



October Funding Tip

The Finance Project is pleased to announce the next installment in a new series of [monthly funding tips](#) for youth programs. These tips cover different financing strategies to help programs finance and sustain their work.

Tip: Develop New Dedicated Revenue

Dedicated revenue sources raise and/or direct public funds for specific purposes. If employed, this financing strategy can offer several advantages. Because these revenue sources tend to be stable and predictable, they can be beneficial in planning for long-term sustainability. Further, dedicated revenue sources can offer some protection during annual appropriations battles, because they can be difficult to cut or eliminate. (For example, some dedicated revenue mechanisms can only be repealed through referendum). Also, like other new public revenue, funds generated by dedicated revenue mechanisms can be used as a match for other public-sector and private-sector funding. In instituting these varying revenue sources, program leaders, policymakers, and intermediaries each assume a unique role in bringing about desired outcomes.

- New revenues can be generated at the **program level** by fundraising, charging fees for service, and generating related or unrelated business income.
- Alternately, new revenues can be generated publicly through **state and local governments** by developing new programs, increasing resources for existing programs, authorizing ballot initiatives, or enacting other special fees or taxes.
- Whether the new resources are generated at the program level or through public systems, **intermediary** organizations can be influential in seeing that efforts to raise new revenue succeed. They are well poised to help garner new revenues for programs by: helping provider organizations speak with one voice when it comes to advocating for new funding, acting as the fiscal intermediary to receive and allocate new funding from a variety of sources, and assisting to implement strategies for new revenue generation by supporting legislative initiatives and working with advocates to ensure that public voices are available when needed.

Example from the Field
Portland, Oregon: Children's Investment Fund

In 2002, voters in Portland passed Measure 26-33, which increased property taxes by 40 cents per \$1,000; the revenues are used to fund the Children's Investment Fund. The fund provides approximately \$10 million annually for five years to support 47 organizations that help children arrive at school ready to learn, provide safe and constructive afterschool alternatives for children, and prevent child abuse and neglect and family violence. An Allocation Committee governs the Children's Investment Fund and makes grants to individual service providers. Applicants must demonstrate positive outcomes for children through cost-effective services.

For more information on this financing strategy and the role of intermediaries and policymakers in helping youth programs create more flexible funding streams, see The Finance Project's publications, *Thinking Broadly: Financing Strategies for Youth Programs* (http://www.financeproject.org/publications/Thinkingbroadly_PM.pdf) and *Creating Dedicated Local and State Revenue Sources for Youth Programs* (http://www.financeproject.org/publications/DLR_PM.pdf).

Within the Youth Programs Resource Center you will also find an online clearinghouse (see <http://www.financeproject.org/irc/youth/index.asp>), jointly developed by The Finance Project and The Forum for Youth Investment. The clearinghouse contains a wealth of information and resources for supporting and sustaining youth programs and initiatives. It is designed to help you learn about data, tools, policies, practices, financing strategies, coordination efforts and technical assistance resources developed by organizations in the field that aim to improve the lives of youth.