Introduction

What is sustainability?

Sustainability has multiple meanings in referring to health and human services programs. It can refer to a program that is refunded, a successful program that is replicated and expanded, or a much broader impact when an innovation is fully institutionalized.

Sustainability arises as a challenge when a partnership has developed a collaborative approach to achieving better outcomes for clients who need help from more than one agency. When federal and other one-time funding is time-limited, sustaining the project with other funding and support becomes an important task for project operators and agency leadership. That task must be achieved in a timely way. If these issues are deferred until the final year of the project, replacement or expansion funding will be harder to find than if a full sustainability plan is developed during the initial year of external funding. This document briefly sets forth the elements of such a sustainability plan.

Sustainability issues include four critical dimensions:

1. The **effectiveness** of what is being sustained—showing that an innovation worked, and that specific outcomes have been achieved, proving to prospective funders that the innovation was successful and should be refunded

2. The **financial resources** needed to sustain the innovation

3. The **political and community resources** needed to sustain the innovation, proving that it has a base of support in the community and has backers beyond the sponsoring agencies

4. The **organizational impact** of the innovation, when a change in practice or policy is institutionalized throughout the organization, rather than being confined to an isolated pilot project

The first and last of these are about results. The simplest equation in sustainability planning is that **results drive resources**. And, obviously, it takes resources to get results in the first place.

Sustainability planning requires a series of logical steps that move from the project’s launching to its results, and on to its future funding. These steps are laid out in this summary document as a list of seven successive steps:

1. Inventory current funding

2. Document the effectiveness of the innovation to prospective funders

3. Identify potential targets for future funding
4. Select priorities for future funding
5. Select priorities for redirected funding
6. Self-assess sustainability options in terms of political support
7. Institutionalization

The critical importance of cost data

Sustainability planning must be driven by useful data about what programs cost, or prospective funders will be unable to determine what their funding would actually achieve. Therefore, cost data is a primary element throughout this planning guide. The need for this cost analysis may challenge some agencies to determine their costs at a more detailed level than they are currently doing, but the effort will be important in making a case for refunding.²

To be useful for sustainability purposes, cost data must go beyond a “project budget” as submitted with a funding proposal, since projects typically develop a budget for external funders that does not list costs such as loaned staff or training expenses that are not covered by the budget. For example, if a dependency drug court receives new funding for expanded outreach staff, the full project budget should include the funding for the existing court staff who are working with DDC clients, whether they are part of the new project budget or not. The full costs of operating the project—grant funding and existing funding as well—should be included, in order to make clear what are the real costs of sustaining the project. The cost basis of the project is also an essential component in determining cost offsets or savings in demonstrating the effectiveness of the project.

**Step 1: Inventory current funding**

Many projects approach the challenge of sustainability by making the case for new (or redirected³) funding. However, it will be difficult to make this case without a good handle on the current funding streams that partnerships may draw from as they begin operations. Thus a full inventory of current funding is needed—not only for the innovation itself but also for the full array of child welfare, treatment, court, and support services currently funding the innovation. This understanding of the current funding streams is a prerequisite to Step 3, in which additional funding options will be identified.

This step can be taken initially as a survey of partners in a collaborative, asking each to list the funding streams that support their portions of the project and those that they believe might be available in the future. A refined and more detailed version of the inventory should be carried out in Step 3. An initial matrix developed by Santa Clara is attached as Appendix 1.

**Step 2: Document effectiveness of the innovation to prospective funders**

Sustaining funding is sometimes seen as finding the right new funding stream. But it is more appropriately identifying a funder who is a good fit with the results achieved by the project, as determined by the funder’s willingness to help pay for it. Any prospective funder will require persuasion before making an investment—especially in tight fiscal times—and the strongest
persuasion will be a convincing case that the innovation has succeeded in improving outcomes for clients of the prospective funding agency or for persons who may become clients if the innovation were not adopted.

Above all, sustainable results need to be client-driven, i.e., they must be about improvements in the lives of specific people—children, parents, caretakers—as measured by specific outcomes. In the early stages of an innovation such as the site projects, proven outcomes improvement may not yet be available. But the importance of beginning sustainability discussions as early as possible means that interim changes in outputs, such as improved client engagement or better screening—can signal to funders that the innovation is making progress in the right direction, even if final outcomes are not achieved. So it is important that project evaluators and leaders agree on which of those interim outcomes make the best selling points to potential funders.

In some cases, clarifying the “marketable outcomes” at the front end of the project may point out that some basic information is not being captured about clients and how they are improving. For example, if the project intends to demonstrate a reduction in foster care costs, the project staff will need to get a good handle on those costs as a baseline. Not all sites have solid data on costs per case or the differences in costs for different target groups, e.g. reunified families vs. children who remain in out-of-home-care. However, potential funders have a fiscal responsibility to ask such questions before assuming the costs of a new project.

**Step 3: Identify potential sources for future funding**

Given the results achieved, the question becomes which prospective funders are most likely to be interested in supporting the innovation. This requires broader funding reconnaissance than in Step 1. While Step 1 is about current funding, this step moves beyond that to targeting future funding from a wider array of sources. The funding paper developed by Dennis et al. (2008) can be helpful in developing this inventory. Developing a comprehensive inventory is a substantial task, and adequate staff resources should be devoted to the task, along with any available help from academic centers or state agencies who may have a partial listing of funding streams.

The inventory needs to address funding options in the child welfare system, in the treatment systems, in the courts, and in supportive services such as child care, health care, and support for other kinds of aftercare services that would follow treatment services in a comprehensive program. Two examples of these inventories can be cited:

1. The Arizona Prevention Resource Center, working with the Arizona Drugs and Gangs Policy Council, for fourteen years developed an inventory of all prevention and treatment funding in the state.5

2. The State of Oregon, through work in the Substance Exposed Newborns Project at the University of Oregon, has developed an inventory of projects (including some funding data) targeted on substance-exposed newborns, using a five-part framework to classify programs and expenditures.6

Once such an inventory has been developed, the next task is to refine it by determining the best fit between the outcomes of the innovation and the purposes of the funding. If the project has
included services to children who are not yet enrolled in the child welfare system, for example, child welfare funding may be less appropriate than funding from child development, maternal and child health, developmental disabilities, or special education funding streams. If the project emphasizes recovery outcomes, funding streams that support aftercare services such as job training, transportation, housing, or child care should be included as options.

**Step 4: Select priority options for new funding**

Next, across the full array of potential funding sources, an effort must be made to identify those which have the highest potential for payoff, so that the partnership does not dissipate its efforts seeking sustainability funding across dozens of possible sources. Priorities can be chosen based on several criteria:

1. Which agency would place the highest value on the outcomes achieved by the project?
   a. This assumes your data system is strong enough to capture current data on both client outcomes and costs. Citing a study done thirty years ago in another site that may show that $1 ultimately saved $7 in that site may not be persuasive to funders. That kind of long-range evidence is usually not enough to secure redirected funding in a site that does not have locally relevant proof of effectiveness.
   b. Again, cost data is critical to answering this question. At a minimum, prospective funders will want to know the unit costs of the innovation, and some will demand cost/benefit data that can only be extracted from an unusually strong client information and cost accounting system. It will not be enough to derive unit costs by dividing the total funding by the number of clients, which may be a very inaccurate way of answering the question any funder is entitled to ask: “what does this cost per client and how many clients could be served with our funding?”
   c. Persuading agencies that the innovation is worth sustaining also needs to be based on capturing adequate information at intake to show which agencies’ clients are receiving services—or which ones need services. Sustainability funding requires better documentation of the overlap between potential funders’ caseloads and the services being provided, e.g. co-occurring mental health services, services to children with special needs, victims of domestic violence, youth in the juvenile justice system, TANF families, etc. To the extent that these partner agencies’ clients are screened and assessed to be in need of services, the commitments of resources from these agencies to an innovative project will be easier to justify. A prospective funder is entitled to ask “how are our clients helped, and how many of them could be helped by this project?”

2. Which agency can be given evidence that the project saves it money?
   a. For example, if the project’s efforts to work with families improves parents’ ability to get their children to attend school, each day of attendance saves a school district $40-50 in daily attendance reimbursement in some states. It may be
worthwhile to discuss those returns with a school district. Similarly, if the project prevents the removal of a child from home, how much does the state save in foster care placements, and what value does the state place on having a child remain safely at home? Projects need to know the base costs (or a range of those costs) for out of home care that are accepted by the state as accurate; in one site, agencies accept a base figure of $16,000 as the annual cost for a child in out of home care. Each state and locality may differ, and knowing the base figure is critical to beginning a discussion of cost offsets.

b. This requires a close connection between a child welfare outcome, such as reunification, and an outcome in the treatment system, such as recovery. Showing parallel outcomes in two separate systems is helpful, but the strongest proof comes when specific reunifications can be tracked to parents’ successful completion of specific treatment programs. Linking two separate sets of outcomes are difficult—but may be the crucial in making the case for new funding. That requires data integration that goes beyond merely collecting each agencies data separately.

3. Which agency may have just been provided with new funding based on a priority that overlaps with that of the innovation?

4. Where does new funding seem most flexible? What state or federal allocations are being made in ways that may give us an opportunity to break into this new source, e.g. with bonus points for collaboration? (State networks of providers and local administrators may be a good source for such information, since these groups closely track the availability of funding.)

5. How can we best diversify our funding base? Getting new or redirected funding is a benefit in itself, but it can also achieve a secondary benefit of making sure that all eggs are not in the same basket, by diversifying funding to multiple sources so that the loss of any one source is not fatal.

In assessing possible cost offsets that can help make a case for new or redirected funding, the following suggestions have emerged from some of the sites:

- Public safety, court, and corrections costs
- Out of home care [$16,000 per year per child for out-of-home-care estimated in one site]; re-entry to care
- Lower level of placement
- Faster access to treatment
- Reduced “repeat customers” in treatment= increased slot availability
- Drug-free births

An important reminder: Without baseline costs, the cost savings cannot be credibly estimated. So a standard cost figure for treatment, or out of home care, or post-natal care for drug/alcohol-exposed births can be used to multiply the number of clients affected by these outcomes for
substantial savings. But it may take discussions with other agencies to persuade them to give an
site planning team the data on these baselines costs needed to determine how to compute the
savings.

In sum, priority-setting for sustainability is about ensuring that the team developing the
sustainability plan is able to

*Take stock of all options, and target a few best bets based on where resources are
most significant, where new flexibility may be available, and where champions of an
integrated funding approach may already exist.*

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**Step 5: Select priority options for redirected funding**

For many projects, the best option may be taking advantage of the availability of funding already
in the community that can be redirected to support the innovation. Again, having a detailed
inventory will help make clear what some partnerships overlook: the amount of existing,
institutionalized funding already in place in a typical state or community is far greater than the
smaller amounts of funding from new grants. While redirection involves careful negotiations
with those agencies which currently control funds, the process of reviewing the best uses of
scarce funding should be ongoing as part of the budget and program oversight process.

Redirection requires a separate section of a sustainability plan, including

1. Identifying opportunities to work with other agencies to redirect a portion of their
current funding for their own clients who are affected by the innovation. This requires
making a case that
   a. They are already spending the money for these shared clients
   b. They could save money by participating in funding the innovation which would
      provide services to their clients in a different and more effective manner

2. Documenting ineffective use of current resources, based on efforts to identify less
effective programs
   a. For example, using detailed process improvement efforts (such as those used in
      the work of the NIATx team) can document what is not working and quantify
      performance outcomes data, licensing reports, and contract monitoring results in a
      way that demonstrates inefficiencies and helps make the case for a redirection of
      funds.

3. Given the critical importance of Medicaid, a funding review should investigate
   whether Medicaid funding is being used optimally, including whether full matching is
   utilized and whether definitions of eligibility for supportive services and case
   management could draw down more funding. Are treatment providers enrolled as
   Medicaid providers? If so, do they have access to Medicaid eligibility files to
determine when to bill Medicaid for a Medicaid reimbursable service?
Step 6: Assess sustainability options in terms of political and community support

In this phase of sustainability planning, the question is who supports refunding or expansion beyond those directly involved with the project? Two kinds of support are critical: (1) evidence that members of the wider community agree that the project has value and (2) evidence that policy leaders and elected officials agree that new funding is a priority in the midst of all the competing options for use of scarce resources.

The first issue, then, is to what extent the wider community has already contributed resources—cash, staff, or volunteers—to the project so its sponsors can demonstrate community buy-in to what they are doing. Are there volunteers? Have other agencies contributed in-kind support or staff? Is there a public and community relations strategy for marketing the program’s results to the wider public? Has it been tested it with lay people outside the field to make sure ordinary language is used rather than acronyms and jargon to explain the programs? Are there press clippings or videos that document the program visually and in media-friendly language? Have local media contacts been made with reporters likely to cover such stories?

The second question is about support from policy and political leaders. Have legislators and other policy leaders in the community been briefed on program goals and progress in achieving them? Have they seen the program at first hand and heard testimonials from successful clients? Potentially, how valuable are the program’s outcomes to the priorities of policy and political leaders who may not be champions of the system in which you are working? Examples are increasing the employability of TANF clients, reducing the number of children in out-of-home care, diverting adults from county jail or prison.

Here, a major challenge is developing marketing documents that translate the program from professionals’ language to policy terms. Program detail is not enough to make a case for a priority—and excessive detail may obscure the central points of the project’s benefits. Making a case for a project can be done in fiscal, political, media, or moral grounds—but a project’s sponsors need to be clear which they are invoking and how they intend to be convincing with this specialized, highly influential audience. A PowerPoint has been attached as Appendix 2 that compiles five different bodies of evidence that can be used in marketing site results and a higher priority for the children and families targeted by sites’ efforts:

- The case based on prevalence of the problem
- The case based on outcomes
- The case based on cost savings
- The case based on intergenerational impact
- The case based on early intervention and developmental effects for children

Each site can tailor these types of evidence to their own situation, but taken together, these make up a strong case in marketing funding prospects for sites.
Step 7: Institutionalization

Sustainability also refers to taking an innovation and making it a permanent feature of the organization’s way of doing business. If a new practice is only used for a small portion of the caseload in a pilot project, or is only restricted to a small number of employees, the change may be at a scale that will not affect the rest of the organization in any lasting way.\textsuperscript{12}

In institutionalizing an innovation, the key staff will often be those at the administrative heart of the organization: personnel, fiscal, and training staff. Program staff may understand the external impact of an innovation, but it will often require staff who are familiar with an organization’s internal administrative workings to take an innovation to the next level of institutionalized funding and support.

Paul Light has defined innovation in the public sector as “an act that challenges the prevailing wisdom as it creates public value.”\textsuperscript{13} The task is doing something new or doing established practices in a new way; the public value comes when that new way works better than the old way of doing it. The challenge of sustaining innovation in an institution, then, is capturing what it is that is new and what it is about it that works better. Those are the questions that innovators must answer as they seek sustained funding and support.

The relevant questions include whether a new practice has become an accepted part of training programs, agency budgets, and accepted protocols that extend across the organization rather than to a small segment of the caseload. A summary of these questions should include:

- Is adequate staffing in place to keep the project functioning?
- Is there a line item or redirected funds in the agency’s base budget for the project?
- Is data to track the project’s outcomes built into ongoing client data systems?
- Is training a part of regular staff development?
- Do policy-level officials play a role as barrier-removers when line staff identify recurring barriers?
- Is the project linked with parallel reforms in the rest of the agency, or is it isolated?
- Is there a formal replication schedule—if the project succeeds at current scale, what is the next level at which it should be attempted? Is there a timetable for going agency-wide with the innovation?

\textit{Why Should We Spend Time on a Sustainability Plan in Times like These: There’s No Money?!}

For some sites, the state and local budget crises may make the idea of sustainability planning seem like a fanciful exercise in futility. But there are at least four reasons that such planning should begin in 2009:

1. Beginning to lay the groundwork for a strong case for new or redirected funding in 2010 or 2011 needs to happen in 2009, rather than waiting until fiscal options look better. The work of sustainability—done in depth, and not superficially with a grant proposal or two—demands serious effort to gather data, identify funding streams,
take all the other steps outlined in the seven-step process described above. If that work is postponed, it may be done hurriedly, and the case for funding may appear weak. Preparing for fiscal upturns needs to start during the downturn, because the competition as budgets get better will be much more intense. Early birds really do get more.

2. Approaches to some funders do not bear fruit on the first attempt, and a trial run in 2009 may prepare a site for a better chance in 2010-2012. Negotiations with funders are like diplomatic negotiations—they rarely produce results after a first meeting. Over time, the positions become clearer, and the two parties learn to talk to each other and to appreciate each other’s positions in a more nuanced way, rather than a simplistic request for money which can be easily turned down. A case can be made, in fact, that the first discussion should not even be about funding but about what outcomes are priority goals for the potential funder. For five year grants, making leadership aware of what the project is doing, and anticipated outcomes lays the groundwork for coming back at a later time provide data on outcomes and discuss funding options for sustaining effective programs. Exploring positions to determine what is the best approach to a funder takes time and patience, and the sooner such an effort is begun, the sooner it can be productive.

3. The outcomes needed to connect a new funder with the results of the sites will in many cases not be available until the second or third year of operations. But beginning to determine which are the high-payoff outcomes requires early discussions with funders, to ensure that data systems are collecting the right data that would be most persuasive. Making a convincing case for outcomes over a three or five year period cannot happen if the right data was not collected and analyzed until the final year of operations. In a competitive funding environment, demonstrating that an innovation is more efficient and/or more effective in producing results is a powerful argument for sustained funding. But the efficiencies and outcomes must be tailored to a potential funder’s highest priorities, which requires specific discussions and data collection that emphasizes those priorities.

4. As noted above, some sustainability planning will be able to target one-time or new funding emerging from the stimulus package of the new federal administration. That work needs to begin in 2009, as the first waves of new federal funding begin coming out. Persuading state and local agencies who receive such funding that the site target population should benefit in receiving their fair share of these allocations cannot wait until the fiscal situation of the state or locality has completely turned around. In some cases, it may be possible for sites to arrange for small funding amounts from prospective funders as a kind of “trial run” of larger funding potential. This is another reason not to wait until the final years of the federal funding before arranging for new or redirected funding to supplement the federal grants.

The details of the federal fiscal stimulus funds are still emerging, but it is clear that state and local agencies will have an opportunity to take advantage of increases in several areas that may overlap with the mission of the sites. These include:
• Head Start and other early childhood programs; using special needs and links to eligibility for children in the child welfare system

• Health information systems: monitoring families through treatment and recovery; case management information systems that track families referred for treatment, in treatment, and during aftercare

• Medicaid supplements: any increments for children’s programs or for treatment?

In determining the relevance of these funds for sustainability planning, site teams should meet with the state and local officials likely to be best informed about the timing and amounts of the stimulus funding. Site teams should also recognize that some projects have the potential to address national priorities that extend beyond the boundaries of child welfare and treatment agencies. These include health reform, early childhood education as a means of improving school readiness and educational outcomes, and the cross-cutting issue of child poverty.

Finally, the climate of fiscal strain does not uniformly affect all projects and agencies. It is important to remember:

• If what you’re doing is working, your defense against budget cuts is better than most programs that can’t document effectiveness
• If what you’re doing saves money, your case for sustained funding is better than most programs that can’t document their cost impact
• If what you’re doing works on an interagency basis, your case for sustainability may be better—and may have a wider group of advocates—than single-agency programs.

The privatization option

For some partnerships, an option for future funding may be to spin off all or part of the project for operation as a private for-profit organization, or as a joint venture with a private company. A project that makes money or is clearly break-even in its costs may be attractive to private funders. Although this is a less likely funding option, it should be recognized that there are very few types of health and human services that are not operated as a for-profit company in some parts of the U.S. Child care, long-term care, managed care organizations, housing programs, and employment agencies—all of these are operated as for-profits. Some states have privatized major parts of their child welfare operations, and treatment agencies are often operated as local branches of national or regional for-profit organizations. While there are definite drawbacks to for-profit operation, there are also tax advantages, options for owning or leasing buildings on a different cost basis, and the possibility of contracting for services rather than building up central office staff.

Some nonprofits and public agencies have pursued for-profit operation based on a social entrepreneurship model, in which a social purpose is seen as best achieved by a hybrid organization that has both for-profit and nonprofit units and adopts business methods as it seeks
efficiency. Some private funding for startup capital is available for agencies that are launching social entrepreneurship efforts.

Doing the Work of Sustainability Planning

Hard-pressed program administrators who are focused on operational details may find it difficult to free up enough time to get into the nuts and bolts of a sustainability planning process, and to begin negotiations with prospective funders. It is important to be realistic about what project staff can and cannot do by themselves—and at the same time to recognize that there are many sources for getting help.

Sometimes local community foundations know the ins and outs of local private sector funding and can provide valuable guidance on how to approach different funders. Regional offices of the federal government agencies have staff who are well-versed in the particular federal programs in their area, and they can be a useful resource. Some universities that are involved in federal grants and contracts have expertise in searching the grant inventory and in writing drafts of proposals as well. And there is no substitute for budget staffs of state and local agencies who work on a day to day basis with programs like Medicaid and Title IV-E and the federal prevention and treatment block grants.

Weaving these resources together may cost some initial time, but may result in site sites having in effect an “on-call” supplementary staff to help with sustainability planning and negotiations. Guided by the core outcomes of the project, these external staff resources can be very useful in pursuing new and redirected funding options. But an important caveat is that relying on a consultant to do the plan separately from line staff and senior project leadership is likely to cost more time than it saves—because consultants rarely understand the nuts and bolts of a proposal or have the access to data needed to prove solid outcomes. A well-staffed proposal for sustained funding demands time from project leaders; it cannot be shunted off to outside consultants who will have difficulty making the case for funding.

Conclusion

A partnership site that seeks sustainability funding should begin as early as possible in its implementation period to develop a formal sustainability plan. Initially, this may be a variation on the language in the “Project Sustainability” section in the original proposal. But these sections tend to be brief and to express hoped-for funding rather than the product of a thorough priority-setting effort based on outcomes and clear targets.

Review of a “second draft” of the site’s sustainability section, building on the language in the original proposal, at a meeting of the appropriate oversight group may surface issues about prospective funders and political support that are best identified in the early stages of projects. Staff resources devoted to the sustainability planning effort should be adequate to develop the inventory, identify the best fit between outcomes and funding targets, and guide the oversight group to its eventual decisions about priorities. Each of the seven stages needs adequate time and review to ensure that the final document gives a strong project the best possible opportunity for
continuation, expansion, and institutionalization. By mid-2009, such a draft should be available for review.

Additional Resources

- The Finance Project’s Sustainability Project
  [http://www.financeproject.org/special/engage/workbook.cfm](http://www.financeproject.org/special/engage/workbook.cfm)
- Ira Cutler monograph: End Games: The Challenge of Sustainability
- Literature on treatment costs at Treatment Improvement Exchange website:
- Family drug court sustainability publication from NDIC:
- Join Together AOD costs article:
- Brazelon Mix and Match citation:

Appendices to Sustainability revision

Appendix 1: Santa Clara Matrix
Appendix 2: The five cases PPT excerpts

NOTES

1 This paper draws upon a prior document, Dennis, K., Young, N. K., & Gardner, S. G. *Funding Family-Centered Treatment for Women With Substance Use Disorders*. Irvine, CA: Children and Family Futures, Inc., 2008. The focus of this sustainability document is upon the Regional Partnership Grants funded by the Children’s Bureau, but its conclusions are intended for wider use by all collaboratives working in the arenas where child welfare and substance abuse treatment overlap. The author appreciates comments on drafts by Kim Dennis and Ken DeCerchio.

2 A more detailed product on cost analysis is under development.

3 We are using redirection and redirected funding to refer to funding already in the community which can be allocated to the new project.

4 Dennis, et al.

5 Arizona Prevention Resource Center. (n.d.). Program Inventory/Social Indicators. This document is no longer produced, but copies of the earlier versions are available from APRC.

To illustrate the point about different types of flexible funding, in one recent funding workshop, a distinction was made between four types of potential funding:

- One-time grants
- Institutionalized funding, both redirected and new taps of sources such as Medicaid
- Wider claims to entitlement funding and fair share approaches to support services such as child care and public health nursing
- “Prove it” funding, in which a case is made that back-end funding for out-of-home care should be used for preventive services that save money

“Fair share” funding refers to an agency making a case that its clients deserve a fair share of another agency’s funding based on their needs and total numbers, e.g. that Head Start funding should be set aside for children affected by prenatal substance exposure or by abuse and neglect.


The NiaTx approach documents a program’s client intake and treatment processes in depth, determining which can be made more efficient.


11 A separate document on marketing program success is under preparation.

