

FUNDING THE NEXT GENERATION HISTORY, ACCOMPLISHMENTS, LESSONS LEARNED AND CHALLENGES 2014 – 2023

HISTORY

In 1991 the San Francisco electorate passed California's first dedicated fund for children and youth. Within 5 years Oakland followed suit. San Francisco's Children's Fund was not only the first in California, but it was first in the nation created by amending a city charter to carve out a portion of the annual budget for children and youth.

For 25 years, no other California community even attempted to pass a ballot measure to create a children and youth fund – although advocates and policymakers throughout California looked with envy on the transformation in local funding and organizing that was happening in these two Bay Area cities.

Then in 2016, there were 4 measures on the ballot, followed by 7 in 2018, 6 more in 2020 and 4 in 2022 and several more poised for 2024. It was exciting. Hundreds of children's advocates came forth around the state to try this "new" strategy.

Furthermore, since placing their first measures on the ballot, both SF and Oakland have passed 7 other measures to fund children and youth services as their child and youth advocates became political heavy weights and their organizing capacity grew exponentially (and their cities got used to voting for kids) – demonstrating how this strategy reinforces itself. Once advocates discover the power of using the ballot; once they experience success in fighting for actual money – they become emboldened and relentless.

What happened to inspire a new rush of optimism about using the ballot, and new energy for fighting in the local arena for a reallocation of money?

Part of the answer is the 2014 launch of a new nonpartisan, nonprofit organization called **Funding the Next Generation (FNG)**. FNG Funding the Next Generation (FNG), a new nonpartisan, nonprofit organization launched in 2015. FNG aimed to promote the then-novel idea of using the local ballot and the power of child and youth advocates to call attention to the gross imbalance of the allocation of dollars in local budgets, and to build support for spending more on children and youth. The other part of the answer is the talented, knowledgeable, and deeply committed cadre of early-stage pioneers who showed up to take the leap and try a daring new strategy.

The outpouring of energy and thousands of local advocates that ultimately got involved in these exciting efforts have built an emerging movement. FNG catalyzed this movement through outreach, technical support, convenings, strategy development, research, and creating numerous and useful tools for the pioneers. Yet despite the benefits of these local initiatives,

only 8 of the 21 measures that made it to the ballot passed. Two of the major successes have been Richmond and Sacramento. While the advocates and coalitions in these cities received substantial and sustained support from FNG, local interest in this strategy began earlier, as they observed the wins in San Francisco and Oakland and learned how long a build-up can take to ultimately achieve success. It is also important to note that while 21 measures have made it onto local ballots to date, twice as many communities enthusiastically began the journey. Some were blocked or fizzled early in the process, others mid-stream, but almost all continue to eye the possibility.

None of the places that jumped into the fray with a campaign have given up, nor would they describe what happened in their cities and counties as a loss. Most remained inspired and ready to take the next steps. Some are actively planning other measures; some used their newfound political capital to get big chunks of dollars for kids out of ARPA and other federal funds; some got their cities or counties to create new bodies in government to address children and youth issues.

With the support of FNG, everyone learned together. Folks saw that it took Sacramento 3 times on the ballot to pass a measure as they grappled with the right balance between youth-led and politician-led efforts; and they saw that Richmond required 3 separate ballot measures to successfully balance competing political forces.

ACCOMPLISHMENTS

FNG changed the trajectory of local funding fights to invest in kids. We have built the early stage of a movement in California cities and counties to expand local sustainable resources for children and youth, with a focus on local ballot measures. Since 2013, Funding the Next Generation has:

- **Created a broad, statewide learning community** of advocates, non-profit and public agency service providers, elected officials, policy experts, and activists (and many who became activists) focused on creating local dedicated funding for children and youth through the ballot. This included numerous parents and youth organized in cities and counties throughout the state.
- **Organized a committed network of experts** to learn and train others in all aspects of the work. This included the “best-in-the-state” political strategists, lawyers, pollsters, and public finance experts.
- **Created the fundamentals of a new field.** We literally “wrote the book” on how to do this work, including first-ever-written guides called “Creating Local Dedicated Funding Streams for Kids” and “A Children’s Fund Campaign Manual.” We continually created materials to enable activists to realize their vision. This included booklets, power points, tools, policy papers, as well as an ongoing website and regular newsletters which summarized lessons-learned and featured model initiatives and emerging leaders.
- **Developed partnerships** with organizations within the children and youth field, as well as more broadly with related social justice causes. This included organizations ranging from

statewide ones such as the First 5 Association and Children Now to Youth Leadership Institute to the Center on Juvenile and Criminal Justice.

FNG has educated, enabled, and provided technical assistance to leaders, activists, advocates, and those impacted about local budgets and ballot initiatives. We have:

- **Engaged over 800 leaders in communities throughout California** – 41 cities and counties were represented in our training sessions and other learning opportunities. While 14 were in the Bay Area (many initially inspired by the early measures in San Francisco and Oakland), communities were represented from all parts of the state – 12 in the South, 4 in the mid-coastal area, 7 from the central valley, and 4 from the North.
- **Created learning opportunities** – Throughout the ten years, we created multiple and varied learning opportunities, depending on the needs of participants and external circumstances. We were always flexible in responding to specific needs. Strategies included peer learning cohorts, conferences, place-specific technical assistance, workshops, and after the pandemic, regular webinars.
- **Nurtured ballot measures** – We were involved in ballot measures and their aftermath in 13 places – some with multiple campaigns. They were Counties of Alameda, Marin, Monterey, Napa, San Francisco, San Joaquin, Solano; and cities of Capitola, Oakland, Richmond, Sacramento, Santa Cruz, South San Francisco. Seven had measures that passed. Our support varied in intensity and range, depending on the need at various phases of the campaigns. We worked in another six places helping prepare for a ballot measure that either didn't quite materialize or resulted in a general fund measure that prioritized children and youth - Yolo, Long Beach, Sonoma, Contra Costa, Kern and Los Angeles. Our support ranged from helping draft measures, providing strategic guidance, budget training, and educating coalition partners. In almost all cases, funding for children and youth increased as a result of this work, often by a great deal.

LESSONS LEARNED – PROVIDING THE FOUNDATION FOR THE FUTURE

During the past 10 years, FNG has learned many important lessons to inform this work moving forward. Highlights and selected examples are listed below, with more details provided in the extensive written materials developed over the course of this initiative.

- **Passion for justice is major motivator** - There is a hunger for new approaches, local engagement, and political action to create new funding streams for children and youth among many non-profit organizations, policy advocates, and those impacted by the unfairness of the current fiscal priorities of their communities. There are also children and youth advocates among elected officials who can play a leadership role in changing local fiscal priorities. Motivation for using the ballot emerges from deep and prolonged frustration with the status quo and the inability to create and adequately fund increasingly needed services due to resource limitations.
- **What readiness looks like** - We have identified nine readiness criteria that must be in place to start the journey toward a local dedicated fund for children and youth, as well as strategies to assess readiness and overcome initial barriers. It is clear that readiness for the ballot requires a strong foundation in three areas: building a local constituency and political

capital outside government, policy and some infrastructure inside government, and some level of consensus among stakeholders about a local children and youth agenda. Becoming “ready” is a large part of the work of ultimately being able to have resources follow need. Communities that have already done much of the groundwork are the most likely to take the leap and pursue a ballot measure for kids. First Five and Building Healthy Communities are examples of organizations that have built some of the foundational elements required for success.

- **It takes time** - The journey to the ballot often takes longer than we initially anticipated. While it is difficult to set a standard amount of time since everyone starts at a different place, it is safe to say that a ramp-up time of four years is needed. This is what it takes to organize, build policy priorities, and develop motivation and expertise inside and outside government. Building a civic culture that prioritizes children and youth is also part of the process. Often the elected official who ultimately champions a ballot measure takes a leadership role in promoting a pro-child agenda that helps lay the groundwork.
- **It takes money** -The ramp-up process of preparing to enact a dedicated fund for kids takes financial resources that many motivated potential leaders and activists do not have. For instance, an effort in a medium-sized city or county could expect to spend at least \$500K on the groundwork (primarily for staff, but also including public information and events), and \$250K once a formal campaign begins (not including the cost of signature-gathering). It is important to note that the ramp-up costs can all be funded through foundations.
- **The framework and steps of a budget equity campaign** - A process for building a local revenue campaign for kids has been developed, along with the tools and steps that need to be taken within the framework of making the case, building the base, developing the policy and revenue proposal, and mounting a broad public campaign. Many community-specific strategies that can be effective within this framework have been identified and highlighted.
- **Working in coalition** – It was always essential to build a broad-based diverse coalition of organizations and individuals who will work on a revenue measure from conception to electoral campaign. For many service providers motivated to create a local children and youth fund, building a coalition was a new type of activity.
- **Powerful role of youth and parents** – The most articulate and compelling messengers in everything from creating a measure to selling it to the public are those impacted by current policies. Parents and youth played essential roles in the most successful local efforts.
- **Ballot measures for kids all have similar essential components** - The elements of an effective policy measure have been developed and disseminated. They include everything from services and populations to be funded, oversight and administrative structures, methods for community engagement and transparency, a planning process for implementation, and even methods for ensuring funds raised are not used to replace existing expenditures. The process of developing the measure’s policy can be important in building buy-in and pushing group consensus and resolving common controversies, such as mechanisms for accountability, target populations, and priority services to be funded.
- **Finding a viable revenue stream is challenging** - Every measure requires a specific revenue strategy. Given the legal constraints of California, the most favored option is a budget set-aside put on the ballot by a voter initiative (i.e., signatures). Other viable options in

California are sales and parcel taxes, or taxes specific to a given community, such as real estate transfer, commercial rent, or parking. Many seek ways to have taxes be progressive, and this is possible to some extent with parcel and real estate transfer. We have developed a strategy for analyzing revenue options specific to each city and county.

- **Measures in cities are easier than in counties** - Cities have more flexibility than counties yet advocates for early care desire a county revenue stream because the infrastructure for early care is primarily at the county level. Advocates for youth services preferred a city revenue stream as they were more identified with the city than the county. An early step for gaining a city revenue stream was often the creation of a city office/department for youth.
- **Messages and polling** - Effective messages include: the importance of services to promote brain development, support good parenting, prevention, cost-savings over time, and improved educational outcomes. It should also be noted that appeals related to the public's general positive feelings about kids can be powerful. Cute kids are politically powerful.
- **Public support for kids' measures** - Support for measures for children can cut across political divides, and campaigns for more resources should target a broad spectrum of the public. However, it is important to note that support is strongest among women, among young people, the BIPOC population, and among people who identify as liberal and/or Democrats. While public opinion continues to favor investing in children, youth, and their families, support for those investments is not as strong as housing, the economy and often infrastructure. It is important to link the needs of children to other compelling issues.
- **Political champions and civic culture** – Having at least one key elected official as a “champion” of the cause is helpful, as long as the role of the champion is balanced with the role of a diverse community coalition. A political champion can take a leadership role long before a ballot measure is even considered in promoting a political culture that prioritizes children and youth through budget priorities, programs and events, and mechanisms within government to give voice to young people.
- **Building power is the underlying goal** – There is nothing like an electoral campaign to bring attention to issues, build the power of advocates, inspire, and facilitate organizing and coalition-building, and build momentum for the next crusade. Budget campaigns and ballot measures are not ends in themselves, but rather ways to build capacity and power for the ongoing struggle to ensure justice for children and youth. It's never over!

<p>Criteria for electoral success – Homework done, positive polling, diverse coalition, numerous volunteers, sufficient funding, positive civic culture, OK economic environment, political champion, good campaign consultant, neutralized opposition + RIGHT BALLOT QUESTION.</p>
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CHALLENGES

Strategies to generate local revenue for children and youth have only begun to deliver on their potential. There are significant challenges that need to be overcome:

- Local political cultures - Local political jurisdictions are often unaccustomed to making children and youth their responsibility and a priority. Cities particularly say it's not their responsibility and are focused on public safety, where 80% of their money is allocated.

They prefer to turn to counties and schools for taking responsibility for children and youth. And counties believe either they are doing enough because they are already spending millions (which is generally true, but it is for state-funded services for children and families already in “the system”) and that it is the state which must pony up more.

- The culture of non-profits and service providers – Providers are ideal intermediaries for political activity – they are passionate, outraged by the difficulty in achieving their mission of service, devoted to those most impacted by the outrageous inadequacies of America’s social policies, and have a deep knowledge about what is missing. Yet, political engagement is not part of their culture, and they carry endless misapprehensions about how much power they have and how much they can legally use. This is just not the case and even after training with Bolder Advocacy (Alliance for Justice) and other lawyers, they remain hesitant.
- Fierce competition for local resources – There are many competing priorities for local government – from infrastructure to public safety. While we believe that none of these priorities are more important than investing in children and youth, many (including much of the public) do not agree. Furthermore, some priorities that are beneficial in part to children and youth are addressed under a different organizing umbrella, such as the environment and housing. In addition, while education is an issue that totally impacts children and youth, we struggle to broaden the agenda of public schools to meet the needs of the “whole child.” Children’s advocates are still learning how to integrate these issues and maximize their potential to promote the health and well-being of children and youth.
- Advocates are unprepared emotionally and experientially for budget fights and while they bring great empathy and passion, they have limited capacity to actually compete in the hard-nosed budget arena. Furthermore, they must learn how to turn opponents, particularly public employee unions, into allies – with a common mission.
- The laws of California – California’s anti-tax zealots have made getting a positive vote to create new revenue extremely challenging. Some of the aspects of local tax and election law that are problematic include: local special taxes require a 2/3 vote; a voter initiative is required to pass a tax measure that only requires a majority vote; General Law counties cannot do a ballot set-aside of dollars; taxes that have worked in other parts of the country are not allowed in California, such as soda and locally-created property taxes.
- Funding for this work is too scarce -- Traditional funders are hesitant to support the ballot strategy despite the huge bang for the buck. Seeding this work is not cheap. It could cost up to a million dollars for coalitions in a moderate-sized city or county to prepare for the ballot and then mount a campaign. But the reward could be many times that amount of money for decades. The most expensive part of the work can be laying the ground through organizing, public education, policy development, research, and training – all work that foundations could be funding.