### **JUNE 2021**



# FUNDING THE NEXT GENERATION

GAME CHANGER AHEAD

### Dear Margaret,

I am both ecstatic and overwhelmed by the current window of opportunity to transform the lives of our most vulnerable children and families. New money and a new California court decision throw many opportunities our way all at once. New **federal** dollars can rescue existing essential services struggling to

survive. (See previous newsletter for info)

 New state dollars can be the gateway for new partnerships and innovative approaches. (<u>See Gov. Newsom's "comeback plan</u>" for kids)
New local children and youth funds can ensure scale, sustainability, and flexibility to address each community's unique needs.

# WHY THE URGENCY?

**GAME-CHANGER IN CALIFORNIA** - I want folks to understand that the recent change in voter threshold needed for local revenue measures is a BIG DEAL. Bottom line – If you put a revenue measure on a local ballot through signatures of the voters, you will only need a majority vote for it to pass, ending the policy disaster that has prevented half a dozen measures for kids in our state from passing by requiring a 2/3 vote. (See previous newsletter for more info.) For instance, San Francisco and Alameda Counties are now going to generate over \$250M each year for kids because of the change!!! THIS IS A HUGE OPPORTUNITY.

# WE MUST SEIZE THESE OPPORTUNITIES.

• **Federal**: Advocate at the city and county level for ARPA dollars to go to kids. Check out our <u>webinar</u> and <u>home page</u> for details.

• **State**: Use new state dollars targeted to your priorities (e.g., after school, behavioral health) to fill gaps, develop better partnerships, improve worker compensation, and initiate more creative and wholistic programs.

• **Local:** Build the groundwork for a local funding measure in **2022 or 2024** to ensure bringing programs to scale, sustaining the work, and having the flexibility to meet each community's specific needs.

# WE CAN WORK TOWARDS THESE GOALS ALL AT ONCE:

- MAKE A VISIONARY, LONG-TERM PLAN FOR TRANSFORMING LIFE FOR THE NEXT GENERATION.
- TARGET RESOURCES AT ALL 3 LEVELS OF GOVERNMENT.

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 ORGANIZE YOUR CONSTITUENCY – EXPAND YOUR COALITIONS – BUILD YOUTH AND PARENT LEADERSHIP.

# What FUNDING THE NEXT GENERATION can do to help you decide what could work in your city or county – we can:

• Conduct an **assessment** with you about whether your city or county is positioned to launch a local ballot measure campaign.

• **Speak** to your local coalition or your regional or state advocacy group to explain this new opportunity for local funding measures for children and youth.

You can participate in our **Learning Community** – a regular training and information exchange of leaders working on local measures for 2022 or 2024.

# GLORIOUS BENEFITS OF A LOCAL REVENUE MEASURE Two inspiring models



# Los Angeles County

LA County just issued its plan for spending the first phase of its *Re-Imagine LA* ballot measure, passed in 2020 to set aside 10% of the county general fund for community investments. It is a magnificent plan and will inspire you to want a fund of your own. The recommendations are a mosaic of policies, strategies, programs and interventions developed to effect consequential change in LA County for those impacted by the legal system. It calls for: closing the Men's Central Jail, expansion of community based programs, creation of safe spaces and services for youth and young adults, culturally

responsive education and economic supports, and the creation of a menu of housing options to help stabilize individuals.



The report can be accessed here.

Strategic Investment Plan Fiscal Years 2021 - 2024

# **City of Richmond**

Richmond has issued a strategic plan for its new Fund for Children and Youth.

The plan has six priorities:

- Mental health and wellness
- Education and employment training support
- Out-of-school time (including sports and enrichment)
- o Violence prevention
- Access to basic needs
- o Access to info about resources

<u>Link to the website of the new office managing the fund. It includes information about the grantmaking process, the needs assessment and more.</u>

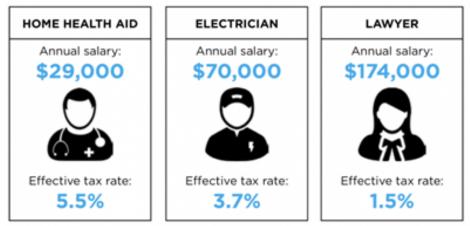
# SOME NEW IDEAS for LOCAL BALLOT MEASURES

# • FUNDING LOCAL SCHOOLS AND KIDS' SERVICES WITH A COUNTY-WIDE BALLOT MEASURE

It is possible to mount a campaign for funding for all school districts in a county and require only a majority vote. OR you can mount a county-wide campaign and divide the funds between schools and other children and youth services, such as childcare and youth development. A partnership between schools and youth service providers could be a dynamic political alliance with the resources and constituencies to pass a bold measure.

# • MAKING A SALES TAX PROGRESSIVE!

SPUR (a Bay Area non-profit public policy organization) has issued a report about 3 ways to make a sales tax progressive. A typical sales tax is indeed regressive:



\*Dublin, CA Sales Tax: 9.5%

BUT – SPUR offers 3 recommendations that are do-able and based on already existing equity strategies within government:

• **Create a sales tax fairness credit** – This is a refundable tax credit like the EITC.

• **Create a local sales tax supplement** – This would be a set-aside of the new revenue to be distributed to eligible residents meeting income or other requirements.

• **Create a local sales tax cash benefit** – This could be a cash grant administered like other benefit programs.

All strategies could be designed to have minimal bureaucracy and paperwork, with additional funding being given automatically.

Link to article on report

Link to report.

# • CARVE-OUT MONEY FOR KIDS: The public loves the idea.

Now is the time to consider measures that require cities or counties to setaside portions of their general fund or existing revenue streams (like property taxes or cannabis taxes) for a Children and Youth Fund. This is not a new tax,

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but rather a way to ensure existing dollars are spent on real public priorities. The infusion of new dollars makes this a good time to use this strategy. While elected officials sometimes balk at this approach, the public loves it.

Some will raise questions about the approach. Here are some answers to the typical objections raised:

#### Isn't this just ballot box budgeting?

That is exactly what it is. When elected officials are unable to allocate money for high priority needs, it is only fair that the public be given a say in how its own money should be spent. Democracy is well served when the public has the opportunity to have the last word. Isn't that why we live in a democracy? Too often decisions about how the public's money should be spent are made behind closed doors. This is an opportunity for decisions to be made transparently – in public, by the public.

### Won't it take away from existing needs?

Investing in a healthy, educated, law-abiding younger generation saves money. Current extensive spending on incarceration, hospitalization and public welfare is taking money away from other needs. Investing in children and youth will reverse this. And for only a small portion of the city or county budget. In addition, it will be an incentive for greater efficiency in government. Set-asides have worked in San Francisco and Oakland, without any detrimental impact.

### Will this approach tie the hands of city/county officials?

Yes, to some extent – and that is the point. If elected officials had been more responsive to the needs of children, we would not need to tie their hands. But children often end up as losers in budget battles. Tying hands is the way for children to get what they need. And very often, it allows elected officials to do what they want to do anyway and know is right – and stand up to other powerful political forces.

#### Isn't this special interest politics?

Children and youth are the opposite of a special interest. They are everyone's interest – our entire future depends on how well we nurture and support our children. They deserve a special place in the budget because they cannot lobby for themselves. They are short-changed because our budget process is so dominated by special interests. Without protections in the budget process, children's interests will never be able to compete with the real special adult interests.

#### Will we be setting a bad precedent?

This need not be a precedent. Children are a special case. They are uniquely vulnerable in the budget process because they are the only constituency that cannot vote. In some cities and counties, is standard procedure to set-aside public funds for specific agreedupon needs. We do it for things like open space and public safety.

#### Don't some people say that set-asides are bad government?

Compared to what? Bad government is when our children are neglected, uneducated and unhealthy. A measure that reverses this is the heart of good government and why government exists.

# LET'S GET BUSY AND MAKE 2022 AND 2024 THE YEARS WE PLACE CHILDREN'S MEASURES ON THE BALLOT.

**Funding the Next Generation** has formed a cohort of leaders who are aiming to place a local revenue measure on the ballot for kids in either of the next two elections. The group is meeting virtually on a quarterly basis to share

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strategies and insights, and receive targeted training and coaching. The group will also have the opportunity to be referred to a C-4 funder for support for their campaigns.

Contact Margaret Brodkin if you are interested. <u>margaret@fundingthenextgeneration.org</u>

Funding the Next Generation has now officially merged its work with Children's Funding Project, our new fiscal sponsor and partner. We are delighted to coordinate our work and build a stronger movement to fund opportunities for children and youth, in California and nationally.



As always, please feel free to contact me with any questions, ideas or requests for support - no matter how big or small. With a team of some of the best experts in the country, we provide free technical assistance on everything related to local revenue measures for kids and budget advocacy with your city or county.

# Margaret Brodkin, Founder Director, Funding the Next Generation margaret@fundingthenextgeneration.org 415-794-4963 Check out our website full of information.

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