 3		
	Total Costs	Existing Funding	Gaps	Total Costs	Existing Funding	Gaps	Total Costs	Existing Funding	Gaps
<b>Program funding</b>									
<b>State-level infrastructure</b>									
<b>TOTAL</b>									

## **Step 5: DEVELOP FINANCING STRATEGIES**

Outlined below are promising financing strategies that Michigan leaders may consider to fill funding gaps and fully implement a system of home visiting programs. Each of these strategies will require a thorough review by state policy makers, and consideration of how one decision may impact another. Maximizing current resources can be a shorter-term strategy to make more efficient use of resources and improve the alignment between policies, programs, and funding. Leveraging additional resources takes more time to build the necessary consensus to allocate funds to new purposes. Creating new dedicated sources of funding for the ambitious goals described in the strategic financing plan will necessitate significant political will, leadership, and research to craft the right strategy for Michigan.

### Action Step

- ➔ Review the summary of potential financing strategies identified below. Then, fill in **Worksheet 5** with the specific strategies that hold the most promise in Michigan. Worksheet 5 will prompt you to make note of the amount of funding that each strategy might generate and to describe practical considerations, such as administrative burden and political challenges.

### Maximize existing resources

Michigan leaders can first consider strategies to more effectively use the state's existing resources (as highlighted in Step 3) to support a state system of home visiting services. For example, state leaders can:

***Develop a coordinated state infrastructure:*** Key to the efficient use of existing funds is the development of a state infrastructure that promotes coordination across programs, shared resources for training, and shared data (as discussed in Steps 1-4). State leaders may consider consolidating home visiting program administration in one state agency to streamline services and reduce administrative costs. If this is not possible, a coordinating council of key stakeholders can work across agencies to support coordination of resources.

Other states, including Virginia, New Jersey and New Mexico, and Colorado, have created interagency planning groups to more strategically allocate resources and promote home visiting program quality.<sup>xxii</sup> As an example, Virginia's Home Visiting Consortium is currently developing an inventory of existing trainings, creating a common introductory training module for all home visitors, developing a registry to track home visitors' professional development, coming to agreement on common indicators for evaluation, and creating a common referral form.<sup>xxiii xxiv</sup>

Several Michigan counties also provide models for a coordinated home visiting infrastructure. Wayne County Michigan has developed a Home Visitor Alliance, a networking group that targets supervisors and staff across programs that provide home visitation services. The Alliance coordinates trainings across multiple agencies and makes it easier to share home visitation resources. Similarly, Ingham County's Great Start Collaborative used an interagency agreement to develop a set rate for reimbursement for home visiting and family support services. The agreement helps support the use of staff across multiple agencies to provide services for the two programs, which avoids duplication of effort and supports interagency collaboration.<sup>xxv</sup>

**Blend and braid funding:** When possible, state leaders may consider blending and braiding funds at the state level to streamline home visiting program administration and link to other critical services for young children. Michigan has a history of blending TANF funds and state funds from multiple agencies to support the Zero to Three Prevention program (although funding to this program was recently cut). As another example, Ohio coordinates its state home visiting programs with the state's Early Intervention program, offering a seamless set of services to young children and their families that may be at risk of developmental delays, abuse, or neglect.<sup>xxvi</sup>

Since blending and braiding often takes place at the local level in Michigan, state agencies may also provide technical assistance and/or incentives for local agencies to blend and braid funding for home visiting. Virginia's Home Visiting Consortium, for example, is developing a community guidance document highlighting promising local examples of blending and braiding funds for home visiting programs.<sup>xxvii</sup>

Through interviews with local Great Start Collaboratives, The Finance Project identified existing local examples of blending and braiding in Michigan for home visiting services. Shiawassee County, for example, blends together Strong Families/Safe Children Funds, early intervention funding, school district funds, and private foundation donations to support their Love and Logic/ Nurturing Parents program.<sup>xxviii</sup>

#### **Leverage new resources**

State leaders may also look to leverage additional public and private funds to support home visiting programs.

**Apply for new grants** – Michigan may take advantage of new public and private funding opportunities. New federal funding through health care reform will provide \$1.5 billion in grants to states to support home visiting programs, providing an important new opportunity to invest in Michigan's home visiting system. Funding is available to states on a formula basis and requires that states conduct a needs assessment. In addition, one-time federal funding included in Head Start reauthorization (and triggered by ARRA Head Start funding levels), provides at least \$500,000 to early childhood coordinating councils in every state to build an early childhood state infrastructure, which may include home visiting programs. (A state match is required, but states can count existing early childhood investments toward the match.) Finally, Pew Trusts has launched a home visiting campaign; over the next several years, the foundation will be selecting specific states and investing in their capacity to expand evidence-based programs.

**Influence allocation of flexible federal funds** – There are a number of federal funding streams that provide significant state flexibility and can be used to support home visiting programs. As highlighted in **Table IV**, Michigan already taps some, but not all available federal funds for home visiting programs. State leaders may consider making the case to allocate additional flexible federal funds to support a state system of evidence-based home visiting programs.

#### **→ Action Step**

After reviewing Table IV, determine whether Michigan could use more of any of the following flexible federal funding sources to support home visiting:

- Temporary Assistance for Needy Families (TANF)

- Promoting Safe and Stable Families (Title IV-B)
- Maternal Child Health Block Grant (Title V)
- Title I
- Social Services Block Grant (SSBG)
- Child Abuse Prevention and Treatment Grant (CAPTA)
- Americorps
- Parental Information and Resource Center (PIRC)
- Title V Community Prevention Grant

Given that Michigan allows localities to choose whether many of these funds are used for home visiting, state leaders may consider providing clear priorities and guidance to help localities in selecting evidence-based home visiting models.

**Further draw down Medicaid and SCHIP funding** – Medicaid can reimburse providers for offering home visiting services. Unlike the flexible funds highlighted above, Medicaid is an entitlement program, so strategies to access Medicaid can draw down additional federal funds (that require a state match). Michigan leaders may review their Medicaid and SCHIP state plans to ensure that the state is making full use of these funding sources for home visiting programs. State leaders can also consider developing a guide for local home visiting programs on how to access Medicaid reimbursement. While Medicaid or SCHIP reimbursement will likely not cover the full cost of a home visiting program, reimbursements can provide sustainable funds that contribute to a diverse funding base for home visiting.

In consultation with state Medicaid staff, home visiting stakeholders may consider the following specific state strategies to access Medicaid for home visiting<sup>xxix</sup>:

- *Early and Periodic Screening, Diagnostic and Treatment (EPSDT)*: EPSDT, a comprehensive set of services for children that states are required to cover under Medicaid, specifies that “care coordination”, including aspects of case management, is reimbursable. Home visiting can be covered under this provision.
- *Medicaid Targeted Case Management*: At a state’s option, a state can cover case management services for a targeted group of beneficiaries. Federal law defines case management as services to assist individuals in accessing medical, social, educational, or other services.
- *Medicaid Administrative Case Management*: Administrative case management refers to activities necessary for the proper and efficient operation of the state Medicaid plan. Activities include: outreach, eligibility determination, utilization review, and prior authorization.
- *Special categories of preventive services*: Finally, states have the option, under both Medicaid and SCHIP, to create special categories of preventive services, which could include home visiting.

**Engage private and corporate funders in a co-investment strategy** – State leaders may consider using a public-private partnership model to raise private funds for home visiting services. In states, such as Nebraska and Oklahoma, for example, public-private partnerships provide ongoing funding for high-quality infant-toddler programs.<sup>xxx</sup>

Michigan leaders can review models from other states to assess which type of partnership would best support the state's early childhood goals.<sup>xxx</sup>

**TABLE IV: FLEXIBLE FEDERAL FUNDS THAT CAN SUPPORT HOME VISITING**

Federal Funding Source	Allowable Uses for Home Visiting Programs	Current Uses for Home Visiting in Michigan	State Agency Administering Funds
<p><b>Temporary Assistance for Needy Families</b></p>	<p>Funds can be used for home visitation if programs meet one of the following goals of welfare reform:</p> <ul style="list-style-type: none"> <li>(1) Providing assistance to needy families;</li> <li>(2) Ending dependence of needy parents by promoting job preparation, work and marriage;</li> <li>(3) Reducing out-of-wedlock pregnancies; or</li> <li>(4) Encouraging formation/ maintenance of two-parent families.</li> </ul> <p>Programs funded under purposes three and four can serve all families, while the first two purposes require that families meet TANF need-based eligibility criteria.</p>	<p>TANF supports the Zero to Three Secondary Prevention program</p>	<p>Department of Human Services (DHS)</p>
<p><b>Promoting Safe and Stable Families (Title IV-B)</b></p>	<p>Funds can be used to prevent the unnecessary separation of children from their families, improve the quality of care and services to children and their families, and ensure permanency for children by reuniting them with their parents, by adoption or by another permanent living arrangement.</p>	<p>Strong Families, Safe Children program may support home visiting (at local discretion)</p>	<p>DHS; Local discretion on how funds are used.</p>
<p><b>Maternal Child Health Block Grant (Title V)</b></p>	<p>Flexible funds to support the specific health needs of mothers, children, and families, with a priority given to family-centered, community-based programs.</p>	<p>Local Maternal Child Health Block grant may support home visiting (at local discretion)</p>	<p>Department of Community Health; local block grant funds allow for local discretion.</p>
<p><b>Title I</b></p>	<p>Funds are sub-granted to local education agencies to support services to help low- income children to achieve state academic standards. A program goal is also to increase parent</p>	<p>Unknown. Some local school districts may use</p>	<p>Department of Education</p>

**TABLE IV: FLEXIBLE FEDERAL FUNDS THAT CAN SUPPORT HOME VISITING**

Federal Funding Source	Allowable Uses for Home Visiting Programs	Current Uses for Home Visiting in Michigan	State Agency Administering Funds
	involvement in schools. Funds may support services for children from birth through school-age that promote these goals.	funds for home visiting programs.	
<b>Social Services Block Grant</b>	Funds support programs providing social services to children and adults. Program goals include: promoting economic self-sufficiency and preventing child neglect and abuse.	Funds are not currently used for home visiting programs.	DHS
<b>Child Abuse Prevention and Treatment Act (CAPTA)</b>	CAPTA provides discretionary grants to organizations or government agencies to prevent child abuse and neglect. Also included in this funding stream are state formula grants for Community-Based Child Abuse Prevention (CBCAP), which often support home visiting programs.	Children's Trust Fund Direct Services grants	DHS and Children's Trust Fund
<b>Americorps</b>	Americorps funds a temporary staff person to work in a community program. Home visiting programs may participate in the Americorps through the state Community Service Commission.	Unknown	Michigan Community Service Commission
<b>Parental Information and Resource Centers (PIRCS)</b>	This federal funding source supports a statewide organization to promote parental involvement policies, programs, and activities with the goal of promoting academic achievement.	Parents as Teachers program for families with young children.	Life Services System
<b>Title V Community Prevention Grant Program</b>	This Department of Justice funding source supports efforts to reduce risk factors that contribute to delinquency and promote protective factors in schools, communities and families.	unknown	DHS

### **Create Dedicated Sources of Revenue**

While strategies to create new revenues may not be feasible in the current fiscal environment, Michigan leaders can begin long term planning, consensus-building and learning from researching promising models from other states. Stakeholders may consider which of the following strategies would most likely generate sustainable revenue over time.

- Set aside revenues from specific fees or taxes for early childhood services: A number of states rely on revenues from specific fees or taxes to support early childhood services. For example, taxes of tobacco products (Arizona) and beer (Arkansas), fees on license plates (Massachusetts), an income tax check-off (Colorado) and lottery revenues (Georgia) all support early childhood initiatives. In some states, such as in Arizona, these funds support a public-private partnership that leverages additional resources from the private sector. Finally, in an effort to encourage localities to generate new revenues, Florida law allows local governments to levy property taxes earmarked for children's services.<sup>xxxiv</sup>
- Develop an endowment: Other states have developed innovative new structures that allow one-time investments of state general funds to sustain services over time. For example, Nebraska recently passed a constitutional amendment to create an early childhood endowment fund. Annual interest on an initial \$60 million public/private investment funds programs for children up to age three.<sup>xxxv</sup>
- Link new state funding for home visiting to state pre-k funding: In an effort to develop a coordinated system of early childhood services, and link infant-toddler funding to potential growth in preschool funding, some states now fund infant-toddler services as a set-aside in their larger state pre-k programs. For example, Illinois's Early Childhood Block Grant primarily funds pre-k programs, but 20 percent of all funds support evidence based services for at-risk expectant parents and children up to age three. Similarly, Kansas has an early childhood block grant, with a 30 percent set aside for services for at-risk infants and toddlers. A portion of block grant funding can also support state infrastructure to support coordination and quality.<sup>xxxvi</sup>

**Worksheet 5: Evaluate Potential Funding Sources and Financing Strategies** <sup>xxxvii</sup>

Promising Funding Source/Financing Strategy	How much funding could be generated?	What is administrative burden?	What is timeframe to realize savings or new revenue?	Does it help diversity funding portfolio?	Can I use funds to meet specific fiscal needs?	What are political considerations?	Priority funding source? (X)

## NEXT STEPS

### Writing the Strategic Financing Plan

The purpose of this strategic financial planning toolkit is to support Michigan leaders efforts to plan for the implementation of a state-wide system of evidence-based home visiting services. After conducting the research called for in each step, and making the recommended decisions, you will have the information needed to write a financing plan that outlines the following:

- The specific home visiting model Michigan will implement, including the intended goals, outcomes, and scope of services;
- The scope of a statewide infrastructure that will align policies and resources across agencies;
- The costs of implementing both direct services and statewide infrastructure;
- Existing funding dedicated to supporting Michigan's goals for a home visiting system, and key funding gaps; and
- Specific strategies to implement Michigan's goals for a statewide system of home visiting services.

The tools in this document can be customized so the leadership team should feel free to adapt as needed, depending on needs. This toolkit can also help educate other stakeholders about strategies to finance home visiting services and helps to build the capacity of state and local leaders to scale up and sustain services over time.

### Planning for the Long Term Sustainability of Investments

While not discussed in detail in this document, developing a strong strategic financing plan is the foundation for addressing the future sustainability of the initiative. As a next step, the leadership team will want to consider strategies to meet the long-term financing needs to sustain the effort for the long haul. Key elements of sustainability include:

- A clear and shared **vision** of what the leadership team hopes to achieve;
- A **results orientation** that defines success, measures progress over time, and shares results with stakeholders and the community;
- A **strategic financing orientation** that always asks "What resources do we need to sustain our work?";
- **Adaptability** to changes in funding and policy environments;
- Develops a broad base of **community support**;
- **Key champions** among community leaders; and
- **Strong internal systems** that create the capacity to achieve the initiative's goals.<sup>xxxviii</sup>

Some of these elements have been addressed in this toolkit, as you estimated costs and revenues for at least the first three years of the initiative. Leaders will also want to consider their decisions regarding home visiting services in light of the recommendations made in the fiscal mapping report, *Building a Sustainable Future: Analysis of Fiscal Resources Supporting Children from Birth to Age Eight in Michigan*. As a next step, or as a requirement for state grant funds to localities, leaders could consider developing a sustainability plan for state-wide home visiting services to guide funding decision over the long term. (See, for example, "An Assessment Tool for Funders" in the Resources Section below that could be adapted.)

## RESOURCES FROM THE FINANCE PROJECT

**Investing in the Sustainability of Youth Programs: Assessment Tool for Funders**, by Barbara Hanson Langford, July 2007

Available online at: <http://www.financeproject.org/Publications/FundersTool.pdf>

**Blending and Braiding Funds To Support Early Care and Education Initiatives**

by Margaret Flynn and Cheryl D. Hayes, January 2003

Available online at:

[http://www.financeproject.org/Publications/FP%20Blending%20Funds%201\\_24.pdf](http://www.financeproject.org/Publications/FP%20Blending%20Funds%201_24.pdf)

**Finding Federal Funding: Online Searchable Database**, Search for federal grant programs supporting services for young children. Available online at:

[http://www.financeproject.org/fedfund\\_search.cfm](http://www.financeproject.org/fedfund_search.cfm)

**State Networks of Local Comprehensive Community Collaboratives: Financing and Governance Strategies**, by Erika Bryant and Carol Cohen, September 2003.

Available online at:

<http://www.financeproject.org/publications/collaborative.pdf>

**Sustaining Comprehensive Community Initiatives: Key Elements for Success**

By Erika Bryant and Cheryl D. Hayes, April 2002. Available online at:

<http://www.financeproject.org/Publications/Sustaining.pdf>

**Thinking Broadly: Financing Strategies for Comprehensive Child and Family Initiatives**, by Cheryl D. Hayes, March 2002. Available online at:

<http://www.financeproject.org/Publications/ThinkingBroadly.pdf>

**Building a Sustainable Future: Analysis of Fiscal Resources Supporting Children from Birth to Age Eight in Michigan**. by Torey Silloway, Soumya Bhat and Lori Connors-Tadros, April 2010.

**Sustainability Planning Workbook**. Available by order at:

<http://www.financeproject.org/special/engage/workbook.cfm>

## ADDITIONAL RESOURCES

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Available online at: [http://www.nccp.org/publications/pdf/text\\_862.pdf](http://www.nccp.org/publications/pdf/text_862.pdf)

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Cohen, Julie, Barbara Gebhard, Ann Kirwan, and Brandy Jones Lawrence. "Inspiring Innovation: Creative State Financing Structures for Infant-Toddlers Services."

Washington, D.C.: ZERO TO THREE and Ounce of Prevention Fund, 2009.

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National Center for Parents as Teachers. "Guide to Public Funding for Programs Offering Parents as Teachers services." National Center for Parents as Teachers: St. Louis, MO

## WEBSITES

**Pew Center on the States, Home Visiting Campaign.** Available at:

[http://www.pewcenteronthestates.org/initiatives\\_detail.aspx?initiativeID=52756](http://www.pewcenteronthestates.org/initiatives_detail.aspx?initiativeID=52756)

**Supporting Evidence-Based Home Visiting,** Department of Health and Human Services, Children's Bureau. Available at: <http://www.supportingebhv.org/>

**The Early Childhood Outcomes Center,** University of North Carolina. Available at:

<http://www.fpg.unc.edu/~eco/index.cfm>

**CLASP,** Extending Home Visiting to Family, Friend and Neighbor Care and Family Child Care Project. Available at:

[http://www.clasp.org/issues/pages?type=child\\_care\\_and\\_early\\_education&id=0020](http://www.clasp.org/issues/pages?type=child_care_and_early_education&id=0020)

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<http://www.promisingpractices.net/program.asp?programid=135#implementation>

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<http://www.k12.wa.us/EarlyLearning/EarlyLearningToolkit/EffectivePractices/WestValley/WestValleyFINAL.pdf>

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