

Understanding Strategic Public Financing

Funding Our Kids 101

November 2022 | Children and Youth



What Is Strategic Public Financing?

Strategic public financing is a process that allows states and communities to assign a cost to their goals and policy priorities for children and youth and, ultimately, to identify ways to cover those costs. It often builds on existing strategic plans by addressing the following three questions:

1. *Current investment:* How much funding supports our goals right now?
2. *True cost:* How much will it cost to fully fund our goals?
3. *New funding:* How do we fill the gap between current funding and needed funding?

State and community leaders then can use [fiscal maps](#), [cost models](#), and revenue generation research and analysis as tools to answer these questions.

Why Should a State or Community Pursue Strategic Public Financing?

Strategic public financing offers advocates and policymakers a way to support the long-term growth and continued viability of services for children and youth in their states and communities. The process empowers state and community leaders to put their money where their goals are by pairing existing strategic priorities with complete fiscal data, sound cost estimates, and feasible options for covering estimated costs. States and communities pursue strategic public financing for various reasons. Some use it to take advantage of time-sensitive momentum or one-time funding to advance specific goals or initiatives. While others use strategic public financing as a powerful tool for building buy-in around a community's vision for children and youth.

The influx of federal funding from the [American Rescue Plan](#) and [prior COVID-relief legislation](#) is one significant time-sensitive opportunity that led many state and local leaders to pursue this work. Prior to the COVID-19 pandemic, public agencies and youth

advocates alike operated with scarce resources for building and reinforcing services and systems for children. But the recent federal relief funding provided [a significant down payment](#) to support programs for children and youth and a historic opportunity for action. This led some leaders to pursue strategic public financing as a tool for equitable recovery since the gains made with these one-time relief dollars will need to be carried into the future using more sustainable funding sources. Other states and communities use the strategic public financing process to increase buy-in from new or skeptical stakeholders by way of data, evidence, and feasible funding options.

Just as the reasons for exploring strategic public financing vary across states and communities, the process may differ as well depending on the scope of a state or community's goals. While some states and communities are prepared to tackle all three strategic public financing components immediately, others may need to plan and build the skills of the individuals who will lead the process to set themselves up for success. Similarly, some state and local leaders may focus solely on their goals for children and youth at specific stages. Others, meanwhile, will tackle their goals for children and youth across the entire cradle-to-career pipeline.

Who Can Lead the Strategic Public Financing Process?

Individuals and groups hoping to establish, maintain, or expand comprehensive programs and services for children and youth may lead the strategic public financing process. The process often is initiated by state and local government agencies that manage comprehensive programs and services for children; [intermediary organizations](#), like a state- or community-based nonprofit that advocates on behalf of kids; or a [children's cabinet](#) that includes the heads of relevant government agencies.

[Children's Funding Project](#) supports strategic public financing efforts through coaching and technical assistance, always with the goal of helping state and community leaders build their own lasting local expertise. This is why we encourage every equipped state and community to hire its own strategic public financing coordinator who can lead the way to long-term, sustainable funding for children and youth. ([Contact us](#) for a sample job description your community can use to recruit potential candidates.)

In addition to the individuals and groups leading the process, strategic public financing requires collaboration and input from others such as

- municipal and state departments that serve children and youth, such as departments of human services, education, health, parks and recreation, and others;
- state or municipal budget office;
- state and local nonprofits that advocate for programs and services for kids;
- intermediary organizations that represent networks of providers that offer children- and youth-serving programs;
- foundations and other philanthropies that fund programs for children and youth;
- colleges, universities, and other postsecondary institutions; and
- families and young people.

Get Started

To learn more, contact Children's Funding Project at childrensfundingproject.org/contact-us to find out how we can help your community or state through a strategic public financing process to fund children and youth services. To view additional resources in this series, visit childrensfundingproject.org/funding-our-kids-101.



Children's Funding Project is a nonprofit social impact organization that helps communities, states, and Native nations expand equitable opportunities for children and youth through strategic public financing. childrensfundingproject.org

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