

LEGISLATIVE DIGEST

(Second Draft, dated 11/12/2015 [rev.])

[Charter Amendment - Park, Recreation and Open Space Fund]

Describing and setting forth a proposal to the voters to amend the Charter of the City and County of San Francisco to require an annual baseline appropriation for the Park, Recreation and Open Space Fund based on City spending for park and recreation purposes in FY2015-2016, and modify the Recreation and Park Department's planning obligations, at an election to be held on June 7, 2016.

Existing Law

The voters adopted the current Park, Recreation and Open Space Fund ("Fund") in March, 2000. Each year, the City pays into the Fund a portion of the property tax equal to two and one-half cents for each \$100 of assessed valuation. The Fund and the set-aside will expire at the end of fiscal year 2030-2031. The set-aside is in addition to, and not in place of, any sums normally budgeted for the Recreation and Park Department ("Department"), but the Charter does not specify how the "normally budgeted" level of spending is to be calculated or require the City to appropriate a particular amount to the Department in addition to the set-aside.

The Recreation and Park Commission ("Commission") must annually adopt five-year strategic, capital, and operating plans for the Fund.

Amendments to Current Law

The proposal is a Charter amendment that would make a number of changes to the Fund.

The proposal would add a requirement that beginning in fiscal year 2016-2017 the City would annually appropriate a "baseline amount" to the Department measured by the amount of general fund support appropriated to the Department in fiscal year 2015-2016 and increased annually by \$3 million for fiscal years 2016-2017 through 2025-2026. In fiscal years 2026-2027 through 2030-2031, the Controller would adjust the baseline each year by the percentage increase or decrease in aggregate City discretionary revenues.

The City could suspend growth in the baseline for any year in which the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst project a budget deficit of \$200 million or more in the upcoming fiscal year.

The proposal would require that any excess general fund Department revenue at the end of the fiscal year, including any Departmental expenditure savings and revenue surpluses deposited prior to fiscal year 2015-2016, be reserved for one-time Departmental expenditures.

The proposal would remove the existing requirement that Department expenditure savings and new revenue from outside sources be used only for enhancement of park and recreational programs, including, but not limited to, capital and/or facility maintenance improvements and other one-time expenditures.

The proposal would require the Department to propose a Capital Plan to inform the City's Capital Expenditure Plan and include plans addressing the development, renovation, replacement and maintenance of capital assets and acquisitions as part of the Capital Plan. The Department's Capital Plan would also include a deferred maintenance plan.

The proposal would require the Commission to adopt an Operational Plan for each budget cycle. The Commission would base the Operational Plan on the current Strategic Plan and include a statement of the objectives and initiatives within the Strategic Plan that the Department plans to undertake and/or accomplish during the budgetary period, including performance indicators and targets. The Operational Plan would also include an equity analysis comparing existing and proposed Departmental programs and resources for low-income neighborhoods and disadvantaged communities with programs and resources available to the City as whole.

The proposal would require that the budget for the Fund include a separate line item for preparation, monitoring, and evaluation of the Department's Strategic, Capital, and Operational Plans.

And, the proposal would add a requirement that beginning in fiscal year 2020-21, and every third year thereafter, the Controller's City Services Audit Unit conduct a performance audit of the Department's adherence to its Strategic Plan. The costs of the audit would be charged to the Fund.