

CITY OF SACRAMENTO

Measure G

MEASURE G

“Shall the measure amending the Sacramento City Charter to (1) require that 2.5% of the city’s unrestricted revenues be set aside in a newly-established Sacramento Children’s Fund, for 12 consecutive fiscal years beginning in 2021-2022, to be spent only on qualifying youth and child services; (2) require that the 2.5% be in addition to that which was expended on eligible youth and children services in fiscal year 2019-2020; and (3) establish a Fund Planning and Oversight Commission, be adopted?”

Impartial Analysis of Measure G Prepared by Sacramento City Attorney

Measure G has been placed on the ballot by a petition signed by the requisite number of voters. Approval of Measure G would amend the Sacramento City Charter so that for 12 years 2.5% of the city’s unrestricted revenues would be placed in a newly-established Sacramento Children’s Fund, to be spent only on qualifying youth and child services. Disapproval of the Measure G would mean the Sacramento City Charter would not be amended.

The measure’s effect on existing law

The Sacramento City Charter currently requires the city manager to prepare and present to the city council budget recommendations each fiscal year. After a public hearing, the city council adopts a budget. The city council may amend the budget at any time.

The city’s revenues can be unrestricted or restricted. Restricted revenues are those that can only expended for specific purposes. Examples include special taxes, parking meter revenue, and federal grants. These revenues are kept in special funds, because they are distinct from the unrestricted revenues in the city’s “general fund.” Money in the general fund can be spent for any lawful purpose.

Measure G would take some of the city manager’s current budget-development authority and give it to a new Sacramento Children’s Fund Planning and Oversight Commission, which would be responsible for preparing expenditure plans for the Sacramento Children’s Fund.

Measure G would affect the city council’s budget-decision authority. The council could no longer allocate all general fund expenditures for any lawful purpose, but would be required to allocate some expenditures for the purposes described in Measure G. Although the council could still amend the budget at any time during the year, it could not amend it so as to diminish the 2.5% set-aside or the Sacramento Children’s Fund balance.

Operation of the measure

For 12 years, starting July 2021, 2.5% of the city’s “audited total actual unrestricted revenues” would be placed in a Sacramento Children’s Fund. Pursuant to a plan and funding package prepared by a new Sacramento Children’s Fund Planning and Oversight Commission, the city council must appropriate at least 90% of the fund money for youth and child services, as those are described in the measure.

The measure establishes a Sacramento Children’s Fund Planning and Oversight Commission, a 17-member body appointed by the mayor and councilmembers. The commission would be responsible for preparing Three-Year Strategic Plans for city council adoption, evaluating funding applications from non-profit organizations and public agencies, and submitting funding recommendations to the city council.

The measure provides that the money in the Sacramento Children’s Fund must supplement the amount of unrestricted revenue that the city expended for “eligible children and youth services” in the 2019-2020 fiscal year.

By Measure G’s own terms, the charter amendment expires in 2034. Any unencumbered money in the Sacramento Children’s Fund at that time would revert to the city’s general fund.

Measure G will take effect only if a majority of the voters voting on the measure approve it. A “yes” vote is in favor of approving the charter amendment. A “no” vote is against approving the charter amendment.

s/ Susana Alcalá Wood
Sacramento City Attorney

*****YOU CAN FIND THE MEASURE ARGUMENTS FOLLOWING THE FULL TEXT OF THIS MEASURE*****

EXHIBIT A

Charter Amendment – Sacramento Children’s Fund Act of 2020

Section 1. Name.

This measure shall be known as the “Sacramento Children’s Fund Act of 2020” (hereinafter, the “Act”).

Section 2. Findings and Declarations.

- A. Cities benefit when youth live safe, peaceful, and healthy lives free from involvement with the juvenile and criminal justice systems.
- B. By helping City of Sacramento children and youth to succeed in school and graduate high school prepared for college, career, and community, the City of Sacramento will benefit.
- C. Fostering the healthy development of young children, ages 0-5 years old, will have a positive impact on the Sacramento community.

Section 3. Purpose and Intent

- A. The chief purpose and intent of this measure is to establish the Sacramento Children’s Fund to protect and expand funding for services that help children and youth less than 25 years old to be safe, healthy and productive.
- B. This measure allocates two-point-five percent (2.5%) of the City of Sacramento’s audited, actual total annual unrestricted revenues to the Sacramento Children’s Fund, along with any interest earned on the Sacramento Children’s Fund and any amounts unspent or uncommitted by the Sacramento Children’s Fund at the end of any fiscal year.
- C. No less than 90% of all monies in the Sacramento Children’s Fund are to be used to provide services to Sacramento children and youth less than twenty-five (25) years old, in accordance with asset-based youth development principles, and placing a strategic priority on serving those children and youth most impacted by poverty, trauma, and violence.
- D. No more than ten percent (10%) of all monies in the Sacramento Children’s Fund are to be used for strategic planning, grant-making, grants management, data collection and evaluation, and communications and community engagement.
- E. All monies in the Sacramento Children’s Fund shall be used to supplement and not supplant the amount of unrestricted revenue expended by the City of Sacramento on eligible children and youth services in Fiscal Year 2019-2020.

Section 4. Section 110.5 of the Sacramento City Charter is added to read as follows:

(a) The “Sacramento Children’s Fund” is hereby established within the City’s General Fund.

(b) The goals of the Sacramento Children’s Fund are to:

- (1) Support youth to live safe, peaceful, and healthy lives free from involvement with the juvenile and criminal justice systems.
- (2) Help children and youth succeed in school and graduate high school prepared for college, career, and community.
- (3) Foster the healthy development of young children, ages zero to five (0-5) years old.

(c) Notwithstanding any other provision of law, effective July 1, 2021, the Sacramento Children’s Fund shall receive funds equal to two-point-five percent (2.5%) of the City of Sacramento’s audited total actual annual unrestricted revenues. Revenue received by the Fund shall be appropriated each year as specified in this Act together with any interest earned and any amounts unspent or uncommitted at the end of any fiscal year. The annual amount of the City’s unrestricted revenue for the next fiscal year shall be estimated by the City Manager no later than January 15 of each year, beginning January 15, 2021. Two-point-five percent (2.5%) of the estimated amount of the City’s unrestricted revenue for the next fiscal year shall be deposited in the Fund no later than July 1 of each year. The City Auditor shall publish the audited actual amount of unrestricted

revenues for the prior fiscal year not later than January 15 of each year, beginning January 15, 2023. Differences between the amount of estimated unrestricted revenues deposited in the Fund and the audited actual amount of unrestricted revenues for a fiscal year shall be reconciled by an adjustment in the amount deposited in the Fund for the following fiscal year. Audited actual unrestricted revenues shall not include funds granted to the City of Sacramento by private agencies or by other public agencies. All monies in the Sacramento Children's Fund shall be maintained and accounted for separately and apart from all other City funds.

(d) Pursuant to achieving the goals of the Sacramento Children's Fund, no less than ninety percent (90%) of all monies in the Sacramento Children's Fund shall be appropriated by the City Council to pay for services provided to children and youth less than twenty-five (25) years old, including, but not limited to:

- (1) Mentoring, counseling and culturally-based healing practices, alcohol and drug use prevention and intervention, job training, transitional employment, and case management.
- (2) Summer and after-school learning, artistic, cultural, and media expression, career-based internships, and family support services.
- (3) Early childhood education, parent/child play groups, and family support services.

(e) No more than ten percent (10%) of all monies in the Sacramento Children's Fund shall be appropriated by the City Council for strategic planning, grant-making, grants management, data collection and evaluation, and communications and community engagement.

(f) Monies in the Sacramento Children's Fund shall not be appropriated or expended for:

- (1) any service which merely benefits children and youth incidentally;
- (2) acquisition, lease, or maintenance of any capital item or real property not for primary and direct use by children and youth;
- (3) any service for which a fixed or minimum level of expenditure is mandated by state or federal law, to the extent of the fixed or minimum level of expenditure.

(g) The City Council shall appropriate funds from the Sacramento Children's Fund pursuant to a Three-Year Strategic Investment Plan and a Three-Year Funding Package prepared and submitted by the Sacramento Children's Fund Planning and Oversight Commission, with the first plan to be implemented during the July 1, 2021 through June 30, 2022 fiscal year. Each Three-Year Strategic Investment Plan shall describe the following:

- (1) the problem and challenge to be addressed in each of the Fund's three goal areas;
- (2) target populations to be served within each of the Fund's three goal areas, using multiple data sources to identify those populations most impacted by poverty, trauma, and violence;
- (3) service performance and youth outcome metrics to evaluate progress toward achieving the Fund's three goals;
- (4) theory-of-change of how youth outcomes will be achieved with the target populations in each of the Fund's three goal areas;
- (5) alignment and coordination of other public and private resources to maximize service reach and impact.

(h) Money used to pay for services pursuant to subdivision (d) shall be appropriated to non-profit organizations and public agencies exclusively through an open and fair competitive bid process, including consideration of applicants' past performance. The City Council, pursuant to subdivision (g), shall approve or disapprove the Three-Year Strategic Investment Plan and the appropriation of funds from the Sacramento Children's Fund for the Three-Year Funding Package as a single item and shall not approve or disapprove individual applicants and projects unless such individual approval or disapproval is expressly authorized in the Plan or Funding Package proposed by the Sacramento Children's Fund Planning and Oversight Commission.

(i) All services to children and youth funded by the Sacramento Children's Fund in each three-year Strategic Investment Plan cycle shall be evaluated to assess progress toward service performance and youth outcome metrics established in each three-year Strategic Investment Plan. In consultation with City staff, the Sacramento Children's Fund Planning and Oversight Commission shall publish an annual Impact Evaluation Report that assesses progress toward service performance and youth outcome metrics identified in each three-year Strategic Investment Plan. These reports shall be made available to the general public.

(j) Not later than 90 days after the election which approves this section, the Mayor shall appoint one (1) City resident and each City Councilmember shall appoint two (2) City residents to serve as members of the Sacramento Children's Fund Planning and Oversight Commission. One of each City Councilmember's appointees shall be a resident not older than 24 years old. The term of a Commissioner shall be two years, and a Commissioner shall not serve more than three consecutive terms. The Commission shall reflect the demographic profile of Sacramento's children and youth, and all appointees shall have (1) life experience as a consumer or past consumer of children and youth development services, or (2) demonstrate knowledge of, or

possess expertise in, child and youth development policy, program implementation and evaluation, or fiscal accountability.

(k) The Sacramento Children's Fund Planning and Oversight Commission shall be responsible for:

- (1) preparing and submitting Three-Year Strategic Investment Plans for City Council adoption;
- (2) evaluating three-year funding applications from non-profit organizations and public agencies through an open and fair competitive bid process, and submitting funding recommendations for City Council adoption;
- (3) submitting annual evaluation reports for City Council adoption;
- (4) receiving City Auditor annual reports on the Fund's financial statement and base spending requirement as described in subdivision (l).

(l) All monies in the Sacramento Children's Fund shall be used to supplement and not supplant or reduce the amount of unrestricted revenue the City of Sacramento expended for eligible children and youth services in any fiscal year below the amount so expended in the 2019-2020 fiscal year. Eligible children and youth services shall, at a minimum, include those services described in subdivision (d)(1)-(3). Not later than June 30, 2021, the City Auditor shall calculate and publish the amount of unrestricted General Fund expenditures made on eligible services in the 2019-2020 fiscal year, disaggregating and specifying such expenditures by Department and eligible service. Not later than January 15 of each year beginning in 2022, the City Auditor shall verify that the City of Sacramento did not reduce the amount of unrestricted General Fund expenditures for eligible services in the prior fiscal year. If the City Auditor finds that in any fiscal year the amount of funds expended for eligible services is less than the total amount expended in 2019-2020, the City of Sacramento shall increase expenditures for eligible services in the following fiscal year so that the correct amount of funds is expended.

(m) Notwithstanding subdivision (c), the City shall not be required to transfer funds to the Sacramento Children's Fund for the 2033-34 fiscal year or thereafter. This Act shall expire on June 30, 2034. To the extent that any unencumbered funds remain in the Sacramento Children's Fund on June 30, 2034, they shall revert to the City's general fund.

Section 5: Severability.

If any provision of this section or any application thereof to any person or circumstance is held invalid, the remainder of this section and its applications shall not be affected. To this end, the provisions of this measure are severable.

Section 6: Conflicting Measures.

The measure is intended to be comprehensive. It is the intent of the People that in the event this measure and another measure relating to establishing the Sacramento Children's Fund to protect and expand funding for services that help children and youth shall appear on the same City ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

Section 7: Conflicting Charter Provisions.

Any section or part of any section in this Charter, insofar as it conflicts with this Act or with any part thereof, shall be superseded by the contents of this Act.

ARGUMENT IN FAVOR OF MEASURE G

Measure G will improve the lives of thousands of Sacramento children without raising taxes.

Measure G funds services to help children do better in school, graduate, go to college and gain work skills. Measure G will help reduce neighborhood crime, prevent youth homelessness and decrease truancy and school dropout rates.

Measure G funds summer and afterschool programs, tutoring, mental health services, job training, and school readiness programs. Through Measure G, we will keep thousands of Sacramento's most vulnerable children from falling through the cracks.

Measure G does not raise taxes. It simply requires the City to set aside a modest amount of existing funding each year, 2.5% of its growing general budget, to support Sacramento youth.

Sacramento currently does not have a stable funding source for children and youth. Funding fluctuates based on the politics of the moment and is often in response to an out of control problem. Measure G will change that by consistently funding services to prevent kids from getting off track, which will save taxpayers millions down the road.

The measure will require the Council to appoint a volunteer Planning and Oversight Commission - with public health experts, educators, parents and youth - responsible for developing a 3-year strategic plan.

The measure requires the City to annually evaluate programs for impact and effectiveness. In 12 years, voters will have the opportunity to review the measure's success and determine whether or not they want to renew it.

Through Measure G, Sacramento will become known around the country as a community that has taken a stand for children and youth.

Vote for Sacramento's kids and our future.

Please join teachers, pediatricians, youth and community leaders and law enforcement in voting YES on Measure G.

More info at www.sackidsfirst.org

s/ Kevin McCarty
Member, California State Assembly, District 7
s/ Staci Anderson
President and CEO, PRO Youth and Families
s/ David Fisher
President, Sac City Teachers Association
s/ Isra Uz-Zaman
Executive Director, American Academy of Pediatrics California Chapter 1
s/ Derrell Roberts
CoFounder, Roberts Family Development Center

REBUTTAL TO ARGUMENT IN FAVOR

Measure G is a cynical money grab by some nonprofits which will blow a hole in the city's budget. Contrary to the proponents' statement, the city already funds millions of dollars for youth programs.

Currently nonprofits must annually prove the effectiveness of their programs to continue receiving funds. Measure G eliminates that accountability. The city council would be asked to approve three-year spending plans and would have no control over which nonprofits are selected for funding.

Throwing money at nonprofit organizations does not equate to positive outcomes for youth. While Measure G does not raise taxes today, it will take money away from other critical city services like police, fire, libraries, parks and recreation - all of which benefit youth.

In an economic downturn Measure G would mean layoffs to city employees and closure of city programs including those that benefit kids, while we use protected tax dollars to pay for nonprofit organizations selected by political appointees with no accountability to taxpayers.

Measure G creates a new burden to our city budget, is bad policy, will not improve the lives of children, reduces accountability and places nonprofit organizations' financial needs above core city services. We need to focus on our greatest problems - homelessness, affordable housing and public safety. We need financial control to do so. Measure G would remove that control.

Please vote NO on Measure G

s/ Larry Carr
Councilmember, City of Sacramento
s/ Jeff Harris
Councilmember, City of Sacramento
s/ Angelique Ashby
Mayor Pro Tem, City of Sacramento
s/ Heather Fargo
Mayor, City of Sacramento (Ret.)
s/ Jimmie Yee
Mayor, City of Sacramento (Ret.)

ARGUMENT AGAINST MEASURE G

Measure G is an attempt to fund nonprofit organizations with tax dollars collected to provide essential city services. The measure seeks to give city funds to nonprofits selected by a committee comprised of nonelected youth and adults. The process circumvents standard oversights. In times of emergency or recession, this tax "lockbox" would make 2.5% of our general fund inaccessible to the elected City Council and could lead to the closure of fire stations, pools, libraries, community centers, or parks programs. It could reduce ambulance service or lead to the layoff of city employees – while continuing to foot the bill for nonprofit organizations.

Is Measure G necessary? No. Currently, 7.5% of city funds are spent on youth services and nonprofits that support after-school programming, workforce development, youth employment, gang prevention programs, gun violence reduction programs, recreation, community centers, libraries, public safety academies and more. This measure would change our city charter and can only be undone by another costly general ballot measure.

Measure G sets a terrible precedent, paving the way for any special interest group to float an initiative to secure funding with your tax dollars. It is ballot box budgeting at its worst. It ties the hands of the city and gives authority to a committee with no budget expertise and no accountability to voters. Should Measure G pass, it would negate our ability to increase essential city services like traffic enforcement, street repairs, parks programming, library hours, ambulance and fire service, or to invest in our animal shelter. It would leave no resources available for addressing homelessness or affordable housing, which are our greatest needs.

Budgets are a balancing act. Funding nonprofits in perpetuity is not in the best interest of anyone in our city, including our youth.

Please vote NO on Measure G.

s/ Larry Carr
Councilmember, City of Sacramento
s/ Jeff Harris
Councilmember, City of Sacramento
s/ Angelique Ashby
Mayor Pro Tem, City of Sacramento
s/ Rivkah Sass
Director, Sacramento Public Library
s/ Gary Loesch
Chief, Sacramento Fire Department

REBUTTAL TO ARGUMENT AGAINST OF MEASURE

Measure G is about investing in Sacramento's youth by funding afterschool and summer programs, job training, and mental health supports so that our kids will have a better chance of succeeding in school, career, and beyond. Measure G will reach thousands of youth annually.

Too many Sacramento kids are not getting the opportunities they deserve, and our City must do better. The funding the City currently spends on youth doesn't mean much if kids are still failing in school, homeless, or contemplating suicide, particularly when young people account for more than 25% of Sacramento's population

Opponents are trying to scare you by distorting the facts. The City's general fund has grown by 44% or \$189 million since 2014. Just as we have found money for a basketball arena and a soccer stadium, the City can set aside a modest 2.5% of its general fund to invest in our kids.

Measure G increases accountability. The Mayor and Council appoint the Oversight Commission and have the ultimate say on the spending plan. The Commission drafts the plan and an annual evaluation that will be posted online.

Without raising taxes, it's time to invest in our own future by supporting young people through prevention programs that will clearly save us money in the long run. It's not only the right thing to do, it's the smart thing to do – both for the present and our City's future.

Please vote for our City's future by voting Yes on G.

s/ Jay Schenirer
Councilmember, City of Sacramento
s/ Eric Guerra
Vice Mayor, City of Sacramento
s/ Allen Warren
Councilmember, City of Sacramento
s/Dee Khang
Youth Leader, EBAYC Sacramento
s/ Mary Cervantez
Treasurer, United Latinos