



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

November 16, 2015

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 150940 – Charter amendment regarding Recreation and Park Funding

Dear Ms. Calvillo,

Should the proposed charter amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government.

The proposed amendment would change the current Parks, Recreation and Open Space Fund requirements in the Charter by creating a new baseline maintenance of effort funding requirement that would grow over time. Overall, the City's general fund contribution to parks, recreation and open space would grow by approximately \$49 million over the 15 year period from FY2016-2017 through the end of FY2030-2031.

The current set-aside of property taxes for parks, recreation and open space is two and one-half cents per hundred dollars of assessed property value, equal to \$47 million as of FY 2015-16. The amendment would not change the current set-aside.

The new baseline maintenance of effort requirement would be established based on the amount of general fund support currently appropriated for Recreation and Parks, approximately \$64 million in the FY2015-16 budget. The baseline would be increased by \$3 million each year for the ten year period from FY2016-17 to FY2025-26. Subsequently the baseline would be increased at the same rate of growth as the City's discretionary revenues, estimated to be about 3.7% annually, for the five year period from FY2026-27 to FY2030-2031. By the end of FY2030-2031, the baseline amount is estimated to grow to \$113 million.

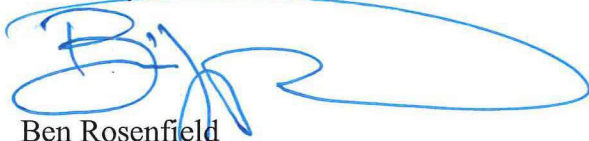
General fund revenue is currently available for any public purpose and as these funds are shifted to parks, recreation and open space, other City spending would have to be reduced or new revenues identified to maintain current service levels. The Charter amendment allows the City to temporarily suspend growth in the baseline funding in years when a City budget deficit of \$200 million or greater is forecast.

The amendment specifies that Recreation and Park may not increase its workorder budgets with other City departments unless those departments provided services to Recreation and Park in FY2015-16 or for new requested services going forward.

The amendment requires Recreation and Park to develop a strategic plan for each five year period and an operational plan for each annual or biennial budget cycle. These plans would set goals and measures and guide expenditures from the Parks, Recreation and Open Space Fund, and the plans must be approved by the Recreation and Park Commission, Mayor and Board of Supervisors. A performance audit of the Department's compliance with the goals and measures in these plans is required from the Controller's City Services Auditor in the fourth year of the strategic plan cycle.

The proposed measure would set aside funds for recreation and parks that would otherwise be available for any public purpose. The amendment does not identify new revenue sources for this set-aside and other City spending would therefore have to be reduced or new sources of funding identified to maintain current service levels. This proposed Charter amendment is not in compliance with a non-binding, voter-adopted city policy which states that any new set-aside shall identify adequate new revenue sources to cover its cost and shall expire after ten years.

Sincerely,



Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.