



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

July 8, 2022

RE: File 220639 – Charter amendment establishing the Student Success Fund

Dear Ms. Calvillo,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government in that it would reallocate funds that would otherwise be available to the General Fund.

The proposed Charter amendment would establish a new set-aside fund in the Charter called the Student Success Fund (Fund). The Student Success Fund would pay for grants from the City to eligible schools in the San Francisco Unified School District that apply. The grants would support academic achievement and social/emotional wellness of students through a community school approach, which may include school nurses, in-classroom tutors, literacy and math specialists, academic coaches, social workers, specialized curriculum, and school psychologists.

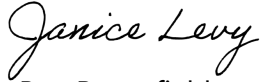
The Charter amendment would require the City to appropriate specified amounts of money to the Fund each year. In Fiscal Year (FY) 2023-2024, the City would appropriate \$11 million to the Fund, \$35 million in FY 2024-25, and \$45 million in FY2025-26. The City would continue to appropriate \$60 million to the fund through FY2037-38, adjusting allocations in each year given changes in overall City discretionary revenues by no more than 3% per fiscal year. The measure includes an allowance for the Mayor and Board to reduce appropriations to the fund to at least \$35 million in years when either the City projects a budget deficit in excess of \$200 million or when the excess Educational Reserve Augmentation money is either 50% less than in the preceding fiscal year or in the fiscal year three years earlier.

The proposed amendment would require any uncommitted money appropriated to the Fund at the end of each fiscal year be deposited in a special reserve account that could hold no more than \$40 million at any time. At the end of each fiscal year, funds the special reserve account in excess of \$40 million in would be returned to the General Fund. In deficit years as described above, the City would appropriate funds from the special reserve account, the City's Budget Stabilization Reserve account, or other budgetary reserve accounts to the Fund to meet the required \$35 million appropriation each year.

The proposed amendment is not in compliance with a non-binding, voter-adopted city policy regarding set-asides. The policy seeks to limit set-asides which reduce General Fund dollars that

could otherwise be allocated by the Mayor and the Board of Supervisors in the annual budget process.

Sincerely,



FOR Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.