

LEGISLATIVE DIGEST

[Charter Amendment - Public Education Enrichment Fund]

A proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco at an election to be held on November 4, 2014, by amending Sections 16.123-2, 16.123-4, 16.123-5, 16.123-6, and 16.123-8, and repealing Sections 16.123-7 and 16.123-10, to: (1) renew the Public Education Enrichment Fund and eliminate its expiration date; (2) change the allocation for universal preschool, overseen by the First Five Commission, to an allocation for universal early education, overseen by the Office of Early Care and Education, and create a citizens advisory committee; (3) eliminate the City's ability to use in-kind services to satisfy its obligations to the Fund; and, (4) modify certain technical requirements for the Fund and delete obsolete provisions.

Existing Law

In 2004, the voters created in the City Charter a "Public Education Enrichment Fund" ("the Fund"). The Charter requires the City to make a specified contribution to the Fund each year. The annual contribution, which was \$7715 million for Fiscal Year 2013-2014, is adjusted each year for increases or decreases in discretionary General Fund revenues for the year.

The Charter requires the City to disburse the money from the Fund as follows:

- One-third to the San Francisco Unified School District ("the School District") for arts, music, sports, and library programs;
- One-third to the First Five Commission for universal pre-school programs for 5 year-olds in San Francisco; and,
- One-third to the School District for general education purposes.

The Fund, and the requirements for the City's annual contributions to the Fund and disbursements from the Fund, will expire on June 30, 2015.

Amendments to Current Law

The proposal is a Charter amendment that would eliminate the current provision that the Fund will expire on June 30, 2015. Under the proposal, the Fund, and the City's annual contributions to the Fund and disbursements from the Fund, would continue until changed or repealed by the voters.

The proposal would change the current allocation for universal preschool for 4 year-olds to an allocation for universal early education for 3 to 5 year-olds, but still giving priority to 4 year-olds. The proposal would move oversight of the program from the First Five Commission to the City's Office of Early Care and Education.

The proposal would delete the City's ability to count in-kind services to the School District to satisfy its obligations to make contributions to or disbursements from the Fund, the requirement that the City's baseline appropriations to the School District be for the same purposes and in the same relative proportions as in the base year, and the City's authority to specify that a specific portion of its disbursement to the School District be used for student health services. The proposal would also delete the City's authority to defer up to 25 percent of its contributions to and disbursements from the Fund in years in which the City projected a shortfall of \$100 million or more.

And the proposal would delete obsolete provisions on identifying possible structural savings to the City budget to offset contributions to the Fund.

n:\legana\as2014\1400437\00922175.doc