

FINANCIAL ANALYSIS OF RICHMOND KIDS FIRST MEASURE – TBA #2

Finance Director’s Statement on the fiscal impact of this Measure:

This Act is intended to complement and supplement the “Richmond Kids First Initiative: The Richmond Fund for Children and Youth Act.”

Shall the Charter of the City of Richmond, if amended by passage of the Kids First Initiative, be further amended to: revise the dates in the Kids First Initiative to reflect implementation on July 1, 2018, remove the 20% restriction on funding to public entities to perform the services specified in the Kids First Initiative, and provide that funding obligations beginning on July 1, 2021, are contingent on passage of a general tax measure for the City of Richmond?”

The required amounts of funding to be set aside in each fiscal year (FY) from the City’s General Fund into the Kids First Fund would be as follows:

FY 2021-2022 - \$250,000

FY 2022-2023 - \$700,000

FY 2023-2024 - 1% of the City’s annual actual unrestricted general purpose revenues (“Annual General Revenues”)

FY 2024-2025 - 2% of the Annual General Revenues

FY 2025-2026, and each fiscal year thereafter through FY 2031-2032 - 3% of the annual general revenues

These funding obligations are contingent on the passage by voters of a new general tax measure.

Based on the current year projected revenues for FY 2017/18, the following are the potential amounts of Kids First set-aside obligations at the 1%; 2%; and 3% levels:

1% - \$1,544,252

2% - \$3,088,503

3% - \$4,632,755

To meet these set-aside obligations, current programs and services may need to be reduced, but only by any amount not offset by a new tax measure.

These estimates are based on current years’ activity and may not be predictive of future revenues.

**Belinda Warner
Finance Director
City of Richmond**