

BOARD of SUPERVISORS



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MEMORANDUM

TO: Greg Wagner, City Controller, Office of the Controller

FROM: Brent Jalipa, Assistant Clerk
Budget and Finance Committee

DATE: April 11, 2025

SUBJECT: HEARING MATTER INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following hearing request, introduced by Supervisor Joel Engardio:

File No. 250372

Hearing on the history and trajectory of San Francisco's voter mandated funding requirements, including but not limited to set-asides and baseline spending requirements; and requesting the Controller to report.

Pursuant to the hearing request, you or a representative will be expected to attend and present on the subject when this matter is agendized.

If you have any comments or reports to be included with the file, please forward them to me by email to: brent.jalipa@sfgov.org.

c: ChiaYu Ma, Office of the Controller
Ayesha Hossain, Office of the Controller
Devin Macaulay, Office of the Controller

Member, Board of Supervisors
District 4



City and County of San Francisco

JOEL P. ENGARDIO

April 8, 2025

Angela Cavillo, Clerk of the Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

via Email: Angela.Cavillo@sfgov.org

Hearing Request: Requesting information on the history and trajectory of San Francisco's voter-mandated funding requirements, including but not limited to set-asides/baseline spending requirements.

Dear Madam Clerk,

Pursuant to the power of inquiry and review that City Charter Sec. 16.114 vests in the San Francisco Board of Supervisors, I am requesting a hearing on the city's voter-mandated set-aside and spending requirements (hereafter, "baselines"), including the history and trajectory of baselines, a comparison of baselines in comparable counties, share of baseline spending relative to general fund revenues, and expiration dates and suspension triggers for baselines.

Context and Background

San Francisco voters passed their first baseline in 1935 to secure funding for the municipal symphony. From 1935 through 1999, voters approved six total baseline spending requirements. Since the year 2000, the number of baselines approved by voters has grown significantly – totalling 24 new baselines in the past 25 years. Each baseline directs general fund spending towards specific program areas, including public libraries, transportation, homelessness, firehouses, seniors, children, and more.

Since 1990, the city's overall budget has increased twelvefold, from \$1.29 billion to approximately \$16 billion, while dedicated baselines have grown 150 times over, from \$13.3 million to approximately \$2 billion. With the projected budget deficit expected to grow to \$1 billion by FY 2027-28, the city faces greater challenges to provide adequate funding for general fund departments, while continuing to increase funding for baseline requirements.

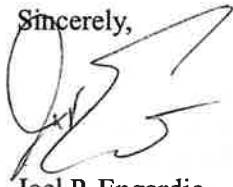
Given the city's fiscal predicament, I am calling for a hearing and request the Office of the Controller respond to the following questions:

- What is the name, funding source, charter section, expiration date (if applicable), suspension trigger (if applicable), original and updated ballot proposition year(s) and letter(s), total value of the general fund each year a baseline was passed, and percentage growth year over year for each baseline approved by voters?
- What was the amount set aside for the first effective fiscal year of each baseline and how much was set aside in FY25-26 budget for each baseline?

- Since 1991, how much has the total amount of voter-mandated baselines grown? How does this growth compare to the growth in general fund revenues?
- Are there comparable consolidated local governments that utilize the voter-mandated baselines? What are comparable approaches used by consolidated local governments in lieu of baselines?
- What are the baseline spending levels by category (MTA, library, children's services, police, recreation and parks, etc)?
- For non-binding baselines, how does the city track, manage, and prioritize spending? How much money has been allocated to non-binding baselines each year, per baseline?
- Since 1991, what policies have been passed by the Board of Supervisors to regulate baseline spending? What additional controls or guidelines has the Controller developed?
- What, if any, baselines have been removed by voters?
- What are the administrative and personnel costs associated with tracking, managing, and programming baselines?
- Given each of the previous questions, are there additional consequences policymakers and voters should be aware of? Has the Controller's office considered additional guidance and recommendations to limit these consequences?

Thank you, Madam Clerk, for facilitating this hearing request. Please feel free to contact me if further clarification is needed by your office or staff from the Office of the Controller. Any questions for my office may be directed to my Legislative Aide, Sophie Marie, at sophie.marie@sfgov.org.

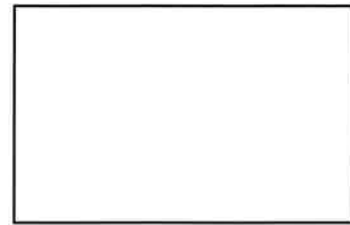
Sincerely,



Joel P. Engardio
Supervisor, District 4
San Francisco Board of Supervisors

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☒ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor _____ inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. _____ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. _____
- ☐ 9. Reactivate File No. _____
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Supervisor Joel P. Engardio

Subject:

Hearing Request - Voter-Mandated Funding Requirements

Long Title or text listed:

Hearing requesting information on the history and trajectory of San Francisco's voter-mandated funding requirements, including but not limited to set-asides/baseline spending requirements.

Signature of Sponsoring Supervisor: