



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

June 20, 2016

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

RE: File 160585 – Charter amendment establishing a fund for seniors and adults with disabilities

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.

The proposed charter amendment would establish a new fund (the Dignity Fund) to support seniors and adults with disabilities by creating a new property tax set-aside of two cents per hundred dollars of assessed value in the City, equal to approximately \$43.3 million annually as of the current budget. Property tax revenue is currently available for any public purpose and if these revenues are shifted to programs for seniors and the disabled, other City spending would have to be reduced or new revenues identified.

In addition to the property tax set-aside, the amendment would set a “baseline” budget requirement—specifying that the City maintain the same levels of funding for senior and disabled services as were budgeted in FY16-17, currently approximately \$36.7 million annually. Like other baselines in the charter, the Dignity Fund required amount would increase or decrease each year at the same rate as the City’s discretionary revenue.

The proposed amendment would establish the set-aside and the baseline requirement beginning July 1, 2017 and continuing for a period of 20 years through fiscal year 2036-37.

The proposed increase in this property tax set-aside would decrease the City’s overall discretionary revenue and would therefore affect other City programs with voter-adopted baseline budget requirements. Baseline budget requirements are in effect for a variety of purposes, including public transportation, children and youth, library, and public school services. The proposed measure would decrease baseline required funding levels for these services by an aggregate \$9.6 million based on current fiscal year required funding levels.

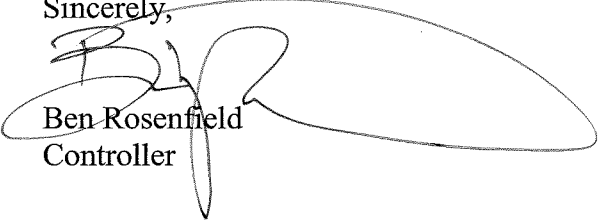
The amendment would change the appointment method for the Commission that currently advises the City on services for seniors and adults with disabilities from having all seven members appointed by the Mayor to having three members appointed by the Board of Supervisors. The proposed amendment would also create a new eleven member Oversight and Advisory Committee to make recommendations regarding the planning, programming, evaluation, reporting and other aspects of administering the Dignity Fund.

The proposed amendment specifies a four year planning cycle that requires community consultation, equity analysis and working with service providers on how to allocate Dignity Fund dollars, among other requirements.

This 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.

The Controller's Office will work with the Mayor, Board of Supervisors and City departments to clarify the financial effects of the proposed Charter amendment as it and other related measures are considered for the ballot.

Sincerely,



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.