



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

STAFF REPORT
July 20, 2010

**Honorable Mayor and
Members of the City Council**

Title: Youth Jobs and Opportunity Tax Ballot Measure

Location/Council District: City-wide

Recommendation: (1) Consider approval of the attached ordinance effective upon voter approval; and, if the ordinance is approved, (2) Adopt a **Resolution** approving ballot measure text for placement on the November 2, 2010, General Municipal Election ballot.

Contact: Eileen M. Teichert, City Attorney (916) 808-5346
Matthew D. Ruyak, Supervising Deputy City Attorney (916) 808-5346

Presenters: Matthew D. Ruyak, Supervising Deputy City Attorney (916) 808-5346

Department: City Attorney's Office, Org # 09300

Division: N/A

Organization No: 09300

Description/Analysis

Issue: At the July 13, 2010, Council meeting, Council member Tretheway asked the City Attorney to prepare all resolutions necessary for Council's placement of the "Youth Jobs and Opportunity Act" on the November 2, 2010, general election ballot.

Policy Considerations: This report concerns City Council placement of a tax measure before the voters at the next general election.

Environmental Considerations: This report has no environmental impact.

California Environmental Quality Act (CEQA): N/A.

Sustainability Considerations: N/A

Other: N/A

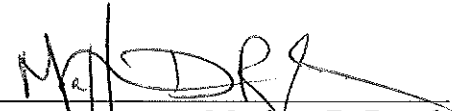
Commission/Committee Action: N/A

Rationale for Recommendation: N/A

Financial Considerations: Because other City measures will be on the November 2, 2010, ballot, the City Clerk's estimated cost for placing this measure on the ballot is \$24,000.

Emerging Small Business Development (ESBD): N/A

Respectfully Submitted by:


Matthew D. Ruyak
Supervising Deputy City Attorney

Report Approved:

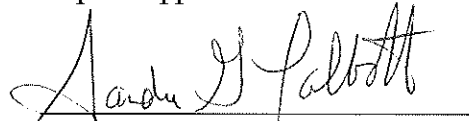

for Eileen M. Teichert
City Attorney

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Attachment 1

BACKGROUND

In January 2010, proponent of a measure known as the “Youth Jobs and Opportunity Act” commenced circulation of petitions for signature. For reference, Attachment 3 is the City Attorney’s official Ballot Title and Summary of the measure.

On June 15, 2010, the proponents submitted petition signatures to the City Clerk. The County of Sacramento Registrar has not yet completed the necessary signature count to certify the number of valid petition signatures, and apparently will be unable to complete that count to beat the deadline for calling measures to the November 2, 2010.

At the July 13, 2010, City Council meeting, Councilmember Tretheway asked the City Attorney to return on this date with the resolutions necessary to have the Youth Jobs and Opportunity Act placed before the voters on November 2, 2010.

Attachment 2 is the proposed measure to be approved by Council. Two changes have been made to the measure as originally submitted by the proponents: (1) an ordinance title and enacting language precedes Section 1; and (2) Section 13 has been added to state the two-thirds (2/3) voter approval necessary to effectuate the imposition of the proposed special tax.

Attachment 4 is the Resolution approving the ballot question for the measure. The other resolutions necessary to have this measure submitted to the voters on November 2, 2010, are being presented by the Clerk’s Office at this July 20, 2010, Council meeting.

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ORDINANCE NO. _

Adopted By the Sacramento City Council

On _____

AN ORDINANCE ESTABLISHING A PARCEL TAX TO FUND YOUTH PROGRAMS AND ESTABLISHING THE SACRAMENTO YOUTH JOBS AND OPPORTUNITY CITIZENS' ADVISORY BOARD

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. Title.

This Act shall be known and may be cited as the "Youth Jobs and Opportunity Act" (or "Act").

Section 2. Findings and Purpose.

The people of the City of Sacramento hereby make the following findings and declare that their purpose in enacting this Act is as follows:

a. Far too many of our youth lack the basic skills needed to be successful in today's competitive workforce. The shortfall in workers with basic skills will cost the United States economy as much as \$16 billion annually in lost productivity. Similar trends exist right here in Sacramento and will limit our economic potential unless we take proactive steps to develop the next generation of skilled workers.

In order to remain competitive in today's changing global economy, Sacramento's young people must be provided with the support, experiences and opportunities that will prepare them to thrive in the workforce and make positive contributions to the community. The strength of Sacramento's economy and community requires a well-educated and skilled workforce now and into the future.

Sacramento has proven local examples of programs that help youth gain valuable skills from job training and employment opportunities. In 2009, the Sacramento Employment and Training Agency provided job skills training to youth, employing these young people in a variety of sectors. Tests conducted after the program showed an increase in skills that participants did not have prior to joining the program. However, these programs require resources and support to continue and succeed. This measure will ensure that successful programs like this receive the resources and support to provide job training, work experience, life skills and opportunity for local Sacramento youth.

b. According to Sacramento Police Department data, youth ages 16-24 in Sacramento make up between 30-35% of homicide victims each year and make up 50-65% of homicide suspects per year over each of the last four years. Over 80% of both homicide victims and suspects were previously in the state or county juvenile justice system.

Investing in young people and their academic and workforce success now will prevent additional costs to taxpayers that come from unemployment and incarceration. According to the Sacramento County Office of Probation, the average cost to host a youth in juvenile detention or prison is \$92,000 per year. The programs and services funded by this measure create the positive pathways for at-risk youth that steer them away from crime and into productive pursuits. In turn, this saves taxpayers money, creates safer neighborhoods, protects our property values and enhances the quality of life in our community.

c. For the 2006-07 academic school year, in Sacramento County, 13,601 students graduated from public high schools. Of those, only 3,099 met University of California/California State University enrollment requirements. The percentage of Sacramento County graduating seniors meeting these requirements has decreased steadily from 34% in 2002-03 to 28% percent in 2006-07.

Truancy centers in Sacramento are working to reverse these trends. Three truancy centers in Sacramento have demonstrated successful results. At one center, 91 percent of students referred for services as of February 2007, are now attending school regularly. This measure will provide the funding needed to protect and expand programs like this that have produced positive and cost-efficient results.

d. The number of reported runaways increased in Sacramento by 35% between 2000 and 2007. In addition, approximately 375 foster care youth age out of the foster care system each year in Sacramento County. Statewide, 50% of foster care youth who leave the system will be homeless within 18 months and less than 50% will be employed 4 years later.

The National Research Council Institute of Medicine has found that the more support and assets youth have access to, the more likely they are to succeed. Continuous exposure to positive settings, experiences and people, as well as opportunities to gain life skills, supports positive development in youth. This measure makes an investment in supportive settings and high-quality opportunities for local youth to help them succeed despite any challenges they may face.

It is critically important to Sacramento's quality of life and economic future to increase the number of young people in Sacramento ready for work and positive adulthood through: (1) increasing youth jobs and job preparation; (2) increasing the number of young people achieving higher education; and (3) reconnecting at-risk youth to pathways of opportunity and productive contributions to their communities.

e. This measure will provide funding for youth between the ages of 11 to 25 years of age by establishing an annual \$29 parcel tax for:

1. Youth Jobs and Workforce Readiness: There are limited opportunities for young

people to gain employment and workforce readiness skills in Sacramento. Resources for employers to hire young people or offer them a stipend for internships are critical to expand these opportunities. Many youth also need job skills training in order to qualify for even an entry level job. Workforce readiness for younger youth could include community service opportunities and career awareness promotion at schools. Many youth are also unaware of apprenticeships that could lead to a successful career and this measure would support an increase of young people taking advantage of these opportunities.

2. **Improving Academic Achievement:** Success in the workforce is increasingly dependent on academic success and at least a high school diploma. Increasing attendance and graduation rates is crucial for Sacramento's ability to prepare the workforce of the future. This measure would support after-school programs that would increase academic achievement as well as evidence-based strategies to reduce drop-outs and truancy. The Student Attendance Centers in Sacramento are one example of a successful collaborative strategy that has significantly reduced truancy at three local high schools, also reducing local neighborhood crime in the process.

3. **Reconnecting At-Risk Youth with Workforce:** There is a significant population of young people who could be contributing positively to our community economically and socially, but instead are headed towards repeated incarceration and life on the streets due to gang involvement and other high risk behaviors. These at-risk youth need intensive outreach and increased wrap-around services to reconnect them to completing high school and being prepared for the workforce. The at-risk youth population also includes young people currently on probation or parole, as well as those who have recently been involved in the juvenile justice system who want to change their life's direction. These young people need increased opportunities to job training, mental health, anger management and other services, as well as increased caring adults (or street outreach workers) who can connect them to these services.

f. Sacramento taxpayers deserve to know that their tax dollars are spent properly. Accordingly, this measure includes the following specific taxpayer protections:

1. An independent citizen's advisory committee representing a broad range of community members (the Sacramento Youth Jobs and Opportunity Citizens' Advisory Board) will make recommendations for funding awards, review and report on the use of funds to ensure that the monies are used for the purposes specified in this measure

2. Annual audits of the funds from this measure are mandatory

3. By law, no more than 5% of the funding from this measure may be used for administration

4. No more than 5% of the funding will be used to evaluate the effectiveness of the programs receiving funding from this measure

5. An exemption for low income residents will ensure the cost of this measure is not a burden on residents such as seniors struggling to live on a fixed income

6. The parcel tax cannot be increased without a vote of the people of Sacramento

7. This measure will automatically expire in ten years and can only be extended by a vote of the people of Sacramento

Section 3. Terms of Annual Parcel Tax.**Special Youth Jobs and Opportunity Act**

(a) There is hereby imposed a Special Youth Jobs and Opportunity Tax (“Special Tax”) on each Parcel of real property within the City of Sacramento. The Special Tax shall be for each fiscal year, commencing with the fiscal year 2011-12.

(b) As used in this Act, a Parcel shall mean any parcel of land in the City of Sacramento which receives a separate tax bill for ad valorem taxes from the Sacramento County Assessor. All property which is otherwise exempt from or on which are levied no ad valorem property taxes in any year shall also be exempt from the parcel tax established by this Act.

Section 4. Low-income Exemption.

An exemption from the parcel tax established by this Act shall be made for owners of single family residential units in which they reside whose combined family income from all sources for the previous calendar year is at or below the income level qualifying as “very low income” for a family of such size under Section 8 of the United States Housing Act of 1937, 42 U.S.C.A. Sections 1437 et seq. for each year. The exemption shall be available pursuant to procedures to be prescribed by the Sacramento County Assessor.

Section 5. Allocation of Funds.

(a) All funds shall be expended in a manner that is consistent with the purposes of this Act. The funds shall be administrated by the City of Sacramento Office of Youth Development in accordance with the provisions of this Act. No more than 5% of funds shall be used to pay administrative costs and no more than 5% of funds shall go to evaluation costs. Funds from this Act shall not supplant existing local city funds for youth programs and services.

(b) In addition to funding evidence based programs, the advisory board shall give full consideration to creative and innovative programs that meet the criteria listed below

(c) Allocation:

A. A minimum of 40% of funding shall go towards youth jobs and work force readiness. Funding uses consistent with the Act shall include, but are not limited to:

- Subsidies of youth jobs and internships, including summer and year-long placements
- Increasing participation in apprenticeships
- Job training and pre employment skills development
- Service opportunities and career awareness for younger youth

B. A minimum of 20% of funding shall go towards improving academic achievement. Funding uses consistent with the Act shall include, but are not limited to:

- Afterschool academic enrichment and tutoring programs
- Evidence-based drop-out prevention strategies
- Truancy reduction programs
- College preparatory programs that strengthen the pipeline from middle school through completion of a bachelor's degree

C. A minimum of 20% of funding shall go towards reconnecting youth involved in gang activity and other at-risk youth to the workforce and community. Programs consistent with the Act must serve youth who are on parole or probation, chronically truant, or have dropped out of school. Funding uses shall include, but are not limited to:

- Street outreach workers
- Intensive employment and on the job training
- Intensive mentoring/case management
- Supportive services for juveniles exiting justice system to reduce recidivism rates
- Counseling for families of at-risk youth

(c) City Council Decision on Specific Allocation of Funds.

A. The City Council shall make the final decision on the expenditure of all funds produced by this Act.

B. Before approving any expenditure, the City Council shall first review the recommendations of the Sacramento Youth Jobs and Opportunity Advisory Board created pursuant to Section 6 of this Act. If the City Council decides not follow the recommendations of the Advisory Board, the City Council shall provide a full explanation in writing as to the reasons for not following the recommendations. In addition, the City Council shall hold at least one public hearing to receive comments from residents of the City of Sacramento as to whether they agree or disagree with the City Council's decision to not follow the recommendations. After the public hearing is held, the City Council shall place on their agenda a vote to reconsider their action to not follow the recommendations of the Advisory Board. In the event that the City Council does not follow the recommendations of the Advisory Board after reconsideration of their original action, the expenditures of funds produced by this Act approved by the City Council must comply with the requirements of Section 5 (b) of this Act.

Section 6. Creation of Sacramento Youth Jobs and Opportunity Citizen's Advisory Board.

There is hereby established a citizens' advisory board to be called the "Sacramento Youth Jobs and Opportunity Citizens' Advisory Board" ("Advisory Board") which shall annually review the revenues, expenditures, and delivery of projects and programs as long as the tax is in place. The Advisory Board shall meet no less than four times a year and will make recommendations for funding awards and allocations based on recommendations from the

administrative staff, the community at large and its own deliberations. All allocations shall be consistent with the Act. The Advisory Board shall annually make a report to the Mayor, the City Council, and the public on the expenditure of revenues received under the provisions of this Act. The Advisory Board shall monitor the implementation, quality and performance of programs and activities funded by revenues received under the provisions of this Act.

Advisory Board appointments must be made within 60 days of the effective date of the Act. The Advisory Board membership shall consist of eleven (11) members appointed at large by a majority vote of the Sacramento City Council and shall serve three (3) year terms. The Advisory Board membership shall be appointed for staggered terms to prevent termination of service for all Advisory Board members simultaneously. During the first session of the Advisory Board six (6) members will be drawn randomly to have their terms up for re-appointment by the City Council after one and one half (1 ½) years of service. Members shall be permitted to serve multiple terms. The City Council shall issue a periodic call for applicants. The Advisory Board members shall consist of members with the following qualifications:

- 2 youth (including one youth from the Sacramento City Youth Commission)
 - one youth who is a member of the Sacramento City Youth Commission
 - one youth who is a former or current participant in a youth development program for at risk-youth
 - youth must be between the ages of 11- 25 while serving on Advisory Board
- 1 business community representative
- 1 labor community representative
- 1 education community representative
- 1 youth service provider representative
- 1 rank and file law enforcement officer
- 1 representative from the faith community
- 1 at-large community member
- 1 parent with school aged children between the ages of 11-25
- 1 member representing either the County of Sacramento Human Services or the County of Sacramento Workforce Investment Board.

Advisory Board Duties:

A. The Advisory Board shall develop criteria and timeline for funding approval no more than 120 days after the Advisory Board is appointed by the City Council. The Advisory Board shall have three (3) committees reflecting the funding allocation categories of youth jobs and workforce readiness, academic supports, and reconnecting at-risk youth with workforce and community.

B. The Advisory Board shall develop clear measurements and goals to gauge the success of this Act. Measurements shall include, but are not limited to, the following:

- i. Number of young people placed into jobs;
- ii. Number of young people completing workforce preparation programs;
- iii. Number of young people placed into apprenticeship programs;

- iv. Number of young people who increase their school attendance;
- v. Number of young people who improve their academic performance;
- vi. Decreased recidivism rates.

C. A member of the Advisory Board shall not make or participate in the making of any decision by the Advisory Board where he or she knows that he or she has a financial interest.

Section 7. Annual Audit and Program Evaluation.

The City Auditor shall annually complete an audit of expenditures as part of the administrative costs. No more than 5% of funds shall go towards program evaluation. The City Council shall hire an independent evaluator who shall annually review and evaluate the effectiveness of programs and services funded by revenues produced by this Act and shall publish the findings of the evaluation. Programs shall be evaluated according to how effectively they accomplish the purposes of this Act, measured according to evaluation metrics developed by the Advisory Board.

Section 8. Tax Rate.

The tax imposed on each Parcel of real property shall be \$29.00 dollars per fiscal year.

Section 9. Youth Investment Special Fund.

a. There is hereby established a special fund in the City Treasury entitled the Youth Investment Special Fund (“Special Fund”). The funds collected pursuant to this Act shall be placed in the Special Fund to be used exclusively for the purposes for which the tax is imposed. Nothing in this section shall prevent the use of these funds to reimburse the General Fund when money is advanced from the General Fund to pay for the uses provided for in this article and recommended by the Board. All interest earning generated by funds on deposit in the Special Fund shall remain in the Special Fund to be used only for the purposes of the Special Fund.

b. If at the end of any fiscal year, any unencumbered money raised may be used in a succeeding fiscal year for the purposes stated in the Act.

Section 10. Expiration Date.

The tax imposed pursuant to Section 3 of this Act shall expire on December 31, 2020.

Section 11. Amendment of Act.

This Act may be amended only by the voters at a City election.

Section 12. Severability.

If any provision of this Act or any application thereof to any person or circumstance, is held invalid, such invalidity shall not affect any provision or application of this Act that can be

given effect without the invalid provision or application. To this end, the provisions of this Act are severable.

Section 13. Voter Approval; Effective Date.

This ordinance (referred to herein as the “Act”) shall be effective only if approved by two-thirds (2/3) of the voters voting on this ordinance and shall go into effect ten days after the vote is declared by City Council.

[Back to Report Table of Contents](#)**Attachment 3****INITIATIVE MEASURE ESTABLISHING AN ANNUAL PARCEL TAX TO FUND YOUTH JOB AND OPPORTUNITY PROGRAMS**

The purpose of this initiative measure is to enact the “Youth Jobs and Opportunity Act,” which would establish a special tax to fund youth job and opportunity programs. The measure would provide funding for youth between the ages of 11 and 25 by establishing an annual \$29 tax on each parcel of real property within the City of Sacramento, starting in fiscal year 2011-12 and expiring automatically on December 31, 2020. The tax could not be increased or extended beyond 2020 without voter approval.

The parcel taxes collected would be placed into the Youth Investment Special Fund to be used exclusively for the purposes for which the tax is imposed. The measure identifies, and describes, three uses for the tax, and their funding allocations: (1) a minimum 40 percent must be used for “youth jobs and workforce readiness;” (2) a minimum 20 percent must be used for “improving academic achievement;” and (3) a minimum 20 percent must be used for “reconnecting at-risk youth with workforce.” No more than 5 percent of the funding may be used for administration; no more than 5 percent may be used to evaluate program effectiveness. The tax funds may not replace existing city funds for youth programs and services.

The City Council shall have the final decision on fund expenditures, but must review the recommendations of the Sacramento Youth Jobs and Opportunity Citizens’ Advisory Board, an advisory committee created by the measure. If the City Council does not follow those recommendations, it must provide a written explanation. It must hold at least one public hearing on its decision to not follow those recommendations, and must agendize a vote to reconsider its action to not follow the recommendations.

The Advisory Board would meet at least 4 times annually and would review the revenues, expenditures, and delivery of projects and programs; report to the Mayor, the City Council, and the public on the tax revenue expenditures; and monitor the implementation, quality, and performance of funded programs and activities. The City Council would appoint the Advisory Board’s 11 members, who would serve staggered 3 year terms: 2 youth (1 from the Sacramento Youth Commission, and 1 former or current participant in a program for at-risk youth); 1 business representative; 1 labor representative; 1 education representative; 1 youth service provider representative; 1 rank and file law enforcement officer; 1 faith community representative; 1 at-large community member; 1 parent of children between the ages of 11 and 25; and 1 representing either the County of Sacramento Human Services or the County of Sacramento Workforce Investment Board.

The measure requires the City Auditor to annually audit expenditures. The City Council must hire an independent evaluator to annually review and evaluate program and service effectiveness, according to metrics developed by the Advisory Board.

Property otherwise exempt from ad valorem property taxes would be exempt, as would “very low income” owners of single family residences in which they reside.

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Attachment 4

RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL
ON DATE OF _____

**APPROVING BALLOT MEASURE TEXT TO BE SUBMITTED TO THE VOTERS IN A
QUESTION RELATING TO ESTABLISHMENT OF A PARCEL TAX TO FUND
YOUTH PROGRAMS, TO BE INCLUDED WITH THE CONSOLIDATED GENERAL
MUNICIPAL ELECTION OF NOVEMBER 2, 2010**

BACKGROUND

- A. Proponents of the “Youth Jobs and Opportunity Act,” an initiative measure, have submitted signed petitions to the City Clerk.
- B. The purpose the Youth Jobs and Opportunity Act is to establish a special tax to fund youth job and opportunity programs. The measure would provide funding for youth between the ages of 11 and 25 by establishing an annual \$29 tax on each parcel of real property within the City of Sacramento, starting in fiscal year 2011-12 and expiring automatically on December 31, 2020. The tax could not be increased or extended beyond 2020 without voter approval.
- C. The County of Sacramento Registrar has not yet completed the necessary signature count to certify the number of valid petition signatures, and will be unable to complete that count before the deadline for calling measures to the November 2, 2010, ballot.
- D. To ensure this matter is placed before the voters at the next general election, the City Council desires to approve the Act subject to voter approval.
- E. A measure that would give effect to this ordinance is proposed for placement on the November 2, 2010, ballot.

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

Section 1: That the City Council approves for submittal to the voters at the November 2, 2010, General Municipal Election the following question:

"To fund youth (ages 11 to 25) jobs and workforce readiness, improve academic achievement, and reconnect at-risk youth with the workforce, shall an annual \$29 tax be placed on each parcel of real property within the City of Sacramento, excepting tax-exempt and certain very low income residential properties, for ten years, with expenditure and program recommendations and review by a Council-appointed citizens' advisory board, an annual audit, and an annual program-effectiveness evaluation?"

YES _____

NO _____

Adopted by the City of Sacramento City Council on July 20, 2010, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Mayor Kevin Johnson

ATTEST:

Shirley Concolino, City Clerk