



# INVESTING IN THE NEXT GENERATION:

A Bottom-Up Approach to Creating Better Outcomes  
for Children and Youth

BRUCE KATZ AND ROSS TILCHIN

**B** | Centennial Scholar Initiative  
at BROOKINGS

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# INTRODUCTION

The American dream is built on the promise of upward social mobility. In the middle of the 20th century, rates of upward mobility improved across the socioeconomic spectrum. But over the course of the past 30 years, the vast majority of our population has seen mobility rates stagnate.<sup>1</sup> For too many, the American dream has stalled.

Restoring higher levels of social mobility will be among the most important political, social, and economic challenges of our time. Already, we've witnessed how frustration over this stagnation can destabilize our national institutions and divide our society. The longer we wait to address the issue, the more tumultuous our politics will become.

## MAKING GREATER AND MORE EFFECTIVE INVESTMENTS IN CHILDREN AND YOUTH WILL BE THE BEST WAY TO IMPROVE SOCIAL MOBILITY THROUGHOUT THE NATION.

Research has demonstrated the positive long-term effects of providing a specific set of coordinated interventions from “cradle to career.”<sup>2</sup> Despite the conclusive evidence, our

nation has been unable to provide those in need with access to the right kinds of services.

The time to act is now. The question is, who will lead the effort to expand these proven strategies? Over the past decade, it has become apparent that we cannot rely upon the federal government or the states. Washington and many state governments have been hijacked by partisanship, leading to paralysis on or hostility toward many of the policies and interventions necessary for improving outcomes for children and youth. The Trump administration's May 2017 budget proposal called for nearly \$10 billion in cuts to after-school funding, summer initiatives, teacher training, financial aid for lower-income students, and similar programs.<sup>3</sup>

The budgetary trend lines are also unmistakable. At the federal level, demographic realities are driving up spending on Social Security, Medicare, and Medicaid. This will place enormous pressure on Washington's contributions to programs for children and youth, which are expected to decline over the next decade by 25 percent or more as a percentage of GDP.<sup>4</sup> As Eugene Steuerle notes in his 2014 book, “Dead Men Ruling,” only 2 percent of the projected \$1.5 trillion increase in federal spending over the next

1 David Leonhardt, “The American Dream, Quantified at Last,” *New York Times*, December 8, 2016.

2 Isabelle V. Sawhill and Quentin Karpilow, “How Much Could We Improve Children's Life Chances by Intervening Early and Often?” *Brookings Institution*, March 2015.

3 Stephenie Johnson et al., “The Trump-DeVos Budget Would Dismantle Public Education, Hurting Vulnerable Kids, Working Families, and Teachers,” *Center for American Progress*, March 17, 2017.

4 Sara Edelstein et al., “Kids Share 2016: Federal Expenditures on Children Through 2015 and Future Projections,” *Urban Institute*, 2016.

decade will go to children.<sup>5</sup> And while some state governments have demonstrated a steady commitment to improving outcomes for youth, many are providing less funding for children now than they were before the Great Recession.<sup>6</sup>

Fortunately, as higher levels of government have faltered, cities, counties, and metropolitan areas have stepped up. Local leaders have recognized that the issue of stagnant opportunity is far too urgent to wait for other levels of government to act. In communities across the country, leaders in local governments have joined forces with nonprofits, philanthropies, and businesses to increase the magnitude, quality, and coordination of cradle-to-career investments in the next generation.

These communities have realized that the existing composition of investments in young people, dominated by the safety net and the public education system, are not enough to meet the challenges of the 21st century. Technology and global competition have come to demand a higher degree of skills training than ever before, and many of the fastest growing demographic groups in our country face the steepest educational and developmental challenges. For local leaders, ensuring that children have access to meaningful opportunities is more than a social responsibility—it is an economic imperative for their communities.

Communities are therefore expanding programs that stretch well beyond the traditional set of public services provided to youth. They are

investing in efforts like nurse visiting programs, early childhood education, supplemental academic and social curricula, after-school programs, and summer learning initiatives. They are tailoring interventions to align with their specific needs, coordinating across sectors and silos, and most importantly, drawing upon new sources of revenue to finance these efforts.

These locally driven approaches to investing in children and youth are a part of a larger national trend. Over the past decade or so, cities and metropolitan areas have risen to the forefront of national problem solving across a wide range of policy areas. Solutions to many of our toughest problems—mitigating the effects of climate change, financing major infrastructure projects, creating more innovative economies, to name a few—are now being crafted at the local level.<sup>7</sup> In communities of all stripes, leaders in every sector have come together to solve local problems at a level of sophistication that would have been unthinkable a few decades ago. As this self-sufficient and intensely networked style of local leadership has spread, it has given rise to a national movement—a New American Localism.

This paper provides an overview of the challenges associated with improving outcomes for children and youth, the intergovernmental obstacles that communities face as they expand supplemental cradle-to-career services, and the strategies individual communities have drawn upon to deliver better results for the next generation.

<sup>5</sup> Eugene Steuerle, *Dead Men Ruling: How to Restore Fiscal Freedom and Rescue Our Future* (New York, NY: Century Foundation, 2014).

<sup>6</sup> Michael Leachman et al., "Most States Have Cut School Funding, and Some Continue Cutting," Center on Budget and Policy Priorities, January 25, 2016.

<sup>7</sup> Megan Greenwalt, "DC Water Authority Unveils WTE Project," *Waste 360*, November 3, 2015; Meghan McCarty and Aaron Mendelson, "LA Says 'Yes' to Tax Increase for Transportation," *89.3 KPCC*, November 9, 2016; Bruce Katz and Julie Wagner, "What a City Needs to Foster Innovation," Brookings Institution, January 16, 2014.

CHILDREN'S SUCCESSES AND STRUGGLES TEND TO PERPETUATE THEMSELVES.

**CHILDREN WHO MEET CERTAIN SUCCESS CRITERIA AT VARIOUS LIFE STAGES ARE LIKELY TO CONTINUE ON A POSITIVE TRAJECTORY, WHILE CHILDREN WHO FAIL TO MEET SUCCESS CRITERIA OFTEN END UP FALLING FURTHER BEHIND.**

# THE IMPORTANCE OF INTERVENING FROM CRADLE TO CAREER

Every community wants its children to succeed. But what exactly constitutes “success” for young people? Unlike, say, expanding a transit system or opening a park, the criteria for judging children’s lifetime outcomes are amorphous.

For the purposes of this paper, we take the long view—“success” for young people means reaching the middle class by middle age, or, more precisely, reaching the middle quintile of yearly income by age 40. This is the benchmark used by the Social Genome Project, a joint effort of the Brookings Institution, the Urban Institute, and Child Trends.<sup>8</sup>

What does it take for children to reach the middle class by middle age? In today’s hypercompetitive, technology-driven, globalized economy, some kind of postsecondary training is essential. To improve mobility outcomes for the next generation, communities must increase the number of children who ultimately receive a postsecondary credential, be it a traditional four-year university education, a degree from a community college, or some kind of professional certification.

Of course, the skills, habits, and maturity needed to complete a postsecondary program are not

cultivated overnight. A child’s development is a cumulative process, and if positive social, emotional, and academic skills are not nurtured throughout childhood and young adulthood, it is much more difficult for young people to succeed in a postsecondary setting.

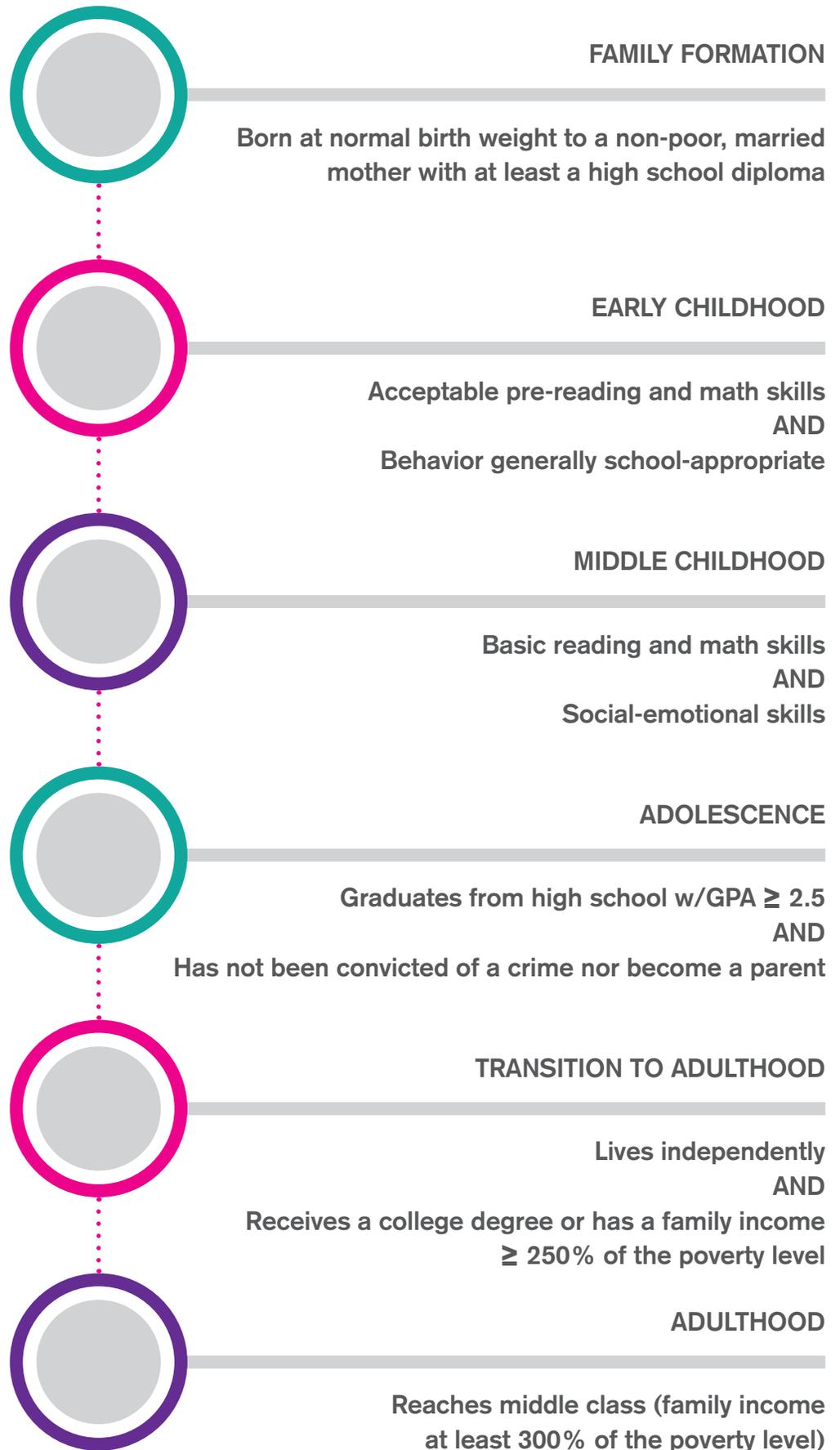
A considerable body of research—by the Social Genome Project and many others—has demonstrated that children’s successes and struggles tend to perpetuate themselves. Children who meet certain success criteria at various life stages are likely to continue on a positive trajectory, while children who fail to meet success criteria often end up falling further behind.

A number of research and advocacy organizations have created frameworks that help illustrate the interconnectedness of individuals’ outcomes at various stages of their development.<sup>9</sup> The Social Genome Project, for example, breaks youth development down into six distinct stages—family formation, early childhood, middle childhood, adolescence, the transition to adulthood, and adulthood—and identifies critical benchmarks for each phase.

<sup>8</sup> Scott Winship and Stephanie Owen, “Guide to the Brookings Social Genome Model,” Brookings Institution, January 16, 2013.

<sup>9</sup> The Strive Together Network, has developed its own blueprint, the “Student Roadmap to Success.” This model identifies specific outcomes for six stages—kindergarten readiness, early-grade reading, middle-grade math, high school graduation, postsecondary enrollment, and postsecondary degree completion. Several other organizations have created similar blueprints.

FIGURE 1



**BENCHMARKS FOR EACH LIFE STAGE**

The project's benchmarks are shown in figure 1.

Source: "Pathways to the Middle Class: Balancing Personal and Public Responsibilities," Brookings Institution, September 20<sup>th</sup>, 2012

The Social Genome Project shows that at every stage of their development, children from disadvantaged families tend to lag their nondisadvantaged peers. From their earliest days, children from poorer families trail nonpoor children on a range of social, emotional, and academic criteria. Once they fall behind, they struggle to catch up, and their difficulties tend to build upon themselves. The Social Genome Project shows that among children who are born to families making less than 200 percent of the poverty line,

- 59 percent enter kindergarten ready to learn, compared to 72 percent of nondisadvantaged children;
- 60 percent are able to achieve core academic and social competencies by the end of elementary school, compared to 77 percent of nondisadvantaged children;
- 41 percent graduate from high school with passable grades, no involvement with crime, and no unplanned pregnancies, compared to 70 percent of nondisadvantaged children; and
- 48 percent graduate from college or earn an income equivalent to the average college graduate in their 20s, compared to 70 percent of nondisadvantaged children.

The long-term result of these disparities—a pervasive “achievement gap” in which disadvantaged children are much less likely to reach the middle class by middle age than their nondisadvantaged peers. The Social Genome Project shows that children born to families making less than 200 percent of the poverty line have a 44 percent chance of reaching the middle class or higher, while children from families making over 200 percent of

the poverty line have a 64 percent chance. The odds are significantly worse for children born into families with incomes in the bottom quintile—they have only a 30 percent chance of reaching the middle class or higher over the course of their lives.

Why is this the case? Why do disadvantaged children so often fall behind and struggle to keep up? There are many contributing factors, but **policymakers should be most concerned about lower-income children’s lack of access to programs and services that supplement their K–12 education.**

Parents of all socioeconomic strata want their children to be involved in enriching activities throughout their young lives. Parents generally want their children to be able to attend preschool or prekindergarten. They want them to participate in meaningful after-school activities. They want them to have access to athletic, cultural, and intellectually stimulating opportunities outside of the classroom. Not only do these kinds of programs provide adult supervision while parents are working (which is essential)—they also provide valuable opportunities for cognitive, social, and emotional development, prepare children for new challenges, and help to remediate negative habits and behaviors, among other benefits. **Too many low-income families simply cannot afford to provide their children with these kinds of opportunities.**<sup>10</sup> In the long run, their children pay the price.

Research by Robert Putnam has demonstrated a massive divergence in family spending on supplemental activities over the past several decades. In his book, “Our Kids,” he writes: “Between 1983 and 2007, spending per child by families in the top tenth of income distribution increased by 75 percent in real dollars, compared to a drop of 22 percent in the bottom tenth.” By 2007,

<sup>10</sup> Alia Wong, “The Activity Gap,” Atlantic, January 30, 2015.

he notes, “the average child of parents in the top tenth of the economic hierarchy was the beneficiary of about \$6,600 a year in enrichment spending; nine times the amount (about \$750) spent annually on a child of parents in the bottom tenth of the income hierarchy.”<sup>11</sup>

Naturally, participation in supplemental activities does not explain the entire achievement gap. But it is certainly a contributing factor. The nearly 9 to 1 spending gap on these opportunities between high and low income families undoubtedly explains some of the advantage that wealthier children enjoy over their disadvantaged peers.

#### COMMUNITIES CAN IMPROVE MOBILITY AND REDUCE THE ACHIEVEMENT GAP BY PROVIDING LOW- AND MIDDLE-INCOME FAMILIES WITH GREATER ACCESS TO SUPPLEMENTAL PROGRAMS AND SERVICES.

Research has demonstrated the positive long-term benefits of services like preschool, after-school activities, mental health programs for youth, and many others.<sup>12</sup> By themselves, these kinds of interventions can have a significant impact. But the positive effects are multiplied when communities institute and coordinate several interventions at various junctures of children’s lives. In other words, outcomes are greatly enhanced when multiple programs (designed for the specific challenges children face at different phases of their maturation) are put into place as part of a larger cradle-to-career pipeline.

The Social Genome Project shows that just one intervention in early life - access to preschool – can close the gap in school readiness and improve low-income children’s cognitive and behavioral outcomes

to nearly the success rates of their higher-income peers. By making multiple targeted interventions in early childhood, middle childhood, and adolescence, the achievement gap – that is, the gap between the percent of children from low- and higher-income families to reach middle class by middle age – is reduced by a full 70 percent for low-income children.<sup>13</sup> The Social Genome Project has identified a number of interventions that are beneficial at different ages: the Play and Learning Strategies program (PALS) and the Home Instruction for Parents of Preschool Youngsters program (HIPPI) for early childhood; a year of preschool for toddlers; the Success for All or Social Emotional Learning programs for middle childhood; and the Small Schools of Choice or Talent Development programs for adolescents.

The Project estimates that this suite of interventions would cost between \$20,000 and \$25,000 per pupil over the course of a lifetime. This is a significant investment, but in the long run, the benefits far outweigh the costs. For the programs it specifically evaluates, the Social Genome Project estimates that a per-child investment of this size will increase individuals’ earnings over the course of their lives by an average of over \$200,000. Given these income gains, children who receive these services will also (on average) require significantly less public support in the long term.

The bottom line is that our current levels of investment are not doing enough to help disadvantaged youth reach the middle class by middle age. Communities must find ways to devote more resources to children and youth, and they must be committed to expanding the kinds of supplemental services that have been proven to boost long-term mobility outcomes.

11 Robert Putnam, *Our Kids: The American Dream in Crisis* (New York: Simon and Schuster, 2015), 125.

12 Austan Goolsbee, “Pre-K Education Is a Long-Term Winner,” *Wall Street Journal*, December 8, 2013; Susan J. Bodilly et al., “Hours of Opportunity: Lessons from Five Cities on Building Systems to Improve After-School, Summer, and Other Out-of-School-Time Programs; Volume 1 (Santa Monica, CA: RAND Corporation, 2010); Martha Ross and Richard Kazis, “Youth Summer Jobs Programs: Aligning Means and Ends,” *Brookings Institution*, July 2016.

13 Isabel V. Sawhill and Quentin Karpilow, “How Much Could We Improve Children’s Life Chances by Intervening Early and Often?” *Center on Children and Families at Brookings*, no. 54, July 2014.

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# INTERGOVERNMENTAL FUNDING CHALLENGES FOR IMPROVING YOUTH OUTCOMES

Before discussing how communities themselves might improve outcomes for youth, it's important to understand how the larger intergovernmental picture fits together. Our national landscape of investments in young people is extremely diverse and ranges across all levels of government and sectors of society.

Within the public sector, state and local governments devote far more resources to youth on an annual, per-child basis than the federal government. Over the past several years, state and local governments have spent around \$8,000 per child while the federal government has spent around \$4,500 per child.<sup>14</sup> But government spending on youth is only part of the larger investment picture—public resources account for less than half of total investment in children.<sup>15</sup> The rest consists of spending by families themselves, nonprofits, philanthropies, and businesses.

Investments in youth can be broken into three broad categories: the safety net, K–12 education,

and the supplemental activities identified in the previous section.

THE FIRST category of investment in children—and the most fundamental—is the safety net. The safety net provides the foundation for upward mobility in our society. Children cannot be expected to succeed if they don't have access to the basics: a degree of family income security, housing, food, health care, etc.

The federal government is the dominant provider of these services. Federal programs supplement the incomes of families with children (through Temporary Assistance for Needy Families [TANF], the Earned Income Tax Credit [EITC], the Child and Dependent Care Tax Credit, etc.), provide or subsidize health care (through Medicaid, the Children's Health Insurance Program, etc.), guarantee ample nutrition (through the Supplemental Nutrition Assistance Program [SNAP]), and the like. These programs make

<sup>14</sup> Edelstein et al., "Kids Share 2016."

<sup>15</sup> Julia Isaacs, "How Much Do We Spend on Children and the Elderly?" Brookings Institution, November 2009.

**FIGURE 2**

**THE 10 SPENDING AND TAX PROGRAMS WITH THE HIGHEST EXPENDITURES ON CHILDREN, 2015**

Source: "Kids Share 2016: Federal Expenditures on Children through 2015 and Future Projections," Urban Institute, September 20<sup>th</sup> 2016

Note: Child nutrition spending includes the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Child and Adult Care Food Program (CACFP), the Summer Food Service Program (SFSP), and the Special Milk Program.



up the overwhelming share of the federal government's total investment in children.

States also play a significant role in the provision of the safety net through their contributions to Medicaid. But for the most part, the safety net is a federal responsibility—these kinds of programs can be funded at scale only by Washington.

**THE SECOND** category of investments in children and youth—and the largest, by far—is funding for the public K–12 school system. National spending on K–12 education is nearly \$550 billion a year, around two-thirds of all public spending on young people.

State and local governments lead here, contributing about 45 percent each to national K–12 totals, while the federal government contributes the remaining 10 percent. It's worth noting that state and local investments in K–12 education alone are larger than all the federal government's spending on children and youth. In 2013, combined state and local spending on K–12 education totaled \$544 billion, while the federal government's total contribution to children across all categories was only \$471 billion.<sup>16</sup>

But aggregate numbers don't provide a complete sense of the funding landscape for K–12 education. Resources per child vary significantly by state, locality, and even school. This variation has profound effects on the quality of education that a child receives.

<sup>16</sup> Edelstein et al., "Kids Share 2016."

State government contributions to K–12 education vary significantly. According to the New America Foundation, within individual states, the share of total education funding provided by state government ranges from 29 percent to 82 percent.<sup>17</sup> On a per-student basis, New Jersey's state government provides the greatest quantity of funding, at \$17,379 per student; Utah's state government provides the least funding, at \$6,452 per student. States generally distribute funds to localities by formula; different states give different weight to considerations such as poverty rates, the number of students with disabilities and the number of students learning English as a second language.

Trends in investment also vary from state to state. According to the Center on Budget and Policy Priorities, at least 31 states are providing less funding per student than they were before the Great Recession.

The vast majority of local governments' total contribution to children consists of funding for K–12 education. Funding is generally provided by local property taxes, which vary widely from place to place. Between districts—and often even between schools in the same district—public education is funded at dramatically different levels. Research by the New America Foundation provides the example of Illinois' New Trier Township High School District and the Farmington Central Community Unit School District, only a few miles apart, which spend \$21,465 and \$7,259 per student, respectively.<sup>18</sup> While state funding is generally directed toward lower-income communities, these contributions are usually not

enough to make up for discrepancies in local funding.

The federal government's major contribution to K–12 education is also largely an effort to compensate for these local disparities. The vast majority of the federal government's contribution to K–12 education comes through Title I Grants to Local Education Agencies (often referred to simply as Title I), allocated close to \$15 billion per year. Funding is delivered to districts on the basis of how many of their students live in poverty, and the average student receives \$500 to \$600 per year.<sup>19</sup> While this is an important contribution to schools that are badly underresourced, it is not nearly enough to make up for the major discrepancies in state and local funding between schools.

Funding disparities between schools create huge differences in the quality of education that students receive. While this subject falls outside the scope of this paper, it's important to note that school quality has a tremendous impact on children's long-term outcomes.

**FINALLY**, the third category of investments in children and youth are resources devoted to supplemental activities outside of what is traditionally provided by public schools. This category includes many of the kinds of programs that have the potential to create better outcomes for the next generation—early childhood care, preschool and prekindergarten, after-school programming, enriching curricula during the K–12 years, summer jobs programs, and vocational training, among many others.

<sup>17</sup> New America Foundation, "School Funding," <https://www.newamerica.org/education-policy/policy-explainers/early-ed-prek-12/school-funding/funding-disparities/>.

<sup>18</sup> New America Foundation, *Ibid.*

<sup>19</sup> Mark Dynarski and Kirsten Kainz, "Why Federal Spending on Disadvantaged Students (Title I) Doesn't Work," Brookings Institution, November 20, 2015.

The federal government provides dozens of grant programs for these kinds of activities. Some are relatively substantial:

- Head Start, funded at around \$8.5 billion per year, provides early childhood educational opportunities to very low-income families.
- The Child Care and Development Block Grant, funded at around \$2.4 billion per year, gives resources to states to provide early childhood services.
- The competitive 21st Century Community Learning Centers grant, funded at around \$1 billion per year, provides recipients with resources to bolster opportunities for children during nonschool hours.
- Job Corps, the Workforce Investment Act Youth Program, and the Carl D. Perkins Career and Technical Funds grant, each funded at over \$1 billion per year, provide career training and workforce development opportunities predominantly for low-income youth.

Outside of these programs, most federal grants in this space are quite small, allocated less than \$100 million annually. Frequently, excessive prescriptiveness dampens their effectiveness.<sup>20</sup> Many dozens of federal grant programs emanate

from a variety of agencies—some provide substantial funding for services; others serve as a small contribution to a larger effort. Some of these resources can be spent on a wide range of activities; others are quite rigid in their requirements. Funds land in a variety of public and nonprofit organizations and are often spent without much coordination.

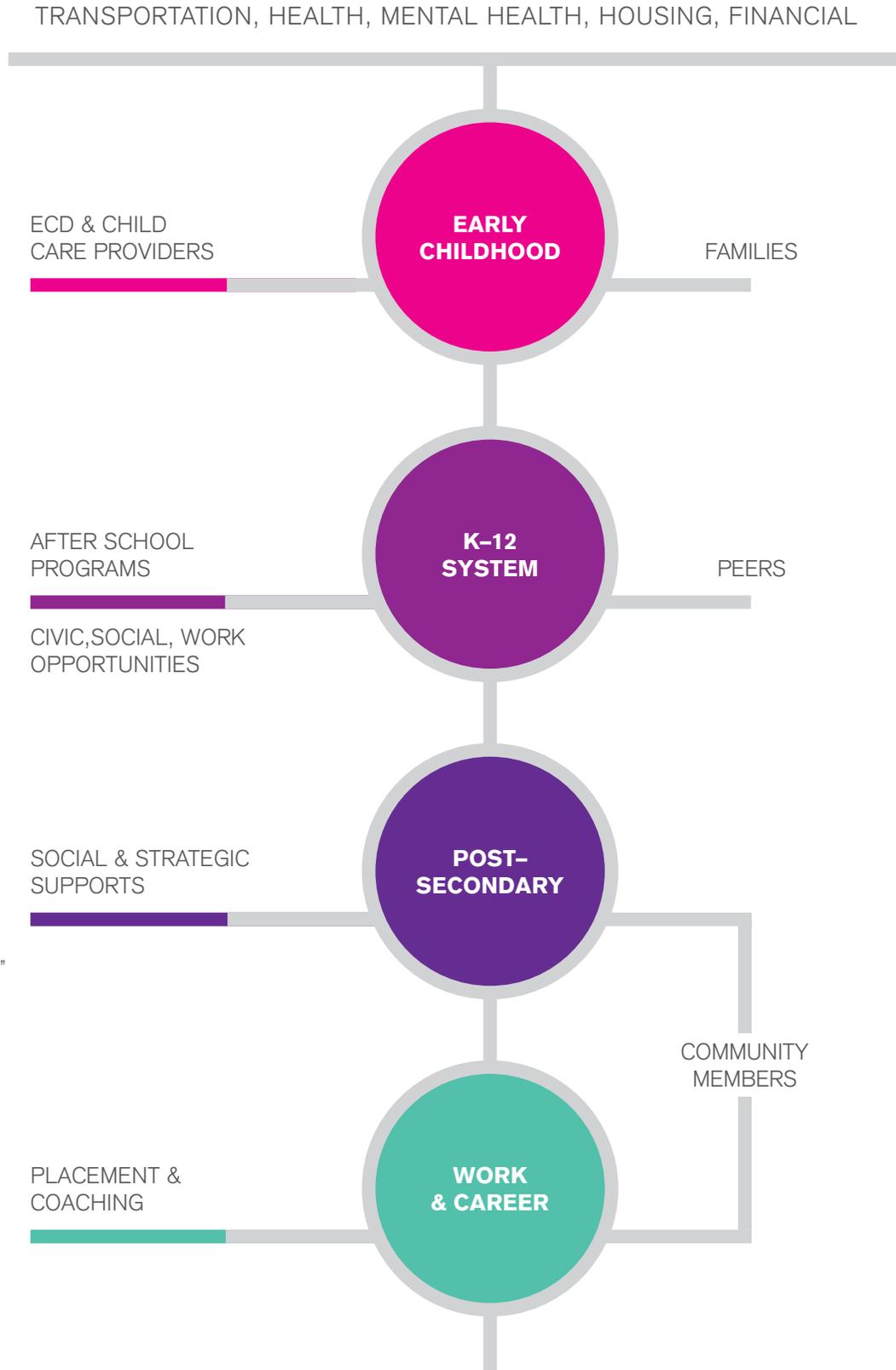
In this third category of investments, the federal government is generally one of many investors, and often a minor, diminishing one at that. Federal resources are undoubtedly an important component of the total investment in supplemental services—helping a preschool get off the ground, providing critical capital to an after-school program, etc. And they can provide a powerful incentive for local actors to begin aligning efforts and energy across their communities.<sup>21</sup> But the success of these initiatives—the comprehensive funding, the coordination, and the execution—ultimately relies on networks of public, private, philanthropic, and nonprofit organizations at the state and local level.

Ready by 21, a cradle-to-career framework created by the Forum for Youth Investment, captures the importance of this third group of investments—and the role that local networks play—in their “insulated education pipeline” concept (figure 3).

<sup>20</sup> Alaina J. Harkness, Bruce Katz, and Ross Tilchin, “A New Federalist Arrangement for Disconnected Youth,” Brookings Institution, May 25, 2016.

<sup>21</sup> Ross Tilchin and Bruce Katz, “The New Localism: An Obama Legacy?” Brookings Institution, February 26, 2016.

**FIGURE 3**



THE READY BY 21 INSULATED EDUCATION PIPELINE

Source: Ready by 21, "Getting Communities Ready," <http://www.readyby21.org/what-ready-21/getting-communities-ready>.

Note: ECD = early childhood development.

*As the group notes,*

*schools play a critical role in preparing young people, but they fill only a small portion of young people's lives. Focusing solely on school-related issues will not ensure that all young people are ready for college, work, and life. To achieve these goals, a broad range of stakeholders*

*must assume responsibility for child and youth success. Systems and settings should be organized to ensure [that] all young people have ongoing access to and participate in high quality services and learning environments, throughout their waking hours and across their developmental years.<sup>22</sup>*

Federal grants account for only 11 percent of total national investment in after-school programs.<sup>23</sup> Head Start and other programs may provide resources for the lowest-income children to attend preschool, but states and localities provide the majority of funding for other middle- to lower-income children.<sup>24</sup> Federal resources may help support summer jobs programs, but the investments of local governments, businesses, and philanthropies are far more instrumental in the success of such efforts. Funding for enriching K–12 curricula, postsecondary education, and public health efforts come overwhelmingly from state and local actors.<sup>25</sup>

While some local governments have been able to self-fund certain supplemental programs at scale, most of the time, families themselves foot a large portion of the bill for these services in the form of tuition payments, fees, etc. Civic institutions, philanthropies, nonprofits, and businesses also make valuable contributions. The United Way, for example, received \$3.7 billion in national donations in 2015; local chapters annually funnel millions of dollars toward education, income, and health-related activities for children in their respective communities. The Salvation Army and the YMCA are also major providers of services for young people. These

organizations operate in thousands of locations across the country and received over \$2 billion and \$1.2 billion in national donations in 2015, respectively. Other philanthropic efforts, like the National Fund for Workforce Solutions, have steered hundreds of millions of dollars toward job training.<sup>26</sup> Many other groups around the country also provide funding for supplemental services in their communities.

Unfortunately, for most communities, this patchwork approach to funding supplemental services isn't enough. If communities are serious about improving social mobility for young people, they will need to expand access to supplemental programs—and this will require more funding, deeper collaboration across sectors of society, and better governance systems. A wide range of actors—county and municipal governments; businesses, philanthropies, and nonprofits; schools, libraries, and museums; faith-based groups, YMCAs, Boys and Girls Clubs, and local United Way chapters—have a role to play in increasing funding, bolstering collaboration, and improving execution in the kinds of programs that children and youth need to succeed. In the next section, we explore what this more deliberate, collaborative approach looks like on the ground.

22 Ready by 21, "Getting Communities Ready," <http://www.readyby21.org/what-ready-21/getting-communities-ready>.

23 Afterschool Alliance, "21st Century Community Learning Centers Providing Afterschool Supports to Communities Nationwide," [http://www.afterschoolalliance.org/documents/factsResearch/21stCCLC\\_Factsheet.pdf](http://www.afterschoolalliance.org/documents/factsResearch/21stCCLC_Factsheet.pdf).

24 Clare McCann, "Pre-K Funding Sources," New America Foundation, <http://www.edcentral.org/edcyclopedia/pre-k-funding-from-state-and-federal-sources/>.

25 David Baime and Sandy Baum, "Community Colleges: Multiple Missions, Diverse Student Bodies, and a Range of Policy Solutions," Urban Institute, August 17, 2016; Jeffrey Levi et al., "Investing in America's Health: A State-by-State Look at Public Health Funding and Key Health Facts," Trust for America's Health, April 2013.

26 William P. Barrett, "The Largest U.S. Charities for 2016," *Forbes Magazine*, December 14, 2016.

IT'S CLEAR THAT CITIES, COUNTIES,  
AND METROPOLITAN AREAS MUST  
TAKE MATTERS INTO THEIR OWN  
HANDS.

**THEY ARE THE ONES BEST SUITED  
TO EXPAND OPPORTUNITIES AND  
IMPROVE OUTCOMES FOR CHILDREN  
AND YOUTH.**

# HOW CITIES CAN DELIVER BETTER OUTCOMES FOR YOUTH

Given the grim political and budgetary realities at the federal and state levels, it's clear that cities, counties, and metropolitan areas must take matters into their own hands. They are the ones best suited to expand opportunities and improve outcomes for children and youth.

The question is, how can local leaders most effectively take on this responsibility? What should they do to expand supplemental services and

strengthen cradle-to-career systems that improve outcomes for the next generation?

In an effort to answer these questions, we spoke to dozens of city, county, and state leaders about their experiences in expanding services for youth in their communities. Based on these conversations, we identified three qualities present in communities that have made meaningful strides toward improving outcomes for youth:

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## 1

### WILLINGNESS AND ABILITY TO DEVOTE MORE LOCAL FUNDING TO CHILD AND YOUTH SERVICES.

The foundational, game-changing component of any effort to create better outcomes for the next generation is more local funding for child and youth services. The vast majority of communities simply don't provide enough public resources to fund programs for youth at a scale that meets demand. Whether funding is increased through attracting greater contributions from the private or civic sector, through reallocating existing resources in a designated yearly set-aside, or through leading a political effort to generate new public resources, the unavoidable truth is that **achieving better results for children is extremely difficult without more money being devoted to the cause**. Successfully procuring greater public funding for youth is a significant political challenge, but unless this battle is fought and won, local efforts will have an impact only at the margins.

2

## COMMITMENT TO CROSS-SECTOR COLLABORATION IN DEVELOPING A CRADLE-TO-CAREER APPROACH.

Too often, governments, schools, service providers, local colleges, employers, and others operate in silos, seldom communicating about the challenges they face in creating better outcomes in their community. A cradle-to-career approach demands that the full spectrum of actors work together closely as children grow up and progress through “the system”—early childhood health workers must communicate with preschool teachers, public school administrators must connect with after-school program providers, high school vocational programs must coordinate with employers and community colleges, etc. Communities that approach their problems together—leveraging the knowledge, capacities, and resources of all sectors in collaboration—will see better results. Many places have found it useful to create new intermediary groups (or reform existing ones) to ensure that this increased level of collaboration takes place.

3

## ATTENTION TO GOVERNANCE, AND SPECIFICALLY TO ACCOUNTABILITY, TRANSPARENCY, AND EVALUATIONS.

To guarantee the effectiveness and sustainability of new investments in youth, communities need to pay attention to governance. Systems of accountability, transparency and evaluation are critical for long-term success. As local leaders attempt to expand services for youth, they need to earn and keep the trust of their communities. The public and key stakeholders must believe that decisionmakers will be held responsible for their actions, that new programs and interventions will be evaluated regularly, and that new efforts will be operating in an environment of continuous improvement.

In short, no single reform will be enough to produce better outcomes for children. While procuring greater resources for youth is the most important—and most difficult—component of any local effort, more funding by itself will be insufficient. Collaboration across the community and governance structures that promote accountability are also key to ensuring programs and services function at the highest possible level.

Communities of all kinds have successfully expanded opportunities for children and youth.

Here is an overview of several efforts that have taken place across the country:

### SAN FRANCISCO, CALIFORNIA:

The San Francisco Children and Youth Fund was first approved in 1991, and it was reauthorized in 2000 and 2015. Originally, 54 percent of voters supported the measure, but after the fund demonstrated the value of additional resources for youth, 75 percent of voters favored its reauthorization in the two ensuing referenda. The

original mandate was that 2.5 percent of local property tax receipts would go toward the fund, but that share was later increased to 4 percent, and the fund is expected to raise nearly \$75 million in 2017. The fund provides resources to a wide range of services, from prenatal health care to after-school programming and employment training. Through this fund and other discretionary budget allocations, children in San Francisco will receive nearly \$400 million in the fiscal year of 2017.<sup>27</sup>

### OAKLAND, CALIFORNIA:

In 1996, voters in Oakland passed the Putting Kids First! initiative, which mandated that a small portion of the city's unrestricted general fund go toward a range of services for children and youth. The passage of this measure led to the creation of the Oakland Fund for Children and Youth, which now receives 3 percent of the city's annual unrestricted general fund. Over the past 20 years, the Oakland Fund for Children and Youth has devoted more than \$170 million to youth-related programs outside of traditional budget allocations. Last year, approximately 16 percent of its resources went to early childhood programs, 70 percent went to supplemental K–12 efforts like after-school programming and summer initiatives, and 14 percent went to career-readiness efforts.<sup>28</sup>

### DAYTON, OHIO:

In 2016, voters in Dayton approved Issue 9, a quarter of a percent income tax increase, to fund greater access to preschool for the city's four-year-

olds. The measure (which also devotes funding to law enforcement and emergency response services, road maintenance, and city parks) is expected to raise about \$11 million annually.<sup>29</sup>

### SAN ANTONIO, TEXAS:

In 2012, San Antonio successfully passed Pre-K 4 SA, a measure that raised the citywide sales tax from 8.125 percent to 8.25 percent, to expand access to prekindergarten. The effort was originally led by then-Mayor (and future Secretary of Housing and Urban Development) Julian Castro. It generates approximately \$31 million annually, costing the median San Antonio household \$7.81 per year.<sup>30</sup>

### PHILADELPHIA, PENNSYLVANIA:

In 2016, the Philadelphia City Council passed a 1.5-cent-per-ounce sales tax on soda and sugary drinks. Led by Mayor Jim Kenney, the effort is expected to generate tens of millions of dollars for early childhood education and other youth services.<sup>31</sup>

### PORTLAND, OREGON:

In 2002, Portland passed a property tax levy of 40 cents per \$1,000 in assessed property value. The levy was reapproved in 2008 and 2013 and has raised more than \$15 million per year. Funding is provided for a wide range of supplemental services, spanning the early childhood years through high school graduation.<sup>32</sup>

27 Funding the Next Generation, "San Francisco's Landmark Children and Youth Fund: Fact Sheet," <http://fundingthenextgeneration.org/nextgenwp/wp-content/uploads/2015/01/Revised-fact-sheet-on-SF-Childrens-Fund.pdf>.

28 See Oakland Fund for Children and Youth, "About Us," <http://www.ofcy.org/vision-mission-and-values/>.

29 WDTN News, "City of Dayton's Issue 9 Passes," November 8, 2016.

30 See City of San Antonio, "Pre-K 4 San Antonio," <http://www.sanantonio.gov/Pre-K-4-San-Antonia>.

31 See City of Philadelphia, "Payment, Assistance & Taxes," <https://beta.phila.gov/services/payments-assistance-taxes/business-taxes/philadelphia-beverage-tax/>.

32 See Portland Children's Levy, "About the Portland Children's Levy," <http://www.portlandchildrenslevy.org/about-portland-childrens-levy>.

## SEATTLE, WASHINGTON:

In Seattle, voters approved the Families and Education tax levy in 2011. The measure is expected to invest \$235 million over its seven-year authorization. It supports programs that stretch across the full cradle-to-career spectrum, including prenatal assistance, early childhood education, tutoring and academic services, and a variety of health programs.<sup>33</sup>

## FLORIDA'S CHILDREN'S SERVICES COUNCILS:

The state of Florida has a unique arrangement that allows counties to create independent bodies with taxing powers to administer a wide range of services for children and youth. These Children's Services Councils have been approved by voters in eight counties. They are generally funded by property taxes of up to 50 cents per \$1,000 of assessed property value.<sup>34</sup> Two of the largest counties, Broward and Palm Beach, generate close to \$100 million per year through the levy.<sup>35</sup> Funding goes to a full spectrum of cradle-to-career activities. In 2014, the Children's Services Councils were challenged in the state legislature, and counties were forced to hold a vote on whether the councils should be reapproved. Every county that has held a vote has reauthorized its council, with approval rates ranging from 78 percent to 86 percent.

## MISSOURI'S COMMUNITY MENTAL HEALTH ACT:

In 1992, the state of Missouri passed legislation that allows counties to create tax levies to expand

mental health services for young people. Eight counties have elected to create these levies via a sales tax, and over \$100 million has been funneled in this way to mental health services for children.<sup>36</sup> In 2012, 57 percent of voters in Boone County approved its Putting Kids First initiative, which increased sales taxes by a quarter of a percent and established the Boone County Children's Services Fund. In 2015, this fund supplied \$6.5 million for services, including mental health screenings for every child in the Boone County public school system, thousands of hours of counseling and therapy for troubled youth, and training for over 1,000 mental health professionals.<sup>37</sup>

## KING COUNTY, WASHINGTON:

Following the success of Seattle's Families and Education tax levy, in 2015, voters in King County approved Best Starts for Kids, a property tax levy to generate funding for prenatal support and a range of early childhood prevention activities. The property tax levy is set at 14 cents per \$1,000 of assessed property value, costing the average King County resident \$56 annually. The fund is expected to raise around \$65 million per year.<sup>38</sup>

In our conversations with leaders in these and other communities, we absorbed many lessons on how local leaders can expand opportunities for youth in their own communities. The following section outlines the general process that leaders can follow and includes a set of best practices to guide communities hoping to increase funding, tighten cross-sector collaboration, and establish better governance structures for youth.

33 See Seattle.gov, "About the Families and Education Levy," <http://www.seattle.gov/education/all-programs/about-us/about-the-levy>.

34 See Florida Children's Council, "Overview," <http://flchildrenscouncil.org/about-cscs/overview/>.

35 Margaret Brodtkin, "Creating Local Dedicated Funding Streams for Kids," *Funding the Next Generation*, November 2015.

36 Brodtkin, "Creating Local Dedicated Funding Streams for Kids"

37 See Boone County Community Services Department, "Boone County Community Services Department: 2015 Annual Report and Program Directory," <https://www.showmeboone.com/communityservices/common/pdf/2015%20Annual%20Report.pdf>.

38 See King County, "Best Starts for Kids," <http://www.kingcounty.gov/elected/executive/constantine/initiatives/best-starts-for-kids.aspx>.

IN SHORT, NO SINGLE REFORM WILL  
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OUTCOMES FOR OUR CHILDREN.

**WHILE PROCURING GREATER  
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IMPORTANT COMPONENT OF ANY  
LOCAL EFFORT, COLLABORATION  
ACROSS COMMUNITY AND  
GOVERNANCE STRUCTURES THAT  
PROMOTE ACCOUNTABILITY ARE KEY.**

# TAKING STOCK OF WHAT YOU HAVE

Every local effort to create better outcomes for children must start somewhere. There is no one right way to get the ball rolling. In some communities (like Dayton and Portland), elected officials or members of public agencies led the charge. In others (like San Francisco), the advocacy community created the spark. In others still (like Boone County, Missouri), health care providers, social workers, and others organized themselves to drive the effort.

No matter how things begin, it's critical for leaders to first understand the individual and institutional players that can be brought together to advance the cause.

## **One good way to promote this understanding is convening a visible, public network.**

Creating an official working group, discussion forum, or nonprofit organization with the stated purpose of expanding services for youth—a “face” for the movement—is useful in a number of ways:

- It creates a venue for community participation. The mere existence of an organization provides an entry point for actors who hope to become involved—private citizens, service providers, public officials, business and philanthropic leaders, etc. Without a visible group, potential allies may be overlooked and underutilized, and momentum will be more difficult to establish.
- It generates dialogue and cultivates relationships across sectors and service

providers. These connections open the door to communication, collaboration, and alignment of efforts that may have been impossible otherwise. They also make it possible to unite around specific goals and strategies.

- It is the first step in formalizing the participation of various actors across the community. Given the scope of a cradle-to-career approach, delegating responsibilities and keeping actors accountable is crucial. A network provides the structure that makes this possible.

The Putting Kids First effort in Boone County, Missouri, is a good example of how grass-roots activists can successfully band together to create a powerful network. In 2011, representatives from nearly 20 social service agencies in the Columbia metropolitan area joined together to form the organization. Putting Kids First soon partnered with the University of Missouri's Truman School of Public Affairs, which conducted a community needs assessment that demonstrated a dramatic underfunding of youth mental health services. Unfortunately, no elected representatives were willing to sponsor legislation making the measure a public referendum, so Putting Kids First was forced to conduct a petition to get onto the ballot. The group successfully engaged the community, created alliances with key civic and business leaders, and persuaded voters of the need for greater mental health services for youth. The measure, a quarter of a percent sales tax increase, passed with 57 percent of the vote.

The cradle-to-career effort in Louisville, Kentucky, is a good example of how mayors can spur the creation of collaborative, cross-sector networks. A few years ago, Mayor Greg Fischer brought together a group of key community leaders, and individual community institutions were made responsible for leading specific efforts and delivering tangible results for each one by 2020. The Louisville Metro United Way is responsible for early care and kindergarten readiness; the goal is for 77 percent of entering kindergarteners to be prepared for school. Jefferson County Public Schools are leading efforts to promote K–12 success; they aim for 70 percent of graduates to be college or career ready. 55K, a local nonprofit organization, is leading the initiative to increase the percentage of working-age adults with bachelor's and associate's degrees to 40 percent and 10 percent, respectively. And the Louisville Metro Civic Innovation organization is leading the effort to improve the talent pipeline and ensure that students have the skills that local employers need.<sup>39</sup>

Once individual and institutional partners have been identified and brought into a network, many leaders have found it useful to **evaluate the landscape of service provision in their communities**.

Local efforts to expand services build upon what a community already has. Before making a push for greater funding, it's important for leaders to understand the landscape of service provision that already exists in their community and to have a sense of the quality of service that individual providers are offering.

Even within a moderately sized city or metropolitan area, there are dozens of providers performing

similar functions—preschool programs, after school groups, summer initiatives, etc. Taking an inventory of the range of providers for each function and assessing the quality of services being offered can help steer new approaches in meaningful ways. After all, if communities are able to devote new funding to children's services, the majority of those dollars will likely be funneled to providers themselves. In this scenario, it's critical for leaders to know which organizations are performing at a high level.

Some communities have found it useful to evaluate service providers and publicize their findings. This approach may be controversial in some places, but there are certain advantages to it:

- It provides a strong justification for the community to steer resources toward certain programs over others. If communities fund only those programs that provide a certain quality of service, they can be sure that funding is not being wasted on ineffective programs.
- It provides a strong incentive for service providers to step up their game. Giving higher rankings to after-school programs with lower staff-to-student ratios, for example, may encourage a larger number of these programs to organize themselves in this way.
- It provides a valuable resource for families as they seek to find adequate services for their own children. When programs are unranked, choosing a child care center, a summer program, etc. can be guesswork. A public evaluation can help address the asymmetry of information that parents often face in making such decisions, helping them enroll their children in programs that have demonstrated their effectiveness.

<sup>39</sup> See LouisvilleKy.gov, "Cradle to Career Louisville," [https://louisvilleky.gov/sites/default/files/safe\\_neighborhoods/vii\\_b\\_cradletocareerlouisville\\_0\\_5.pdf](https://louisvilleky.gov/sites/default/files/safe_neighborhoods/vii_b_cradletocareerlouisville_0_5.pdf).

The state of Ohio has implemented a preschool rating system that has strengthened local efforts to improve youth services. Led by the Ohio Department of Education and the Ohio Department of Job and Family Services, Step Up to Quality is a five-star rating system that uses nationally recognized evaluation standards to assess the quality of the state's preschool providers.<sup>40</sup>

Local actors have been able to use these rankings to build their own local efforts. The Preschool Promise in Montgomery County, Ohio, for example, has been designed to provide tuition assistance to all families who hope to enroll their children in preschools that have been ranked three stars or higher by the statewide system.<sup>41</sup>

Finally, many local leaders have found it useful to **assess and align existing funding flows**.

As described earlier in this paper, the funding landscape of service for children and youth is fragmented, chaotic, and often opaque. The resources that fuel local efforts may come from federal grants, state programs, local government allocations, philanthropic initiatives, contributions from local businesses, and other sources. Many communities have found it beneficial to develop a sense of all the investments in play before making any push for greater funding.

To do this, the leadership coalition should conduct an analysis and map out the spectrum of resources that cover the operations of service providers in their communities. This “fiscal scan” will bring a number of benefits:

- It will help identify overlapping efforts, enabling local leaders to streamline the provision of individual services. As communities prepare to devote new revenue to children, it is critical that they cover their bases politically by ensuring preexisting funds are being used as efficiently as possible.
- It will provide useful data for making the case that existing funding might be put to better use in some other area of children's services (e.g., excess spending in juvenile justice might be repurposed for preschool tuition reimbursements for low-income families).
- It will uncover any underleveraged intergovernmental resources that might be repurposed to meet more pressing needs.

In New Orleans, the Forum for Youth Investment, the Cowen Institute, and the Baptist Community Ministries conducted a fiscal scan of federal funding for the area's “disconnected youth”—young people aged 16 to 24 who are out of school and out of work. The report identified 51 separate programs coming from seven different federal agencies, consisting of 15 programs from the Department of Labor, 14 from the Department of Health and Human Services, 11 from the Department of Education, and 11 from four other agencies. For the city, identifying specific funding flows was the first step toward creating more coherent strategies for disconnected youth.

40 See Ohio Department of Job and Family Services, “Step Up to Quality—Ohio's Voluntary Quality Rating System,” <http://jfs.ohio.gov/cdc/stepUpQuality.stm>.

41 “A Montgomery County Preschool Promise,” Learn to Earn Dayton, November 17, 2015.

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# ASSESSING WHAT YOU NEED

Once local leaders have convened their individual and institutional allies in a network, developed a sense of their service provision landscape, and gauged the various funding flows in their community, many places have found a multifaceted needs assessment to be a useful next step.

Many of the leaders we spoke to found it beneficial to engage the public with community meetings and preliminary polling. Taking these steps at an early stage provides a useful reference point for leaders before they begin to finalize any decisions and helps orient the trajectory of local strategies. These were some of the lessons learned:

- There is no way of telling whether the community has an appetite for a new program if leaders don't engage and inquire, and community feedback will be critical in shaping the communications approach for any new initiative.
- Community meetings can help generate public buy-in for expansions of services. When citizens feel that they have been a meaningful part of the process from the beginning, they are more likely to support expanded services and exert pressure on their elected representatives.

- Preliminary findings from community meetings and polls can help leverage greater support from public officials and other local leaders. Once a measure has been shown to be popular with the public, leaders' resistance to change tends to diminish. This is a critical part of building momentum and interest in new efforts.

Many communities have also found it advantageous to **create and publicize a forward-looking budgetary analysis known as a "Children's Budget"** before starting their official efforts to increase funding. Some communities have used the occasion of creating a Children's Budget as the action-forcing moment for creating a network; others have chosen to create the budget later.<sup>42</sup> Regardless of whether it is drafted at the very beginning of the process or further down the line, a Children's Budget accomplishes the following:

- It creates an accessible, comprehensive articulation of the need for new resources. The findings of the Children's Budget will be a foundational piece of the larger communications strategy for any effort to devote greater funding to youth.

<sup>42</sup> Brodtkin, "Creating Local Dedicated Funding Streams for Kids."

- It also makes the case against any supplantation of resources for children and youth. By demonstrating the critical importance of and unmet demand for services, advocates will be in a stronger position to defend against budget cuts, if they are ever proposed.
- It provides an assessment of demand for a range of services, putting movement leaders in a stronger position to evaluate and communicate the realistic costs of expanding various programs. This information helps leaders evaluate their options and gives them the ability to be more specific in their funding requests. This approach has political advantages—developing a ballpark figure of how much money is needed for various services can help assuage fears of wasteful spending.
- The results of a detailed assessment can also be used to leverage greater support from businesses or philanthropies. Once a need has been identified and costed out, it becomes easier to attract outside investment.

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Margaret Brodtkin

# FINALIZING A PLAN FOR MORE FUNDING

With a good sense of local assets, a firm understanding of what is needed, and an estimation of how much money will be required, communities can shift to thinking about improving outcomes for children in more concrete terms. Unsurprisingly, our survey of local leaders revealed that this process is not an exact science. Leaders articulated a number of considerations that went into the final formation of their plans to expand services for youth. Influential factors included the opinions and preferences of the leadership coalition, the openness of government officials to certain approaches over others, the findings from community outreach and polling, and the size and nature of the needs identified in the Children's Budget or similar assessment.

Our conversations with local leaders revealed a number of key questions that all communities will inevitably have to answer as they attempt to secure greater funding for children and youth. We are particularly grateful to Margaret Brodtkin, the creator of the San Francisco Children's Fund and a national voice for dedicating greater local funding to children, for her help in assembling this list of relevant questions. As she cautions in "Creating Local Dedicated Funding Streams for Kids," there is no single right way of completing this step. The process is driven by "a mix of political shrewdness, objective data, and opportunity."<sup>43</sup>



## WHAT IS LEGAL?

As municipal leaders know well, state law often places severe restraints on what local governments can and cannot do. In many places, there may be laws preventing certain approaches—for example, particular modes of revenue raising may not be permitted. It's critical for local leaders to know their options at an early stage in order to narrow the range of possible approaches.

<sup>43</sup> Brodtkin, "Creating Local Dedicated Funding Streams for Kids."



## WHAT KINDS OF PROGRAMS AND SERVICES SHOULD THE COMMUNITY SEEK TO FUND?

Every place operates in its own unique context—communities have different needs, political dynamics, civic landscapes, histories, revenue raising potential, etc. While groups like the Social Genome Project and others have shown that certain programs create better outcomes for children and youth, every community will have its own preferences.

Generally speaking, research demonstrates that interventions made earlier in children's lives tend to be more cost-effective than ones that are made later. Helping children get on a positive track early in life is seen as easier to achieve than helping remediate negative habits later on. This isn't to say that programs for older children aren't important, but in situations where resources are particularly scarce, many communities have opted for new funding to be devoted to programs focused on the earliest stages of children's development. The majority of local funds for children that have already been established have a distinct emphasis on prevention and early intervention.

Whether to focus only on evidence-based approaches is another decision communities must make. There is substantial debate on this question. Many experts suggest that communities should exclusively implement evidence-based approaches.<sup>44</sup> Communities that take this route can consult databases (compiled by groups like Child Trends) and choose from hundreds of proven programs.<sup>45</sup>

Others have noted that program evaluation can be expensive and time-consuming, and sometimes the positive benefits of certain programs are obvious even without professional analysis. There is perhaps a bit more risk involved in funding a program that has not been evaluated, but if leaders feel that sound practices are being employed and that the model is "evidence informed," a lack of professional analysis shouldn't prevent them from supporting it.<sup>46</sup>

44 Ron Haskins and Greg Margolis, "Show Me the Evidence: Obama's Fight for Rigor and Results in Social Policy," Brookings Institution, 2014.

45 Child Trends publication database, <https://www.childtrends.org/publications/?publication-type=what-works>.

46 Lisbeth Schorr, "Reconsidering Evidence: What It Means and How We Use It," Stanford Social Innovation Review, January 8, 2016



## HOW SPECIFIC SHOULD THE CAMPAIGN BE?

Community leaders must decide if a campaign will seek to fund an individual program, broadly target various categories of services (like early childhood education, elementary school literacy programs, etc.), or establish a general fund for a wide range of services.

Communities have adopted many different strategies in this regard. Some places have opted for an incremental approach, pushing for one specific service expansion at a time. Preschool or prekindergarten has been a popular first choice, with cities like New York City and San Antonio recently winning campaigns devoted solely to that purpose.

Other places, like King County, Washington, have passed referenda that expand a small set of related programs. The county's Best Starts for Kids initiative created funding for prenatal support, early childhood care, and a range of prevention measures to ensure healthy development during children's earliest years and establish positive momentum into middle childhood.

Other communities have been able to pass ambitious measures that cover funding for a wide range of services. Florida's Children's Services Councils, San Francisco's Children and Youth Fund, and Oakland's Fund for Children and Youth, for example, are empowered to fund a wide range of programs targeted at all stages of youth development.



## WHAT LEVEL OF GOVERNMENT ARE LEADERS HOPING TO SECURE MORE FUNDING FROM

Communities need to decide whether to focus their energies at the municipal or county level. These questions of scale can be difficult to navigate. Limiting a local effort to a single municipality may be easier to execute politically, as voters within cities tend to be more ideologically homogenous than voters spread throughout a county. But limiting an effort solely to the boundaries of a municipality will limit the resource base that can be drawn upon and reduce the geographic impact of the measure. As research by our colleagues Elizabeth Kneebone and Alan Berube has shown, disadvantaged families live increasingly in suburban areas outside of major cities.<sup>47</sup> Efforts to improve services for youth that are constrained to the boundaries of a single municipality may fail to reach a significant portion of those in need.

<sup>47</sup> Elizabeth Kneebone and Alan Berube, *Confronting Suburban Poverty in America* (Brookings Institution Press, 2014).



## SHOULD LEADERS ATTEMPT TO REALLOCATE EXISTING FUNDING OR GENERATE NEW REVENUES?

In most places, the need for more funding for children is obvious. But the decision of whether those resources should be drawn from existing public funds via a yearly set-aside or generated through new revenue streams is a contentious one. This choice has powerful implications for how the politics of the measure are likely to play out.

Communities that decide to pursue greater funding through a set-aside will likely find it easier to gain public support—this approach places no additional tax burden on the public, and as Brodtkin notes, the public often supports the idea of a certain percentage of the yearly budget being devoted to popular causes like children. Opposition is more likely to come from interest groups and organizations that fear losing their share of public funding.<sup>48</sup> Also, while rules vary from state to state, the threshold for voter approval tends to be lower for reallocating existing funds than generating new revenues; generally, only a simple majority is needed.

Oakland is an example of a city using a yearly set-aside—the Oakland Fund for Children and Youth receives 3 percent of the city’s general fund revenues, providing around \$13 million per year to a range of programs for children and youth. Another set-aside was recently established in the city of Baltimore, where voters approved a measure in 2016 under which the city sets aside 3 percent of yearly property tax revenues to establish a fund for youth programs. The fund is expected to receive around \$12 million this year.

Communities that decide to create new revenue streams may face stiffer opposition from anti-tax voters, and depending on the specific mechanism used, might incur resistance from specific businesses that would be subject to new fees or financial burdens. Raising new revenues in many states requires approval by over 60 percent of voters, making this approach a more challenging political lift than a set-aside.<sup>49</sup> But in many cases, new revenues are needed to fund expansions of services at a meaningful scale—very often, even a substantial reallocation may not provide ample resources for badly needed programs.

<sup>48</sup> Brodtkin, “Creating Local Dedicated Funding Streams for Kids”

<sup>49</sup> Center on Budget and Policy Priorities, “Policy Basics: State Supermajority Rules to Raise Revenues,” February 11, 2015.

# WINNING A REFERENDUM

Once a detailed plan has been finalized, the true campaign for new funding begins. This will be a full-fledged political battle, and leadership coalitions must prepare accordingly. “I think that what surprises the proponents of children’s funds the most is the opposition,” Brodtkin told us. “People think it is going to be impossible to oppose a children’s measure. But competition over resources is always fierce.”

A comprehensive discussion of local organizing, messaging, and communications tactics is beyond the scope of this paper, but our conversations with community leaders helped us identify a few important elements that make for an effective campaign.

A critical early step is **identifying a champion for the cause within government**. In some communities, public leaders will have started the movement or come on board at an early stage, and this won’t be an issue. In other places, representatives will need to be persuaded. In either case, having an elected champion is instrumental for introducing the formal legislation that places the measure on the ballot. It is also advantageous to have an advocate within government who can help persuade other representatives of the need for the measure, and lend his or her voice to public debate and other outreach efforts.

In Dayton, “access to high-quality preschool had been a local conversation for almost a decade,” said Ariel Walker, senior policy aide to Mayor Nan Whaley. “It became clear that without a local funding champion, the program would continue to be a dream.” With strong data indicating the need for and benefits of greater access to preschool, a successful pilot program in place, and an outspoken champion in the mayor, Dayton was able to pass Issue 9, the small income tax increase that, among other things, created the funding to increase access to preschool for the community’s four-year-olds.

If there are no elected officials willing to sponsor legislation, movement leaders can still get the measure on the ballot via a petition. Petition laws vary from place to place, but generally, issues must receive signatures of 5 to 25 percent of registered voters in order to qualify for the ballot.<sup>50</sup> Several places have successfully passed measures for greater youth funding after being forced to take this route. As previously mentioned, Boone County was forced into a petition drive. The local effort successfully collected over 8,000 signatures, and the measure passed with 57 percent of the vote. In San Francisco’s initial push for a dedicated funding stream, local politicians also refused to get involved. Community organizers (led by Margaret Brodtkin) were able to collect over 68,000 signatures to place the measure on the ballot.

<sup>50</sup> Brodtkin, “Creating Local Dedicated Funding Streams for Kids.”

Whenever possible, **it's important to garner bipartisan support among elected representatives and civic organizations.** Most of the communities we spoke to were able to do this. In Dayton, more conservative organizations like the Chamber of Commerce joined traditionally liberal groups like labor unions and the NAACP in advocating for Issue 9. In Palm Beach County, the campaign's steering committee was composed of leaders from senior groups, labor unions, homeowners associations, businesses, and political leaders from both sides of the aisle. The composition of organizations that supported ballot measures looked similar in several of the other communities we spoke to as well.

Several community leaders noted the importance of **leveraging the full scope of their network in communications and outreach.** Public support, speeches, statements, or other endorsements from a wide range of messengers—prominent civic leaders, pediatricians, members of the law enforcement community, business leaders, child care workers, teachers, parents, etc.—can help broaden the appeal of the measure and sway undecided voters.

Another common suggestion was to **tailor campaign messaging for various groups.** Movement leaders should design communications strategies to address the concerns of a wide range of voting groups, some of whom will inevitably be less inclined to support the measure. “Children can be an issue that crosses the political divide, and our polling supports that,” Brodtkin told us. “But there is no question that support is greatest among younger people, Democrats, people of color, and low- and moderate-income people. There is less support with older, more well-off, more Caucasian voters.”

While many voters will react positively to well-articulated arguments demonstrating the need for new or expanded services, other arguments may work better for skeptical groups. Messaging around the cost-effectiveness of prevention efforts were utilized in nearly every community we spoke to. In Palm Beach County, for example, seniors reacted well to arguments centered on safety and security, and the business community responded well to arguments about accountability and local control.

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# ENSURING ACCOUNTABILITY, SUSTAINABILITY, AND COLLABORATION

Securing greater funding for children and youth is a tremendous political victory. New funding can bring about transformative investments for local children and youth. But new programs and services will fall short of their potential if an influx of funding is not paired with (a) strong accountability measures for the administration and oversight of new funding; and (b) greater collaboration across service providers and sectors. Ideally, communities will have included specifics on the administration, oversight, and evaluation of new funding in the ballot measure.

The communities we spoke to had adopted a range of structures to administer new funding. In some places, like Oakland, decisions on how funding is used are made by a specially designated body within government. In other places, like Florida, Children's Services funds are independent from government.

In most places, oversight bodies are appointed by local government officials and are composed of representatives from all sides of the community. The powers of oversight bodies vary; in some communities, they act solely as advisors, while

in others, they are the ultimate decisionmakers concerning how funds are spent.

In building out the administration and the oversight of new funding, local leaders should **aim to depoliticize decisionmaking structures to the greatest extent possible.** If funding decisions come to be seen as political, public support may diminish. The Oakland Fund for Children and Youth is administered by an entity within the city's Department of Human Services and is overseen by a Planning and Oversight Committee of 17 Oakland residents. While the City Council has the final say on approving the fund's allocations, they can sign off only on the complete package and have no ability to change individual line items. This arrangement helps reduce the perception of any conflict of interest when it comes to which organizations or programs receive funding over others.

Most communities also **include data collection and evaluation mandates in measures for new local funding.** Every local leader whom we spoke to over the course of our research identified data collection and evaluation as critical elements

of a long-term strategy to improve outcomes for youth. Transparent, accurate evaluations are essential to cultivating an environment of trust and an expectation of continuous improvement. If programs prove themselves able to create better outcomes, public evaluations will bolster long-term public support. Likewise, if certain interventions are shown to be ineffective, local leaders will have a convincing case to change their approach.

In 2014, when Florida's state legislature demanded that counties hold a referendum to reauthorize their Children's Services Councils, 85 percent of voters in Palm Beach County supported the reauthorization. In addition, they agreed to double the cap on the property tax that fueled its efforts, from 50 cents to a dollar per \$1,000 of assessed property value.

Critical to Palm Beach County's success with voters was the sophisticated analysis it performs regularly for its "State of the Child" reports. This research, made fully available to the public, has been essential in identifying the ever-evolving needs of the community, making a clear case for specific interventions, and documenting the effectiveness of new local efforts.

Finally, many leaders spoke of how important it was to **create entities to help align efforts and deliver more integrated services**. In some places, the organization that led the campaign for greater funding may be well positioned to play an ongoing convening role. In other places, mayors and governors have created "Children's Cabinets" that regularly bring together the heads of essential public agencies, educators, service providers, and other community leaders who may not interact otherwise.<sup>51</sup> By meeting on a consistent basis, Children's Cabinets have helped many communities align local services, maintain their commitments to shared outcomes, and think collectively on how to best allocate resources for children and youth. These groups now operate in 33 states across the country.

Coordination between governments and service providers is increasingly recognized as an essential component of improving outcomes for children of all ages. In 2014, Boston Mayor Marty Walsh appointed a chief of education whose primary responsibility is to collaborate with cross-sector partners on a range of new initiatives for children and youth.<sup>52</sup>

<sup>51</sup> See Forum for Youth Investment, "Children's Cabinet Network," <http://forumfyi.org/childrens-cabinet-network-0>.  
<sup>52</sup> Jeremy C. Fox, "Rahn Dorsey Is Mayor's Eyes and Ears for City Schools," Boston Globe, October 5, 2015.

# CONCLUSION

For our country to prosper, young people must be equipped with the tools they need to succeed. The future is uncertain—technological disruption and international competition are changing the world more rapidly than ever before. But if we don't make the right kinds of investments in the next generation now, our nation will pay the price in the decades to come. Our young people will grow up unprepared to meet the demands of the 21st century.

While the need for a coordinated, intergovernmental strategy to increase investments in young people seems clear, our children cannot wait for the federal government and states to act. Cities and counties must lead the way by dedicating greater local funding to children, nurturing cross-sector collaboration from “cradle to career,” and establishing governance systems to match the scale of new efforts.

The politics of this will not be easy. But the handful of communities highlighted in this paper show that it can be done. Local leaders around the country should take note of their example—the obstacles are not insurmountable, and the benefits of greater local funding for youth are impossible to ignore.

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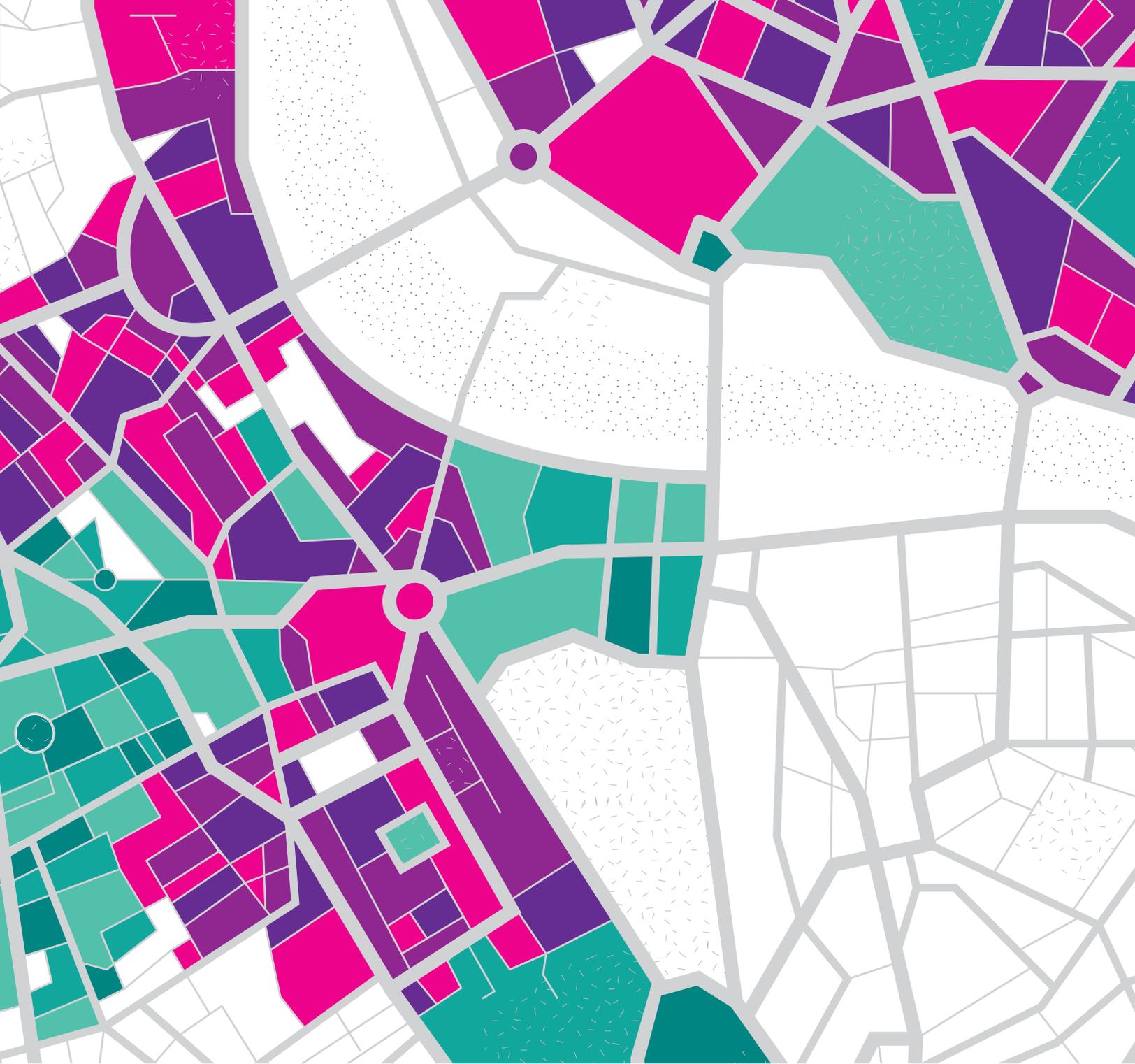
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