



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

June 23, 2020

RE: File 200507 – Charter amendment to provide that future annual adjustments in baseline funding for several Charter-mandated funds will not take into account changes in City revenue resulting from voter-approved business taxes on the November 3, 2020 ballot

Dear Ms. Calvillo,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have no impact on the cost of government.

The Charter provides for guaranteed annual funding for 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. Under these voter-approved requirements, also known as “baselines,” annual funding increases or decreases with changes in the City’s aggregate discretionary revenue (ADR). These funding mandates currently account for approximately 23.6 percent of General Fund discretionary revenue. Policymakers have discretion over the remaining 76.4 percent.

The proposed Charter amendment excludes revenues received under any gross receipts or payroll tax measures approved by the voters at the November 3, 2020 municipal election from the calculation of aggregate discretionary revenue. As a result, the Mayor and Board of Supervisors would have spending authority over the full amount of incremental revenue generated by these measures.

Sincerely,

Natasha Mihal

FOR Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller’s statement appears in the Voter Information Pamphlet.