

July 2025



Driving Impact with Flexible Funding

Challenges and Successes in State Implementation

Report Summary: This report explores how state health agencies are leveraging flexible funding strategies to advance initiatives addressing non-medical factors that influence health, with a particular focus on nutrition. Based on insights from direct discussions with state health agency staff leading flexible funding efforts, this report highlights key opportunities and challenges associated with these frameworks and offers practical recommendations for health agencies interested in adopting or expanding flexible funding models.

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This report was funded by the Centers for Disease Control & Prevention under grant number NU38PW000018. The findings and conclusions in this document are those of the authors and do not necessarily represent the official position of the Centers for Disease Control & Prevention or the other organizations involved, nor does the mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.

Table of Contents

Key Definitions 1

Executive Summary 2

Introduction 5

Analysis of State-Level Practices 7

Barriers and Challenges to Implementation 10

Flexible Funding Success Stories 14

Conclusion 19

Appendix 20

References 23

Key Definitions

The following terms are throughout the report and defined here for your awareness:

Braiding: The coordinated use of multiple funding streams, where each source maintains its identity, but collectively, they support a common goal.

Blending: The pooling of funds into a single stream when program goals align.

Layering: The use of multiple funding sources to support a shared program or goal, with each source maintaining its own budget and reporting requirements with spending tracked separately by source.

Supplantation: The practice of using grant funds to replace existing state, local, or institutional funds that were previously allocated for a particular activity or program. This is often prohibited by the terms of the grant, which require the funds to supplement (add to) existing resources, not replace them.

Role Segregation: The practice of dividing tasks and responsibilities among different individuals to prevent errors or duplication.

Executive Summary

This report delves into the innovative ways state health agencies are leveraging flexible funding strategies — **specifically braiding, blending, and layering** — to disrupt traditional funding silos and foster sustainable, upstream public health initiatives. By strategically coordinating diverse financial resources, public health agencies can significantly enhance financial agility, address critical service gaps, and more effectively tackle complex societal challenges (e.g., housing instability, nutrition insecurity, and the prevention of chronic diseases).

Drawing insights from real-world applications, this report illuminates how these strategies strengthen cross-sector collaboration, promote the delivery of holistic services, and equip agencies to maximize impact with existing resources — all while rigorously maintaining accountability and compliance standards.

Analysis of State-Level Practices

To gain a deeper understanding of how state health agencies implement flexible funding strategies and to identify common successes and challenges, ASTHO conducted a series of informal discussions with subject matter experts who operate in California and Colorado. These experts brought invaluable experience from public health programs specifically focused on the non-medical factors that influence health, including nutrition and broader food systems. Utilizing a semi-structured interview guide, ASTHO gathered comprehensive insights into the practical aspects of funding strategy implementation, the intricacies of coordination challenges, and the broader implications for public health programming.

Key Findings

- **Prevalence of Braiding and Layering:** These techniques are widely used to coordinate diverse funding sources across various initiatives. Examples include the California Advancing and Innovating Medi-Cal (CalAIM) initiative of braiding Medicaid funds with other sources, California's Nutrition and Physical Activity branch coordinating USDA and behavioral health funding, and Colorado braiding CDC [State Physical Activity and Nutrition \(SPAN\)](#) grant and diabetes grant funds for food access through nonprofit partnerships.¹
- **Enhanced Sustainability and Efficiency:** Flexible funding significantly improves program sustainability, alignment, and operational efficiency. Braiding is particularly effective for aligning multiple funding streams without merging them, thereby maintaining accountability to different funding requirements while expanding services overall.
- **Strategic Resource Optimization:** Aligning workplans across grants, identifying overlapping goals, and strategic cross-program planning enables agencies to share staff, reduce duplication, fill gaps, meet grant requirements, and stretch limited resources through collaborative partnerships.

- **Commitment to Institutionalization:** Participants are actively working to institutionalize flexible funding through internal planning, thorough documentation, and policy changes. This includes reassessing funding formulas, documenting lessons from programs like CalAIM, and pursuing Medicaid waivers to support long-term reimbursement for non-medical interventions — reflecting a commitment to long-term sustainability beyond individual grants.

Barriers to Implementation

Despite their significant potential, flexible funding strategies are not without considerable implementation challenges:

- **Financing Infrastructure:** Agencies frequently contend with inadequate tools, insufficient staffing, and antiquated systems, hindering their ability to effectively manage the complex requirements inherent in multi-faceted funding arrangements.
- **Leadership Buy-In:** A persistent challenge lies in demonstrating a clear return on investment, making it difficult to secure consistent internal support and commitment from leadership.
- **Relationship-Building:** Successful coordination fundamentally hinges on invested time, mutual trust, and collaborative planning among partners — elements that are often strained by pervasive staffing shortages and limited capacity across the public health landscape.
- **Measuring Impact:** A critical gap exists in the availability of robust evaluation models capable of comprehensively tracking outcomes across braided or layered funding streams, thereby limiting the potential for widespread scalability and replication.
- **Transparency and Oversight:** The stringent demands of compliance necessitate meticulous documentation, which can impose significant administrative burdens, particularly on smaller community-based partners with limited resources.
- **Community Engagement:** Flexible funding initiatives achieve optimal success when community partners are actively involved as co-creators rather than mere implementers. However, sustaining genuine community engagement requires dedicated time, appropriate compensation, and a commitment to shared leadership models.

Success Stories

When meticulously planned and executed, flexible funding strategies — especially braiding — allow agencies and community-based organizations (CBOs) to expand services, fortify internal capacity, and align multiple programs around overarching shared goals.

California and Colorado offer strong examples of how coordinated funding approaches can effectively enhance local engagement, markedly improve program delivery, and foster enduring, sustainable partnerships without the need to secure additional funding streams.

Strategic Recommendations for Advancing Flexible Funding

To further unlock the transformative potential of flexible funding strategies and address the identified barriers, the following recommendations are crucial:

- **Invest in Financial Infrastructure:** Develop and implement robust internal systems and enhance staff capacity dedicated to efficiently managing complex flexible funding requirements. This includes investing in modern financial management software and training personnel in advanced grant management and compliance.
- **Break Down Silos:** Actively foster and incentivize cross-agency collaboration through the establishment of shared organizational structures, joint planning initiatives, and integrated workgroups that promote inter-departmental synergy.
- **Build Strategic Partnerships:** Proactively engage with external partners (e.g., community organizations, nonprofits, and private sector entities) at the earliest stages of program development to co-create and advance community-centered solutions that leverage diverse expertise and resources.
- **Be Innovative and Pilot Programs:** Embrace an iterative approach by utilizing phased implementation methods and drawing upon existing organizational expertise to rigorously test new funding models. Document successes and failures thoroughly to inform subsequent scaling of effective strategies.
- **Clarify Guidance:** Develop practical, user-friendly tools; comprehensive frameworks; and clear, concise guidance documents to help agencies and their partners navigate the intricate landscape of compliance challenges associated with flexible funding.
- **Track Data and Communicate Impact:** Implement rigorous outcome data collection and analysis mechanisms to demonstrate the success and tangible impact of flexible funding initiatives. Effectively communicate these results to key parties to strengthen advocacy efforts for continued and expanded funding.

Conclusion

State health agencies play a pivotal role in driving upstream solutions for improved health outcomes through flexible funding strategies, which enable public health organizations to expand services, sustain partnerships, co-create community health approaches, and strategically use resources. Despite these benefits, challenges such as strict requirements, complex accounting, detailed documentation, and misaligned grant timelines persist — highlighting the need for ongoing attention to implementation, robust outcome evaluation, and clear guidance to reduce administrative burdens. Prioritizing strong evaluation frameworks and aligning flexible funding approaches will maximize both organizational sustainability and community impact, demonstrating that innovative financial strategies are essential for building healthier communities.

Introduction

This report highlights how state health agencies are leveraging flexible funding strategies — specifically braiding, blending, and layering — to support initiatives that address the non-medical factors influencing health. These innovative financing strategies allow state health agencies to overcome funding limitations and promote sustainability of upstream public health efforts. Drawing from real-world examples, this report demonstrates how public health leaders can improve financial agility and build program sustainability through innovative resource allocation and collaborative efforts.

Public health agencies rely on a complex mix of federal, state, local, foundation, and private funding sources to sustain essential services and respond to emerging health challenges. However, traditional funding streams are often siloed, restricted, or categorical, limiting the ability of agencies to allocate resources efficiently to meet their unique needs. These constraints are particularly challenging for complex [cross-cutting issues](#) like nutrition security, housing, or chronic disease prevention.² These areas require multi-sector collaboration, often involve duplicative efforts, and rarely align neatly with categorical funding requirements — complicating service delivery and strategic allocation of resources. As public health agencies work to address the upstream factors influencing health, they need funding models that support comprehensive and adaptable programming. By leveraging flexible funding, public health agencies can “[do more with less](#)” and optimize funding across multiple sources while maintaining compliance with regulatory requirements.³

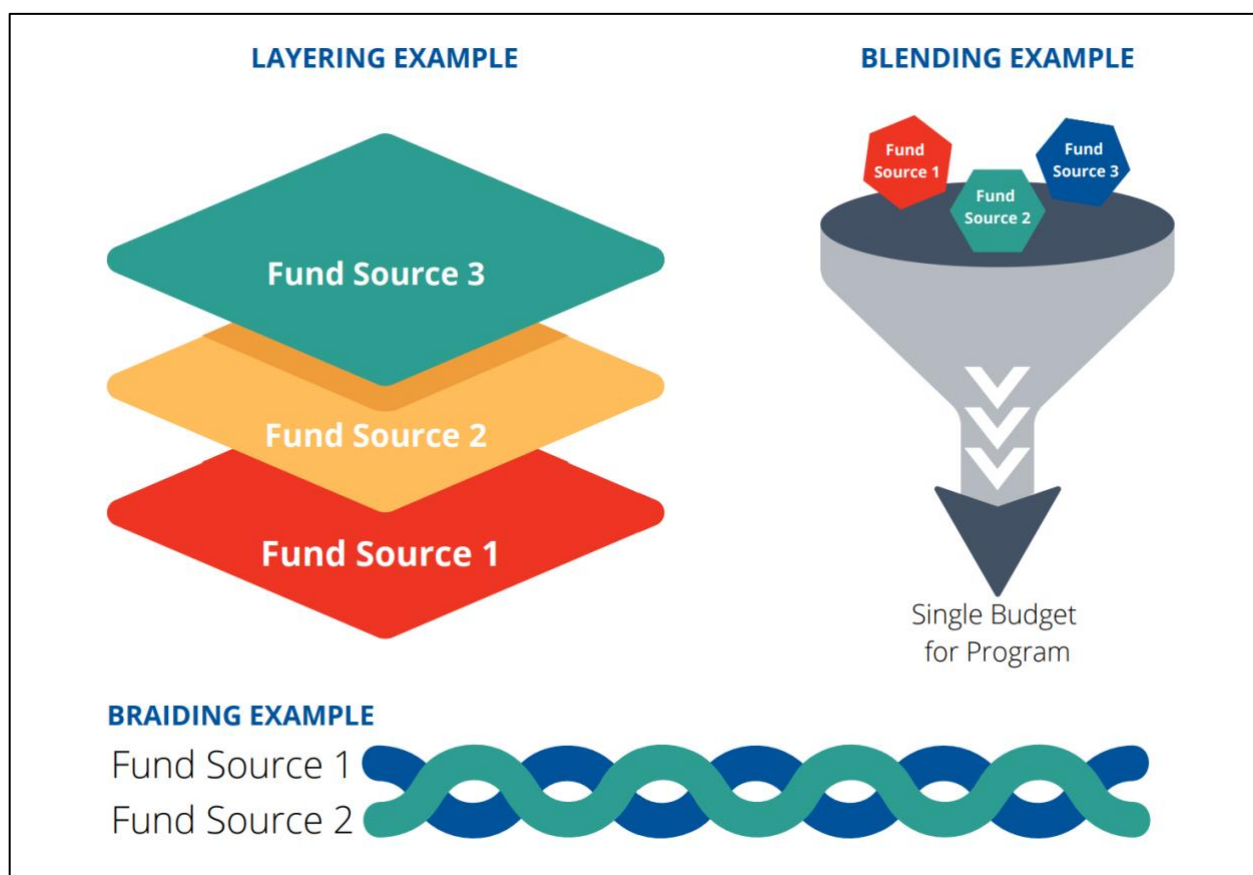
Long-term sustainability is often a concern for ongoing work in public health. Flexible funding can allow for organizational expenses, direct or indirect, to be shared across funding sources and shifted from one source to another when necessary. Not only can this provide sustainability in terms of funding, but it can spread the work across agencies and prevent burnout in the workforce, as public health workers and CBO staff often wear multiple hats.

Public health agencies are increasingly turning to flexible funding strategies that enable cross-program coordination and more integrated service delivery to address the challenges of fragmented, siloed, and disparate funding. These strategies include braiding, blending, and layering funds, which are distinct yet complementary approaches to help maximize the impact of available resources. Braiding involves coordinating multiple funding sources toward a shared goal while maintaining separate accountability for each funding source.⁴ **Blending** takes this a step further by combining funds into a single pool when program goals, eligibility, and reporting requirements align. Similarly, **layering** uses multiple funding sources for the same initiative but keeps spending and reporting distinct for each stream. With blended funding, all funding sources are required for continuity in the work. However, layered funding involves a primary funding source that would allow the work to continue should other funding sources be removed. **Figure 1** provides a visual representation of these key terms.⁵

These flexible funding approaches help agencies fill critical service gaps in allowable costs (i.e., one funding source allows buying equipment while another covers meeting costs) and weave together different streams to respond to community needs more comprehensively.

While this report explores braiding, blending, and layering, it focuses primarily on braiding, as it is the most commonly used framework and often the most feasible approach for public health agencies to implement. Effective [braiding and layering](#) require robust financial management, cross-sector collaboration, and policy alignment to navigate administrative complexities and ensure accountability. This report outlines promising examples, practical strategies, and lessons learned from state health agencies that are implementing these funding approaches to improve population health outcomes.

Figure 1: Visual Examples of Blending, Braiding, and Layering from Safe States



Source: [Image by Safe States Alliance](#)

Examples of Funding Streams

Funding for public health is often piecemealed, and [spending in each jurisdiction](#) varies widely.⁶ It comes from a few different streams, including:

- **Federal Funds:** Includes all federal grants, contracts, cooperative agreements, and Medicare reimbursement for direct clinical services. Examples include the Preventive Health and Health Services (PHHS) Block Grant; Title X Service Grants, and Public Health Infrastructure Grant (PHIG).
- **State General Funds:** Includes revenues received from state general revenue funds for state operations not tied to specific restricted revenues (e.g. general sales tax, income taxes). Excludes federal pass-through funds.
- **Other State Funds:** Includes revenues received from the state that are not from the state general fund and state Medicaid reimbursement for direct clinical services. This can be money generated within the state that are earmarked for designated uses, such as special tax and fee programs (e.g. tobacco taxes, alcohol taxes, hazardous waste fees).
- **Other Funds:** Includes Tobacco Settlement Funds, fees and fines collected by the agency (including regulatory fees and laboratory fees), payment for direct clinical services (except for Medicare and Medicaid, which should be included under federal or other state funds as appropriate), foundation and other private donations, and any funding that the state receives from county or local government.

Analysis of State-Level Practices

There remains much to learn about how flexible funding strategies are implemented in public health practice; specifically, how states are applying approaches like braiding, blending, and layering of funds, as well as the challenges and gaps that arise during implementation. To begin addressing these knowledge gaps, ASTHO conducted a series of informal discussions aimed at capturing a broad range of insights — including successes, setbacks, and strategies for overcoming common barriers.

Methods

Three subject matter experts in flexible funding strategies for public health programs participated in discussions with ASTHO in April 2025. ASTHO purposefully selected them for their work in the field of non-medical factors that influence health, particularly in the areas of nutrition and food systems, as well as their role in state health agencies or state-funded CBOs. Together, they reflected perspectives from two different states.

Each discussion took place during a one-hour virtual meeting following a semi-structured discussion guide (Appendix I). One ASTHO team member led the interviews, and another ASTHO team member took notes. All discussions were recorded and transcribed. Topics included the use of flexible funding in public health projects, strategies for identifying funding sources, challenges in braiding funding streams, partner and community engagement, innovative approaches in programming, and impacts of braided funding strategies.

ASTHO then conducted a thematic qualitative analysis using a combination of inductive and deductive coding. Through an iterative process, ASTHO reviewed and coded data to categorize and detect common themes plus exemplary quotations to illustrate these themes, described in the following sections.

Using Flexible Funding

A discussion with the Center for Health Care Strategies (CHCS), a national implementation partner that supports CBOs and health care entities in California through CalAIM, explored braiding at the CBO level. For the CalAIM initiative, CHCS investigated the challenges CBOs face to braid funding through the Medi-Cal program, which allows some nonprofit clients and services to be reimbursed with Medicaid funding.

The braiding and layering funding efforts in California's Nutrition and Physical Activity branch was also a topic of conversation. Its diverse programming, robust coordination between funding streams related to nutrition (e.g., USDA's Farm-to-School program) physical activity, tobacco cessation, and other behavioral health topics, has been implemented to good effect.

Colorado's Nutrition and Physical Activity work also draws on multiple behavioral health funding sources. Our discussions for this project primarily focused on the braiding of a CDC diabetes grant with the CDC-SPAN grant in order to meet the requirement of the former to address non-medical factors influencing health (i.e., food access), as well as promote the goals of the latter by providing critical funding to Food Bank of the Rockies, a nonprofit that offers direct resources to reduce food insecurity.

Strategic Practices: Braiding, Blending, and Layering

Participants emphasized that flexible funding strategies not only contribute to the sustainability of programs but also enhance collaboration, align systems, and accelerate shared impacts across initiatives and programs. By deliberately coordinating multiple sources of funding through methods such as braiding, role segregation, and cross-program planning, organizations were able to remain compliant with individual funder requirements while maximizing impact through strategic alignment and operational management.

Braiding: Enabling Integration Without Compromising Accountability

Braiding enables organizations to position multiple funding streams alongside each other, strategically using each to enhance the others without merging or losing accountability. While this method requires rigorous financial and programmatic oversight, it supports more comprehensive service models, ensuring that no single funding stream limits the scope of intervention. Braiding pushes organizations to think systematically, aligning services in a way that better meets community needs while maintaining transparency for funders. As one participant explained, braiding is beneficial because it pools funding sources together to support and enhance programming but still allows staff to trace back the costs and services to each individual strand of funding.

Aligning Workplans Across Grants

By recognizing common goals and aligning project plans across grants, organizations can enhance their operations, minimize redundancy, and establish a foundation that fulfills multiple objectives at once. This approach facilitates the sharing of staff and program activities to concurrently achieve outputs for multiple funding sources, thereby reinforcing collaboration and improving overall organizational unity. One respondent emphasized the value in finding the commonality among activities outlined in different grants and becoming strategic/creative with those overlapping goals.

Cross-Program Collaboration and Strategic Planning

Collaborative strategic planning across programs can resolve issues when primary funding sources leave gaps or are too restrictive to meet specific needs. These alignment strategies can also reveal opportunities to elevate shared goals. For example, in Colorado intentionally aligned the CDC-SPAN grant and diabetes grants to maximize impact. A participant described how their team used strategic planning to identify overlapping objectives – improving food access and addressing non-medical factors that influence health – and coordinated funding to support the shared goals. Aware that one grant’s budget was limiting, the respondent broke down an interagency silo and reached out to the team working on a diabetes grant to fund staff at the community level. Working together helped the respondent expand her budget and the diabetes-focused team meet a requirement for their grant, creating a win-win situation.

Conducting needs assessments and careful reviews of overlapping goals and performance measures can also help align cross-program efforts and increase efficiency across multiple funding streams. Another participant described how a single state-level performance measure drove braiding between CDC-SPAN and the Title V Maternal and Child Health (MCH) Block Grant. The teams working on the CDC-SPAN and MCH Block Grants aligned workplan activities for a new food sufficiency performance measure. The blended funds support staff time on both teams, allowing for an innovative approach for compensating subject matter experts.

Layering

Two participants also highlighted how they systematically plan and schedule different types of funding deployment and usage throughout the project cycle, rather than relying on a single blended (i.e., lump sum) or braided funding structure. The funders and recipients coordinate various funding stages or instruments to align with evolving needs, risks, and opportunities. However, the lack of guidance from funders or technical assistance makes layering a challenge for organizations in the public health space.

Future Steps

Participants shared how their agencies and organizations have created numerous opportunities and plans to shape future practices and expand the impact of flexibly funded projects, programs, and initiatives.

One participant explained how the experience of braiding funding streams to deliver integrated care for Medi-Cal members under CalAIM is being documented and shared to inform similar efforts in other states (e.g., New York) pursuing Medicaid-based strategies to address non-medical factors impacting health. Another participant shared that their agency is developing an internal funding diversification plan and conducting a critical reassessment of funding formulas to better align with its community impact goals.

Two participants noted that their sustainability efforts will focus on systems and policy change that can deliver lasting community benefits beyond the duration of any single grant. For instance, one participant emphasized that the Food Bank of the Rockies project's sustainability plan aims to secure a Medicaid 1115 waiver to establish a permanent reimbursement pathway for food-based health interventions. This effort reflects a trend to focus more often on policy, systems, and environmental changes.

Barriers and Challenges to Implementation

The motivation for using flexible funding strategies is driven by the critical need to meet gaps in funding systems, as well as the perceived benefits of seeking out less prescriptive funding sources. While flexible funding strategies offer powerful tools to advance public health priorities and address non-medical factors that influence health, public health agencies may face challenges to implementation. Public health agencies must navigate a range of administrative, structural, and interpersonal barriers to make these strategies successful. Challenges include rigid procurement systems, timeline misalignment across funding stream reporting infrastructure, staffing constraints, and ambiguity in guidance from funders. The following key barriers were highlighted in state discussions: **financing infrastructure, cultivating buy-in, relationship-building, and understanding effectiveness and impact.**

Financing Infrastructure

Public health agencies may not have the foundational financial infrastructure in place to implement multi-faceted flexible funding processes. Braiding, blending, and layering funding generates multiple [administrative complexities](#), such as accounting for various funding requirements and operating with insufficient staff, time, resources, and tracking tools.⁷ Strict requirements around accounting and reporting hinder the ability of organizations to blend funds. As one participant explained, public health agency staff cannot just combine funds at will; they must carefully track and comply with the unique requirements of each funding source. Two other participants noted that many funding sources carry specific usage restrictions, which can limit flexibility in program design and spending. Both participants emphasized the importance of understanding the distinctions between permitted and non-permitted expenditures at the outset of the project.

[Bringing together](#) multiple funding streams means navigating the different rules, regulations, and requirements of each one, which can lead to cumbersome administrative challenges.⁸ Health agencies need ample staff and resources to track, report, and ensure compliance with individual funding requirements. Some health agencies do not have the human resources, time, or capacity to monitor various funding streams or train and support staff in the complex nuances of braiding and layering funding.

One respondent explained that braiding funds requires significant time and effort from both program and finance staff, increasing the administrative burden. Smaller CBOs often lack the capacity to manage these demands and may opt out of flexible funding altogether, deciding that the benefits do not outweigh the complex work involved:

"This is too much work for us... The rates are not enough for us to deal with this headache."

Capacity limitations, especially concerning grant writing and proactive funding coordination, also hinder efforts. One respondent shared that staff lack both the funding and bandwidth to remain on standby for grant-writing, adding:

"The amount of time it takes to get approvals [...] for funding leaves you essentially no time to write proposals."

The need for detailed tracking of staff time to ensure compliance with funding requirements adds another layer of complexity. As one respondent explained, employees are tasked with meticulously documenting how their time is allocated across different services and funding streams. Additionally, there is no standard integrated data system, tool, or guidebook for tracking and reporting, which can make braiding and layering even more challenging. The absence of clear federal and state guidance or technical assistance on flexible funding can lead to confusion and frustration as public health agency staff navigate the many "gray areas" of compliance, which "can create a lot of discomfort."

Misaligned fiscal calendars and grant cycles complicate coordination efforts. One participant shared that logistical challenges with budget requirements and timelines complicated alignment across funding streams. This was echoed by another participant in a different state, who mentioned that timelines have been challenging to reconcile, as one grant for a program was in year two while the other was in year five.

Another barrier is the historical tendency for grant funding to be categorical or disease-specific. When funds are earmarked for certain categories or particular diseases, this can perpetuate [siloed funding](#).³ Siloed funding makes it difficult to align different funding streams, especially with competing priorities, requirements, and eligibility criteria.

Divisions within health agencies are often siloed as well. Health agency staff may not have the opportunity or capacity to foster and sustain [interagency coordination](#).⁹ When staff remain narrowly focused on their area of work, they can miss the advantages of cross-agency communication and collaboration, including pooling resources and bringing together funds. As one participant puts it, creating clear roles and responsibilities among partners is an essential – but labor-intensive – part of the flexible funding process.

Finally, in many cases, there simply is [not enough funding](#) available.¹⁰ Health agencies may struggle to gather substantial funding for one area of work, let alone find multiple streams of diverse funding that they can blend, braid, or layer.

Cultivating Buy-In

From a health agency perspective, it is difficult to cultivate leadership [buy-in](#) for flexible funding implementation due to the administrative complexities involved.¹¹ When faced with competing priorities, multiple funding requirements, staffing shortages, lack of capacity to provide training, and inadequate step-by-step guidance and tracking tools, it is challenging for health agency staff to see flexible funding as a worthwhile use of time, energy, and resources. Siloed categorical and disease-specific funding, barriers to interagency coordination, and funding cuts only exacerbate the issue.

From a key decision-maker perspective, the return on investment for flexible funding implementation is unclear. There are insufficient data on the [efficacy](#) of flexible funding strategies, especially in relation to all of their challenges.¹² Furthermore, health agency staff struggle to track and report the value of flexible funding processes because of a dearth of standardized data systems and tools, making it difficult to present [success stories](#) to decision-makers like grant funders and legislators.¹³ Ultimately, it can be challenging to plead the business case for flexible funding.

One discussion participant highlighted key challenges in cultivating buy-in. They pointed to significant gaps in funding mechanisms for specific needs, such as limited or unavailable compensation for community members and difficulty in evaluating the impact of braided funding. These issues make it difficult to engage community members, who are not adequately compensated for their time, and funders, who may struggle to see a clear return on investment.

Partnership, Collaboration, and Engagement

One of the most persistent and often underappreciated barriers is the time and effort required to build and sustain strong relationships within/across agencies and community partners. Effective implementation of flexible funding models depends on strong internal collaboration and sustained relationships across teams, agencies, and sectors. These relationships allow for shared planning, aligned timelines, and joint deliverables. However, this kind of collaboration requires time, trust, dedicated capacity, and leadership support. State health agency staff have emphasized that time, space, and infrastructure for relationship-building are key to these funding strategies. Colorado and California, two states advancing flexible funding models, both underscored the critical role of relationship infrastructure.

In Colorado, strong internal coordination between units within the [Colorado Department of Public Health and Environment \(CDPHE\)](#) enabled SPAN, [Racial and Ethnic Approaches to Community Health \(REACH\)](#), and diabetes prevention programs to align staff, community engagement processes, and evaluation frameworks.^{14,15} This level of collaboration requires intentional planning, shared language around funding goals, and leadership commitment for long-term sustainability.

In [California](#), relationship-building is often driven out of necessity at the local level rather than through formalized state-based structures.¹⁶ Local health agencies and community organizations work to align funding in the absence of centralized guidance. Yet this ingenuity is frequently hampered by rigid contracting rules, limited staffing, and time constraints. As one participant noted:

“No one has time to think creatively,”

This reflects the lack of capacity to dedicate time to cultivating relationships and collaborating across silos.

Community engagement also depends on strong bidirectional relationships. [California’s Office of Health Equity](#) recognizes that for flexible funding to advance healthy communities for all, community members must be co-designers of funding priorities and interventions.¹⁷ To engage in these meaningful relationships, public health agencies must compensate community members and organizations for their time, invest in local leadership, and recognize readiness and lived experience as capacity. Without resourcing these relationships, funding strategies risk reinforcing the same issues they aim to address.

In both states, promising practices have begun to emerge, such as the use of [regional public health planners](#) in Colorado and community compensation models in California.¹⁸ **These approaches highlight that successful use of flexible funding depends on technical expertise and financial compliance, as well as person-centered infrastructure that supports collaboration, trust, and shared power.** Public health agencies, local public health departments, state agencies, universities, advocacy groups, health care providers, and CBOs played a critical role in program implementation and strategic alignment of flexible funding streams to support shared goals. These partners worked collaboratively to shape priorities, coordinate funding, deliver services, and build capacity for sustainable impact. Their ongoing engagement has fostered innovation, strengthened partnerships, and established a solid foundation for future work.

Understanding Effectiveness and Impact

A major barrier to adopting flexible funding strategies is the challenge of evaluating their effectiveness. While braiding, blending, and layering can enhance service delivery and fill critical resource gaps, public health agencies can struggle to measure the value of these approaches in a clear, quantifiable way. This lack of formal evaluation frameworks can make it challenging to demonstrate impact and justify investments.

It can be challenging to untangle the contributions of each funding stream and attribute them to program outcomes. Flexible funding strategies inherently involve multiple, overlapping inputs, which can complicate traditional evaluation methods designed for single-source interventions. This means that agencies are often unable to establish direct cause-and-effect relationships between braided or layered funding and health outcomes. States also lack models or tools to systematically track how aligned funds contribute to overall program goals. While some efforts are underway to map how different partners and funding streams fit into the process, this type of tracking is still largely experimental and resource intensive. The lack of shared frameworks across agencies and organizations further complicates efforts to compare outcomes or identify best practices.

Until more robust and practical evaluation models are developed, health agencies may find it difficult to build the evidence base needed to sustain and expand flexible funding strategies. Strengthening this area will require investment in shared metrics, evaluation capacity, and cross-sector learning that captures health outcomes and systems-level impacts like collaboration and community engagement.

Transparency and Accountability

To ensure transparency and strong fiscal management across funding sources, organizations employ structured and performance-driven approaches. One participant emphasized the importance of requiring thorough documentation to track how braided funding streams are utilized. For instance, their processes require detailed records of staff time and services across multiple funding streams, along with the use of dedicated full-time equivalents tied to specific funding sources. However, these administrative requirements can also place a significant burden on CBOs and other partners that may lack the capacity to develop or use complex reporting structures, potentially undermining the success of braided projects.

Another participant noted that the request for proposal (RFP) process for selecting service providers, based on established criteria related to funding goals, is crucial for maintaining transparency and accountability. RFPs foster a fair, unbiased process that allows all qualified candidates to participate. By requiring high-value contracts to go through an RFP, funding decisions remain transparent and based on merit.

Funded proposals also serve as contracts with clearly defined performance measures aligned with grant goals. These measures are outlined in the scope of work and form the foundation for ongoing monitoring and evaluation. This clarity in the contract ensures partners are held accountable for outcomes and establishes a basis for measuring success over time. Additionally, transparent and collaborative planning efforts — such as conducting needs assessments, hosting strategy summits, and encouraging bidirectional feedback between state and local partners — helped foster shared ownership and alignment on funding priorities and program strategies.

Flexible Funding Success Stories

Filling the Gaps and Enhancing Programs

In practice, braided funding not only fills resource gaps but also drives program enhancement. CBOs have used braided Medicaid funding to expand services, improve staff capacity, and reduce caseloads. One participant noted that this approach allowed their organization to grow sustainably and reduce burnout by hiring additional staff and improving service quality. Without this flexibility, they would not have been able to make necessary upfront investments — such as staffing and purchasing systems — to meet managed care billing requirements. Braided funding allows organizations to enhance service delivery, improve program quality, strengthen internal capacity, and initiate systems-level changes across agencies. Without this braided funding and waiver support, smaller CBOs would struggle to develop this operational capacity.

Achieving Cross-Program Objectives

Braiding funds can align multiple funding streams to support coordinated, cross-program objectives. For example, California's nutrition and physical activity branch uses USDA grant dollars, including Farm-to-School program funds, to support the local level in mobilizing, communicating, and boosting the reach of state-level messaging initiatives that are themselves primarily driven by CDC-SPAN. This coordination is intentional and strategic. As one participant described:

"We work very hard to connect our local agenda and our state agenda through both of those funding streams [and] we very much are considering our state-level priorities for both funding [streams], when planning for, applying for, [and] writing state plans."

Colorado achieved similar results by aligning funding streams and leveraging staff expertise to implement more targeted, impactful, and sustainable public health interventions. Over time, activities evolved from broad community partnerships to more focused, clinic-based interventions (e.g., piloting screening and referral processes with clinics in collaboration with [Food Bank of the Rockies](#)).¹⁹ Additionally, by taking an innovative approach to sharing staff time and evaluation resources across multiple grants, the team supported external evaluation efforts (e.g., Food Bank of the Rockies and CommonSpirit's [GusNIP grant](#)), which improved program quality and reporting without additional direct funding:

*"There's no exchange of money, but [...] **in-kind**, we're supporting your evaluation, and then this allows us to say to CDC in our workplan, we're enhancing their program because we have the staff to provide that [in-kind personnel support]."*²⁰

Engaging Organizations and Partners

Although participants did not discuss community engagement in detail due to the ongoing nature of their projects, they emphasized the importance of creating opportunities for input and maintaining continuous feedback loops to incorporate community voices into funding priorities and program strategies. For example, a comprehensive needs assessment, featuring regional tours and strategy summits, was conducted to solicit input from local public health agencies and community partners. The feedback informed performance measures and guided the development of action plans. By promoting bidirectional communication, this process fostered mutual responsibility and ensured transparency in planning, decision-making, and implementation.

Participants identified key organizations and partners – highlighting both financial and non-financial support:



Colorado

Local public health agencies are key partners in rolling out activities, setting

priorities, shaping programs, and supporting cross-sector learning.

Public health staff maximize capacity and organizational integration with cross-funding staff assignments through SPAN, MCH, and WIC grants.

The **Department of Early Childhood** collaborates through a quality nutrition workgroup to promote promising nutrition practices.

The **Department of Agriculture** engages as a state-level partner, supporting cross-sector alignment and integration efforts.

Food banks (e.g., Food Bank of the Rockies) serve as key frontline partners in implementing nutrition security strategies, including the adoption of Healthy Eating Research nutrition guidelines.



California

The **Nutrition and Physical Activity Branch of State Public Health Departments** plays a central role in managing and aligning multiple federal funding

streams, including SPAN, SNAP-Ed, and other USDA programs, such as [Farm-to-School](#) and food incentives, to enhance the reach and impact of nutrition interventions.²¹

The **Department of Health and Human Services (SPAN Program)** works closely with public health agencies to align services and integrate nutrition security priorities.

Public universities contribute to research, technical expertise, and evaluation capacity through flexible partnerships and interagency agreements.

Recommendations and Future Directions

Discussion participants highlighted some key lessons, insights, and recommendations drawn from reflections on implementing and sustaining their respective flexible funding and partnership strategies.

Invest in Core Financial Infrastructure and Capacity

Effective braiding, blending, and layering require strong fiscal management systems, staff expertise, and tools for multi-stream accounting and reporting. Health agencies should establish internal processes to identify and align funding streams, and build staff capacity through training, peer learning, and practical tools to strengthen their ability to manage flexible funding streams. Taking a systematic approach to aligning funds ensures programs can implement flexible funding models with confidence.

Prioritize Internal Relationship-Building and Break Down Silos

Successful flexible funding strategies rely on strong coordination across internal divisions. Health agencies should aim to formalize internal collaboration through shared funding structures and develop interdepartmental working groups to sustain these connections. Regular cross-agency convenings can help identify shared priorities, coordinate planning efforts, and reduce administrative silos. Proactively participating in discussions beyond one's immediate program or funding stream builds awareness and encourages internal alignment. As one participant noted:

"If we're in our own silos, we are only focused on what we're doing and not engaging with others and trying to expand our partnerships [...] hopefully that leads to future funding."

Build Strategic Cross-Sector Partnerships

Trusted external partnerships are essential to advancing flexible funding strategies. Health agencies should engage early and consistently with partners across sectors, even outside traditional public health spaces. Developing shared goals and aligning efforts around braided, blended, or layered funding approaches, such as combining federal, state, and private dollars, can help advance innovative, community-driven solutions. These strategies foster alignment across systems, reduce duplication, and support more comprehensive and sustainable outcomes. Regular collaboration with external partners also creates opportunities to identify diverse funding streams and build long-term trust.

Recommendations

1. Invest in core financial infrastructure and capacity.
2. Prioritize internal relationship-building and break down silos.
3. Build cross-sector partnerships.
4. Be creative, leverage skillsets, and pilot programs to focus efforts.
5. Address gaps in guidance on braiding, blending, and layering funds.
6. Capture data and communicate impact.

Be Inventive, Leverage Skillsets, and Pilot Programs to Focus Efforts

Achieving successful alignment requires innovative, thoughtful planning, and long-term strategic thinking. Consider using a phased approach that begins with a broad strategy and narrows focus over time, grounded in specific outcomes and performance measures. As one participant shared,

“Every year the activities become narrower and more specific... That’s great...because it can get really overwhelming, and there is only so much staff capacity. There’s only so many dollars in public health...”

Additionally, consider how existing skillsets within organizations can support pilot programs and inform broader implementation to create opportunities to assess ideas and share successes, barriers, and insights across wider networks, including community members, public health agency staff, and key decision-makers like funders and legislators.

Address Gaps in Guidance on Braiding, Blending, and Layering Funds

Implementing flexible funding strategies requires clear, practical guidance to navigate compliance risks such as supplantation. Often, CBOs lack statutory authority and administrative infrastructure to manage these complexities. Federal government organizations, like CDC and HHS, and state health agency staff and officials should work to identify or develop guidance, tools, and model practices that clarify how to braid, blend, and layer funds effectively and legally. This includes proactively coordinating relevant state and federal programs, leveraging available state match opportunities, and assigning staff to support alignment and integration across funding streams. Investing in dedicated staff time and technical resources ensures public health agencies and their partners can manage braided funding with clarity, confidence, and accountability. As one respondent succinctly explains,

“I think organizations are looking for more guidance... we haven't seen a lot of guidance coming from either the state or the feds about this risk of supplantation for braiding. But on the CBO side, I think it would benefit from more guidance... especially smaller CBOs who don't have the statute authority to blend funding like a public health department would.”

Capture Data and Communicate Impact

Federal and state health agency staff can identify or develop data-tracking tools to ease implementation barriers. These data tools can support tracking various funding requirements as well as relevant outcomes related to individual and combined funding streams. When data are available and accessible, it is easier to monitor and communicate impact. Public health agency staff can use clear data on the efficacy and impact of flexible funding strategies to build a communications campaign to cultivate decision-maker buy-in and secure continued/new funding opportunities.

Conclusion

State health agencies play a pivotal role in shaping how public health dollars are used to drive upstream solutions to improve health outcomes. Flexible funding strategies enable public health agencies and organizations to expand their services, develop and sustain partnerships, and adopt innovative approaches to enhancing community health and well-being. They also strengthen internal capacity and support more strategic use of resources. However, challenges such as strict requirements, complex accounting systems, detailed documentation, and misaligned grant timelines have varying impacts across funding models, underscoring the need for ongoing attention to implementation, outcome evaluation, and impact.

Addressing these challenges through clear guidance and efforts to reduce administrative burdens can improve coordination and empower agencies to meet community needs more effectively. Future work should prioritize strong evaluation frameworks and align flexible funding approaches to maximize both organizational sustainability and community impact.

Now, more than ever, the public health field must become innovative with their dollars. Flexible funding strategies offer an innovative and collaborative approach to financial support for building healthier communities.

Appendix

Flexible Funding in Health Agencies

Discussion Guide

Section 1: Introduction

Thank you so much for agreeing to participate in today's discussion. My name is [INSERT NAME]. I am on ASTHO's [TEAM NAME] team and I will be facilitating today's discussion. I am joined by [NAME OF NOTETAKER] from [TEAM NAME], who will be taking notes.

This discussion will explore how health agencies use flexible funding to enhance public health projects. The insights gathered from today's call will inform future ASTHO products sharing promising practices and lessons learned about improving funding strategies addressing the social determinants of health. We appreciate your insight on these topics.

This conversation should last approximately 40 minutes. For our reporting and review, we'd like to record this call. The recording would only be used to inform written products and would be deleted at the end of the project period. You would not be identified in any reports, but it is possible that your state would be identifiable. If you're not comfortable being recorded, we have [INSERT NAME] available to take notes. Do you have a preference?

Before we start, do you have any questions?

Let's get started.

Section 2: About your Project

- Can you describe a project where you used flexible or braided funding?
 - What were the primary goals of the project?
 - What population did it serve?
 - What motivated the use of flexible or braided funding for the project?
 - ◇ Additional prompt: rapid responses, emergent needs, overlapping with another project, costs, workforce capacity, etc.

Section 3: Funding Strategy

- How did you identify funding sources for this project?
- What strategies did you use to coordinate the different funding streams?
- What strategies did you use to braid or layer funds effectively?
- **What challenges or limitations did you encounter using these funding strategies?**
 - **How were they addressed?**
 - ◇ Additional prompt: aligning timelines, reporting requirements, aligning priorities.
 - How did you balance the restrictions and requirements for each funding source?

Section 4: Interest Holder -Partners and Community Engagement

- What partners did you include in the funding process?
 - How did you engage them?
 - Were there any unexpected partnerships or collaborations that emerged from the funding process?
 - What role did they play in the funding process?
- How did you engage the community in the project?
- How did the community or partners' feedback shape the project funding approach?

Section 5: Innovation and Impact

We want to understand how flexible funding contributed to innovative approaches in the project design, implementation, and achievements.

- Can you share an example of how the funding approach positively impacted your project design?
- Can you share an example of an outcome that would not have been possible without this funding approach?
- Were there any unexpected outcomes (positive or negative)?
- **How did the project impact the community it was designed to serve?**
- How did the funding model impact the health department's budget?
 - Additional prompt: Did flexible funding free up dollars to be used elsewhere?

Section 6: Lessons Learned

- Were there any specific methods or best practices used to ensure transparency and accountability across multiple funding sources?
- Looking back, is there anything your organization would have done differently regarding the funding strategy?
- Are there best practices you would share with others looking to adopt similar funding approaches?

Section 7: Sustainability and Scalability

- Have you identified opportunities to sustain or scale this project beyond the initial funding?
 - Additional prompt: Did you use similar or different funding models?
 - Additional prompt: What challenges impact sustainability?
- How has this experience influenced your organization's approach to funding future projects?

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