

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Sophia Kittler, Liaison to the Board of Supervisors, Mayor's Office  
Anne Pearson, Deputy City Attorney, Office of the City Attorney  
John Arntz, Director, Department of Elections  
LeeAnn Pelham, Executive Director, Ethics Commission  
Jeffrey Tumlin, Executive Director, Municipal Transportation Agency  
Phil Ginsburg, General Manager, Recreation and Parks Department  
Maria Su, Director, Department of Children, Youth and Their Families  
Michael Lambert, City Librarian, Library Department  
Alaric Degrafinried, Interim Director, Public Works

FROM: Victor Young, Assistant Clerk, Rules Committee *Victor Young*  
Board of Supervisors

DATE: May 26, 2020

SUBJECT: CHARTER AMENDMENT INTRODUCED  
November 3, 2020 Election

---

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the November 3, 2020, Election. This matter is being referred to you in accordance with Rules of Order 2.22.4.

**File No. 200507**

**Charter Amendment (First Draft) 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; at an election to be held on November 3, 2020.**

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please forward to me at the Board

of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:     Andres Power, Mayor's Office  
       Rebecca Peacock, Mayor's Office  
       Patrick Ford, Ethics Commission  
       Kate Breen, Municipal Transportation Agency  
       Janet Martinsen, Municipal Transportation Agency  
       Joel Ramos, Municipal Transportation Agency  
       Sarah Madland, Recreation and Parks Department  
       Margaret McArthur, Recreation and Parks Department  
       Sue Blackman, Library Department  
       David Steinberg, Public Works  
       Jeremy Spitz, Public Works  
       Jennifer Blot, Public Works  
       John Thomas, Public Works  
       Lena Liu, Public Works

1 [Charter Amendment - Adjustment of Baseline Funding]

2

3 **Describing and setting forth a proposal to the voters at an election to be held on November**  
4 **3, 2020, to amend the Charter of the City and County of San Francisco to provide that**  
5 **future annual adjustments in baseline funding for the following Charter-mandated funds**  
6 **will not take into account changes in City revenue resulting from voter-approved business**  
7 **taxes on the November 3, 2020, ballot: the Municipal Transportation Fund, the Park,**  
8 **Recreation and Open Space Fund, the Children and Youth Fund, the Library Preservation**  
9 **Fund, the Housing Trust Fund, the Public Education Enrichment Fund, the Dignity Fund,**  
10 **and the Street Tree Maintenance Fund.**

11

12 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City  
13 and County, at an election to be held on November 3, 2020, a proposal to amend the Charter of  
14 the City and County by revising Sections 8A.105, 16.107, 16.108, 16.109, 16.110, 16.123-2,  
15 16.128-3, and 16.129, to read as follows:

16 NOTE: **Unchanged Charter text and uncodified text** are in plain font.  
17 **Additions** are *single-underline italics Times New Roman font*.  
18 **Deletions** are ~~*strike-through italics Times New Roman font*~~.  
19 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Charter  
20 subsections.

21 **SEC. 8A.105. MUNICIPAL TRANSPORTATION FUND.**

22 (a) There is hereby established a fund to provide a predictable, stable, and adequate  
23 level of funding for the Agency, which shall be called the Municipal Transportation Fund. The  
24 fund shall be maintained separate and apart from all other City and County funds. Monies therein  
25 shall be appropriated, expended, or used by the Agency solely and exclusively for the operation  
including, without limitation, capital improvements, management, supervision, maintenance,  
extension, and day-to-day operation of the Agency, including any division subsequently created

1 or incorporated into the Agency and performing transportation-related functions. Monies in the  
2 Fund may not be used for any other purposes than those identified in this Section.

3 (b) Beginning with the fiscal year 2000-2001 and in each fiscal year thereafter, there is  
4 hereby set aside to the Municipal Transportation Fund the following:

5 1. An amount (the "Base Amount") which shall be no less than the amount of all  
6 appropriations from the General Fund, including all supplemental appropriations, for the fiscal  
7 year 1998-1999 or the fiscal year 1999-2000, whichever is higher (the "Base Year"), adjusted as  
8 provided in subsection (c), below, for (1) the Municipal Railway; and (2) all other City and  
9 County commissions, departments and agencies providing services to the Municipal Railway,  
10 including the Department of Human Resources and the Purchasing Department, for the provision  
11 of those services. The Base Amount for the Department of Parking and Traffic and the Parking  
12 Authority shall be established in the same fashion but using fiscal years 2000-2001 and 2001-  
13 2002 for the services being incorporated into the Agency.

14 2. Subject to the limitations and exclusions in Sections 4.113, the revenues of the  
15 Municipal Railway, and, upon their incorporation into the Agency, the revenues of the  
16 Department of Parking and Traffic, and the Parking Authority; and

17 3. All other funds received by the City and County from any source, including  
18 state and federal sources, for the support of the Agency.

19 (c) The Base Amount shall initially be determined by the Controller. Adjustments to the  
20 Base Amount shall be made as follows:

21 1. The Base Amount shall be adjusted for each year after fiscal year 2000-2001  
22 by the Controller based on calculations consistent from year to year, by the percentage increase  
23 or decrease in aggregate City and County discretionary revenues. In determining aggregate City  
24 and County discretionary revenues, the Controller shall only include revenues received by the  
25 City which are unrestricted and may be used at the option of the Mayor and the Board of

1 Supervisors for any lawful City purpose. Additionally, in determining aggregate City and  
2 County discretionary revenues, the Controller shall not include revenues received by the City  
3 under any gross receipts tax measures or payroll expense tax measures approved by the voters at  
4 the general municipal election on November 3, 2020. Errors in the Controller's estimate of  
5 discretionary revenues for a fiscal year shall be corrected by adjustment in the next year's  
6 estimate.

7           2. An adjustment shall also be made for any increases in General Fund  
8 appropriations to the Agency in subsequent years to provide continuing services not provided in  
9 the Base Year, but excluding additional appropriations for one-time expenditures such as capital  
10 expenditures or litigation judgments and settlements.

11           3. Commencing with the fiscal year beginning on July 1, 2015, the Controller  
12 shall also adjust the Base Amount annually by the percentage increase in the San Francisco  
13 population based on data from the source(s) the Controller, in his or her sole discretion, finds  
14 most reliable for the most recent available calendar year. The Controller's population growth  
15 adjustment shall be based on the greater of the increase in daytime or night-time population. For  
16 any year in which the Controller determines that neither the daytime nor night-time population  
17 has increased, the Controller shall make no adjustment under this subparagraph 3 to the Base  
18 Amount. For purposes of the initial adjustment for the year commencing July 1, 2015, the  
19 Controller shall adjust the Base Amount based on the increase in City daytime or night-time  
20 population for the most recent ten-year period for which data are available instead of the most  
21 recent available calendar year. The Agency shall use the amount of any increase in the Base  
22 Amount resulting from the adjustment required by this subparagraph 3 exclusively as follows: 75  
23 per cent shall be used to make transit system improvements to the Municipal Railway to improve  
24 the system's reliability, frequency of service, capacity, and state of good repair, and 25 per cent  
25 shall be used for transportation capital expenditures to improve street safety for all users.

1           \* \* \* \*

2  
3           **SEC. 16.107. PARK, RECREATION AND OPEN SPACE FUND.**

4           (a) **Establishment of Fund.** There is hereby established the Park, Recreation and Open  
5 Space Fund (“Fund”) to be administered by the Recreation and Park Department (“Department”)  
6 as directed by the Recreation and Park Commission (“Commission”). Monies in the Fund shall  
7 be expended or used solely by the Department, subject to the budgetary and fiscal provisions of  
8 the Charter, to provide park and recreational services and facilities. The Department embraces  
9 socio-economic and geographic equity as a guiding principle and commits to expending the  
10 funds across its open space and recreational programs to provide park and recreational access to  
11 all of San Francisco’s diverse neighborhoods and communities.

12           \* \* \* \*

13           (c) **Baseline Maintenance of Effort.** The annual set-aside shall be used exclusively to  
14 increase the aggregate City appropriations to and expenditures by the Recreation and Park  
15 Department for Department purposes. To this end, beginning in fiscal year 2016-2017 and  
16 thereafter through fiscal year 2045-2046, the City shall not reduce the baseline general fund  
17 support amount appropriated to the Department below the amount appropriated in fiscal year  
18 2015-2016, as calculated by the Controller, except that the baseline amount shall be adjusted as  
19 follows:

20                   (1) Each year in fiscal years 2016-2017 through 2025-2026, the City shall  
21 increase the baseline appropriation by \$3 million over the prior year.

22                   (2) Each year in fiscal years 2026-2027 through 2045-2046, the City shall adjust  
23 the baseline by the percentage increase or decrease in aggregate City discretionary revenues, as  
24 determined by the Controller, based on calculations consistent from year to year. In determining  
25 aggregate City discretionary revenues, the Controller shall only include revenues received by the

1 City which are unrestricted and may be used at the option of the Mayor and the Board of  
2 Supervisors for any lawful City purpose. Additionally, in determining aggregate City  
3 discretionary revenues, the Controller shall not include revenues received by the City under any  
4 gross receipts tax measures or payroll expense tax measures approved by the voters at the  
5 general municipal election on November 3, 2020. The Controller is authorized to increase or  
6 reduce budgetary appropriations as required by this subsection (c) to align the baseline amount to  
7 the amount required by formula based on actual revenues received during the fiscal year.

8 \* \* \* \*

9  
10 **SEC. 16.108. CHILDREN AND YOUTH FUND.**

11 \* \* \* \*

12 (b) **Fund for Children and Youth Services.** Operative July 1, 2001, there is hereby  
13 established a fund to expand children’s services, which shall be called the Children and Youth  
14 Fund (“Fund”). Monies in the Fund shall be expended or used only to provide services for  
15 children and youth as provided in this ~~§~~Section 16.108.

16 \* \* \* \*

17 (h) **Baseline.** The Fund shall be used exclusively to increase the aggregate City  
18 appropriations and expenditures for those services for children and Disconnected Transitional-  
19 Aged Youth that are eligible to be paid from the Fund (exclusive of expenditures mandated by  
20 state or federal law). To this end, the City shall not reduce the amount of such City  
21 appropriations for eligible services (not including appropriations from the Fund and exclusive of  
22 expenditures mandated by state or federal law) under this section below the amount so  
23 appropriated for the fiscal year 2000-2001 (“the base year”) as set forth in the Controller’s  
24 baseline budget, as adjusted (“the base amount”).

1           The Controller shall calculate City appropriations made in fiscal year 2013-2014 for  
2 services for Disconnected Transitional-Aged Youth aged 18 through 24 years. Beginning with  
3 fiscal year 2014-2015, that amount shall be added to the base amount and adjusted as provided  
4 below. The City shall not reduce the amount of such City appropriations for services for  
5 Disconnected Transitional-Aged Youth (not including appropriations from the Fund and  
6 exclusive of expenditures mandated by state or federal law) under this section below the amount  
7 so appropriated for fiscal year 2013-2014, as adjusted.

8           The base amount shall be adjusted for each year after the base year by the Controller  
9 based on calculations consistent from year to year by the percentage increase or decrease in  
10 aggregate City and County discretionary revenues. In determining aggregate City and County  
11 discretionary revenue, the Controller shall only include revenues received by the City and  
12 County that are unrestricted and may be used at the option of the Mayor and the Board of  
13 Supervisors for any lawful City purpose. Additionally, in determining aggregate City and County  
14 discretionary revenues, the Controller shall not include revenues received by the City under any  
15 gross receipts tax measures or payroll expense tax measures approved by the voters at the  
16 general municipal election on November 3, 2020. ~~The method used by the Controller to~~  
17 determine discretionary revenues shall be consistent with method used by the Controller to  
18 determine the Library and Children's Baseline Calculations dated June 20, 2000, which the  
19 Controller shall place on file with the Clerk of the Board in File No. 000952. Errors in the  
20 Controller's estimate of discretionary revenues for a fiscal year shall be corrected by an  
21 adjustment in the next year's estimate. Within 90 days following the end of each fiscal year  
22 through Fiscal Year 2040-2041, the Controller shall calculate and publish the actual amount of  
23 City appropriations for services for children and Disconnected Transitional-Aged Youth that  
24 would have been eligible to be paid from the Fund but are paid from other sources, separately  
25 identifying expenditures mandated by state or federal law.



1           \* \* \* \*

2  
3           **SEC. 16.109. LIBRARY PRESERVATION FUND.**

4           (a) **Establishment of Fund.** There is hereby established the Library Preservation Fund  
5 (“the Fund”) to be administered by the Library Department as directed by the Library  
6 Commission. Monies therein shall be expended or used solely by the Library Department,  
7 subject to the budgetary and fiscal provisions of the Charter, to provide library services and to  
8 construct, maintain and operate library facilities.

9           \* \* \* \*

10          (c) **Baseline Maintenance of Effort.** The Annual Set-Aside shall be used exclusively to  
11 increase the aggregate City appropriations and expenditures for services, materials, facilities and  
12 equipment that will be operated by the Library for Library purposes. To this end, in any of the  
13 fifteen years during which funds are required to be set aside under this Section, the City shall not  
14 reduce the Baseline for the Library Department below the fiscal year 2006-2007 Required  
15 Baseline Amount (as calculated by the Controller), except that the Baseline shall be adjusted as  
16 provided below.

17           The Baseline shall be adjusted for each year after fiscal year 2006-2007 by the Controller  
18 based on calculations consistent from year to year, by the percentage increase or decrease in  
19 aggregate City and County discretionary revenues. In determining aggregate City and County  
20 discretionary revenues, the Controller shall only include revenues received by the City which are  
21 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any  
22 lawful City purpose. Additionally, in determining aggregate City and County discretionary  
23 revenues, the Controller shall not include revenues received by the City under any gross receipts  
24 tax measures or payroll expense tax measures approved by the voters at the general municipal  
25 election on November 3, 2020. Errors in the Controller’s estimate of discretionary revenues for

1 a fiscal year shall be corrected by adjustment in the next year’s estimate. For purposes of this  
2 subsection, (i) aggregate City appropriations shall not include funds granted to the City by  
3 private agencies or appropriated by other public agencies and received by the City, and (ii)  
4 Library Department appropriations shall not include funds appropriated to the Library  
5 Department to pay for services of other City departments or agencies, except for departments or  
6 agencies for whose specific services the Library Department was appropriated funds in fiscal  
7 year 2006-2007. Within 180 days following the end of each fiscal year through fiscal year 2023-  
8 2024, the Controller shall calculate and publish the actual amount of City appropriations for the  
9 Library Department.

10 \* \* \* \*

11  
12 **SEC. 16.110. HOUSING TRUST FUND.**

13 (a) **Creation of Fund.** There is hereby established a Housing Trust Fund to support  
14 creating, acquiring and rehabilitating affordable housing and promoting affordable home  
15 ownership programs in the City, as provided in this Section 16.110.

16 \* \* \* \*

17 (c) **Funding.**

18 (1) In the Fiscal Year 2013-2014 budget, the City shall appropriate to the  
19 Housing Trust Fund \$20 million.

20 (2) For the next 11 fiscal years, in each of the annual budgets for Fiscal Year  
21 2014-2015 through Fiscal Year 2024-2025, the City shall appropriate to the Housing Trust Fund  
22 an amount increasing by \$2.8 million per year, until the Fiscal Year 2024-2025 budget.

23 (3) In the annual budgets for Fiscal Year 2025-2026 through Fiscal Year 2042-  
24 43, the City shall appropriate to the Housing Trust Fund an amount equal to the prior year’s  
25 appropriation, adjusted by the percentage increase or decrease in General Fund Discretionary

1 Revenues budgeted for the year compared to the prior year’s original budgeted amount of  
2 General Fund Discretionary Revenues.

3 (4) Should the City adopt a fixed two-year budget under Charter Section 9.101,  
4 the adjustment for the Housing Trust Fund appropriation for the two years of the two-year  
5 budget shall be based on the amount of General Fund Discretionary Revenues estimated for the  
6 two-year period included in the budget.

7 (5) During Fiscal Years 2025-2026 through 2042-2043, if the Controller submits  
8 a revised estimate of General Fund Discretionary Revenues for a given Fiscal Year or two-year  
9 budget period that is lower than the amount originally budgeted for that period, then the Board  
10 may, by ordinance, reduce the appropriation to the Housing Trust Fund for that budget period in  
11 an amount that does not exceed the amount proportionate to the percentage shortfall in the  
12 discretionary revenue projection.

13 (6) The Controller’s method of calculating the amount of and changes in General  
14 Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the  
15 Controller’s method for calculating those figures under Charter Sections 8A.105, 16.108, and  
16 16.109. The Controller shall treat General Fund appropriations to the Housing Trust Fund as  
17 reductions in General Fund Discretionary Revenues when calculating other funding allocations  
18 that are tied to General Fund Discretionary Revenues, including funding allocations under  
19 Charter Sections 8A.105, 16.108, and 16.109. Additionally, in determining General Fund  
20 Discretionary Revenues, the Controller shall not include revenues received by the City under any  
21 gross receipts tax measures or payroll expense tax measures approved by the voters at the  
22 general municipal election on November 3, 2020. The Controller shall correct errors in the  
23 estimate of discretionary revenues for a fiscal year through an adjustment to the next fiscal year’s  
24 estimate.

25 \* \* \* \*

1  
2           **SEC. 16.123-2. PUBLIC EDUCATION ENRICHMENT FUND.**

3           (a) **Creating the Fund.** There shall be a Public Education Enrichment Fund. The City  
4 shall each year appropriate monies to the Public Education Enrichment Fund according to  
5 subsections (b), (c), and (d), below.

6           (b) **Baseline Appropriations.** The Fund shall be used exclusively to increase the  
7 aggregate City appropriations to and expenditures for the San Francisco Unified School District.  
8 To this end, the City shall not reduce the amount of such City appropriations (not including  
9 appropriations from the Fund and exclusive of expenditures mandated by state or federal law) in  
10 any year during which funds are required to be set aside under this Section below the amount so  
11 appropriated for Fiscal Year 2002-2003 ("the base year"). These baseline appropriations shall be  
12 separate from the City's annual contributions to the Public Education Enrichment Fund under  
13 subsection (c), and shall be appropriated by the City to the School District each year through and  
14 including Fiscal Year 2040-2041.

15           The amount of the City's baseline appropriations to the School District shall be adjusted  
16 for each year after the base year by the Controller based on calculations consistent from year to  
17 year by the percentage increase or decrease in City and County discretionary General Fund  
18 revenues. In determining City and County discretionary General Fund revenues, the Controller  
19 shall only include revenues received by the City and County that are unrestricted and may be  
20 used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

21 Additionally, in determining aggregate City and County discretionary General Fund revenues,  
22 the Controller shall not include revenues received by the City under any gross receipts tax  
23 measures or payroll expense tax measures approved by the voters at the general municipal  
24 election on November 3, 2020. Errors in the Controller's estimate of discretionary revenues for a  
25 fiscal year shall be corrected by an adjustment in the next year's estimate. Using audited

1 financial results for the prior fiscal year, the Controller shall calculate and publish the actual  
2 amount of City appropriations that would have been required under this baseline for the School  
3 District.

4 (c) **Annual Contributions to the Fund FY 2005-2006 through FY 2009-2010.** In  
5 addition to the annual baseline appropriation provided above, the City shall, for years two  
6 through six of this measure, contribute the following amounts to the Public Education  
7 Enrichment Fund:

- 8 Fiscal Year 2005-06 \$10 million
- 9 Fiscal Year 2006-07 \$20 million
- 10 Fiscal Year 2007-08 \$30 million
- 11 Fiscal Year 2008-09 \$45 million
- 12 Fiscal Year 2009-10 \$60 million

13 (d) **Annual Contributions to the Fund – FY 2010-11 and Thereafter.** For Fiscal  
14 Years 2010-11 and thereafter, the City’s annual contribution to the Public Education Enrichment  
15 Fund shall equal its total contribution for the prior year, beginning with Fiscal Year 2009-2010,  
16 adjusted for the estimated increase or decrease in discretionary General Fund revenues for the  
17 year. In determining the increase or decrease in discretionary General Fund revenues, the  
18 Controller shall not include revenues received by the City under any gross receipts tax measures  
19 or payroll expense tax measures approved by the voters at the general municipal election on  
20 November 3, 2020.

21 \* \* \* \*

22  
23 **SEC. 16.128-3. ANNUAL CONTRIBUTIONS TO THE FUND.**

24 (a) **Annual Baseline Contributions to the Fund.** Each year during the term of Charter  
25 Section 16.128-1et seq., the City shall make an annual baseline contribution to the Fund in the

1 amount of \$38 million, representing the amount the City spent in fiscal year 2016-2017 to  
2 provide eligible services as identified in Section 16.128-4 to Seniors and Adults with  
3 Disabilities.

4 (b) **Additional Contributions for FY 2017-2018 through FY 2026-2027.** For fiscal  
5 year 2017-2018, the City shall increase its contribution to the Fund over the baseline amount in  
6 subsection (a) by \$6 million. For each fiscal year from 2018-2019 through 2026-2027, the City  
7 shall increase its additional contribution to the Fund under this subsection (b) by \$3 million over  
8 the prior year.

9 \* \* \* \*

10 (d) **Additional Contributions for FY 2027-2028 through FY 2036-2037.** For fiscal  
11 years 2027-28 through 2036-2037, the City’s annual contribution to the Fund shall equal its total  
12 contribution, including the baseline amount under subsection (a), for the prior year, beginning  
13 with Fiscal Year 2026-2027, adjusted by the percentage increase or decrease in aggregate City  
14 discretionary revenues, as determined by the Controller, based on calculations consistent from  
15 year to year. In determining aggregate City discretionary revenues, the Controller shall not  
16 include revenues received by the City under any gross receipts tax measures or payroll expense  
17 tax measures approved by the voters at the general municipal election on November 3, 2020.

18 For purposes of this subsection (d), the “additional contribution” for these years shall mean the  
19 amount in excess of the baseline amount.

20 \* \* \* \*

21  
22 **SEC. 16.129. STREET TREE MAINTENANCE.**

23 \* \* \* \*

24 (f) **Creating the Street Tree Maintenance Fund; Annual City Contributions.** There  
25 shall be a Street Tree Maintenance Fund (the “Fund”). Each fiscal year, beginning in fiscal year

1 2017-2018, the City shall contribute \$19 million to the Fund. The Fund shall also include any  
2 other monies appropriated or allocated to the Fund. Beginning in fiscal year 2018-2019, the  
3 Controller shall adjust the amount of the City’s annual \$19 million contribution to the Fund  
4 under this subsection (f) by the percentage increase or decrease in aggregate City discretionary  
5 revenues, as determined by the Controller, based on calculations consistent from year to year. In  
6 determining aggregate City discretionary revenues, the Controller shall only include revenues  
7 received by the City that are unrestricted and may be used at the option of the Mayor and the  
8 Board of Supervisors for any lawful City purpose. Additionally, in determining aggregate City  
9 discretionary revenues, the Controller shall not include revenues received by the City under any  
10 gross receipts tax measures or payroll expense tax measures approved by the voters at the  
11 general municipal election on November 3, 2020. ~~The method used by the Controller to~~  
12 ~~determine discretionary revenues shall be the same as the method used by the Controller to~~  
13 ~~determine the Library and Children’s Fund Baseline calculations, as provided in Charter~~  
14 ~~Section 16.108(h).~~ The change in aggregate discretionary revenues will be adjusted following the  
15 end of the fiscal year when final revenues are known. The Controller is authorized to increase or  
16 reduce budgetary appropriations as required under this subsection (f) to reflect changes in  
17 aggregate discretionary revenues following the end of the fiscal year when final revenues are  
18 known. The Controller shall set aside and maintain the above amounts, together with any interest  
19 earned thereon, in the Fund, which shall be subject to appropriation. Any amount unspent or  
20 uncommitted at the end of the fiscal year shall be deemed to have been devoted exclusively to a  
21 specified purpose within the meaning of Charter Section 9.113(a), shall be carried forward to the  
22 //  
23 //  
24 //  
25





## 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.

n:\legana\as2020\2000512\01449145.docx