



September Funding Tip

The Finance Project is pleased to announce the next installment in a new series of [monthly funding tips](#) for youth programs. These tips cover different financing strategies to help programs finance and sustain their work.

Tip: Create More Flexibility in Existing Categorical Funding Streams

Most funding streams are categorical; they tend to support programs and services with narrowly defined purposes that provide specific types of assistance to special categories of children and adolescents. As a result, there are numerous programs and services that are disconnected and duplicative, making it difficult to coordinate resources to address young people's needs. Creating more flexible funding streams can help off-set these counterproductive trends. To accomplish this, program leaders, intermediaries, and policymakers each play a unique role in bringing about this change.

At the **program level**, there are two critical steps in creating more flexibility:

- Provide intermediary organizations and policymakers with information on the barriers to using available funding to support youth programs; and
- Consistently voice and advocate your goals to policymakers.

Further, **intermediaries** can act as the connectors and help bridge the goals of program leaders and policymakers. They can do this in specific ways:

- Educate policymakers on the needs and challenges that youth programs face in accessing certain funding sources.
- Convene meetings of program leaders and policymakers. These meetings can provide a forum for sharing information and developing solutions to financing challenges.
- Act as fiscal agents by receiving and allocating funding from multiple sources--working closely with policymakers to find better ways to better coordinate funding and improve systems of administering and reporting on funding.

Finally, **policymakers** can implement changes that range from relaxing a regulation to creating a new system for funding programs. Policymakers can pursue a few key strategies to improve funding for youth programs:

- Include youth programs in new funding to support the range of services youth need to succeed
- Pool funds into a single, unified funding stream. This enables programs to use several funding streams in a coordinated way reducing reporting and paperwork requirements.
- Coordinate categorical funding. This allows for more integrated and coordinated service delivery.
- Decategorize categorical funding. Decategorization creates more flexibility in categorical funding streams by removing narrow eligibility requirements and rules governing allocations from existing funding streams.

Example from the Field: Improving Data Collection and Coordination

The mayoral-led Providence After School Alliance (PASA) is a public-private venture that is building a network of afterschool supports called AfterZones. This initiative in Rhode Island aims to provide the city's youth access to high-quality afterschool programs and learning opportunities. AfterZones link parks, libraries, museums, recreation centers, and community-based afterschool organizations to provide activities for youth.

One important way that PASA has worked to create more funding flexibility is by developing a data collection and management reporting tool that all AfterZones can use. This new tool simplifies reporting for programs while providing the city with more comparable, up-to-date information. The data tracking system has led to improvements in communication among providers and greater coordination of programs and service for youth. Connecting every institution and program in the system, providers centrally enroll participants at anyone of 40 participating organizations, enabling program leaders to see the average daily attendance and retention for all AfterZone programs and to be accountable to one another to improve youth recruitment and discuss program effectiveness. The system also helps strengthen communication among schools, families, and providers, because partnering organizations retain parent contact information and other records on youth, such as special medical needs. For more information, visit <http://www.mypasa.org>.

For more information on this financing strategy and the role of intermediaries and policymakers in helping youth programs create more flexible funding streams, see The Finance Project's publication, *Thinking Broadly: Financing Strategies for Youth Programs* (http://www.financeproject.org/publications/Thinkingbroadly_PM.pdf) and visit the Youth Programs Resource Center (<http://www.financeproject.org/irc/yp.asp>).

Within the Youth Programs Resource Center you will also find an online clearinghouse (see <http://www.financeproject.org/irc/youth/index.asp>), jointly developed by The Finance Project and The Forum for Youth Investment. The clearinghouse contains a wealth of information and resources for supporting and sustaining youth programs and initiatives. It is designed to help you learn about data, tools, policies, practices, financing strategies, coordination efforts and technical assistance resources developed by organizations in the field that aim to improve the lives of youth.