

# Funding Wraparound is Much More than Money

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## Introduction to Funding as a Collaborative Process

Many wraparound projects start with seed money but can expand and evolve—and be sustained—when potential funding sources are explored and tapped. Wraparound can be funded by many different sources, depending on which system takes the lead in implementation. In Michigan, state leadership has identified various options for funding sources and worked with local communities to create their own funding structures for wraparound.

The good news about funding wraparound is that there may be several potential funding sources. The bad news about funding wraparound is that these funding sources can be interpreted as inflexible due to how they have been categorized. There also may be historical myths about funding flexibility. So, an important step to establishing wraparound funding is to investigate potential funding sources and examine the realities and myths that have grown out of the historical use of these funding sources. Engaging state leaders across agencies who understand the complexities of funding sources can help reduce unnecessary debate locally because the state is often the intermediary of most of these funds. This means they allocate these funds then monitor the implementation, eligibility, and evaluation. Another strategy to avoid unnecessary debate about funding sources is to explore fiscal models that have been successful in other communities or states around the nation. Some can be replicated, but they typically cannot be completely



implemented in a new community or state in exactly the same way. As with services, sometimes these models can be replicated and still be effective, and sometimes an individualized approach is what is needed. This article provides guidance on how a community and state can create a strategy for funding wraparound.

One common error wraparound projects make is failing to implement wraparound in a collaborative way. Many wraparound projects target children and families involved in multiple systems. As a result, wraparound should be a collaborative process. Nevertheless, it seems to be common in wraparound projects for one system to rely on its own internal funding to implement wraparound, without exploring partnerships with other systems at the state and local level. This type of funding arrangement tends to be reactive or impulsive by one system even though the population served may cross many systems. One danger of this kind of strategy is that, while it may work in the short run, it may be a problem later on, when the first system recognizes the need to partner with other systems. The necessary collaborative infrastructure is harder to develop retroactively. For wraparound to be effective, the systems have to agree that it is the model they will commit to even if it is not through a collaborative funding mechanism. The commitment to wraparound and joint funding is easier to manage on the front end, so first put the collaborative infrastructure together to create a common vision and mission that identifies shared responsibility and accountability. Below are some of the questions collaborative leadership should be prepared to answer as a means of creating a common mission and vision.

## Collaborative Community Planning

1. Identify who should be part of the discussion (gathering of the stakeholders including family members, youth).
2. What is our mission/ vision?
3. What are our guiding values and principles?
4. What are the major assumptions of why we work together?
5. Whom do we want to serve? (What is the target population?)
6. Who is mandated to serve this target population?
7. What outcomes (results) do we want to achieve?
8. What model or intervention will accomplish this task?
9. What commitments are we willing to make with resources (funding, staffing, participation on teams, etc.)?
10. What are we currently doing (outpatient treatment, home based treatment, residential, detention, foster care, etc) with children and families in the target population?
11. What funding sources are we using?
12. Can we redirect some of the resources to jointly fund wraparound?
13. Are there other funding sources (grants, foundations, United Way, etc.) that exist that can be used in ways that support our values and outcomes?
14. Can we create a collaborative plan with our commitments in writing and get all stakeholders to sign it? (If you take this proactive step, you are prepared for any new funding sources that may arise instead of doing reactive planning that tends to be more superficial and less sustainable.)
15. What community infrastructure (executive level, community team, fiduciary agency, supervisor, staff, etc.) do we have in place or do we need to develop if we choose to do wraparound? Are there others we need to engage in this conversation?

## Critical Analysis of Funding Sources

The next step is to identify existing funding sources that serve the target population and maximize those funding sources first. One reason to do this is that existing funding sources are probably going to be more sustainable than time-limited grants. Another reason to do this is that there is probably more than one funding source that exists across systems that has potential to meet your vision, mission and outcomes. Depending on the trust between agencies and various regulations—and sometimes the politics of funding sources—agencies may choose to assess these funding sources independently before discussing them together.

Typically, funding sources come with child and family eligibility criteria identified. You will need to explore each funding source and separate reality from myth. Many system partners may say, “We

can’t use that funding for that;” “It has never been done;” “There are policies that prohibit the use of those funds for that;” “This will just be too hard to track and it makes me exhausted just thinking about it;” “I don’t trust that you will use my funds wisely.” Some of these statements are less likely to occur if you have jointly identified your vision, values and models before trying to access funding sources. Working through each fund source will be a time consuming but necessary process. You

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wouldn’t go to a bank and expect to get a loan without a business plan, so why would you expect our human service system to be any different?

If you know you want to serve “community children”—in other words, children and families

that cross eligibility criteria from our various systems—then a variety of funding sources across systems should be explored. Communities need to think about federal, state, and local funding sources creatively. It is also important to think about funding sources in terms of how flexible they are. It is okay to have less flexible options as long as you have some highly flexible options. Figure 1.1 is a framework that can help you think about funding sources in new ways. Using this framework can help to critically analyze how you spend your funds and reallocate them into a joint project that may allow you more benefit for your investment. There may be some funding sources (e.g., county funds) that exist where you can actually draw down 50% from the state or federal government for community-based alternatives to out-of-home care. With this funding source, if you provide a community-based service as an alternative to out-of-home care, and the state will reimburse communities 50% of the cost after the service is delivered.

## Identification of the Possibilities and Limitations of Funding Sources

Another important consideration is that each new funding source brings regulations, reporting requirements, contractual obligations, and evaluation considerations. That is why it is important for communities to analyze each funding source based on these considerations as well as the others outlined in figure 1.1. Each funding source should be analyzed for the potential to complement the wraparound model because there are many unintended consequences of pursuing funding sources that may not complement high fidelity wraparound. There are many reasons that wraparound has not faded in Michigan, but one major reason is that there are several funding sources that communities can choose to access to fund their projects. For example, there are primarily four potential funding sources that exist in child welfare (family preservation funding, local funds), three that exist in mental health (federal block grant, Medicaid, and general funds), at least one that exists in Juvenile Justice (Court) and others that exist in local communities (United Way, Local Foundations, education, etc.) These funding sources are not specifically identified as “wrap-

around funding” but can be used to fund wrap-around as well as other community based services. This helps during difficult budget times. When one funding source gets cut, programs can shift to other funding sources. Communities in Michigan have historically rallied to continue the efforts due to positive outcomes they experienced with wraparound.

### Limitations of Single Source Funding

Wraparound funded by one funding source, especially Medicaid, may be limited in terms of its possibilities to serve the children and families that your community identifies. Medicaid is a unique funding source with multiple regulatory issues. It can be helpful when serving Medicaid-eligible children and youth, as communities always need to remember to maximize entitlement funding first. Medicaid is a key funding source your community should pursue, but it is for a very limited population and may not complement other system partners. Community stakeholders need to fully understand the eligibility, regulations and the priority population mandates with Medicaid. For example, not all Medicaid-eligible beneficiaries from other systems (child welfare, juvenile justice, schools, etc) will meet the mental health eligibility criteria for wraparound.

One lesson that we have learned regarding Medicaid and wraparound is that it may push the facilitator into a case manager role versus a facilitator role due to the service eligibility orientation of Medicaid. For example, Medicaid funding is typically designed to fund certain services and wraparound planning is more needs driven (educational needs, recreational, social, etc.) versus service driven. This can be overcome if the supervisor and the community team are holding the community, facilitators and teams accountable to meet needs and achieve outcomes versus just coordinating services. So other agencies will need to identify other funding sources to fill that gap in funding. There are other funding sources (mental health block grant, county funds, family preservation funds, etc.) that will fit the profile of non-Medicaid eligible children, youth and families, if you work closely to identify them with your system partners.

Once your community has analyzed the avail-

## Considering a Funding Source

1. Identify the funding source.
2. Identify the type of funding (federal, state, local, grant, foundation, etc.).
3. Does it have a target population identified?
4. How flexible is the funding source? (SED, open child welfare case, multi-system children, risk level, etc.)
5. What are the regulations and potential contractual obligations?
6. What is the long term potential of this funding source? (For example, is this an entitlement, or other federal, state or local funds that have been stable?)
7. What are the evaluation and reporting requirements?
8. Is there a model or intervention that must be implemented or can any approach be used?
9. If we choose to do wraparound, will this funding source allow or assist us to implement it with high fidelity and collaboratively?
10. If this funding source is accessed, what type of training is required and/or available?
11. Does this funding source allow flexibility to serve a diverse population? (e.g., is it restricted to a single agency, age group, diagnosis, etc.)
12. Does it allow or have the flexibility to blend or braid with other funding sources?
13. Is there a fiduciary agency requirement? For example, for Medicaid and Medicaid waivers the funds may have to filter through mental health versus directly to another provider.
14. Will this funding result in multiple providers in our community and if yes, how will we monitor for outcomes, fidelity to the model, ensure overall community collaboration, etc.? How do we bring it all together to ensure consistency across providers?
15. Does this funding source complement our vision, values and outcomes?
16. Should we pursue this funding source? (Yes, No, Maybe)
17. If yes, develop a memorandum of understanding outlining agreements, commitments, oversight and accountability.
18. If no, move to the next one.
19. If maybe, generate a list of questions and pursue getting the answers.

able funding sources, you need to define your collaborative infrastructure. This consists of clarifying expectations and roles at a state and local level. See the Michigan Wraparound Communiqué (box on opposite page), which outlines some of the things communities need to consider. This Communiqué was developed by the Michigan State Wraparound Steering Committee to help communities create some common expectations regardless of the funding sources. These expectations are outlined in the contract language for wraparound on a state level for the Department of Human Services (Child Welfare) as well as the Department of Community Health (Mental Health). The importance of having this state leadership has been that regardless of the funding source or provider agency, expectations for wraparound are the same. The training requirements, quality assurance and evaluation of wraparound are the same across systems, and the contract language is very similar despite some unique system requirements that vary.

One of the biggest lessons that I have learned about funding is that most of the complexities of funding can be broken down and simplified. It is important that there are state and community leaders willing to read between the lines of funding regulations and requirements and expose the possibilities. It can be exhausting to challenge the myths regarding funding but persistence can be rewarding in the end. Blending funds with your partners can sustain your efforts and lead to other joint projects and planning. In our current economic climate, we need each other more than ever to serve these children at high risk and their families. It has been our experience that if we did not have multiple funding sources, despite positive outcomes, wraparound would have been one more fad that went away over time. Wraparound has been in Michigan for fifteen years and has expanded from one single-source-funded project in two counties to being almost statewide. There are



multiple funding sources through the various systems that many communities are utilizing.

There have also been other unintended benefits from partnering across systems to work more closely on projects and having various levels of your systems talking together. Directors, supervisors, staff and family members are constantly detecting unmet needs and gaps in the community services and supports and identifying ways to meet these overwhelming needs together. Wraparound has also expanded to other high-risk target populations (e.g., homeless children and families, high-risk adults with dementia and Alzheimer's, etc.). The sense of helplessness that systems are limited with regard to funding may

still exist, but they may have more options if they look to each other to fill a need.

One of the best things we can do is to stop our impulsive and reactive tendencies that have us searching for the perfect program or model but instead, expand the existing possibilities. An aspect of funding that needs to be considered when trying to jointly fund wraparound projects is the need to be able to pay for the "right" services and supports to serve wraparound youth and families. Those services and supports need to cross life domain areas from housing, school, recreational, social, mental health, health, etc., because good planning that identifies needs and outcomes with no way to meet them will sink most wraparound projects. The best wraparound is not about coordinating services but organizing the system, services, interventions and strategies to meet needs and achieve the outcomes that the family and system need collectively. Some of this is about funding; however most of this is about how we utilize our resources strategically and in a fiscally responsible way. In addition, states and communities need to analyze interventions that are not shown to be effective in producing outcomes. Yet it is also important not to pursue evidence-based or promising practices that may not fit your target

population.

The conversation about vision, values and outcomes must occur before funding or resources are ever discussed. It is important to remember this may turn out differently depending on the culture of the community. In order to insure that you are having the right conversation and making the right decisions, you should be sure to have family and youth involved at all levels of the infrastructure. Their voices, advocacy and support of each other and system change cannot be underestimated. It has been our experience that youth and family voices push the conversation from impulsive or reactive funding decision making to more creative funding decision making which both lends itself to better outcomes and tends to be more cost effective.

### Conclusion

When I became a social worker, I never envisioned that I would spend so much of my time discussing funding, contracts, accounting and auditing. I have grown to realize how important all of this truly is if we are ever going to push our system reform efforts in a way that makes sense to all children, youth and families regardless of which system door they open or is open to them. As budgets decrease and risk increases, systems need to be able to respond flexibly and creatively, and not fall back into thinking that placing children and youth in institutions is a good answer. We need to hold each other accountable to not give up the community-based alternatives that we know are effective in producing positive outcomes and building resilience. Blended funding and joint purchasing projects are ways to ensure that we

are more proactive and less reactive to the pressures that face us.

Creating shared financial commitments may be the best way to actualize the “unconditional commitment” or “never give up” philosophy because when you are accountable together it is easier to not give up. The sense of helplessness that develops when you feel alone can be replaced with energy when we work together. Who would have thought that thinking carefully about funding would have resulted in feeling more empowered?

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