

RESOLUTION NO. 2022-0231

Adopted by the Sacramento City Council

Calling and Giving Notice of the Submittal to the Voters of a Ballot Measure Amending the City Charter to Establish a Sacramento Children's Fund, to be Included in the General Municipal Election of November 8, 2022

BACKGROUND

- A. On April 19, 2022 the City Council adopted a resolution (2022-0108) calling for and giving notice of a General Municipal Election to be consolidated with the November 8, 2022 Statewide General Election.
- B. The City Council desires to submit the measure known as the Sacramento Children and Youth Health and Safety Act, attached as Exhibit A, to the voters at the November 8, 2022, General Municipal Election.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby orders that the following question be submitted to the voters in the City of Sacramento, California on Tuesday, November 8, 2022:

Measure ___ – Charter Amendment – Sacramento Children and Youth Health and Safety Act

Shall the measure amending the City of Sacramento Charter to allocate an amount of its General Fund revenue equivalent to 40 percent of the total revenue generated from the existing cannabis business operations tax towards a Children's Fund for positive youth development and youth violence prevention programs such as mental health counseling, substance abuse treatment, early prevention and intervention, after-school activities, and services for homeless youth and foster children, be adopted?	YES
	NO

SECTION 2. That the text of the proposed measure to be submitted to the voters is attached as Exhibit A.

SECTION 3. The ballots to be used at the election shall be in the form and content as required by law.

SECTION 4. The polls for the election shall open at 7:00 a.m. on the day of the election and

shall remain open continuously from that time until 8:00 p.m. of the same day when the polls shall be closed, except as provided in section 14401 of the Elections Code.

SECTION 5. In all particulars not recited in this resolution, the election shall be held and conducted as provided by the law for holding municipal elections.

SECTION 6. Notice of the time and place of holding the election is hereby given and the City Clerk is hereby authorized, instructed and directed to give further or additional notice of the election, in the time, form, and manner required by law.

SECTION 7. The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

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Exhibit A – Measure Text (Sacramento Children and Youth Health and Safety Act)

Adopted by the City of Sacramento City Council on July 19, 2022, by the following vote:

Ayes: Members Ashby, Guerra, Jennings, Loloe, Schenirer, Valenzuela, Vang, and Mayor Steinberg

Noes: Member Harris

Abstain: None

Absent: None

Attest:  07/21/2022

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Sacramento Children and Youth Health and Safety Act

(Charter Amendment)

Section 1. Title, Findings, and Purpose.

A. Title.

This amendment of the charter of the City of Sacramento is titled and may be cited as the “Sacramento Children and Youth Health and Safety Act” (the “Act”).

B. Findings.

1. The City of Sacramento values our youth. The city and its citizens benefit when youth live safe, healthy, and productive lives.

2. To help our youth live safe, health, and productive lives, the city should devote sufficient funding to: support the mental health and emotional wellness of children and youth; prevent and reduce homelessness among children and youth, including youth transitioning out of foster care; prevent and reduce youth substance abuse; prevent and reduce youth violence; and support the healthy development of children ages 0 to 5 years old.

3. As the legal cannabis industry continues to expand in Sacramento and in California, the city should invest funds to prevent youth substance abuse and to provide youth with healthy alternatives to drugs and alcohol. By preventing substance abuse, the city will be preventing youth homelessness, which is often caused by substance abuse.

C. Purpose.

The chief purpose and intent of this Act is to establish the Sacramento Children’s Fund to support positive youth development and youth violence prevention programs – such as services for homeless youth and foster children; mental health counseling; substance-abuse treatment, prevention, and early intervention; and after-school activities – for children and youth less than 25 years old.

Section 2. Section 120 is hereby added to article IX of the Sacramento City Charter, to read as follows:

§ 120 Sacramento Children’s Fund.

(a) Definitions. The following definitions apply in this section:

(1) “Administrative costs” means the City of Sacramento’s costs for strategic planning, grant making, grants management, data collection and evaluation, technical assistance, organizational capacity-building,

communications, community engagement, and service performance and impact evaluation.

- (2) "Baseline funding" means the amount of general fund revenue expended in the 2022-2023 fiscal year on baseline services, as calculated and annually adjusted pursuant to subsection (e).
- (3) "Baseline services" means services provided to youth that are designed to meet the same objectives as the fund goals (as defined herein), but excluding any amounts that would be considered prohibited expenditures under subsection (d)(2).
- (4) "Budget" means the city's fiscal year budget adopted by the city council pursuant to section 111.
- (5) "Cannabis business operations tax" or "CBOT" means the tax imposed by Sacramento City Code section 3.08.205, as amended from time to time, or any successor tax on cannabis businesses.
- (6) "Commission" means the Sacramento Children's Fund Planning and Oversight Commission.
- (7) "Estimated CBOT" means the amount of cannabis business operations tax revenue in the next fiscal year, as estimated by the city manager no later than January 15 immediately preceding the next fiscal year.
- (8) "Five-Year Strategic Investment Plan" means the plan developed by the Sacramento Children's Fund Planning and Oversight Commission and approved by the city council, as provided in this section.
- (9) "Fund goals" means the following: supporting the mental health and emotional wellness of youth; preventing and reducing homelessness among youth, including youth transitioning out of foster care; preventing and reducing youth substance abuse; preventing and reducing youth violence; and supporting the healthy development of children ages 0 to 5 years old.
- (10) "General fund" means all revenue received by the city that is unrestricted and that can be used for any lawful purpose.
- (11) "Operational department" means an office or department of the city funded primarily from general fund revenue.
- (12) "Qualified organization" means a public entity (including the city through its offices and departments) or any organization exempt from taxation under United States Internal Revenue Code section 501(c)(3).
- (13) "Sacramento Youth Commission" means the commission established pursuant to Sacramento City Code chapter 2.126 or any successor commission.
- (14) "Sacramento Children's Fund" means the fund that receives the general fund revenue allocation required by subsection (c), and that is maintained and accounted for separately and apart from the remainder of the general fund.
- (15) "Youth" means persons under 25 years of age.
- (16) "Youth services" means qualified-organization-provided services and programs that support and implement the Five-Year Strategic Investment Plan. Youth services may include, but are not limited to:
 - (A) Mental health counseling and wellness services;

- (B) Substance abuse prevention services;
- (C) Street outreach, violence intervention, and case management;
- (D) Youth workforce development, including career pathways that advance the city's climate-action goals;
- (E) Summer programs and after-school programs; and
- (F) early childhood education and family support services.

(b) Sacramento Children's Fund.

- (1) There is hereby established a fund to be known as the Sacramento Children's Fund, which shall be maintained and accounted for separately and apart from the remainder of the general fund.
- (2) The Sacramento Children's Fund shall consist of:
 - (A) The annual allocation from the general fund required by subsection (c);
 - (B) All interest earned on the Sacramento Children's Fund;
 - (C) All amounts in the Sacramento Children's Fund not spent or encumbered at the end of a fiscal year, which amounts shall carry over to the next fiscal year as a supplement to the amount required to be allocated in that next fiscal year; and
 - (D) Any other money specifically directed to the Sacramento Children's Fund, from sources such as grants, gifts, and council-approved additional allocations.

(c) Annual funding required; calculation; adjustments.

- (1) Each budget adopted after the effective date of this section must allocate an amount equal to at least 40% of the estimated CBOT, as adjusted according to subsection (c)(2), to the Sacramento Children's Fund.
- (2) Starting in 2025, by each January 15 the city auditor shall publish an audited amount of CBOT for the prior fiscal year. If 40% of that audited amount is greater than the amount allocated to the Sacramento Children's Fund in the prior fiscal year, the difference shall be added to the amount required to be allocated the next fiscal year. If 40% of the audited amount is less than the amount allocated to the Sacramento Children's Fund in the prior fiscal year, the difference shall be deducted from the amount required to be allocated the next fiscal year.

(d) Expenditures.

- (1) Money in the Sacramento Children's Fund may only be used to engage qualified organizations to provide youth services in accordance with an adopted Five-Year Strategic Investment Plan, plus allowable administrative costs.
 - (A) Notwithstanding the lack of a Five-Year Strategic Plan during the 2023-2024 fiscal year, money in the Sacramento Children's Fund may be used during the 2023-2024 fiscal year for administrative costs.

- (2) Prohibited expenditures. Sacramento Children's Fund money may not be spent for:
 - (A) Services that only incidentally benefit youth;
 - (B) Acquisition, lease, or maintenance of any capital item or real property that is not for primary and direct use by youth; or
 - (C) Services for which a fixed or minimum level of expenditure is mandated by state or federal law, to the extent of that fixed or minimum level of expenditure.
- (3) Recipient organizations.
 - (A) The city shall select qualified organizations to receive Sacramento Children's Fund money based on an open, transparent, and competitive process, as may be established by the city.
 - (B) All qualified organizations receiving money under this section are subject to, and shall cooperate in, performance and financial audits by the city and its representatives.
 - (C) Before receiving money from the Sacramento Children's Fund, any non-city public agency must demonstrate a cash match for each dollar it receives from the fund.
- (4) Administrative costs.
 - (A) For fiscal year 2023-2024, no more than 20% of the Sacramento Children's Fund may be spent on administrative costs.
 - (B) For fiscal year 2024-2025, no more than 15% of the Sacramento Children's Fund may be spent on administrative costs.
 - (C) Beginning with fiscal year 2025-2026, no more than 10% of the Sacramento Children's Fund may be spent on administrative costs.

- (e) Maintenance of effort.
 - (1) The Sacramento Children's Fund does not supplant baseline funding. In addition to the annual allocation required by subsection (c), the budget must include the baseline funding amount for baseline services, subject to this subsection (e).
 - (A) The city auditor shall calculate and publish the baseline funding amount no later than December 31, 2023.
 - (B) Recognizing that the baseline funding amount will not be calculated before adoption of the budget for fiscal year 2023-2024, that budget need not expressly comply with this subsection (e)(1). However, if the auditor's verification pursuant to subsection (e)(1)(C) establishes the fiscal year 2023-2024 expenditures on baseline services fell below the baseline funding amount, the difference shall be added to the fiscal year 2025-2026 budget as a one-time addition to fund baseline services, as provided in subsection (e)(1)(C).

- (C) Beginning in 2025, by January 15 of each year the city auditor shall verify that the baseline funding amount was expended in the previous fiscal year. If in any year the auditor determines expenditures for baseline services fell below the baseline funding amount, the difference between amount expended and the baseline funding amount shall be added to the succeeding fiscal year budget as a one-time addition to fund baseline services.
- (2) The baseline funding amount may be reduced in any year during which general fund revenue support for operational departments is reduced; provided, however, the percentage reduction in baseline funding cannot exceed the percentage reduction of general fund revenue support to operational departments.
- (3) Following any reduction pursuant to subsection (e)(2) above, in subsequent years during which there are increases in general fund revenue support to operational departments, the reduced baseline funding amount must receive the same percentage increase as the percentage increase of general fund revenue support to operational departments, until such time as the baseline funding amount returns to the amount described in subsection (e)(1).

(f) Planning and Oversight Commission.

- (1) There is hereby established a nine-member Sacramento Children's Fund Planning and Oversight Commission.
- (2) The commission has the power and duty to:
 - (A) In consultation with the Sacramento Youth Commission, develop Five-Year Strategic Investment Plans and submit them to the city council for adoption;
 - (B) Conduct a review of each Five-Year Strategic Investment Plan before the end of the third year of that plan;
 - (C) Review and accept annual Service Performance Reports, Three-Year Youth Impact Evaluation Reports, Five-Year Youth Impact Performance Reports, and fiscal and performance audit reports; and
 - (D) Make recommendations to the city council as a result of its review of the plans and reports described in subsections (f)(2)(B), (C).

- (3) Appointment; qualifications.
 - (A) Notwithstanding section 230 of this charter, each member of the city council (including the mayor) shall appoint one member to the commission. In making these appointments, the members of the city council shall endeavor to constitute a commission that reflects the demographic profile of the city's youth.
 - (B) Each commission member must have:
 - (i) Personal experience as a consumer (past or present) of youth services; or
 - (ii) Demonstrated knowledge and professional experience in youth development theory, youth program implementation, or youth program evaluation.
- (4) Except as otherwise provided in this section, the commission and commissioners shall be subject to the same rules and regulations as other city boards and commissions.
- (5) The city manager shall assign sufficient staff to support the commission in the discharge of its duties, including the preparation of plans and reports.

(g) Plans and Reports.

- (1) Five-Year Strategic Investment Plan.
 - (A) The commission shall develop and submit to the city council for final adoption Five-Year Strategic Investment Plans, which may be amended from time to time.
 - (B) The first Five-Year Strategic Investment Plan covers the period of July 1, 2024 through June 30, 2029; subsequent plans cover succeeding five-year periods.
 - (C) Contents. Each Five-Year Strategic Investment Plan must include the following:
 - (i) Problems and challenges to be addressed in each of the fund goals;
 - (ii) Target populations to be served within each of the fund goals, using multiple data sources to identify those populations most impacted by poverty, trauma, and violence;
 - (iii) Service performance measures and youth outcome metrics to evaluate progress toward achieving the fund goals;
 - (iv) Strategies to achieve outcomes for the target populations for each of the fund goals;
 - (v) Alignment, leveraging, and coordination of other public and private resources, including resources of the County of Sacramento, local school districts, and philanthropy, to maximize program performance and impact beyond what Sacramento Children's Fund monies can achieve alone.

- (2) Annual Service Performance Reports. The city manager shall develop for the commission's review an annual report evaluating all services funded by the Sacramento Children's Fund, assessing those services' performance and progress toward youth outcome metrics established in the Five-Year Strategic Investment Plan.
- (3) Youth Impact Evaluation Reports. After the third year of each Five-Year Strategic Investment Plan, as well as after the end of each Five-Year Strategic Investment Plan, the city manager shall develop for the commission's review Youth Impact Evaluation Reports that assess progress in youth services performance and youth outcome metrics.

(h) **Implementation.**

- (1) The city council may adopt ordinances and resolutions to implement this section, to the extent those are consistent with this section and effectuate its purpose.
- (2) If the Sacramento Youth Commission, including any successor, ceases to exist, the city council shall identify another city board, commission, or committee to perform the duties of the Sacramento Youth Commission under this section.

Section 3. Conflicting Measures.

This measure is intended to be comprehensive. If this measure and another measure relating to dedicated youth services funding appear on the same ballot, the provisions of the other measure and this measure are to be deemed in conflict. If this measure receives a greater number of votes than the conflicting measure, this measure prevails in its entirety and the other measure is null and void.

Section 4. Severability.

The provisions of this Act, including any portion, section, subsection, paragraph, subparagraph, sentence, clause, or word, are severable. If any provision of this Act or its application is held to be invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.