



FUNDING THE NEXT GENERATION

The Nation's First Initiative to Promote Local Dedicated Funding for Children, Youth & Families

All California children and youth deserve the opportunity to reach for their dreams with the care and services to support them as they grow. To realize this vision, Funding the Next Generation (FNG) builds the capacity of local communities to transform their fiscal policies in order to generate the resources needed with a focus on using the ballot as a primary tool. Local action and the use of the ballot to create fiscal policy ensures money is allocated where it is needed, and just as importantly, mobilizes and empowers those most impacted by how public dollars are spent.

Challenges facing California's children and youth.

- California's children and youth lack the services and opportunities they need to become healthy, independent, confident, and engaged adults. Public resources are grossly inadequate, imbalanced, and focused on repressive policies that serve those already in the welfare or justice systems or those already ill.
- No where is this truer than at the local level where public safety usurps over half of local discretionary investments and investments in prevention are often less than 5% of the discretionary budget. Furthermore, much of the funding earmarked for children and youth in local budgets is often one-time and unsustainable, creating uncertainty for all stakeholders from year to year.
- Those most impacted and knowledgeable about the needs of young people do not have the power to re-balance fiscal priorities nor the skills and resources to do the work to effect that kind of change.

What is Funding the Next Generation?

- FNG began in 2014 as an independent initiative, fiscally-sponsored by the First 5 Association of California and later by San Francisco State University School of Public Affairs and Civic Engagement. Our mission is to increase city and county dedicated funding for children and youth with a focus on placing measures on the ballot to create the source of revenue. Funding streams created by voters and embedded in local government charters and laws are more sustainable and stable than the line items included each year in local budgets. Inspired by California's first and the nation's largest Children and Youth Fund in San Francisco, FNG builds the capacity of local coalitions and leaders, creates the theory and educational materials to guide the work, and catalyzes a movement to advance budget equity for children and youth in California.
- Since our inception, we have literally written the book [about how to create children and youth funds through ballot measures](#). We have provided education and support to over 800 leaders throughout coalitions with 41 coalitions in every corner of the State participating in our learning opportunities. We have cultivated a network of consultants who have become experts in every aspect of this work and remain steadfast in advancing the creation of local dedicated funding for children and youth.
- We have become the go-to organization for helping communities find new and more democratic ways to generate resources at the local level by using the ballot – a process that engages those most impacted by fiscal policies and builds infrastructures inside and outside government for community accountability. We collaborate with groups throughout the State working to increase resources and build power for children and youth. Most importantly, we have built a community

across this movement and have become a critical part of the children's advocacy infrastructure in California.

- Last year FNG became the California division of the Children's Funding Project, a national non-profit social impact organization that helps cities, counties and states expand equitable revenue for children and youth through public financing. As a result of this important shift, FNG's future work will become more central to the national work on local funding strategies and better positioned to contribute to the national movement, aligning its work with organizers and policy leaders throughout the country.
- Funding the Next Generation was founded and is directed by Margaret Brodtkin, "mother" of San Francisco's ground-breaking Children's Fund, and a nationally-recognized advocate and policy leader with 40 years of experience. (See www.margaretbrodtkin.com for more information.)

What are local dedicated funding streams and what can they accomplish?

- Dedicated funding streams are public funds that must be spent on a specified purpose (services for children, youth and families), and are created through ballot measures or legislation that either mandates a "carve out" of dollars from existing budgets or enhances revenue specifically for children's services (e.g. sales taxes, parcel taxes, soda taxes, marijuana taxes and fees).
- Dedicated revenue streams provide flexible, sustainable funding for high priority needs of children, youth and families – such as preschool and early care, after-school, health, family support, youth development, and career preparation. They allow communities to focus on prevention and fill gaps that are not covered by state and federal funds.
- Local dedicated funding streams create opportunities for innovation, leveraging resources, and improved coordination, accountability and planning by local governments.
- San Francisco's Children's Fund, the nation's largest fund, was \$95 million in 2018-19, serves over half of the city's children, and has transformed the service delivery system. The services funded improve school readiness, increase school attendance, increase community safety, reduce family violence, and promote civic engagement of young people and parents.
- A growing number of communities nationally are creating local dedicated funding streams for children, including 8 counties in Missouri which have special funds for children's mental health; 8 counties in Florida which have independent Children's Services Councils supported through local property taxes; Denver and San Antonio which have passed preschool measures through the ballot; and Oakland, Portland and most recently King County in Washington State which have also created special funding streams through the electoral process. The Brookings Institution has featured local children's funds as an innovation of what they call "the new localism."

What is the process of creating a local fund to support children's services?

Funding the Next Generation was initiated in California and is based on experiences there, as well as observations and research throughout the country. The initiative has created a "roadmap" for developing local dedicated funds for services for children, youth and families. Recognizing that every city and county is different, and that there is no one-size-fits-all approach, key steps that are common to most communities are:

- **Building and Making the Case**
This includes assessing and documenting needs, identifying gaps in services, and developing a resource map of current investments in children. This work can be stimulated by local legislation and local budget advocacy, and done as a collaborative effort between government and community advocates and experts.

➤ **Establishing Priorities**

This can be a creative mix of data, opportunity and political assessments. Polling can help facilitate this process. A local children’s Bill of Rights or Children’s Agenda can lay the groundwork for determining what should be funded through a new funding stream.

➤ **Crafting a Measure**

This includes identifying the funding source – considering feasible options such as a carve-out, or new taxes or fees. It also includes developing a plan for the implementation of the fund, including governance and administration, methods to ensure accountability and evaluation, eligible services for funding, and methods to prevent supplantation of the fund.

➤ **Expanding the Support**

This entails going beyond the “usual suspects” who support children’s issues, to include labor, the faith community, business leaders, senior citizen groups, law enforcement and neighborhood associations. It also means developing a compelling public education campaign – with strong messengers such as pediatricians, teachers, law enforcement and parents.

➤ **Creating a Campaign**

Some communities place a children’s fund on the ballot through petition of the voters. Others do it through a vote of the county or city legislative body. A political campaign for kids is very powerful. It engages people across the political spectrum and creates an ongoing constituency for your community’s children.

Lessons Learned

- Since its launch in 2014, FNG has stimulated an outpouring of energy and interest among advocates, non-profits, youth, parents, and policymakers in placing measures on local ballots to create dedicated funds for children and youth. We have developed a deeper understanding of the complex and time-consuming path to the ballot for grassroots advocates for children and youth, including how to build the case, navigate the legalities of revenue and election policy, develop readiness for a local budget equity campaign, work in coalitions, and turn aspirations into concrete measures ready for the electorate.
- We have learned that there is nothing like a ballot measure to focus civic attention on an issue and build the power of advocates to achieve their vision. Since we started, there have been 21 measures on local ballots throughout the state and twice that many communities enthusiastically began the journey. Already eight measures have passed generating \$400 million annually. Just as important, these dedicated public funds for children and youth have created tables and planning processes for impacted communities to guide local policies and investments. The community engagement process required by these ballot measures has resulted in an ongoing infrastructure for civic engagement.
- The momentum of this movement continues to grow. This year we have seen an even greater hunger for new approaches to generating resources for young people to overcome the glaring injustice of the current misallocation of resources and strengthen community voice in the policy-making process. Last summer, 20 coalitions and lead organizations responded to FNG’s call to start local campaigns and participate in its learning community for future elections. This reflected a significant increase in the number and type of organizations aspiring to place measures for children and youth on the ballot. We believe COVID-19 contributed to this as it brought to light and exacerbated so many needs such as childcare and youth mental health.
- Despite successes, we have faced significant challenges. They include the lack of political engagement and political capital of many local non-profits which can and should be the core of this movement. Other significant challenges are the laws of California that are over-influenced by anti-tax zealots, local political cultures that de-value prevention in favor of public safety,

competition for resources by those with greater political power, and inadequate funding for the daring pioneers who strive to do this work. Our plans moving forward will address these challenges.

The future of Funding the Next Generation

Together with our network members, advisors, and partners, we have created an impactful organization to promote this work, a dream team of some of the best experts in the country, tools and theory for implementation, and learning communities and technical support to advance peer support and bring new information. We will expand and strengthen that structure and add some new elements to our work:

- Expand our outreach and create more extensive educational strategies to build a broader, more diverse statewide network of local intergenerational cross-cultural coalitions committed to budget equity for children.
- Expand our partnerships with key potential allies, such as unions, school boards, youth organizing groups and State-level stakeholders ranging from grassroots voter outreach projects to business associations.
- Create a more structured, well-defined package of support to our learning network to meet the needs of more diverse coalitions at various capacity levels and political and legal circumstances.
- Focus on assisting non-profits develop an organizational culture of civic and policy engagement.
- Address the legal challenges facing cities and counties in raising adequate resources by promoting State policy reforms in budget legislation.
- Expand the scope of our work to include other ways local government can increase resources for children and youth (i.e., through the budget process and other policies that mandate funding to serve the next generation); and
- Research other potential donors that can help fund local-level campaigns.

THE NEXT GENERATION OF CALIFORNIANS

By building and connecting local campaigns throughout California with the vision, passion, and capacity to generate resources for children and youth, FNG's proposed direction grows the investments in the next generation of Californians, ensures equity in the allocation of resources, and lays the groundwork for local organizing that also enhances State and national efforts.

Contact Funding the Next Generation for more information and technical assistance.

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