

Meeting Date: 2/2/2016

Report Type: Consent

Report ID: 2016-00181

Title: (Pass for Publication) Ordinance for Sacramento Children's Fund Ballot Initiative

Location: Citywide

Recommendation: 1) Review an Ordinance to place the Sacramento Children's Fund Initiative on the June 7, 2016 ballot; and 2) pass for publication the ordinance title per Sacramento City Charter Section 32(c) to be considered on February 9, 2016.

Contact: Councilmember Jay Schenirer, District 5, (916) 808-7005

Presenter: None

Department: Mayor/Council

Division: Council District 5

Dept ID: 01001151

Attachments:

1-Description/Analysis

2-Ordinance [TO BE DELIVERED]

City Attorney Review

Approved as to Form

Michael W. Voss

1/28/2016 4:12:15 PM

Approvals/Acknowledgements

Department Director or Designee: Shirley Concolino - 1/27/2016 4:43:25 PM

Description/Analysis

Issue Detail: Ensuring a successful future for Sacramento requires that our children and youth are healthy, ready to learn and able to succeed in school, career and life. In addition, the City of Sacramento has a significant at-risk youth population and current City resources are inadequate to meet those needs. In fiscal year 2013/014 the City spent less than 1% of its General Fund resources on Sacramento's young people.

Policy Considerations: In order to address these unmet needs, the City Council could place a measure on the June 2016 ballot to establish the Sacramento Children's Fund (Fund) to provide additional funding for children and youth services. This measure would add a five percent business operations tax (BOT) on businesses engaged in marijuana cultivation and manufacturing and exempt these functions of the marijuana industry from the existing four percent BOT that would be directed to the General Fund. The revenue generated by this initiative would be dedicated solely to the Fund for children and youth programs. Pursuant to state election law, this is considered a special tax in that it is dedicated to a particular program/service, and as such will require two-thirds voter approval. The next election for which the ballot measure is eligible is June 2016.

As proposed, the City could only use monies from the Fund for the following purposes:

- a. Services for children and youth, ages 0 – 24, including homeless and foster youth that promote the positive development of the whole child in school, career and life.
- b. Up to 10% of the Fund can be used for administration of the Fund and up to an additional 5% of the Fund can be used for evaluation of programs and services funded through the Sacramento Children's Fund.
- c. Community-based organizations and service providers who receive funding, through the Fund, to provide youth services or programming may also be eligible for technical assistance and capacity-building support through the Fund..
- d. Non-profits shall receive at least 70% of the portion of the Fund that is used for children and youth services. Such agencies shall be IRS-certified non-profit community-based organizations, City departments which serve children and youth in the City of Sacramento shall receive up to 30% of the portion of the Fund that is used for children and youth services. The 70/30 split will be from funds remaining after administration and evaluation have been funded.

The City Manager will administer the children's fund consistent with the ordinance and prescribe procedures for that purpose, subject to City Council approval. Specific goals of the fund to be included in the procedures include but are not limited to:

- Ensuring that the City of Sacramento’s children and youth are healthy, ready to learn, and able to succeed in school, career, and life;
- Focusing on the prevention of problems and on supporting and the positive outcomes of children and youth;
- Distribution of funds based on best practices, coordinated planning, and successful and innovative models in order to ensure maximum collective impact;
- Strengthen collaboration around shared outcomes among all service providers for children and youth, including collaboration among public agencies and non-profit organizations; and
- Fill gaps in services and leverage other resources whenever feasible.

Types of services that could be funded include:

- Early childhood education
- Before/ after-school programs that support learning
- Summer programs that prevent summer learning loss
- Healthy living programs that include recreation, sports and nutrition education
- Cultural and arts programs
- Technology-focused programs
- Training, employment and job placement programs
- Youth empowerment and leadership development programs
- Youth violence and gang prevention programs
- Academic tutoring and educational enrichment (including financial literacy) programs
- Support for provider capacity-building

Programs eligible for funding must be researched-based with evidence of past success. Programs must also align with a youth development framework to be adopted by the City.

The proposed language for the ballot measure is as follows:

City of Sacramento Children’s Fund. To create a funding source dedicated to children and youth services, including homeless and foster youth, shall a 5% business operations tax on gross receipts of marijuana cultivation and manufacturing businesses be imposed, generating revenues potentially in the millions of dollars annually, to be used for children and youth services in the City of Sacramento?

Environmental Considerations: Not applicable.

Rationale for Recommendation: Creating a dedicated funding source for child and youth programming in the City of Sacramento is in the long-term interests of Sacramento's youth and residents at-large. Increased funding for youth programming can reduce crime and truancy and improve student academic success. Improved academic success increases earnings potential over an individual's lifetime and can be a key to breaking the cycle of poverty

Financial Considerations: It is estimated that the proposed increases could generate approximately \$5 million annually for children and youth programming. The City currently spends approximately 1% of discretionary General Fund dollars on youth services. Adoption of this measure as a special tax and requiring the maintenance of a base level of funding in the General Fund for these types of programs/services will limit Council's flexibility to provide funding for other Citywide program needs and/or respond to changing economic conditions should General Fund program reductions become necessary to balance the City's budget. Further, this proposal is not revenue neutral to the General Fund, as it will redirect the 4% BOT on cultivation and manufacturing that is already part of the BOT under current voter approved law.

Local Business Enterprise (LBE): Not applicable.

TO BE DELIVERED

The Ordinance was not available at the time of publishing and will be made available as soon as it is received.