

CITY OF SACRAMENTO

MEASURE L

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?

IMPARTIAL ANALYSIS OF MEASURE L Prepared by Sacramento City Attorney

The Sacramento City Council has placed Measure L on the ballot. The stated purpose and intent of the measure is “to establish the Sacramento Children’s Fund to support positive youth development and youth violence prevention programs” for children and youth less than 25 years old.

Operation of the measure

Money in the proposed Sacramento Children’s Fund may only be used to engage qualified organizations (non-profits or public agencies) to provide “youth services” in accordance with a commission-developed and council-adopted strategic plan. “Youth services” include mental health counseling and wellness services; substance abuse prevention services; street outreach, violence intervention, and case management; youth workforce development, including career pathways that advance the city’s climate-action goals; summer programs and after-school programs; and early childhood education and family support services. A percentage (starting at 20% and declining to 10%) can be spent on administrative costs.

In addition to the annual minimum General Fund allocation to the Sacramento Children’s Fund, the measure requires the annual council-adopted budget to include a “maintenance of effort” amount for youth services, which amount must be at least as much as the city expended on youth services in Fiscal Year 2022-2023.

The measure also creates a new nine-member Sacramento Children’s Fund Oversight Commission. The commission, which must be supported by city staff, is responsible for developing and reviewing strategic investment plans, annual service performance reports, and periodic youth impact evaluation reports.

The measure’s effect on existing law

The Sacramento City Charter currently requires the city manager, before the beginning of each fiscal year, to prepare and present to the city council budget recommendations for that upcoming fiscal year. The city council, after public hearing, adopts the city’s budget by resolution. That budget may be amended by the city council at any time.

While there are portions of the city’s budget in special funds, which can only be used for particular purposes, the majority of the city’s budget is in what is known as the “General Fund.” The city council can, when adopting and amending the budget, allocate money in the General Fund to any lawful government purpose.

Measure L adds to the charter a section that imposes specific budgeting requirements upon the city council. First, it requires a portion of the General Fund to be allocated to a new Sacramento Children’s Fund. Second, it requires the budget to use a certain amount of the General Fund to maintain previously-provided levels of youth services.



A “yes” vote is in favor of amending the Sacramento City Charter. A “no” vote is against the charter amendment. A majority of “yes” votes is required to pass Measure L.

s/Susana Alcala Wood
City Attorney

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

**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 spent 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, 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.

ARGUMENT IN FAVOR OF MEASURE L

Put Sacramento's kids first—vote YES on L! YES on L expands programs supporting our most vulnerable kids—the homeless, foster children, and low-income students—without increasing taxes.

Children make up more than 30% of Sacramento's population but are less than 5% of the City's general fund budget. Sacramento has countless homeless children and teenagers living in cars or on the streets, including young adults and foster youth.

No child should have to grow up this way.

Measure L funds services to help these children and families and will help prevent young people from becoming chronically homeless, keeping children healthy and safe.

Research shows that before and after-school programs reduce crime and truancy by offering constructive alternatives to gangs, drugs, and violence. Measure L keeps kids off the streets and out of trouble by providing children with safe and supervised places.

Challenges facing our kids are growing, but the resources to help them aren't enough.

YES on L funds programs that help foster youth transition to independence.

YES on L supports mental health counseling for children/youth.

YES on L expands job training /continuing education programs for 18–24-year-olds.

YES on L keeps children safe by funding early substance abuse prevention and intervention programs to reduce youth crime, drug use and gang violence.

YES on L is accountable, including an Oversight Committee and public, annual audits—ensuring funds are spent as promised.

YES on L does not raise taxes. It simply allocates a portion of the City's existing budget to support services for homeless kids, foster children and youth who need help—increasing government accountability by requiring a greater, guaranteed investment in Sacramento's most vulnerable population.

Join the Sac Kids First Coalition, youth safety advocates, and community leaders saying YES on L!

For more information, visit: www.yesonsackids.com.

s/Mai Vang

Councilmember, City of Sacramento

s/Dr Lena van der List

Board Member, American Academy of Pediatrics California Chapter 1

s/Dr. Debi Lawson-Perez

Elementary School Teacher, Sacramento City Unified School District

s/Trevor Jamison

President, Sacramento Area Firefighters Local 552

s/Ana Taukolo

Director of Youth Programs, Sac Youth Alliance

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE L

Look around our city. Are our streets clean, do we feel safe walking downtown, do our sidewalks allow children safe passage to school?

Are our parks well maintained, our libraries open adequate hours to support the needs of students, our street conditions acceptable? Do you worry how climate change will affect your family's future?

The fact is that our city faces many economic challenges. Let's address these challenges and be realistic about funding and our priorities. The City does not have a surplus in the bank. Our debt capacity is exhausted. We can't borrow any more money at this time. We face large budget deficits for the next five years.

We also want more services for children. With just 5 votes, the council can do this. We must not restrict general fund revenue for this purpose, or any purpose. Doing so limits the council's ability to respond to emergencies or opportunities, like free transit for students, matching funds for grants to repair and enhance parks and infrastructure, and improve our libraries.

Fact is, Measure L is ballot box budgeting. It is as if those who voted to place this on the ballot are trying to outrun accountability relative to our current fiscal realities.

Let's focus on core city services for everybody, including kids. We already spend millions on youth and will continue to do so. Measure L limits our ability to address the urgent problems at hand. When we invest in core services, our kids benefit.

Vote No on L.

s/Rivkah Sass
former Director, Sacramento Libraries
s/Jimmie Yee
former Mayor, City of Sacramento

ARGUMENT AGAINST MEASURE L

It's déjà vu all over again. This measure has failed twice as Measure Y and Measure G. It failed for good reason- ballot box budgeting is fiscally irresponsible, and this measure is an attempt to fund nonprofit organizations with tax dollars collected to provide essential city services.

Currently, 7.5% (Over \$23 million) of city funds are spent on youth services and nonprofits that support after-school programming, workforce development, youth employment, gang prevention and gun violence reduction programs, youth recreation, public safety academies and more. This measure would amend our City Charter to spend another ten million annually on additional youth spending and it would be untouchable, limiting our ability to fund critical programs and our options to close anticipated budget deficits. Further, the lock box could lower our bond rating, decreasing our ability to borrow for essential projects.

Spending on youth is important and we already do a lot of it, but our recent community survey showed clearly that the most pressing concern for constituents is to get our city cleaned up, and for it to feel safe again. Homelessness, climate change, and clean mobility are also critical priorities, as are basic city services like repairing our parks and infrastructure. If this measure passes, there will be cuts or no further enhancements to these priorities.

On any given Tuesday the Council can vote to spend on youth projects when funds are available. This measure locks up money for a youth fund, making it the only issue protected by the City Charter. That is poor fiscal stewardship of tax dollars and doesn't address urgent constituent concerns.

Uncertain economic times with high inflation and falling incomes are the worst possible conditions to pass ballot box budgeting. In fact, there is never a good time for it.

Please vote NO on L

s/Jeff Harris
Sacramento Councilmember - District Three
s/Heather Fargo
Former Mayor of Sacramento

REBUTTAL TO ARGUMENT AGAINST MEASURE L

Don't be misled by political scare tactics. Funding measures like Yes on L are commonly adopted by voters and used successfully in Sacramento—why not for kids?

“As a government reform/transparency activist, I'm voting YES on L. YES on L increases government accountability by requiring a percentage of Cannabis Tax revenue to be spent on children/youth services. Like taxes on Tobacco or Big Soda, doing so mitigates cannabis impacts by funding youth substance abuse programs. Independent Citizens Oversight, performance and financial audits ensure Measure L funds are spent properly and effectively, without raising taxes.” – Ruth Holton-Hodson, former Director, California Common Cause.

YES on L supports results-oriented programs for our most vulnerable: youth and students experiencing homelessness, foster children, and low-income students. Children under five years old, and homeless families are a priority for funding.

Any suggestion services addressing youth mental health, substance abuse, and gang violence are well-funded, is simply absurd.

Many of us grew up in tough neighborhoods and continue to experience homelessness and hunger. There are many bad influences and street violence. Without your help, more youth will easily fall victim to these realities. To change this, vote YES on L.

“As a long-time leader on the environment, clean energy, and youth programs, I ask you to vote Yes on L.” —Rosanna Herber, SMUD Board.

Join us and firefighters, Parks Commissioner Jeanine Gaines, and Sac Kids First in supporting YES on L, a responsible proposal to invest in our kids.

s/Hailey Washington
Member, Sac Kids First Youth Action Committee
s/Amy Yang
Youth Peer Counselor, EBAYC Sacramento
s/Malaika Nazir
Former Commissioner, Sacramento City Youth Commission
s/Brinn Langdale
LMFT, Youth Mental Health Therapist
s/Darrell Steinberg
Mayor, City of Sacramento