

# Implementing a New Community Programs Funding Model

## Status Report and Recommendations



***CORE Investments***

County of Santa Cruz  
Human Services Department  
August 16, 2016

# Status Report and Recommendations for Implementation of a New Community Programs Funding Model

## *Collective Of Results & Evidence-based (CORE) Investments*

### Introduction

Santa Cruz County has a long history of innovation and collaboration to solve our community’s most challenging issues. For more than 30 years, the County has made significant general fund investments in “Community Programs” to support safety net services provided by non-profit service providers and members of the Human Care Alliance. These community based organizations have shown strong commitment and innovation in their approaches, however historical funding practices have not identified and measured collective results, nor incentivized the use of evidence based programs. The underlying purpose of transforming the historical funding model is to target funding to meet the prioritized needs of the community, ensure the cost effective use of public funds, and to maximize results. Recently, the County has made great strides in this arena and has received national recognition from the Pew-MacArthur Foundation for our elected leaders’ commitment to the use of evidence informed practice in the justice arena:

*“Santa Cruz is one of the most active California counties with respect to using evidence to inform decision-making. The county has participated in numerous initiatives, such as the Bureau of Justice Assistance’s Justice Reinvestment Initiative, George Mason University’s Center for Advancing Correctional Excellence program, and the Judicial Council of California Risk Assessment Pilot Project. These efforts have helped the county consider system wide change based on research. In October 2013, the board of supervisors unanimously approved the county’s participation in Results First and submitted a formal letter securing its commitment. Santa Cruz County is using the Results First approach to help officials select and evaluate programs to serve offenders, reduce future crime, inform budget considerations, and coordinate and bolster its portfolio of evidence-based ventures.”<sup>1</sup>*

Along with the support of public safety realignment efforts (Assembly Bill 109), in October 2015, the Board of Supervisors approved a phased in approach to transforming their historical Community Programs funding model to a results based collective impact model. In that initial report, the Human Services Department reviewed the literature and several national, state, and local models and outlined eight critical features that were present in all effective funding models. The Board accepted those features as necessary components in a newly designed model.

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<sup>1</sup> “The Pew-MacArthur Results First Initiative in Santa Cruz County”, [www.pewtrusts.org](http://www.pewtrusts.org), May 16, 2016

These eight critical features are:

1. Provide empirical basis of need & addresses disparities
2. Develop shared set of results or goals
3. Use tiered approach to Evidence Based Programs (EBP)
4. Measure fidelity to EBP models
5. Provide support for applicant organizations
6. Adopt clear and transparent proposal review processes
7. Monitor or evaluate outcomes at the community and program level
8. Adopt values of collaboration, alignment to other initiatives

### **Mindset Shifts for Collective Impact**

It is also important to note that while these eight features are vital to include in an effective funding model, the Stanford Social Innovation Review published an article outlining the changes in mindset that are also necessary<sup>2</sup>. The main contention is that in order to achieve meaningful community impacts, people working in government, philanthropy, the private sector, non profits and impacted community members must use a collaborative mindset in order to achieve meaningful impacts. The two main mindset changes that were not documented in the original eight features are:

1. Focus on building and maintaining positive personal and organizational relationships among funders and stakeholders
2. Share the credit and make decisions that take into account a common agenda as well as others' decisions

This report outlines the eight month planning process and provides an implementation plan for a new funding model that incorporates all eight features and the mindset shifts described above. This new model, coined *CORE* (Collective Of Results & Evidence-based) *Investments* is grounded in the best practice lessons of collaborative efforts across the country, has been developed with input from a range of stakeholders, and respects the long history in Santa Cruz County of working to improve the plight of the most vulnerable in our community. The collaborative process of developing the *CORE Investment* model and the proposed implementation steps are described in the next sections.

### **Collaborative Process & Findings**

In October, 2015, the Board directed the Human Services Department to work with other funders and strategic plan representatives to ascertain their interest in working together on a results based collective impact model. At that time, the Board approved the multi-year process laid out in Attachment A that HSD has been assiduously following. There has been tremendous support for this collaborative effort and great progress has been made.

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<sup>2</sup> "Essential Mindset Shifts for Collective Impact", Kania, J, Hanleybrown, F. and Juster, J. S., Fall, 2014

The funders include the County of Santa Cruz, the cities of Watsonville, Santa Cruz, Capitola, Scotts Valley and the United Way of Santa Cruz County (Scotts Valley elected to receive the information electronically until their City Manager’s office is fully staffed). These funders have a long history of working together using a common application and sharing an on-line contract management system to fund Community Programs. This group is referred to as the “Funders” in this document. Strategic Plan Representatives include the leads from each of the nine countywide strategic plans that are included in the model. Below is a list of collaboration activities HSD has initiated and facilitated since receiving direction by the Board in October.

❖ **Funders**

- ✓ Seven meetings attended by City of Santa Cruz, City of Watsonville, Capitola, and United Way
- ✓ Several specific meetings with other jurisdictions and/or subcommittees upon requests for information

❖ **Strategic Plan Representatives**

- ✓ Three meetings attended by Plan representatives (one was held jointly meeting with funders)
- ✓ Survey of Strategic Plan Representatives
- ✓ Multiple one on one meetings for clarification and consultation

❖ **Service Providers**

- ✓ Three Provider Input Advisory Committee meetings
- ✓ Provider Input Forum sponsored by Human Services Commission

❖ **Public Agencies**

- ✓ Health Services Agency participated as Strategic Plan Representatives
- ✓ Probation Department & First 5 consulted with Funder group on Evidence Based Programs and application processes
- ✓ County Administrative Analyst participated in Funder meetings and as a Strategic Plan Representative

❖ **Local Foundations**

- ✓ Presentations and consultations with Community Foundation of Santa Cruz County, Packard Foundation and Monterey Peninsula Foundation

Beginning in January 2016, the Funders group has met monthly to determine whether they would recommend a collective impact funding model to their governing bodies. It was clear from the early meetings that all representatives of the Funders group were interested in discussing and pursuing collective impact and committed to keeping their appropriate governing bodies informed about the work of the group. Early on, the Funders agreed to a shared language, including defining key terms and understanding the current landscape and

desired outcome (Attachment B). The Funders agreed on the following definitions to help frame the new funding model concept:

**Key Terms and Definitions**

<b>Key Concept</b>	<b>Definition</b>
<b><i>Collective Impact</i></b>	Multiple organizations looking for resources and innovations through the same lens and includes: common agenda among multiple organizations, shared measurement, mutually reinforcing activities, continuous communication and an identified backbone organization. (Source: Stanford Social Innovation Review and Kania & Kramer, 2011).
<b><i>Results Based Collective Impact Funding Model</i></b>	Using data, evaluation and research about “what works”, to make strategic funding and programmatic decisions. (Source: Sonoma County Upstream Investments)
<b><i>Evidence Based Programs</i></b>	A method of classifying programs and practices according to the level of evidence that has been established to show their effectiveness. They include: Model, Promising, and Innovative

The Funders also agreed that the Strategic Plan Representatives from the nine plans identified in the October 2015 report should be involved as soon as possible. The Plan Representatives enthusiastically began a dialogue on the convergence and differences in their plans and expressed excitement in collaboration. Also, on behalf of the Funders, HSD surveyed the Strategic Plan Representatives to gather information on the needs/disparities data they used and stakeholder input they solicited in developing each plan. Additionally, HSD asked each Strategic Plan representative to work with their respective groups to prioritize the top two to five community level results they would like local funders to consider supporting within the next three years (see Attachment C for survey results).

In May 2016, Strategic Plan Representatives presented the survey findings to each other and the Funders. It was apparent from the presentations, that collectively, the Plans contained a wide representation of valid and reliable data on community needs, input from numerous and representative stakeholder groups, and thoughtful prioritization of results. In order to effectively implement the critical feature of “shared results” the funders realized the importance of consolidating and limiting to two results per Plan. To consolidate results, the Funders assessed for overlap and redundancy across plans and eliminated general goal statements. The selected community level results were arrayed across the age spectrum and prevention to treatment continuum to ensure that the results are applicable for vulnerable community members of all ages and need levels (see Attachment D for consolidated result

diagram). Strategic Plan Representatives assisted with wording changes to a small number of their specific results in order to be inclusive of other plan goals. Plan Representatives agreed with the final selection of the two results per Plan as listed below.

**Table 1: Proposed Community Level Results**

Strategic Plan		Community Level Results
Health Improvement Partnership	1a	All low-income Santa Cruz residents have access to medical homes with integrated behavioral health, dental and social services, and access to food and food resources
	1b	Providers use shared metrics, knowledge of Substance Use Disorder treatment resources, and SBIRT (screening, brief intervention and referral to treatment) is routinely used in health care and other setting. Other screening and assessment tools can be used as appropriate
Substance Use Disorder Prevention and Treatment Plan	2a	Community members, family members and professionals have informed and compassionate responses to substance use disorders
	2b	Admission to an appropriate Substance Use Disorder treatment is available upon client request for services
Area Plan on Aging	3a	Promote health and independence for seniors
	3b	Ensure access to info, benefits, and protective rights for seniors and their caregivers
Santa Cruz County Master Plan for Early Care and Education	4a	Increase access and capacity for quality child care for children 0-12
	4b	Strengthen the early care and education workforce through professional growth and career development
First 5 Santa Cruz County	5a	Improve parent / caregiver practices supporting socio/emotional development (physical, social, emotional, cognitive) 0-5 years
	5b	Increase number of children reaching developmental milestones
Youth Violence Prevention Plan	6a	Youth are supported by caring adults
	6b	Youth are life, college and career ready
Child Welfare Systems Improvement Plan	7a	Reduce recurrent child abuse/neglect
	7b	Reunify as quickly as possible
All In: Toward A Home For Every County Resident	8a	Increase prevention & diversion resources to reduce the number of households falling into homelessness
	8b	Improve access to all housing and service types for all homeless populations
A Community Roadmap to Collective Mental Health Wellness	9a	Increase the availability of a full spectrum of services from prevention and early intervention to episodic and ongoing treatment services, including best practice models
	9b	Improve public understanding of mental health and mental wellness

Contingent on review and approval of policy makers, the Funders group has agreed that there is merit in measuring and reviewing these community level results on a regular basis. Discussions are underway with the United Way to produce a *CORE* Report Card that will represent a consolidated list of indicators. It is important to note, that while focusing on community level results is important for collective impact, it must be realized that the County’s *CORE* Investment portfolio will be a very small percentage of the overall budgets of the agencies providing the services. Although agencies receiving *CORE* grants will identify the community level result area that their services will impact, they will not be held responsible for a community level result. The agencies will be accountable for the specific program outcomes they sought to achieve which support the broader community result.

The following preliminary list of community level measures serve as good proxies for the results, are currently available, are not redundant, and the most recent data shows that Santa Cruz County needs improvement in these areas (see Attachment E for preliminary list with rates and sources).

**Preliminary List of *CORE* Indicators**

<b>Preliminary <i>CORE</i> Indicators</b>	
1.	<b>Percent of low income people with regular source of health care</b>
2.	<b>Percent of low income people with dental care in past 12 months <sup>3</sup></b>
3.	<b>Percent of low income people/seniors who had food insecurity</b>
4.	<b>Percent of low income people who received needed mental health and/or substance abuse treatment</b>
5.	<b>Percent of seniors with independent living difficulty</b>
6.	<b>Percent of eligible children in subsidized child care</b>
7.	<b>Percent of child care sites receiving the highest tier quality ratings</b>
8.	<b>Rate of referrals to child welfare services</b>
9.	<b>Percent of students with a “high” level of community caring relationships</b>
10.	<b>Percent of high school graduates completing all UC/CSU required courses by school district</b>
11.	<b>Percent of high school 9<sup>th</sup> graders that graduate by school district</b>
12.	<b>Recurrence of child abuse within 1 year after exit to reunification</b>

### 13. Percent of residents without housing in Santa Cruz County during the past year

### 14. Number of homeless people and percent that were unsheltered

<sup>39</sup> "Increasing Access to Dental Services for Children and Adults on the Central Coast", Barbara Aved and Associates, April 2016

Additionally, the Human Services Commission enthusiastically agreed to sponsor a forum to solicit additional input from service providers. To this end, HSD formed a Provider Input Advisory Committee and in two meetings they developed a format for a Forum (see Attachment F for member list). The Provider Input Forum was convened on May 18, 2016 at the Capitola City Council Chambers and the Funders were in attendance. Invitations were sent out widely via the United Way of Santa Cruz County and the Santa Cruz County Community Foundation's distribution lists. The Forum was facilitated by Nicole Young of Optimal Solutions, Inc. and over 50 individuals from 35 agencies participated in this event. The agenda included an overview of the funding model development and small group discussions designed to elicit targeted feedback from potential applicants (Attachment G for discussion questions and summary of breakout group input).

The Provider Input Forum was filled with excitement due to the focus on collective impact and working together, as well as trepidation regarding implementation of evidence based programs, room for innovation and emerging needs, and potential funding changes. The summary of the findings from the Provider Input session is outlined below:

- ❖ Disseminate definitions of common terms to increase understanding of the intent and value of developing a Results Based Collective Impact Funding Model, including:
  - ✓ Collective Impact, Results-Based Framework, Strategic Plan, Evidence-Based Programs & Practices, Fidelity, Flexibility/Adaptation
- ❖ Provide easy access to information about the Results Based Collective Impact Funding Model process and products, including a strategic plan "crosswalk" and examples of other results based collective impact models (e.g. Sonoma County Upstream Investments).
- ❖ Understand that there will be challenges in implementing this new model, especially in terms of top tier evidence based programs not being applicable to certain populations
- ❖ Increase access to data or provide technical assistance to help service providers access and understand available data
- ❖ Consider multi-year funding to work toward long-term solutions
- ❖ Provide additional resources, technical assistance, and backbone support for evaluation, implementing evidence-based practices, and general capacity-building

- ❖ Increase and maintain communication within and across stakeholder groups (e.g. funders, service providers, clients). Continue dialogue that aims to find a balance between:
  - ✓ Establishing a common framework and encouraging innovation
  - ✓ Achieving collective impact and acknowledging individual organizations' impacts
  - ✓ Implementing evidence-based programs & practices (EBPs) with fidelity and identifying when/how flexibility and local adaptations of EBPs are beneficial
  - ✓ Being responsive to emerging needs and maintaining focus on addressing basic or ongoing needs, such as poverty
  - ✓ Drawing on what's been proven to work in other communities (state, national, international) and incorporating local conditions and client voices into decision-making

The feedback from the Forum was carefully reviewed during the third Provider Input Advisory Committee meeting and by the Funders. It was instrumental in informing the continued development of the *CORE Investments* model and was an important contributor to the implementation plan outlined in the next section.

## **Implementation**

Implementing *CORE Investments* will entail collaboration across jurisdictions and local funders, as well as, development of funder specific implementation practices.

### **Proposed *CORE* Agreements Across Local Funders**

Through the collaborative design process, the Funders agreed to inform and/or present to their respective governing bodies with common foundational elements necessary to participate in the *CORE Investments* model. If accepted by some or all local jurisdictions and the United Way, these agreements will move our community significantly forward in implementing the *CORE Investments* model effectively and efficiently.

**Table 2: Proposed Funder Agreements**

<b>Proposed Funder Agreements</b> <b>Foundational Elements of the <i>CORE Investments</i> Model:</b>	
<b>1</b>	<p><b>Utilize the data on needs and disparities, as well as, extensive stakeholder input provided in the existing strategic plans to identify community need.</b></p> <ul style="list-style-type: none"> <li>To keep abreast of emerging needs, the Funders agree to review new data when available including: updates to Strategic Plans on an annual basis, the Community Assessment Project annual report, and stakeholder input.</li> </ul>
<b>2</b>	<p><b>Accept that the 18 community level results gleaned from nine designated community-wide strategic plans are representative of community goals across the age spectrum and level of intervention.</b></p> <ul style="list-style-type: none"> <li>Each funder will choose to fund all or some of the results within <i>CORE Investments</i> from the menu of 18 community level results.</li> <li>Funders may choose to set aside some funds for emerging needs or for other safety net /jurisdiction priorities that fall outside of <i>CORE Investments</i>.</li> </ul>
<b>3</b>	<p><b>Determine funding allocation levels for each strategic plan area prior to release of grant application.</b></p> <ul style="list-style-type: none"> <li>This will allow community organizations to target their applications to the areas specified by the funders and consider the resources available within and across participating funders.</li> </ul>
<b>4</b>	<p><b>Track community level results that are the target of <i>CORE Investments</i>.</b></p> <ul style="list-style-type: none"> <li>The United Way, through the Community Assessment Project, will be responsible for tracking and creating a report card. Results will be reviewed annually.</li> </ul>
<b>5</b>	<p><b>Use a shared competitive application for <i>CORE Investments</i> and within the application:</b></p> <ul style="list-style-type: none"> <li>Require applicants to propose one of three levels of evidence for their Program: Model, Promising or Innovative and propose how they will assess fidelity or quality of their Evidence Based Program. (see Attachment H for EBP framework)</li> </ul>
<b>6</b>	<p><b>Align funding cycle to other local jurisdictions and release <i>CORE</i> applications every three years.</b></p> <ul style="list-style-type: none"> <li>All funders are currently not on the same cycle, so it will take time to implement this feature, but it will provide stability for non-profit and create administrative efficiencies for service providers and funders.</li> </ul>
<b>7</b>	<p><b>Provide technical assistance, training, and evaluation support.</b></p> <ul style="list-style-type: none"> <li>HSD will seek TA support from the Santa Cruz County Community Foundation, the Packard Foundation, and the Monterey County Peninsula Foundation to provide the resources to “jump start” training and technical assistance to community partners.</li> <li>Examples of support include group workshops and individual TA opportunities for providers, as well as development of <i>CORE</i> website with data dashboards, links to EBP’s, and Healthy Cities data, Strategic Plan Collaborative support, and collective impact training for funders.</li> <li>Funders will work collaboratively to attract new <i>CORE</i> Investors as well as develop sustainable solutions for ongoing technical assistance and evaluation.</li> </ul>

### Next Steps for the County's FY 2017-18 Funding Cycle

Based on the acceptance of the seven common foundational elements listed above, a series of next steps are recommended that will position the County to implement *CORE Investments* in FY 2017-18. The products of this work will be presented to the Board in November, 2016 and May and June of 2017.

**Table 3: Recommended Next Steps to Prepare for FY 2017-18  
Three Year Contract Implementation**

Proposed Next Steps	
<b>Nov 2016 BOS Report</b>	✓ Propose a funding allocation for each of the nine strategic plan areas. It is anticipated that the allocation percentages per plan area will take into account past practice while also addressing the current landscape.
	✓ Consider a minimal grant size threshold to incentivize collaboration and for agencies applying for <i>CORE</i> funding. This will also increase administrative efficiencies for funders.
	✓ Propose a set aside funding pool for the Board's other anti-poverty related funding priorities that don't match a current strategic plan results (ex: immigration, EITC) and allow for funding of emerging needs. Include application requirements.
	✓ Finalize a community level indicator list that has been vetted by other local funders and the Community Assessment Project and develop a mechanism to create and deliver an annual <i>CORE Investments</i> report card.
	✓ Develop a detailed training and technical assistance plan to support potential applicants on evidence based programs, logic models, outcome & fidelity measurement. Plan will include group and individual agency support for providers.
	✓ Deliver a Request for Proposal document which details the funding timeline and application process. The RFP will be developed with input from participating <i>CORE</i> investors. Expert panels will review the proposed evidence based programs, measures of fidelity and outcomes, and the credibility of the relationship between program outcomes and community level results across the nine plans. The review process will take into account how the proposed program meets community need, including being culturally and geographically responsive.

<b>Additional Preparation</b>	✓ Outline a plan for contract monitoring for quality and outcomes. Similar to the current model, it is anticipated that reports will be submitted and reviewed twice a year with the addition of a small number of randomly selected on-site monitoring visits done collaboratively with other funders each year.
	✓ Communicate with other local funders regarding status of their participation <i>in CORE Investment</i> .
	✓ Propose an evaluation plan of the overall effort, so that the value of the <i>CORE Investment</i> model can be ascertained and adjustments or improvements can be suggested by an objective party. Explore developing agreements with local colleges and universities to explore working together on evaluation and other efforts (i.e., the UCSC Blum Center on Poverty, Social Enterprise and Participatory Governance, Cabrillo College, California State University, Monterey Bay, Dept of Health, Human Services & Public Policy)

## Conclusion

A tremendous amount of progress has been made in transforming the historical Community Programs funding process to the *CORE Investments* model. As other collective impact initiatives have noted on the role of funders, “grantmakers rightly see themselves as critical partners—more than just funders—of programs to bring fields and communities together to tackle complex issues and bring about lasting change. They catalyze connections and lay the groundwork for initiatives to take shape”<sup>3</sup>

The *CORE Investment* model takes the funder role into account and incorporates all eight features of effective results based collective impact funding and mindset shifts needed by stakeholders including funders, strategic plan representatives, and service providers. Collectively, there is a focus on building and maintaining positive relationships among all stakeholders, sharing a common agenda, and working together to improve the lives of the most vulnerable in the community.

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<sup>4</sup> “The Role of Grantmakers in Collective Impact”, Bartczak, Lori, Stanford Social Innovation Review, Fall 2014