



**BUILDING  
CHANGES**

**END** HOMELESSNESS  
TOGETHER

# Leading a Public-Private Partnership: Recommendations Based on the Washington Families Fund (2004–2009)

Prepared by Building Changes 2012



# Leading a Public-Private Partnership: Recommendations Based on the Washington Families Fund (2004–2009)

## Introduction

During the last seven years that Building Changes has served as the intermediary organization leading the Washington Families Fund (WFF), we have accrued numerous insights on the establishment and management of a public-private partnership. When we were chosen to play this role in 2004, we were already well-versed in housing development, technical assistance, and evaluation. However, the experience of collaborating with our partners—many of whom had never worked together—to assemble the state’s first public-private partnership has taught us tremendous lessons that we hope others will find useful.

This document serves as a companion piece to our case study, “Creating and Leading Washington State’s First Public-Private Partnership to Reduce Family Homelessness: The Washington Families Fund (2004–2009),” which tells the story of WFF’s development and its early years. It provides the details on how the major decision points described in the case study were settled and what has helped us effectively lead a growing partnership to reduce family homelessness in Washington State.

Our organizational structure and program recommendations are just that—our own.

They are not a peer-reviewed compendium of best practices. Our information is presented in two sections:

### Organizational Structure of the Washington Families Fund

- **Program Oversight:** who is in charge of fiscal management and decision-making.
- **The Fund Structure:** how the public and private funds were pooled to reconcile the state’s and private funders’ conflicting views on fund administration.
- **Administrative Costs Set-Aside:** what percentage of the overall funds went toward Building Changes’ administrative, technical assistance, and evaluation costs.

### Recommendations from WFF’s Best Practices

- **Grantmaking:** the values we bring to our interactions with current and potential grantees.
- **Technical Assistance:** the practices we believe best support grantee providers’ organizational management and services to families.
- **Evaluation:** the way we approach data collection and use the findings.



# Organizational Structure of the Washington Families Fund

## Program Oversight

From 2004 to 2009, the Building Changes' Board of Directors oversaw WFF. A Steering Committee served in an advisory role to the board. The committee was comprised of foundations, nonprofit housing and service providers, housing authorities, local governments from across the state, and representatives from the state Departments of Commerce and Social and Health Services.

- **The Board of Directors** had final say over fiscal matters and funding decisions.
- **The Steering Committee** engaged in multiple activities, including:
  - Assisting Building Changes with establishing the overall direction of the program;
  - Negotiating with private funders the funding allocation ratio for re-granting to providers and for Building Changes' administrative, technical assistance, and evaluation work;
  - Reviewing grant applications and conducting interviews and site visits with applicants to make funding recommendations to the board; and
  - Facilitating major program decisions, such as the development of the High-Needs service model.

(Note: This oversight structure was changed in 2010 to reflect the deliberate shift of WFF as a program that Building Changes administered to one that became a program of Building Changes.)

## The Fund Structure

It was a challenge to determine how to pool the public- and private-funder dollars in the state's first public-private partnership. The inability of the partners to cede their funds to either a public or private entity resulted in the selection of our agency as the partnership's intermediary. Once tapped, we immediately set out to reconcile the conflicting views of where pooled funds should reside and how they should be managed.

We negotiated with the state attorney general's office, and after much back-and-forth, reached a contractual agreement that satisfied all parties. This agreement retained a measure of control for the state, thus assuaging its concerns about fiscal oversight of and administrative accountability for taxpayer money. At the same time, it satisfied private funders' desire for flexibility that would allow for programmatic innovation and course adjustments. The process was nevertheless complicated, requiring in-depth analysis of state laws on the blending of public and private funds.

The agreement, which represented a significant innovation for Washington State, included the following provisions:

- Building Changes and the state Department of Commerce each opened bank accounts with the same bank.
- Building Changes set up three separate accounts for the following purposes:
  - Investment: where private funders deposited their donations.
  - Operations: for administrative expenses such as technical assistance and evaluation.
  - Re-granting: to direct money to grantee agencies.
- State funding flowed directly from Commerce's account into either Building Changes' operations or re-granting accounts, depending on the purpose of the funds.



This arrangement allows Building Changes to make five- and ten-year awards and distribute the money incrementally over the course of the grant period. As a result, grantee providers do not face a “funding cliff” after a single influx of funding. Each funding round also includes a pre-determined set-aside for grantees’ own administrative costs. This disbursement method offers stability for grantee providers in both service-related and program administration costs throughout their grant period.

### Administrative Costs Set Aside

As mentioned above, the WFF Steering Committee negotiated the grant allocation ratio with private funders. It required them to accept a re-granting formula that set aside:

- Five percent for technical assistance;
- Five percent for evaluation; and
- Five percent for administrative costs.

The five-percent allowance for administrative costs did not cover the actual expenses, including the hefty start-up cost. As a result, the state and the Bill & Melinda Gates Foundation each increased their administrative cost allotment to ten percent. This increase was not enough to support fundraising activities. We are required to raise a philanthropic match for each state allocation to WFF.

From Building Changes’ financial perspective, the multi-year funding commitment was what made this model financially feasible. We front-loaded start-up costs to cover such activities as developing the Request for Proposal (RFP) process and the grant agreements. But in reality, Building Changes was taking a risk in assuming that WFF would receive future allocations that would make the front-end investment pay off. If we had not received additional WFF investments, we would have had to raise money to cover the overhead of administering WFF in subsequent years.

For typically sized foundations and private funders, the allocation for Building Changes’ in-house work represents their leveraging of disparate resources for such services as program monitoring and evaluation. By joining in the partnership, they could together fund a more sophisticated program and have a deeper impact on reducing family homelessness in the state.

## Recommendations from WFF’s Best Practices

We believe that one of our major contributions to WFF is our ability to package grantmaking, technical assistance, and evaluation. It is uncommon to have all these services in-house, but it benefits our agency, our grantees, and funders to have one focal point for interactions. Each activity adds value to our relationships with current and potential grantees. The grantmaking team provides in-depth information about all the requirements for being a WFF grantee. The technical assistance helps providers implement evidence-based practices. The evaluation process extracts best practices as well as lessons learned. Working together at all of these stages creates rapport, mutual trust, and a shared sense of mission.

### Grantmaking

As grantmaker, we view our grantee providers as partners in reducing family homelessness.

Through the years, we have developed a set of beliefs in our grantmaking approach that falls under Building Changes’ three key values: integrity, collaboration, and results:

**Integrity.** We believe that transparency in the review and decision-making process leads to strong grantmaking. As a result, we will remain honest and consistent in our communication and actions.

**Collaboration.** We will establish partnerships with organizations that represent a



broad base of constituents, emphasizing communities that experience disproportionate homelessness. We believe that community-based organizations know what is best for their constituents, and we thus view technical assistance, evaluation, and monitoring as a shared opportunity for mutual learning and informed action.

**Results.** We seek results that balance applying evidence-based practices with innovation and risk-taking. We believe that grantmaking results are maximized when paired with technical assistance and evaluation.

In the spirit of the belief that organizations know what is best for their constituents, we adhere to the rule that grantees that have secured their matching funds be fully funded with their requested amount. Betsy Lieberman, Executive Director, explained: “People ask for what they need, and we need to honor that.”

### Technical Assistance and Consulting

Offering technical assistance to grantees builds their ability to implement evidence-based practices. As trainers, we adhere to the following principles:

**Keep trainings voluntary.** It is important to assure grantees that their participation in trainings—as well as whatever information they might share during those sessions—are not tied to their receipt of funding. We found that grantees are more engaged in capacity-building efforts when these are voluntary.

**Develop a peer-to-peer network.** A peer-to-peer network is crucial to opening the lines of communication among the grantees, leading to information-sharing and mutual support. Annual in-person, conference-style meetings providing training, peer learning, and networking opportunities would further deepen those relationships.

**Solicit ideas for capacity building.** We ask grantees what they would like to learn to build their organization’s capacity to serve

clients. Grantees have recommended topics that later became part of our training.

**Stay ahead of the curve on training content.** At the same time, we are constantly on the lookout for new practices and areas of need of which the grantees might not yet be aware.

**Ask for feedback on trainings.** Having participants fill out surveys on the quality of the training enables our staff to continue improving their engagement of grantees.

**Prioritize small grantees, especially in rural areas.** Large grantee organizations have the resources to seek outside consultation and continue building their capacity. We saw significant growth among smaller agencies when they were able to attend trainings.

**Provide grantees other training opportunities through a scholarship fund.** We provide a training scholarship fund of \$500 per year so that grantees can pick trainings on topics that we are not conducting.

### Evaluation

We place a high value on evaluation because data collection and analysis are priceless in so many ways. The findings identify areas for program growth and improvement. They also reveal the successes and demonstrate the program’s impact on addressing family homelessness. Through the years, we have found these practices to be highly beneficial in our effort to support and promote WFF.

**Prioritize evaluation from the onset by creating a comprehensive plan.** Determine what you want to know and assess how to best obtain that information.

- For WFF’s Moderate-Needs families, we chose to track a handful of simple key indicators that included: 1) the percentage of families that moved on to stable housing after the program; 2) parents’ change in income before and after they entered the program; and



- 3) children’s school stability—what percentage remained in the same school instead of transferring as a result of homelessness.
- For WFF’s High-Needs families, we took a different approach because they were a more complex cohort. We selected Westat, a research and statistical survey organization, to design an evaluation to assess the impact of the program on families. They created the evaluation tools for: 1) screening families to determine their eligibility for the High-Needs service model; 2) baseline assessment to evaluate the families’ status at program entry; and 3) follow-up assessments to track their outcomes. Building Changes manages data collection and provides assistance to the providers to participate in the evaluation. Westat conducts the analysis and reports the findings to us.

**When supporting new program models, test the model’s efficacy by conducting a rigorous evaluation.** Because the High-Needs service model offers intensive services within a permanent supportive housing (PSH) setting, a relatively new model to be used for families, the Robert Wood Johnson Foundation is funding a longitudinal study that tests whether PSH improves stability for families with high needs and decreases the use—and in turn, the costs—of crisis and institutional services. Westat is analyzing the High-Needs families’ data alongside a comparison group whose data is drawn from the state Department of Social and Health Services (DSHS). Both groups have similar housing and service needs, but only WFF families are being served in PSH. This study will help us assess the impact of PSH, compared to other housing models, on families with co-occurring challenges that include substance abuse, medical and mental health challenges, trauma from abuse, and child welfare engagement.

**Approach grantees as mutual partners in learning.** Building honest, trusting relationships leads to better data collection and reporting. For grantees, reporting their outcomes can be a daunting task. We stress that the evaluation is not meant to be punitive, but to help address challenges and learn together how to best serve families experiencing homelessness. One way to do so is to always share all the findings with grantees, which helps them see the “big picture” of their accomplishments.

**Use the data for advocacy and fundraising efforts.** Data is powerful because it tells the story of the program—its successes and lessons learned. We and our advocacy partners use families’ outcomes to lobby for additional funding from the state legislature.

## Going Forward

WFF has served 1,750 families in the last seven years, offered a wealth of information about the effective management of a public-private partnership, and revealed best practices for helping families on the road to self-sufficiency. However, the original visionaries’ goal of securing a sustainable funding stream to support all homeless families in Washington State remains elusive. We and our partners are keenly aware of the funding cliff grantees face when the money for their five- and ten-year grants runs out.

To address this, we are working with private funders, nonprofit advocates, and lawmakers, and re-doubling our efforts to obtain mainstream systems collaboration and funding. This time, instead of aiming for a single federal funding source such as Temporary Assistance for Needy Families (TANF), we are identifying and building relationships across the multiple systems that already interact with homeless families or are untapped natural allies: the child welfare system, workforce development, health-care providers, community colleges, and the public school system. Our goal is to enact



widespread “systems change” and ensure that these players all actively collaborate to serve their community’s most vulnerable citizens.

In 2009, Building Changes and key partners gathered at a public event to sign a Memorandum of Understanding (MOU) in support of systems change. The signers included Washington State’s Governor; the Executives of King, Snohomish, and Pierce counties; the Mayors of Seattle, Everett, and Tacoma; and representatives from local housing authorities, the philanthropic community, and corporate allies. Together, we pledged to better coordinate efforts and align existing and new funding streams so that resources can be used more effectively. The MOU remains a useful instrument to introduce new officials to their predecessors’ and the community’s prioritization of reducing family homelessness and to secure their continuing support.

The MOU formalized all partners’ commitment to:

- Re-double efforts to minimize shelter stays and provide critical, ongoing support services for families experiencing homelessness;
- Better coordinate efforts to meet the needs of families on the brink of homelessness;
- Align existing family homelessness funding streams so that current resources can be used more effectively, and, where possible, tap new resources to address the growing problem of family homelessness.

In 2011, we began to disburse “systems innovation grants” throughout King, Pierce, and Snohomish counties. These one-time grants, funded by the Bill & Melinda Gates Foundation, are meant to leverage the re-allocation of ongoing public funding streams to support emerging practices in the counties’ family homelessness plans. The Bill & Melinda Gates Foundation is evaluating the outcomes of these projects.

## The Three Counties’ Family Homelessness Plans

Building on the knowledge gained from the first several years of the Washington Families Fund, Building Changes and its partners are testing new strategies to reduce family homelessness in King, Pierce, and Snohomish counties. Each county has a family homelessness plan that incorporates these strategies, which seek to shift the way public systems and providers work together to serve at-risk and homeless families. They are:

- Prevent homelessness by keeping individuals and families housed and linked to services.
- Improve access to coordinated support services.
- Tailor programs to deliver the right level of service at the right time.
- Rapidly re-house homeless individuals and families.
- Increase economic opportunities through education, training, and employment.
- Evaluate the effectiveness and impact of our work.

In the meantime, WFF’s public and private partners continue to draw fresh insights from their mutual collaboration and from the program evaluation. We and our partners recognize there are no easy solutions. But in the face of an economic recession and budgetary cuts—factors outside of their control—our partners are working on what they *can* change: reaching across different systems to collaborate, improving efficiencies in how families are served, and developing best practices that help those families move toward self-sufficiency.







Building Changes | 2014 East Madison, Suite 200 | Seattle, WA 98122 |  
206.805.6100 | [info@BuildingChanges.org](mailto:info@BuildingChanges.org) | [BuildingChanges.org](http://BuildingChanges.org)