

LEGISLATIVE DIGEST

(Third Draft, dated 1/14/2016)

[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 to include equity analysis, 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 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 projected a budget deficit of \$200 million or more in the succeeding 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 cooperate with the development of the City's Capital Expenditure Plan, as well as continue to develop a separate Capital Expenditure Plan for the Department for each budgetary cycle.

The proposal would require the Commission to adopt an Operational Plan for each budgetary 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 proposal would require that all of the Department's Strategic, Capital Expenditure, and Operational Plans include an equity analysis, based on metrics comparing existing Recreation and Park services and resources in low-income neighborhoods and disadvantaged communities with services and resources available in the City as a 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 Expenditure, and Operational Plans.

And, the proposal would add a requirement that in the fourth year of each Strategic Plan, the Controller's City Services Audit Unit conduct a performance audit of the Department's progress under the Strategic Plan, and an analysis of the Department's compliance with the planning and reporting requirements of the Fund. The costs of the audit would be charged to the Fund. If the audit concluded that the Department was not in compliance, the Board of Supervisors could place up to 5% of the baseline appropriation for the next fiscal year on reserve until the Board found that the Department was making progress on meeting the requirements.

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The Third Draft, dated 1/14/2016, differs from the Second Draft on file, dated 11/12/2015, in the following ways:

The Third Draft would require the Department to adopt, subject to Commission approval, a set of "equity metrics" to establish a baseline of existing Recreation and Park services and resources in low-income neighborhoods and disadvantaged communities, compared to services and resources available in the City as a whole.

The Third Draft would require the Department and the Commission to use the equity metrics to conduct an “equity analysis” as part of each required Strategic, Capital Expenditure, and Operational Plan.

The Third Draft would require the City to establish an “equity fund” to accept and expend private gifts and donations to the Department intended to support programs addressing unmet needs identified in the equity analysis portions of the plans.

The current Charter requires the Department to prepare a Capital Plan. The proposal would have replaced that requirement with a requirement that the Department “cooperate in the development of the City’s Capital Expenditure Plan.” The Third Draft would restore the requirement that the Department prepare a separate Capital Expenditure Plan for the Department, as well as cooperate in the development of the Citywide plan. The requirement for a separate deferred maintenance plan within the Department’s Capital Expenditure Plan, included in earlier versions of the proposal, would not be carried forward in the Third Draft.