

LEGISLATIVE DIGEST

[Charter Amendment - Adjustment of Baseline Funding]

Describing and setting forth a proposal to the voters at an election to be held on November 3, 2020, to amend the Charter of the City and County of San Francisco to provide that future annual adjustments in baseline funding for the following Charter-mandated funds will not take into account changes in City revenue resulting from voter-approved business taxes on the November 3, 2020, ballot: the Municipal Transportation Fund, the Park, Recreation and Open Space Fund, the Children and Youth Fund, the Library Preservation Fund, the Housing Trust Fund, the Public Education Enrichment Fund, the Dignity Fund, and the Street Tree Maintenance Fund.

Existing Law

The Charter provides for guaranteed annual funding in a number of special funds, including: the Municipal Transportation Fund, the Park, Recreation and Open Space Fund, the Children and Youth Fund, the Library Preservation Fund, the Housing Trust Fund, the Public Education Enrichment Fund, the Dignity Fund, and the Street Tree Maintenance Fund. These funding requirements are commonly known as “baselines,” where the Charter sets a base amount of funding for a particular purpose. In adopting the annual budget, the Board of Supervisors and the Mayor have no discretion to provide lower amounts of funding than the Charter-mandated baselines require.

Under the Charter, the amount of each of these baselines may increase or decrease each year depending on the amount of discretionary revenue the City receives that year. In this calculation, discretionary revenue includes any money received by the City that is unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

Amendments to Current Law

The proposed Charter amendment would modify the way the City calculates increases or decreases in these baseline funds each year. The amount of each of the baselines would still increase or decrease each year depending on the amount of discretionary revenue the City receives that year. But the Charter amendment would exclude from that calculation any revenues the City receives from businesses paying tax under a gross receipts tax measure or payroll expense tax measure that the voters adopted on the November 2020 ballot.

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