

Oakland Community After-School Alliance

- American Indian Child Resource Center
- Articulture-CARE
- Asian Community Mental Health Services (AYPAL)
- AspiraNet
- Attitudinal Healing Connection, Inc.
- Bay Area Community Resources
- Bay Area SCORES
- Bret Harte Community Collaborative
- Camp Fire USA
- Destiny Arts Center
- East Bay Agency for Children
- East Bay Asian Youth Center
- Girl Scouts of San Francisco Bay Area
- Girls Incorporated of Alameda County
- Junior League of the Oakland-East Bay Inc.
- Leadership Excellence
- Learning for Life
- McCullum Youth Court
- Mindful Messages Mentoring Program
- Museum of Children's Art
- Oakland Asian Students Educational Services
- Oakland Based Urban Gardens
- Oakland LEAF
- Oakland Small Schools Foundation
- Oakland Youth Chorus
- Oaktown Jazz Workshops
- Opera Piccola
- Safe Harbor After School Program - Lighthouse Community Charter School
- Spanish Speaking Citizens Foundation
- Team Up for Youth
- Urban Strategies Council
- Youth Together

Measure K Reauthorization Questions and Issues

The Oakland Fund for Children and Youth (OFCY) was established by a ballot initiative in 1996 (Measure K) to “help young people grow to become healthy, productive, and honorable adults.” Annually, 2.5% of Oakland’s unrestricted General Fund is set aside for this purpose. The fund originated from the efforts of youth activists and community members and is now considered one of the city’s major assets.

In the ten years since Measure K was enacted, OFCY has disbursed \$10’s of millions and has had impact on tens of thousands of children and their families. The Measure K funding clock started in July 1997 and was set for twelve years, with a reauthorization decision mandated no later than November 2008. It is time to consider Measure K reauthorization.

To this end, in late 2006 the Oakland Community After School Alliance (OCASA) held a series of meetings with OCASA members and other stakeholders to discuss OFCY and the reauthorization of Measure K – to raise questions and surface issues regarding both. OCASA has not reached final conclusions regarding increased funding and reforms to Measure K, but there was unanimous agreement that reauthorization decisions should be made in partnership with the community, the youth activists and community members that made OFCY a reality and those that have taken their places on the frontline of youth development work in Oakland.

This document is a result of those meetings. Its purpose is to stimulate a broad community conversation regarding Measure K reauthorization. This is an opportunity to reflect on the history of Measure K – on OFCY’s successes and challenges – and to re-envision what Oakland wants for its children and youth. The landscape of youth programming has changed significantly since 1996. The following are some of the issues and questions raised regarding Measure K reauthorization.

1. Reauthorization¹ – What are the charter parameters for reauthorization?

Our interpretation of the Charter’s reauthorization provisions is that the City Council may extend Measure K as is (without change) by a majority vote. If it doesn’t, the City Council is required to place Measure K as is (without change) on the November 2008 ballot for a vote of the electorate. If changes are deemed necessary, the City Council or a voter petition could place a reformed Measure K on the ballot. Strategically, this new measure should be placed on the 2008 primary election ballot, so that it would not be on the same ballot as the original Measure K reauthorization in November 2008 (if that became necessary, by the City Council not reauthorizing it as is).

This understanding should be confirmed with the City Attorney and/or other legal counsel.

2. OFCY Funding Level² – Are OFCY funding levels adequate for the Oakland’s needs?

Based on past income projections, OFCY is currently spending more than its income from the authorized 2.5% set aside would allow in the future. Last year’s granting process resulted in OFCY funding of \$10,892,268 a year for the two-year cycle FY2006-2008. It is anticipated that OFCY will grant between \$1.5 and \$2 million for FY2007-2008 to match Prop 49 ASES funding in schools without current OFCY funding. That raises OFCY’s yearly funding level for 2007-2008 to approximately \$12.4 million. This is estimated to be \$2-3 million over projected OFCY revenues. This is sustainable in the short term because of the City’s payment of \$3.1 million in delinquent revenues, in addition to OFCY’s current Fund Balance of approximately \$5+ million (based on information released by OFCY about a year ago). An accurate current accounting of the Fund Balance and projected revenues and expenditures is needed from OFCY.

On the demand side, the landscape of children and youth programming has changed significantly since Measure K was passed in 1996. State and federal funding has significantly increased the size of Oakland’s school-based after school programming. OFCY has matched this funding to enable Oakland’s elementary and middle schools to implement truly comprehensive after school programs that support both youth development and academic outcomes. More than 50% of OFCY’s funding will be spent on this programming in the 2007-2008 funding year.

OFCY’s current school-based program funding is focused on approximately thirty schools, with each program receiving \$100-200K. The 2007-2008 supplemental funding cycle will fund approximately thirty additional schools at \$50K per school. This sets up a large demand for funding for school-based programming in the 2008-2009 funding cycle. We anticipate seventy or more elementary and middle schools applying for OFCY funding in that funding cycle. The disparity in funding between the current 30 highly funded schools and the 30 schools with \$50K grants will need to be addressed. The desire for equity will put pressure on OFCY for increased funding.

It is anticipated that new 21st Century Learning Center funding will seed new high school site-based programming in ten or more Oakland high schools, which will probably look to OFCY for additional funding. With this movement of resources to school sites, community based programs will increase their advocacy for equitable funding.

So as we need an accurate accounting of income on the supply side, we also need to define programming requirements on the demand side.

Reauthorization presents an opportunity to increase OFCY revenues and thus its grantmaking capacity. San Francisco’s reauthorization of their Children’s Fund in 2000 included a 20% increase in funding (approved by 74% of the voters). Mayor Dellums has declared that children and youth are his number one priority. A good case can be made for increased funding.

Reauthorization also gives us an option of rethinking the allocation and method of OFCY funding. For instance should we create two funding streams, one for community-based programming and the other for school-based programming? Should every young person in school have the right to after school programming at their school? Should that right be funded

by a non-competitive method of matching state and federal funding based on a per capita funding model? The reauthorization process is an opportunity to define and consider all of the options.

3. Administration, Evaluation and Technical Assistance Funding Levels³ – Are current funding levels adequate to run a world class granting process?

OFCY administration is capped at 5% and evaluation at 3%, both considered to be insufficient, and there is no allocation for technical assistance and program improvement. Technical assistance provided by OFCY is informal and is squeezed from limited administration and evaluation funds.

Additionally, interpretation of Measure K's language⁴ has limited OFCY funding to direct services, with no OFCY funding to grantees for program improvement. The 10% and 15% administrative caps are barely adequate for program administration, with little funding for training and other program improvement measures.

OFCY values small and emerging organizations and programs, but the restrictions on direct service funding and OFCY's lack of resources to provide significant technical assistance limits its effectiveness in promoting these organizations and programs. Small and emerging organizations need assistance and support in developing high-quality children and youth programming. Funding an organization and program incubator is one solution. It could provide coaching, technical assistance, and serve as a clearinghouse for other resources, information, and partnerships. Also planning grants could support the development of strong programming. These are both outside of OFCY's funding mandates.

The real question here is – is there adequate infrastructure to support and grow excellent children and youth programming in Oakland? A full analysis of the funding available, both OFCY and other funding and the demands for increased infrastructure is required.

4. Baseline Funding⁵ – Is the City meeting the Charter's mandated baseline funding of programs for children and youth?

The answer is, we don't know. It has been several years since the City Auditor and City Administrator complied with Measure K baseline reporting requirements. There has been an ongoing conflict between the previous City Auditor and the City Administrator regarding the ability of the City to provide information that could be audited. We look to Courtney Ruby the new Auditor to forge a solution to this bureaucratic impasse.

The reason that Measure K's baseline spending requirements are important is explained well in the September 23, 2003 Council Agenda Report written By Andrea Yougdahl, which stated, "Measure K's authors intended to insure that the new Kids First! (OFCY) funds would be used to increase total expenditures for children and youth services. The charter amendment includes language establishing the base amount of general fund spending as the 1995/96 levels of expenditures to be maintained (exclusive of Measure K funding) and that is to be adjusted yearly by the percentage increase or decrease in City appropriations annually. The City Auditor is responsible for estimating and publishing the base amount each year, and publishing the actual amount of expenditures for children and youth 90 days following the end of each year."

Two memorandums from Norma Lau, the City Auditor at the time instituted the baseline process. A February 3, 1997 memorandum established the baseline for 1995-96. In her June 29, 1998 memorandum, she specified that the baseline appropriations were 5.68% of unrestricted general fund revenues and 1997-98 was in compliance with 6.63% spending on children and youth programming. So it seems that it can be done, but the City has been in default of its duties under the Measure K for several years.

This is important to the Measure K reauthorization because without it we cannot get an accurate picture of Oakland's spending on children and youth programming and services. Estimating unrestricted general fund revenues for the fiscal year ending 6/30/2006 to be approximately \$375 million, to be in compliance with Measure K, the City would have to spend \$21.3 million of unrestricted general fund revenues on programs for children and youth under 21 years old in addition to Measure K (OFCY) spending.

Is Oakland spending a larger share of city revenues on young people than it was spending in the baseline year 1995-96, as envisioned by Measure K? The Oakland community needs this information to inform the Measure K reauthorization decision.

5. OFCY Revenues 2 – Are OFCY revenues secure under the current Charter?

Given the track record of the City's attempts to manipulate and reduce OFCY revenues, should a more secure and better defined funding source be used to fund OFCY – for example, a set aside of property taxes, sales taxes, or some other revenue stream or a new children's tax (more risky because it requires a two-thirds voter approval), or some other funding mechanism?

From the beginning the City administration has challenged the definition of OFCY funding and attempted to reduce it by manipulating the definition of "unrestricted general fund revenues". After Measure K was enacted the City classified its revenues into restricted and unrestricted categories. Members of the Kids First Coalition believed that OFCY revenues were lost due to miscategorization, but after the long campaign there was no energy or resources to confront the City.

In 2003, the Planning and Oversight Committee (POC) questioned whether the City was properly calculating OFCY revenues. The POC asserted that the calculation should be based on the actual revenue that Oakland receives, while the City Administration claimed that planned budgeted revenues should be used.

The City Attorney issued a legal opinion in 2003 affirming the POC's view. The City Auditor issued reports in 2004 and 2005 affirming that opinion and calculated that the City owed \$2.4 million in delinquent revenues to OFCY.

For three years, the City Administration was steadfast in its opposition. In October 2005 the Administration claimed that Measures Q, the library parcel tax, and Y, the violence prevention measure, restricted the library, police and fire budgets — in effect reducing OFCY funding by 75%.

In December 2005, the City Council finally agreed that the City's actual unrestricted general fund revenues should be the basis of OFCY revenues. Then the question changed to whether the City should reimburse OFCY and by how much.

Again the City Administration was in opposition to the \$2.4 million claim, asserting that franchise fees were restricted revenues. The City Attorney for the second time supported the POC's position – this time affirming that most franchise fees are unrestricted revenues, and should be included in OFCY revenues. \$2.4 million in delinquent revenues had grown to \$3.14 million, which in 2006 the City Council finally agreed to reimburse OFCY.

Given this history of conflict regarding the definition of OFCY revenues, is there a way for the City Administration, or the City Council, or the Mayor to assure the community that OFCY revenues will be secure and unchallenged? Funding security is vital to OFCY's continued success.

6. OFCY Funding Equity – Is OFCY funding just and equitable?

Are changes needed to increase equity? Are OFCY processes fair? Are the strategic planning, evaluation and grant making processes as defined in Measure K adequate? Equity is an important OFCY value and considerable efforts have been made over the years to support equity. Let's hear from the community.

7. City Administration of OFCY – Is the City best suited to manage OFCY?

This question is not raised as criticism of the City's administration of OFCY or of its staff members past and present. OFCY staff members have worked with dedication and skill. This issue is raised to be complete in our view of Measure K.

Measure K authorizes the City to administer OFCY. Is the City best suited to manage OFCY or should OFCY be managed by an independent organization? What happens when the City's priorities diverge from OFCY's and the community's? Will OFCY staff be given the independence to pursue a different agenda than the leadership in the City Administration?

8. Planning and Oversight Committee (POC) Membership and Duties⁶ – Are the POC's responsibilities and membership criteria appropriate?

This question is not raised as criticism of the POC and its members past and present, but as part of reflecting on the past history to OFCY and the POC, as part of the Measure K review and reauthorization process.

The Measure K provisions regarding the POC raise a few questions. The POC are members of the community, but do they represent the community? Are the responsibilities given to the POC appropriate? Is the POC given enough independent support to carry out these responsibilities? Does the youth/adult partnership work? Over the course of OFCY youth membership has consisted mostly of high school juniors and seniors. Are the needs of other age groups adequately represented by the POC? At nineteen members is the POC too large a body? Are the

appointment qualifications adequate? Are there changes to Measure K that would improve the POC and its functioning?

9. Fiscal vs. Calendar Year Funding⁷ – There is a conflict between Measure K’s language and OFCY’s current operations.

If other reforms are made to Measure K, this language should be adjusted to conform to current practice of fiscal year funding. The Auditor currently tracks spending on a calendar year basis while the City tracks spending on a fiscal year basis. This is confusing and requires additional reconciliation work.

¹ **Reauthorization Provisions** – “16. This section (of the city charter) may be extended for an additional twelve years beginning July 1, 2009 by a simple majority vote of the City Council. If the City Council does not itself extend this section, then the City Council shall place the questions of whether to extend this section on the November 2008 ballot for a vote of the electorate. (Added by: Stats. November 1996.)”

² **OFCY Revenues Funding Level** – “2. Two and one-half percent of the City of Oakland's annual unrestricted general fund revenues shall be set-aside for the KIDS FIRST! Oakland Children's Fund, and appropriated as specified in this section each year for twelve years beginning July 1, 1997, together with any interest earned on the fund and any amounts unspent or uncommitted by the fund at the end of any fiscal year.”

³ **Administration and Evaluation Funding** – “12. No more than five percent of the monies in the KIDS FIRST! Oakland Children's Fund may be used by the City Manager each fiscal year to administer the Fund. 13. No more than three percent of the monies in the KIDS FIRST! Oakland Children's Fund shall be set-aside each fiscal year to conduct an independent process and outcome evaluation of the Fund.”

⁴ **Funding Limited to Direct Services** – “7. Monies in the KIDS FIRST! Oakland Children's Fund shall not be appropriated or expended for: a. any service which merely benefits children and youth incidentally;”

⁵ **Baseline Funding and Reporting Requirements** – “3. Monies in the KIDS FIRST! Oakland Children's Fund shall be used exclusively to provide services to children and youth less than twenty-one years old, above and beyond services funded prior to the adoption of this section. To this end, monies in the KIDS FIRST! Oakland Children's Fund shall not be appropriated or expended to pay for services funded by the City of Oakland during fiscal year 1995-1996, except and solely to the extent of services for which the City of Oakland ceases to receive federal, state or private agency funds which the funding agency required to be spent on services in question.”

“14. The KIDS FIRST! Oakland Children's Fund shall be used exclusively to increase the aggregate City appropriations and expenditures for children and youth services (exclusive of expenditures mandated by state or federal law). To this end, the City of Oakland shall not reduce the amount of unrestricted general fund appropriations and expenditures for eligible services in any of the twelve years during which funds are required to be set aside under this section below the amount so appropriated for the fiscal year 1995-1996 ("base amount").”

“Not later than 90 days after the election which approves this section, the City Auditor shall calculate and publish the applicable base amount, specifying by department, program and services each amount included in the base amount. The base amount shall be adjusted for each year after the base year of 1995-1996, based on calculations consistent from year to year, by the percentage increase or decreases in aggregate City appropriations from the base year, as estimated by the City Auditor. Errors in the City Auditor's estimate of appropriations for a fiscal year shall be corrected by an adjustment in the next year's estimate. For purposes of this subsection, aggregate City appropriations shall not include funds granted to the City by private agencies or appropriated by other public agencies and received by the City.”

“Within 90 days following the end of each fiscal year through 2009-2010, the City Auditor shall calculate and publish the actual amount of City of Oakland appropriations for children and youth services (exclusive of expenditures mandated by state or federal law).”

⁶ **POC Membership and Duties** – “8. Not later than 90 days after the election which approved this section, and by December 15th of each calendar year thereafter, the Mayor shall appoint three Oakland residents, one whom shall be a resident not older than 21 years, and each City Councilmember shall appoint two Oakland residents, one of whom shall be a resident not older than 21 years, to serve as members of the "CHILDREN'S FUND PLANNING & OVERSIGHT COMMITTEE." The appointees shall demonstrate a strong interest in children and youth issues; and possess sound knowledge of, and expertise in, children and youth policy development and program implementation.”

“9. The "CHILDREN'S FUND PLANNING AND OVERSIGHT COMMITTEE" shall be responsible for:

- a. Preparing three Four-Year Strategic Plans that outline specific outcome goals, objectives, and service priorities for each four-year period beginning January 1, 1998, January 1, 2002, and July 1, 2006;
- b. Soliciting program funding proposals from private and public non-profit entities through an open and fair competitive bid process;
- c. Submitting to the Oakland City Council for its adoption 60 days after the submission, three Four-Year Strategic Plans and their corresponding program funding recommendations, with the first plan submitted by October 1, 1997, the second plan submitted by October 1, 2001, and the third plan submitted by October 1, 2005;
- d. Presenting to the Oakland City Council for its adoption 60 days after the submission annual independent process and outcome evaluation reports not later than October 1st of each calendar year beginning October 1998.”

⁷ **Calendar Year** – “10. Appropriation for the City fiscal year shall be awarded for use during the calendar year, which begin therein. For example, appropriations for the fiscal year July 1, 1997 to June 30, 1998 shall be awarded for use during the calendared year January 1, 1998 to December 31, 1998, and so on.”