

1 [Forgiveness of Appropriation Advances for San Francisco Unified School District -  
2 \$26,600,000]

3 **Ordinance waiving the condition in Ordinance Nos. 33-19 and 169-19 that required the**  
4 **San Francisco Unified School District to repay the City a total amount of \$26,600,000**  
5 **using revenues from the voter-approved parcel tax in June 2018's Proposition G; and**  
6 **rescinding the direction in those Ordinances to the Controller to transfer funds from**  
7 **accumulated balances of Proposition G revenues to repay the General Fund advances.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
11 **Board amendment additions** are in double-underlined Arial font.  
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
13 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Background. In Ordinance No. 33-19, enacted March 7, 2019, the City  
17 appropriated \$220,551,322 of excess Educational Revenue Augmentation Fund property tax  
18 and \$52,000,000 of Rainy Day One-Time Reserve funds for a variety of uses by various City  
19 departments. The ordinance also established a Teacher and Early Care Educator  
20 Unappropriated Emergency Reserve (the "Reserve") to sustain wages for early care  
21 educators and San Francisco Unified School District ("SFUSD") teachers and staff in Fiscal  
22 Year 2020-2021 if other City revenues, SFUSD revenues, and legally available reserves were  
23 not sufficient to do so. The ordinance appropriated \$13,500,000 from the General Fund to the  
24 Reserve. In the Annual Appropriation Ordinance for Fiscal Years 2019-2020, Ordinance No.  
25 169-19, the City appropriated an additional \$13,100,000 from the General Fund to the  
Reserve. The two ordinances appropriated these funds as General Fund advances to  
SFUSD under the condition that SFUSD would later make the City whole using revenues from

1 the parcel tax adopted in June 2018's Proposition G. Proposition G authorized the City to  
2 collect an annual parcel tax, with all revenues from the tax to be transferred to SFUSD and  
3 placed in a fund for restricted uses, including paying teacher salaries and funding staff at high-  
4 needs schools. Because Proposition G was the subject of litigation when the Board enacted  
5 Ordinance Nos. 33-19 and 169-19, the City was not able to release the parcel tax revenues  
6 for appropriation to SFUSD. Ordinance Nos. 33-19 and 169-19 required that the money  
7 appropriated to the Reserve be spent consistent with the provisions of Proposition G. The  
8 ordinances provided that after the resolution of the litigation, when Proposition G revenues  
9 become available for appropriation, the Controller would repay the General Fund advances  
10 using the accumulated balances of Proposition G revenues. The Annual Appropriation  
11 Ordinance enacted in 2020 (Ord. No. 165-20) included similar language regarding the  
12 repayment of funds. The litigation is now fully resolved, and the Proposition G revenues are  
13 available for appropriation. Accordingly, under the terms of Ordinance Nos. 33-19 and 169-  
14 19, the Controller would be required to repay the General Fund advances from Proposition G  
15 revenues.

16

17 Section 2. Forgiveness of General Fund Advances. Subject to the requirements of this  
18 Section 2, the City hereby rescinds the direction in Ordinance Nos. 33-19 and 169-19 that the  
19 Controller repay to the City the amount of the General Fund advances using the accumulated  
20 balances of Proposition G revenues. And subject to the same restrictions, the City  
21 correspondingly waives the condition in Ordinance Nos. 33-19 and 169-19 requiring  
22 repayment by SFUSD of the appropriated \$26,600,000.

23 The rescission and waiver in this Section 2 are subject to the following conditions:  
24 SFUSD must utilize the \$26,600,000 to reduce its long-term structural deficit, and may not use  
25 the funds for short-term budget relief. This planned use must be documented in an annual

