



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

November 29, 2011

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102-4694

**Re: File No. 111102 [Business and Tax Regulations Code - Payroll Expense Tax
Exclusion for Compensation Paid to Individuals With a Felony Conviction]**

Small Business Commission Recommendation: **Approval**

Dear Ms. Calvillo:

On November 14, 2011, the Small Business Commission (SBC) voted 5-0 to recommend approval of Board of Supervisors File No. 111102.

The Commission noted that employment is a key factor in preventing recidivism. The Commission also noted the cost of imprisonment for convicted felons far surpasses the cost of this tax exclusion, meaning that the City may actually save money should this program be successful in providing additional jobs to this classification of individuals.

The SBC supports this ordinance since it is limited in scope and is being presented as a trial program. Should the Board of Supervisors consider a longer trial period or an extension of the exclusion upon its expiration, the Commission recommends that an economic analysis be completed by the Controllers Office.

The Commission thanks Supervisor Mirkarimi for his presentation.

Sincerely,

Regina Dick-Endrizzi
Director, Office of Small Business

cc. Jason Elliott, Mayors Office