



## **FUNDING OUR FUTURE GENERATIONS: PROMOTING LOCAL REVENUE STREAMS for CHILDREN IN CALIFORNIA**

### **GOALS:**

- New dedicated revenue streams to fund effective services for children, youth and families will be developed in cities and counties throughout California.
- Local capacity and commitment for investing in children, youth and families will be strengthened and leveraged to make the next generation an ongoing community priority.

### **BACKGROUND**

**Need** – Services for children, youth and their families have been seriously eroding in California over the past decade, and, despite the passage of Proposition 30, the problem is expected to worsen. Children’s programs will continue to shoulder a large portion of budget cuts at all levels of government. Once at the top of national child well-being indicators, California is now 41<sup>st</sup> in the country. Addressing this crisis requires increased and stable funding for services that support families; ensure health and safety; prepare children for success in school and career; promote healthy social and emotional development; and foster leadership, creativity and civic engagement.

**Local Level** – With much attention having been focused on the state and federal budget problems, it is now time to explore more fully what can be accomplished for children’s budgets at the local level. There is considerable reason to look to the local level: Many cities and counties have not explored the revenue options that have demonstrated success. Greater flexibility and creativity is possible at the local level, as well as greater potential to mobilize a motivated constituency. Realignment and devolution of policy from the federal and state level makes work at the local level even more compelling. It is where most policy effecting children is implemented and where the building blocks of a state and national movement are created.

**“All politics is local.” Tip O’Neill,  
former Speaker of the House.**

Realizing new political potential: The lessons of the recent presidential election teach us again that even national political contests can be won or lost at the local level, and that use of technology and targeting very specific voter populations can trump generic (and often more expensive) campaign strategies. This portends well for the future of local dedicated revenue measures.

Our premise: Many local communities have not had the information, skills, organizational structure, and mobilized constituency to promote successful revenue strategies for children, youth and families. This project recognizes that the cities and counties of California have very different civic cultures, political landscapes, social problems, and economic and fiscal realities. Each community must undertake strategies that fit its unique needs. And yet, there are important possibilities that are waiting to be explored, and the potential in many cities and counties to be successful.

**Local Revenue Models** – San Francisco has been a leader in local budget advocacy and creative revenue strategies. Its singular and ground-breaking achievement was the passage and re-authorization of the Children’s Fund, which sets aside close to \$50 million annually for children’s services. In addition to the Children’s Fund, San Francisco has remained organized and passed almost every type of local revenue measure, including creative fees, taxes, and budget set-asides, and is renowned for vigorous budget advocacy that has led to annual allocations of revenue to children’s services. This initiative will draw on the lessons of San Francisco, adapting them to be applicable elsewhere.

While San Francisco provides rich examples of creative budget advocacy and funding streams for children, it is by no means the only locality in California or the country that will inform this effort. Given the huge differences among cities and counties, this project will share and learn from successful efforts in rural, small, suburban, and politically and culturally diverse communities.

## **SCOPE OF PROJECT**

Phase One will determine the feasibility of enacting new dedicated funding measures for children and youth in communities in the state. This will include educational outreach to children’s advocates, community activists, policy-makers and other interested groups about local funding possibilities and strategies; an analysis of efforts that have been tried throughout the state, as well as relevant efforts around the country; determining the criteria for success; and identifying potential leaders, communities and organizations throughout the state that are ready to undertake campaigns.

Phase Two envisions a cohort of communities that have both the motivation and the foundational elements of community commitment and leadership in place. The cohort will function as a learning community, sharing successes, ideas and challenges; learning new skills; and developing new local structures. The participating communities will be supported through the development of revenue proposals and successful campaigns. This support will include technical assistance and research on the most feasible revenue strategies at each site, as well as training in coalition building, messaging, media, use of technology and social media, public relations, polling, and micro-targeting supportive constituencies.

It is anticipated that the success of a targeted number of communities in achieving the goal of creating new local revenue streams for children, youth and families will create the energy and inspiration for many communities to follow, and for the state to adopt measures that both enable local efforts and build on the lessons learned and momentum created by this initiative.

Note: Depending on the assessments conducted in Phase One, the capacity of project sponsors and the interest of local communities, the second phase of the work might also include trainings and technical support to a more widespread group of stakeholders in the state. The goal would be to develop local skills and strategies to understand and participate in the local budget process, in preparation for more institutionalized budget reforms to support children, youth and families.

## 6-MONTH WORK PLAN

### Outreach and Information Gathering

- **Conduct interviews** with a broad group of organizations and leaders to identify existing dedicated local revenue streams for children and determine interest in exploring potential new local revenue strategies. Aim to contact 80-100 key stakeholders concerned about the needs of children, youth and families from diverse communities and areas of the state. This will include service providers, elected officials, policy-makers, and civic activists and leaders.
- **Develop informational materials** for local communities on best practices throughout the country and state, and the range of options for dedicated local funding streams for children, youth and their families. This will include lessons learned from various local efforts that have been tried, with a focus on California.
- **Design an assessment process** that can be undertaken at the local level by community networks or organizations. This will include strategies and instruments to determine current local funding for children's services, the interest of stakeholders in exploring new possible funding mechanisms, the capacity and history of the community to mobilize for children, and priority needs for additional revenue.

### Educating and Convening Stakeholders

- **Hold educational convenings** throughout the state on local dedicated funding streams. This will provide opportunities to learn from success stories throughout the state, as well as explore participants' mutual experiences, needs and lessons-learned.
- **Make presentations** on local dedicated revenue streams to regional and statewide groups of children's advocates and civic organizations.
- **Meet** with local coalitions and organizations to introduce them to ideas about local dedicated revenue for children, youth and families.
- Develop a **mailing list** of interested stakeholders throughout the state, and disseminate information about local dedicated revenue streams.

### Preliminary Technical Assistance to Interested Communities

- **Provide support** to local communities as they determine the feasibility for pursuing local revenue measures. Develop criteria for helping communities assess readiness. This can entail on-site meetings, convenings of local coalitions, and interviews with key stakeholders, etc.
- **Recruit pro-bono help** (such as political consultants) to support the varied specific needs of each community.
- **Launch foundational work** at selected sites – fiscal mapping, priority setting, budget advocacy, assessment of revenue options.

#### **Is your community ready to undertake planning for new revenue streams?**

Example of possible criteria:

- Solid foundational work in place – fiscal mapping and strong programming, including data collection and evaluation.
- Strong motivation and clarity of goals and priorities by core stakeholders, including willingness to take risks.
- Potential to create diverse coalition, including parents and youth, as well as organizations with community clout.
- Ability and willingness to form an independent organizational structure to spearhead the political work.
- City infrastructure focused on children in place that can manage funding, e.g. office, department, senior staff, coordinating council.
- Children are important in the civic culture. Support for children's services among some political and civic leaders.

### Analysis and Planning Next Steps

- **Document** and analyze findings from outreach and data collection.
- Convene representatives of **communities participating in the next phase** of this project (4 – 6 communities) to discuss needs, potential benefits of a cohort, and strategies for creating a dynamic learning community.
- Outreach to potential **local funders** to support communities undertaking an effort to create local dedicated revenue streams.

**Advisers and Partners** – We will partner with networks and networking organizations throughout the state. This will include the statewide organizations and networks of service providers. As many essential services are facing declining revenues, it is a particularly important time to build partnerships with and among the organizations that have a collective interest in an effective service delivery system for children, youth and families. In addition, we will enlist public officials, campaign consultants, media experts, civic budget analysts, pollsters, and advocates (including parents and youth) as advisers to this effort.

### **LESSONS LEARNED**

During this process, many lessons will be learned, since this effort is plowing new ground for the children’s field. The process and lessons will be documented and shared. One objective of this effort is to provide solid information and new tools so that successes can be replicated in additional California communities and nationally.

### **CAPACITY**

**MB+A** – For over three decades, Brodtkin has been a leader of San Francisco’s Children’s Movement. Her leadership has resulted in over a billion new dollars for children’s services during that time. She is seen as the “mother of the Children’s Fund.” She is recognized nationally for her expertise, unique success and her extensive experience as an advocate (26 years as Director of Coleman Advocates for Children and Youth), public administrator (4.5 Years as Director, Department of Children, Youth and their Families), education reformer (3 years as Director, New Day for Learning.) She has authored numerous studies and reports on the status of children, including a book entitled “From Sandboxes to Ballot Boxes,” the story of San Francisco’s landmark children’s amendment. Brodtkin has traveled around the country speaking about increasing funding for children. This has given her the opportunity to assess needs and challenges in a wide variety of communities.

#### **Characteristics of strong revenue strategy:**

- Sufficient resources
- Predictable and sustainable
- Includes maintenance of effort
- Ensures accountability and transparency
- Adequate flexibility
- Addresses priority need
- Requires strong community voice in implementation, including parents and youth
- Mandates adequate planning process

## FISCAL SUSTAINABILITY FRAMWORK

<p style="text-align: center;">Maximizing existing funding</p> <p style="text-align: center;">-----</p> <ul style="list-style-type: none"> <li>• Accessing federal and state funds</li> <li>• Program and organizational efficiencies – cost savings</li> <li>• Philanthropic support – individual, foundation, business</li> <li>• Partnerships</li> <li>• Billing for services rendered</li> </ul>	<p style="text-align: center;"><b>Generating new sustainable dedicated public funding sources</b></p> <p style="text-align: center;">-----</p> <ul style="list-style-type: none"> <li>• <b>Budget set-asides/guaranteed expenditures</b></li> <li>• <b>Taxes, levies and special taxing districts</b></li> <li>• <b>Fees – often w. nexus to services funded</b></li> <li>• <b>Budget allocations and reallocations</b></li> <li>• <b>Social impact “bonds”</b></li> <li>• <b>Competitive preferences in bidding</b></li> <li>• <b>Trust funds</b></li> </ul>
<p>Foundational Elements for Expanded and New Revenue</p> <ul style="list-style-type: none"> <li>• Strong programming</li> <li>• Program evaluation</li> </ul> <ul style="list-style-type: none"> <li>• Fiscal mapping of services to children, youth and families</li> </ul> <ul style="list-style-type: none"> <li>• Needs assessment to determine priority areas for continued and expanded funding</li> </ul>	

This project focuses on the right square at the top of this chart.

## EXAMPLES OF DEDICATED FUNDING OPTIONS\*

Strategy	Resource amount	How to enact	Political challenge	\$ Flexibility	Examples
Annual budget allocations/ Reallocations	Varies	Administrative or legislation	Moderate	Low	SF: Public Safety \$ reallocated to Wellness Centers in schools; NYC: Prison barge \$'s reallocated to Beacon Centers
Set-asides and guaranteed minimum funding	High	Voters or Legislation	High	High	SF: Children's Fund created by set-aside of property taxes Oakland: Children's Fund created by set-aside of unrestricted general fund
General and Special Taxes (including parcel, hotel, utility, sales)	High	Voters or Legislation	High	Varies	SF: Parcel tax for teacher pay Richmond: Soda tax (failed) Santa Rosa: Sales tax (included gang prevention) Oakland: Violence prevention \$ included parking surcharge Santa Clara Co: Sales tax (will target child health) FLA: 9 taxing districts to create Children's Services Councils
Fees and service charges	Moderate	Voters or Legislation	Moderate	Low	SF: Development impact fee for childcare centers; Mitigation fee to developer for community services in high need community CA: Marriage license fee for domestic violence programs
Social impact "bonds"/ Incentive-based funds.	Unknown /Low	Administrative	Unknown	Low	NYC: Juvenile detention/Goldman Sachs MA: "Pay for Success" projects
Trust funds	Low	Administrative	Low	Varies	CA Counties – child abuse prevention (could be augmented)
Competitive preference in bidding	Varies	Administrative	Moderate	Low	SF: Housing for families given extra points in bid for \$'s
Check-offs on tax, utility bills	Low	Administrative	Low	Low	Placer: Check-off on local tax bill for children's agencies

\* This chart is a work-in-progress and will evolve as this project continues to learn.