FILE NO. 220639

LEGISLATIVE DIGEST

[Charter Amendment - Student Success Fund]

Describing and setting forth a proposal to the voters at an election to be held on November 8, 2022, to amend the Charter of the City and County of San Francisco, to establish the Student Success Fund under which the Department of Children, Youth, and Their Families will provide grants to schools in the San Francisco Unified School District to implement programs that improve academic achievement and social/emotional wellness of students; and to require an annual appropriation in a designated amount to the Fund based on a calculation of the City's excess Educational Revenue Augmentation Fund allocation in specified fiscal years.

Existing Law

The City has several agencies that coordinate and fund services for children and youth, including the Department of Children, Youth, and Their Families ("DCYF"). The San Francisco Unified School District ("School District") is not a City department. It is a separate entity governed by an elected Board of Education.

The City does not govern the School District, but the City provides funding to the School District every year. The Charter establishes a set-aside fund called the Public Education Enrichment Fund ("PEEF") into which the City must appropriate a specific amount of money each year. The Charter requires the City to distribute money from the PEEF each year in three categories: one-third to the School District for arts, music, sports and library programs; one-third for universal preschool programs; and one-third to the School District for general education purposes. The City also provides discretionary funding to the School District, which means the Board of Supervisors and the Mayor may choose to appropriate extra funds to the School District in addition to the funding required by the Charter.

The City does not currently provide grant funding to the School District or individual schools to support a community school model that some other school districts outside San Francisco have implemented. Under the community school model, families and educators work together with school administrators to determine strategies to serve students who are struggling at their schools, and integrate actors inside and outside of the schools, such as government agencies and community-based organizations, to meet student and family needs. The community school model may include extra tutoring or other academic support, social/emotional interventions, strategies to address persistent poverty and trauma, or support for families to secure stability.

Amendments to Current Law

The proposed Charter amendment would establish a new set-aside fund in the Charter called the Student Success Fund. The Student Success Fund would pay for grants from DCYF to schools in the School District to support academic achievement and social/emotional wellness of students. The Fund would pay for two types of grants: Student Success Grants and Technical Assistance Grants. DCYF would provide Student Success Grants up to $1 million per year to schools that are capable of implementing a successful program using a community school model, and would provide Technical Assistance Grants for technical assistance or peer-to-peer counseling to schools that do not have the organizational capacity to implement such a program.

To receive a Student Success Grant, a school would need to (1) have a school site council (with participation from parents, students, community members, and school staff) that is committed to the implementation of the grant; (2) have a full-time community school coordinator, or a plan to hire such a coordinator, to implement the grant; and (3) coordinate with City departments and with the District's administration to ensure that all resources, strategies, and programs at the school best serve students.

The Charter amendment would require the City to appropriate specified amounts of money to the Fund each year. The amounts in the first three years would be based on the Controller's 2022 estimates of the excess Educational Revenue Augmentation Fund ("excess ERAF") money that the Controller anticipates will be allocated to the General Fund in those years. In Fiscal Year 2023-2024, the City would appropriate $22.5 million to the Fund. In Fiscal Year 2024-2025, the City would appropriate $45 million to the Fund, and in Fiscal Year 2025-2026, the City would appropriate $70 million to the Fund. From Fiscal Year 2026-2027 through Fiscal Year 2048-2049, the City would appropriate $70 million to the Fund, adjusted each year by the percentage increase or decrease in aggregate discretionary revenues, so the amount of the set-aside will grow each year at the same rate as the City's discretionary revenues grow.

In fiscal years where the Controller, the Mayor's Budget Director, and the Budget Analyst anticipate the City's projected deficit will exceed $200 million (as adjusted each year), the City would not be required to increase the annual appropriation to the Fund to reflect increases in aggregate discretionary revenues. In those years, the City could also decide to appropriate a smaller amount of money to the Fund than the Charter would normally require. But even in those deficit years, the Charter would require the City to appropriate at least $25 million to the Fund.

At the end of a fiscal year, if DCYF has not committed all the money appropriated to the Fund, the Controller would deposit the remaining money in a special reserve account that the City could draw upon in future deficit years. The special reserve account could hold no more than $25 million at any time. When the special reserve account has $25 million, the Controller would return any additional uncommitted money at the end of the fiscal year to the General Fund.

If the voters approve a special tax in the future to dedicate money to the programs supported by the Fund, then the City could reduce the amount of the Charter-required annual appropriations to the Fund accordingly. And if the City's excess ERAF decreases in the future to a point where the required annual appropriation to the Fund will exceed 18% of the value of excess ERAF in that fiscal year, the Board of Supervisors or one of its committees would hold a public hearing to evaluate the sources of revenues for the Fund.

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