

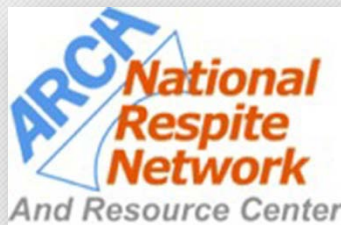
Webinar  
March 5, 2014

# Creating a Strategic Financing Plan



# Lifespan Respite Technical Assistance Center

**ARCH National Respite  
Network & Resource Center**  
**(703) 256-2084**  
**[www.archrespite.org](http://www.archrespite.org)**



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# Sustainability TA

- ARCH's collaboration with The Finance Project
- Resources:  
[http://www.lifespanrespite.memberlodge.org/Sustainability\\_Tools](http://www.lifespanrespite.memberlodge.org/Sustainability_Tools)
- Selection of Exemplar States  
AL, IA, LA, MA, NE, NH, PA, VA

# Presenter

**Cheri Hayes**

President & CEO

The Finance Project

Washington, DC

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# Module III: Creating a Strategic Financing Plan

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Cheri Hayes

March 5, 2014

# Key Questions

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- What do you want to sustain?
- What are the fiscal and non-fiscal needs?
- What resources do you currently have to fill those needs?
- What are the resource gaps?
- What monetary and non-monetary sources and strategies are best suited to help fill the gaps?

# Webinar Goals

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- Provide information and tools that will help you:
  - Link the cost and resource estimations to the continuation or expansion goals
  - Identify the range of fiscal and non-fiscal resources needed to support your initiative over a defined timeframe
  - Align fiscal resources with the activities and services that you want to finance
  - Clarify and prioritize which financing strategies best match your goals

# Strategic Financing Plan

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- Clarify “financing for what?”
- Estimate fiscal needs
- Map current funding
- Assess gaps
- Identify funding sources and financing strategies



# Clarify “Financing for What?”

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- Scope  
(e.g. population, geographic area, standard of quality, etc.)
- Scale  
(e.g. number of people served, number of programs, etc.)
- Ramp-Up Assumptions  
(what period of time? What benchmarks?)

# Identifying Elements to Sustain

Goals and activities that you want to sustain within your respite care project	What scale are we aiming to sustain?			Over what time do we want to sustain?
	Year 1	Year 2	Year 3	
Cataloguing and making accessible lists of providers and resources	Collect information respite providers as part of an environmental scan	Develop partners and embed resources onto their websites	Develop an online database and partner with other resource centers	Ongoing, core to Respite Coalition work
Raising public awareness of respite care	Cultivate a network of community volunteers and stakeholders	Identify gaps and barriers to respite services and work with partners to provide education and public awareness	Mobilize existing resources and partners to advocate for respite services at the local and state legislative level	Ongoing, all respite networks should cultivate public awareness at multiple levels

# Estimate Fiscal Needs

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- Program Costs  
(e.g. start-up and operating costs)
- Infrastructure Costs:  
(e.g. staff compensation, communications, professional development, etc.)
- Capital Costs  
(e.g. facilities, equipment, etc.)

# Cost Estimates

Program Element	Estimated Cost Year 1	Estimated Cost Year 2	Estimated Cost Year 3
<b>Start-up Costs</b>			
Planning and promotional activities (marketing, outreach, recruitment)	\$500,000		
Community assessment	\$50,000		
Initial staff recruitment and training			
Equipment and supplies acquisition (computers, books, materials, etc)	\$400,000		
Facilities renovation/expansion	\$30,000		
<b>Ongoing Operating Costs</b>			
Staff (include all positions and percentage of salary and fringe)	\$150,000 (3 FTE)	\$154,500 (3 FTE)	\$159,135 (3 FTE)
Equipment and supplies maintenance	\$25,000	\$25,000	\$25,000
Training, professional development and technical assistance	\$35,000	\$35,000	\$35,000
Transportation/Travel	\$10,000	\$10,000	\$10,000
Facilities (rent, utilities, and maintenance)	\$325,000	\$325,000	\$325,000
Administration and overhead	\$375,000	\$375,000	\$375,000
Instructional activities	\$100,000	\$100,000	\$100,000

# Map Current Resources

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- What are your current funding resources (cash and in-kind)?
- How flexible are the resources?
  - Are they restricted to specific activities?
  - Can they be directed to other purposes as needed?
- How durable are the resources?
  - Over what time period will they be available?
  - Will they be automatically renewed?
  - Are there funding sources that are at risk of being cut or reduced?
- How robust is your overall funding mix?
  - Is there a balance of public and private funding, short- and long-term support, restricted and flexible resources?

# Resources

<b>Activity/ Service</b>	<b>Source (Funding or In-Kind)</b>	<b>Level of Support</b>	<b>Funding Period (End Date)</b>	<b>Notes</b> (e.g. restrictions on funding, other funding detail, confirmed or likely funding source, etc.)
Respite vouchers	Interagency Fiscal Partnership	\$100,000	June 30, 2014	
Respite network infrastructure costs	Pooling State Funds and Part C Early Intervention Funds	\$50,000	June 30, 2014	
Respite Services to Children	Administrative Claiming through Medicaid and other funds	\$80,000	October 2014	
Personnel	XYZ Foundation	\$500,000	TBD	

# Poll Question

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1. Which of the following strategies is your respite coalition currently utilizing?
  - a. Making better use of existing resources (e.g. economies of scale)
  - b. Maximizing federal and state resources (e.g. leveraging, administrative claiming)
  - c. Creating more flexibility in existing resources (e.g. pooling, de-categorization, interagency fiscal partnerships, etc.)
  - d. Building public-private partnerships (e.g. grassroots/community engagement, foundation funding, etc.)
  - e. Creating new dedicated revenue streams (e.g. fundraising, special taxing districts, generating unrelated business income, etc.)

# Assessing Resource Gaps

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**Estimate of Costs – Current Resources = Gap or Surplus**

- Pinpoint the nature of the funding needs:
  - What goal, activities/services or infrastructure?
  - What categories of spending (e.g. staff salaries)?
  - What timeframe (e.g. next year or long-term)?



# Gap Analysis

1) By Goal/Strategy 2) By Activity/Service	Year 1			Year 2			Year 3		
	Total Costs	Available Resources	Gaps	Total Costs	Available Resources	Gaps	Total Costs	Available Resources	Gaps
Respite Vouchers	40,000	50,000	10,000	50,000	40,000	(10,000)	60,000	40,000	(20,000)
Database of Providers and Services	80,000	40,000	(40,000)	60,000	9,000	(51,000)	40,000	6,000	(34,000)
<b>Respite Network Infrastructure Costs</b>	<b>\$2m</b>	<b>\$200K</b>	<b>(\$1.8m)</b>	<b>\$1.02m</b>	<b>\$100K</b>	<b>(\$1.01m)</b>	<b>\$1.02m</b>	<b>\$0</b>	<b>(\$1.02m)</b>

# Financing Strategies:

## Make Better Use of Existing Resources

- Redeployment: shifting funding from higher cost to lower cost programming
- Operating more efficiently: cutting costs that can be reinvested in expanding services
- Reinvestment: Allocating funds that can be “saved” through redeployment, refinancing, reductions in spending to new or alternative supports and services
- Embed Lifespan Respite activities into ongoing state efforts: embedding Lifespan Respite projects into ongoing sustainable state efforts

# Financing Strategies:

## Maximize Federal and State Revenue

- **Grant writing:** applying for discretionary grants from public agencies
- **Leveraging:** Maximizing federal revenue by taking advantage of programs that provide funding contingent on state, local, and private funding
- **Refinancing:** utilizing other sources of money to pay for activities already provided and freeing up your own money for new use
- **Administrative claiming:** using available Medicaid and other funds to cover an array of administrative costs, based on local match funds



# Financing Strategies:

## Creating Flexibility in Existing Resources

- **Coordination**: aligning categorical funding from a number of agencies and funding streams to support community and program-level initiatives
- **Pooling**: combining a portion of funds from several agencies and programs into a single unified funding stream
- **Decategorization**: advocating for removing narrow eligibility requirements and rules governing allocations from existing funding streams
- **Develop interagency fiscal partnerships**: developing partnerships with other state agencies to support direct services or the system's infrastructure

# Financing Strategies:

## Build Public-Private Partnerships

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- **Leveraging:** creating new partnerships that expand the fiscal base for respite services
- **Leadership:** Building new, shared public-private leadership for investments in respite services
- **Technical assistance:** creating opportunities for sharing knowledge, skills, and technical resources needed to create and sustain systems of support and services
- **Grassroots/community engagement:** grassroots support and efforts to assist long-term sustainability
- **Foundation funding:** Community foundations and private donations

# Financing Strategies:

## Create New Dedicated Revenue Streams

- **Fundraising**: organizing community fundraising campaigns to generate support
- **Fee for service**: charging fees to service users to help cover the program costs
- **Generating unrelated business income**: creating revenue by pursuing an activity not related to the mission of the organization or program
- **Advocacy/education**: committing resources to support a coalition composed of diverse agencies and organizations
- **Special taxing districts**: creating independent units of government with taxing authority purpose

# Financing Strategies:

## Create New Dedicated Revenue Streams

- **Special tax levies:** adding onto existing taxes with additional revenue earmarked for specific programs or services
- **Fees and narrowly based taxes:** generating revenue from fees or taxes on specific segments of economic activity
- **Lotteries and gaming:** Using lottery and gaming proceeds to support respite programs and initiatives
- **Income tax check-offs:** Allowing taxpayers to designate a portion of their tax liability or to donate a part of their refunds to specific services or programs

# Contact Information

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