

# Blending and Braiding

## Funding Our Kids 101

February 2023 | Children and Youth

### What Is Blending and Braiding?

Though the terms often are used interchangeably, blending and braiding represent two different strategies for comingling different funding sources:

- **Blending** refers to incorporating funds from two or more revenue streams together to fund a specific initiative. Funds are merged into one central pot and costs are not necessarily allocated to the separate funding streams.
- **Braiding** is a practice in which two or more funding streams are used in a coordinated fashion to support a single initiative, but costs are closely tracked and allocated to individual funding streams. There may be restrictions as to which funds can be used for which purposes.

There also is a third related strategy, known as layering. With layering, different funding sources are used to support the same initiative, but funds are used somewhat discretely and are not integrated together. This means they are easier to disentangle without impacting the entire initiative if one funding source is removed.

### How Does Blending and Braiding Work?

Funds can be blended or braided at a few different points:

1. Multiple revenue streams can be mixed together at the point of origination when the funds are granted to a state or locality.
2. The state or locality can mix revenue streams together when administering a program.
3. Individual recipients of government funds, such as a contracted nonprofit organization, may mix different fund sources together at the point of service delivery.



In this fact sheet, we focus primarily on the second category: when states or localities take the multiple revenue streams at their disposal and bring them together to achieve a particular policy goal.

Blending and braiding may be relevant in different circumstances. Blending requires more flexible funding streams but allows administrators greater autonomy over how they then use the funding. Braiding can be done with more restrictive funding streams, but requires closer accountability, monitoring, and reporting.

To assess opportunities for blending and/or braiding as a strategy to meet a particular programmatic objective, state and local leaders should do the following:

1. Identify the policy goals and the outcomes they hope to achieve.
2. Create a [fiscal map](#) to audit all their funding sources, including federal, state, and local dollars.
3. Document requirements for each funding source, including eligibility requirements for participants and data and reporting requirements for administrators.
4. Identify what flexibility exists within these requirements or what flexibility might exist with permission from regulators. Policymakers will need to determine the source of regulations if a funding stream has state and federal involvement. In some cases, a funding stream might require a formal waiver from state and/or federal regulators if the locality seeks flexibility.
5. Determine which requirements can be aligned, waived, or at minimum, operate alongside each other in service of the community's programmatic objectives.

6. Identify what governance structures will be required to manage the initiative, particularly if the mixing of funds means multiple agencies will become involved.
7. Consider creating an oversight body that can manage and reassess potential opportunities to align funding. For many states and localities, this has resulted in a [children's cabinet](#) or similar structure to support integrated funding and service delivery for programs benefiting young children and their families.

Understanding the particulars of each funding stream is a critical step that policymakers cannot skip. With some funding sources, communities need explicit permission from state or federal regulators to mix funds together. On the other hand, some funding sources *require* the comingling of funds. For example, many state programs mandate a local match for certain state dollars used. Every funding source also comes with its own eligibility requirements—some may complement one another, and others may directly conflict. Even within federal funds for early care and education, for example, each funding source has unique requirements specifying which families qualify. Localities also must understand which layer of government controls any regulations that prohibit or limit blending or braiding, particularly when localities consider fund sources that come from the federal government but pass through the state.

## How Has Blending and Braiding Specifically Supported Children and Youth Services?

Blending and braiding has been used as a core funding strategy in early care and education for decades and funders promote the approach. For example, the Administration for Children and Families has celebrated Early Head Start-Child Care Partnerships, which require the use of both Child Care Development Fund and Early Head Start dollars.<sup>1</sup> As more localities develop large-scale preschool initiatives, blending and braiding are becoming more commonplace as ways to expand access and quality. It is not uncommon to see localities utilize dedicated state pre-K funds, federal Head Start and Early Head Start funding, and Child Care Development Block Grant funding, as well as funding streams less specific to early care and education, like Temporary Assistance to Needy Families.<sup>2</sup> Over the past decade, countless organizations have developed detailed guides and toolkits to assist localities as they consider what might make sense in their specific context.<sup>3</sup>

These strategies have been used to support children from birth to young adulthood in areas including workforce development, housing and homelessness, child welfare, and health and mental health service delivery.

**New York City:** Over the past decade, New York City has reorganized its early childhood services twice to better maximize available funds and expand access for families. In 2012, the city created a new program called EarlyLearn, which blended funding from Head Start and the Child Care Development Block Grant with some city tax revenue, to create one early care and education program for income-eligible infants, toddlers, and preschoolers. Families had to meet strict eligibility criteria to participate—some slots required Head Start eligibility, some required child care eligibility, and a third group called “dual eligibility” slots required both.

After the [introduction of universal pre-K](#), the city reorganized early childhood services under new contracts with the New York City Department of Education beginning in 2021. The city unbraided Head Start and child care funds. Bringing two funding streams together that had different eligibility requirements for families had led to slots that were burdensome to fill and created operational complexity for providers. Instead, Head Start and child care funds were each separately braided with more flexible funds, including state pre-K dollars and city tax revenue. This braiding was critical to ensure providers could run a quality program; the per-child funding for Head Start and child care were otherwise insufficient. The new contract structure also enabled more opportunity for socioeconomic integration in early childhood classrooms.

**Ohio:** The Ohio Department of Job and Family Services uses funding from the Workforce Innovation and Opportunity Act and Temporary Assistance to Needy Families to fund a workforce development program for youth ages 14–24 years from low-income families. The use of both funding sources allows the program, known as the Comprehensive Case Management Employment Program, to offer more integrated and individualized services to participating youth, including counseling, career and college preparation, and necessary support to enable work such as transportation, child care, and housing. The program is run by a designated agency in each county and includes government agencies and nongovernmental partners.<sup>4</sup>



**Rhode Island:** The Rhode Island Department of Health braided multiple grants and programs together to create a comprehensive place-based health initiative, Health Equity Zones. The department pooled funding from federal programs and grants, including physical activity and nutrition funding, prevention block grant funding, and funding for minority health and maternal and child health. The department then identified 10 local community partnerships and dispersed funding to each Health Equity Zone to address the most significant local health disparities through coordinated investments and interventions. This model increased the department's local leverage—there are no county or local health departments in Rhode Island—and led to more tailored approaches for community-specific health challenges. This has led to outcomes like reduced childhood lead exposure, increased school attendance, and increased youth mental health support.<sup>5</sup>

**Broward County, FL:** Broward County's Best Opportunities to Shine and Succeed program serves youth in six local high schools who are not on track to graduate on time. The program is organized by the Children's Services Council of Broward County and braids several federal funding streams, including the Workforce Innovation and Opportunity Act Title I Youth program, the 21st Century Community Learning Centers program, and the Library Services and Technology Act. Together, these funding streams enable an individualized case management model that supports each youth to complete high school. Youth have access to homework help and tutoring, credit recovery, career and technical education courses, workforce skills development, and exposure to postsecondary educational opportunities. The Children's Services Council received a federal Performance Partnership Pilot in 2016 to support

the program, which funded the development of an integrated data system that improved data sharing, planning, and service delivery.<sup>6</sup>

### Why Should Communities Consider Blending and Braiding Funds as Part of Their Strategic Public Financing Plan?

- With many publicly funded programs, a single revenue source is insufficient. Localities frequently need to augment funding to ensure access and/or quality.
- Bringing funding streams together can facilitate the conditions for more coordinated service delivery. This can limit obstacles for families who are seeking multiple, related services and can simplify delivery for local providers.
- Blending and braiding can allow communities to expand and contract programmatic funding as resources allow. For example, adding short-term [American Rescue Plan](#) funding to expand programming allows communities to leverage these dollars in the near term without relying solely on these more temporary funds in the long term. This can be a way to temporarily provide expanded services while potentially making the case for further future investment.

### Some Cautionary Lessons About Blending and Braiding

**Do not underestimate the administrative complexity when bringing multiple funding streams together.**

When braiding multiple restricted funding streams, administrators will have to take on new responsibilities related to cost allocation, monitoring, reporting, and auditing. Each funding stream may have unique

data collection requirements and its own reporting calendar. Administrators should build systems from the start to manage this complexity, particularly around data collection. There will likely be new staffing needs associated with managing the funds.

**Consider who is best positioned to bear the burden of administrative complexity.** In program design, policymakers can create systems to manage the administrative complexity at the state or local level or can push more of the requirements to service providers. For example, if a locality needs to create different data reports for different regulators, it could collect all data from providers in one form or system and then generate multiple reports or it could ask providers to complete multiple forms. Because most administrative offices are very lean, particularly in social services, the burden often is passed to service providers as a default. However, this may not be the best answer. Front-line providers are unlikely to have the staff capacity to manage this work directly, especially where fiscal or technical expertise is required. Time spent on administrative tasks takes away from their direct service to children and families and often is cited as a cause for staff burnout. Policymakers should consider these questions as part of program design and make intentional decisions about who is best equipped to take on administrative requirements.

**Beware of conflicting missions.** Not all revenue streams share the same goals, and this can create conflict when funds are mixed. For example, school districts often use Medicaid funding alongside funds from the Individuals with Disabilities Education Act to deliver special education services. However, the two federal initiatives have different policy aims and so might dictate different interventions. Powerful constituencies, including government leaders, can often reinforce this challenge. Policymakers need to define a clear goal and find a way to bend funding streams toward it or they risk being taken off course by reporting requirements and state and federal monitors.

**More streams do not always mean more funding.** There is a perpetuated myth in service delivery that mixing multiple streams together will somehow make the funds go even further. Blending and braiding can create efficiencies and allow for more robust programs,

## Learn More

For additional information about blending and braiding funding, check out these resources:

- [\*Braiding Federal Funding to Expand Access to Quality Early Care and Education and Early Childhood Supports and Services: A Tool for States and Local Communities\*](#) (U.S. Department of Health and Human Services)
- [\*Budgeting to Promote Social Objectives—A Primer on Braiding and Blending\*](#) (Brookings Institution)
- [\*Blending, Braiding, and Block-Granting Funds for Public Health and Prevention: Implications for States\*](#) (National Academy for State Health Policy)

but these strategies are not a substitute for adding new revenue where there are critical gaps.

**Too many funding streams may lead to impossible eligibility standards.** Policymakers should consider whether the combined eligibility requirements will deter family participation in a program and, if so, how to simplify the processes. There may be automatic data matches that administrators could run on the back end that limit the information that families must provide to enroll in a program, particularly if they already qualified for another program.

## Get Started

To find out how we can help your community or state pursue strategic public financing for children and youth services, contact Children's Funding Project at [childrensfundingproject.org/contact-us](https://childrensfundingproject.org/contact-us).

## Acknowledgment

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To view additional strategic public financing resources in this series, visit [childrensfundingproject.org/funding-our-kids-101](https://childrensfundingproject.org/funding-our-kids-101).

## Endnotes

- <sup>1</sup> Office of Early Childhood Development, Administration for Children and Families, *Early Head Start-Child Care Partnerships: Growing the Supply of Early Learning Opportunities for More Infants and Toddlers* (Washington, DC: U.S. Department of Health and Human Services, 2016), [https://www.acf.hhs.gov/sites/default/files/documents/ece/ece\\_ccp\\_report.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ece/ece_ccp_report.pdf).
- <sup>2</sup> First Five Years Fund, *ABCs of Federal Early Learning and Care Funding Streams* (Washington, DC: First Five Years Fund, 2021), <https://www.ffyf.org/abcs-of-federal-early-learning-and-care-funding-streams>.
- <sup>3</sup> For example, see the 2013 toolkit from Start Early (formerly the Ounce): Margie Wallen and Angela Hubbard, *Blending and Braiding Early Childhood Program Funding Streams Toolkit* (Chicago, IL: Start Early, 2013), <https://www.startearly.org/app/uploads/pdf/NPT-Blended-Funding-Toolkit.pdf>.
- <sup>4</sup> “Comprehensive Case Management and Employment Program,” Ohio Department of Job and Family Services, accessed December 15, 2022, <https://jfs.ohio.gov/owd/CCMEP>.
- <sup>5</sup> Rhode Island Department of Health, *Health Equity Zones* (Providence, RI: Rhode Island Department of Health, 2022), <https://health.ri.gov/publications/brochures/HealthEquityZones.pdf>; “Rhode Island Braids Funding to Create Health Equity Zones,” HealthEquityGuide.org, last updated: November 12, 2019, <https://healthequityguide.org/case-studies/rhode-island-braids-funding-to-create-health-equity-zones>.
- <sup>6</sup> Children’s Services Council of Broward County, *2017/2018 Annual Report: A Year of Resilience and Action* (Lauderhill, FL: Children’s Services Council of Broward County, 2018), <https://www.cscbroward.org/categories/archived-publication/fy-2017-18-annual-report>; “Performance Partnership Pilots for Disconnected Youth, Round 1 Pilot Site Abstracts,” youth.gov, accessed December 15, 2022, <https://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots/round-1-site-abstracts>.

Children’s Funding Project is a nonprofit social impact organization that helps communities, states, and Native nations expand equitable opportunities for children and youth through strategic public financing. [childrensfundingproject.org](http://childrensfundingproject.org)



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