

1 [Supporting Proposed California Ballot Measure - Schools and Local Communities Funding
2 Act of 2020]

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3 **Resolution supporting the proposed California state ballot measure, Schools and Local**
4 **Communities Funding Act of 2020, that may bring revenue to the City and County of**
5 **San Francisco, San Francisco Unified School District, and City College of San**
6 **Francisco.**

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8 WHEREAS, For the last four decades, schools, cities, and counties in California have
9 experienced underinvestment and devastating cuts to critical services and infrastructure that
10 residents rely on; and

11 WHEREAS, Since the passage of Proposition of 13 in 1978, school funding in
12 California has experienced severe limitations in what was once the main source of funding for
13 schools, the property tax; and

14 WHEREAS, Per-pupil support, which relies on state funding, has declined from the top
15 10 in the nation to the bottom quarter; and

16 WHEREAS, School funding in California is \$2,400 per pupil less than the national
17 average and \$10,000 below the top-funded states, while California's cost of living is among
18 the highest in the nation; and

19 WHEREAS, Staffing ratios for teachers, guidance counselors, librarians, and
20 administrators in California rank at the bottom in the nation; and

21 WHEREAS, The lack of adequate funding is the result of an inequitable tax system in
22 which corporations and wealthy investors do not pay their fair share in property taxes; and

23 WHEREAS, These loopholes and tax schemes result in millions of dollars going to
24 corporations and wealthy investors rather than to local communities for essential
25 services; and

1 WHEREAS, The property tax is one of the few discretionary sources of revenue for
2 cities and counties; and

3 WHEREAS, Experts estimate that the *California Schools and Local Communities*
4 *Funding Act* reclaims \$12 billion in property tax revenue every year by closing loopholes in
5 California’s property tax system; and

6 WHEREAS, The measure provides about \$5.3 billion annually for K-14 schools; and

7 WHEREAS, The *California Schools and Local Communities Funding Act* does not
8 affect property taxes for homeowners or renters because the initiative exempts all residential
9 property; and

10 WHEREAS, Allocation of revenues to cities, counties and special districts will follow
11 current property tax allocation; and

12 WHEREAS, The measure will provide billions in locally-controlled property tax funding
13 yearly for cities, counties, and special districts; and

14 WHEREAS, The measure will provide funding to all school districts, over and above
15 Proposition 98 funding, and follow the local control funding formula to all students in need in
16 all districts; and

17 WHEREAS, Academic researchers at the University of Southern California (USC) have
18 identified that the vast majority of reclaimed revenue will come from a fraction of large
19 commercial and industrial properties; and

20 WHEREAS, USC research shows that a majority of commercial owners already pay
21 close to market value, making the current system inequitable among businesses, benefitting
22 large owners who have held land for a long period; and

23 WHEREAS, The current failure to close the commercial property loophole has led to
24 poor land use and inflated land values, particularly affecting the ability to provide adequate
25 high-density housing; and

1 WHEREAS, The measure incentivizes the development of residential units and
2 provides more funding for communities to invest in affordable housing; and

3 WHEREAS, The measure provides new tax incentives to spur new investment in small
4 businesses by eliminating the business personal property tax on equipment for California’s
5 small businesses; and

6 WHEREAS, The measure also exempts all small business owners whose property is
7 worth \$3 million or less; and

8 WHEREAS, The measure levels the playing field for businesses that already pay their
9 fair share in our communities; and

10 WHEREAS, The Schools and Communities Funding Act will bring in about \$800 million
11 to the City and County of San Francisco, San Francisco Unified School District, and City
12 College of San Francisco; and

13 WHEREAS, On April 24, 2018 the San Francisco Board of Supervisors adopted
14 Supervisor Sandra Fewer’s Resolution reaffirming the Board of Supervisors support for a split-
15 roll reform of Proposition 13 in order to close the commercial property tax loophole and
16 restore billions in revenue; and

17 WHEREAS, The Schools and Communities Funding Act will be on the November 2020
18 ballot; now, therefore, be it

19 RESOLVED, That the City and County of San Francisco endorses the California
20 Schools and Local Communities Funding Act of 2020 for a ballot measure in November 2020;
21 and, be it

22 FURTHER RESOLVED, That the City and County of San Francisco urges other
23 municipalities to support the California Schools and Local Communities Funding Act of 2020.
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