

**LEGISLATIVE DIGEST**

(Revised 7/11/2024)

[Charter Amendment - Accountability for Funding Children and Youth Services for City Departments and the School District; Clarifying Uses of the Student Success Fund]

**Describing and setting forth a proposal to the voters at an election to be held on November 5, 2024, to amend the Charter of the City and County of San Francisco to 1) create an Our Children, Our Families Initiative (“Initiative”) to coordinate efforts by City departments and the San Francisco Unified School District (“School District”) to deliver outcomes-based services for children, youth, and families; 2) require the Initiative to use an objective and measurable outcomes framework (“Outcomes Framework”) to evaluate the budget and spending of each City department with expenditures that are eligible to be included in the Children and Youth Fund baseline, the Public Education Enrichment Fund (“PEEF”), the PEEF baseline, or any discretionary funding allocated from the General Fund for children, youth, and families; 3) require the Mayor and Board of Supervisors to consider the Initiative’s findings during their consideration of the City budget each year, including by the Board of Supervisors holding a public hearing and adopting findings about the expenditures; 4) require the School District to submit a proposal once every five years describing how it will spend the City’s general fund contribution to the PEEF consistent with the San Francisco Children and Families Plan and the Outcomes Framework, and prohibit the City from providing PEEF funding to the School District until the Board of Supervisors and Mayor have approved the School District’s proposal; 5) require the School District to submit annual reports describing how it has spent the City’s general fund contribution and the PEEF funding for arts, music, sports, and library programs; 6) authorize the Board of Supervisors and Mayor to place PEEF funding to the School District on reserve if the School District’s expenditures are inconsistent with the Charter, the Outcomes Framework, or the School District’s spending plan or its internal guidelines regarding student educational outcomes; 7) provide that money set aside for the School District in the Student Success Fund cannot replace, supplant, count as, or substitute for other City funding for the School District or children and youth required under the Children and Youth Fund, the PEEF, or other provisions in the Charter; and 8) prohibit the City from providing discretionary funds to the School District unless it has entered into a data-sharing agreement with the City.**

Existing Law

The Children and Youth Fund provides support to children and disconnected transitional-aged youth, which the City appropriates according to a five-year planning process. In the first year, the Department of Children, Youth, and Their Families (“DCYF”) conducts a community needs assessment to identify services to receive monies from the fund. In the second year, DCYF

prepares a services and allocation plan to determine services eligible to receive money, selects contractors in the third year, and begins the service cycle in the fourth year. Additionally, because funds must be used to increase aggregate City appropriations and expenditures for such services, the Controller establishes a baseline below which City appropriations under the fund are not reduced. Each year, the City counts budget line items in various departments' budgets funded by the City's general fund as meeting the fund's definition of children's services.

The Public Education Enrichment Fund ("PEEF") is a fund that provides annual support to the San Francisco Unified School District ("School District") and City departments providing children's services. The City disburses one-third of the money in the PEEF to the First Five Commission for universal preschool programs, one-third to the Department of Early Childhood for early education programs, and one-third to the School District as direct financial support. Annually, the School District must submit an expenditure plan for its share of the fund.

The Our Children, Our Families Council ("Council") is responsible for coordinating Citywide planning and goals for children and families. The Council is responsible for developing an outcomes framework ("Outcomes Framework"), renewed every five years, which is a set of Citywide outcomes for services to children and families.

The Charter establishes a set-aside fund called the Student Success Fund, which pays for grants from DCYF to schools in the School District, or to the School District itself, to support academic achievement and social/emotional wellness of students. The City must appropriate specified amounts of money to the Student Success Fund each year. In Fiscal Year 2024-2025, the City must appropriate \$35 million to the Student Success Fund, and the annual requirement will grow in future years, subject to some exceptions.

#### Amendments to Current Law

The proposed Charter amendment would create a joint initiative, called the Our Children, Our Families Initiative ("Initiative"), led by the Mayor and the Superintendent of the School District that would align and coordinate the City's services for children, youth, and disconnected transitional-aged youth. The proposed Charter amendment would require the Initiative, by January 1, 2028, in consultation with the Controller, to develop a policy to evaluate whether expenditures eligible to be included in the Children and Youth Fund baseline or the PEEF are consistent with the Outcomes Framework. The Initiative would also assist DCYF in developing a Citywide community needs assessment ("Citywide Community Needs Assessment"), adding to the existing DCYF community needs assessment.

Starting on February 21, 2026 and each year thereafter, each City department that anticipates expending funds that count toward the Children and Youth Fund baseline or other services related to children and youth must provide the Initiative with its expenditures in the previous fiscal year and its anticipated expenditures in the upcoming budget. And, starting on January 31, 2026 and each year thereafter, the School District must provide the Initiative with a report

describing how it expended funds during the prior fiscal year and how it plans to use the City's annual contribution to the School District under the PEEF, both as measured by the Outcomes Framework.

Starting April 30, 2029 and each year thereafter, the Initiative would prepare a report for the Mayor and Board of Supervisors ("Board") evaluating whether each department's proposed, current, and prior year expenditures for the Children and Youth Fund baseline and the PEEF are consistent with the Outcomes Framework. The Initiative would also review the School District's expenditures for the PEEF against the Outcomes Framework. Under the proposed Charter amendment, the Mayor would consider the Initiative's report and the Board would consider and hold a public hearing on the report. Beginning with the biennial budget for Fiscal Year 2029-2030, the Board would make findings, by resolution, that all anticipated expenditures from the Children and Youth Fund baseline and the PEEF are, on balance, consistent with the Outcomes Framework or otherwise serve an overriding public purpose.

In addition to its annual expenditure report, the amendment would require the School District to submit a proposal every five years describing how it will spend the City's general fund contribution to the PEEF consistent with the Charter, Citywide Community Needs Assessment, the School District's internal guidelines regarding student educational outcomes, the San Francisco Children and Families Plan and the Outcomes Framework. The City would not provide its contribution until the Board and Mayor pass a resolution approving the School District's proposal, but, if the Board or Mayor do not introduce a resolution by June 30 or if they disapprove the proposal, the School District may submit a modified proposal for approval.

The proposed Charter amendment would also require the School District, by no later than January 31 each year, to submit to the Initiative, Mayor, and Board a report describing its fiscal year-to-date expenditures. The amendment would place a portion of the City's contribution to the PEEF on reserve if the Board and Mayor pass a resolution finding that the School District's expenditures are inconsistent with the Charter, the School District's five-year spending proposal, the Outcomes Framework, or the School District's internal guidelines. The Board could release the reserve by motion. The Charter amendment would require the School District to submit annual reports describing how it has spent the City's general fund contribution and the PEEF funding for arts, music, sports, and library programs.

The proposed Charter amendment would also prohibit the City from counting expenditures from the Student Success Fund when calculating the Children and Youth Fund baseline, the PEEF baseline, or any other similar provisions in the Charter. The Charter amendment would require the City to spend money other than the Student Success Fund to meet these baseline requirements.