

REVISED LEGISLATIVE DIGEST

(Third Draft, 12/4/2018)

[Charter Amendment - Free City College Fund]

Describing and setting forth a proposal to the voters at an election to be held on November 5, 2019, to amend the Charter of the City and County of San Francisco to establish the Free City College Fund to defray certain costs of City College students, and to require annual appropriations in designated amounts to the Fund.

Existing Law

In 2016, by ordinance, the City established the San Francisco City College Financial Assistance Fund as a category four fund to provide financial assistance to students at City College of San Francisco (“City College”). The ordinance further provided that the Department of Children, Youth, and Their Families (“DCYF”) would administer the fund and use monies in the fund to make grants to reimburse City College for enrollment fees and other education-related financial support for students.

Amendments to Current Law

The proposal is a Charter amendment that establishes the Free City College Fund (“Fund”), to be administered by DCYF. The proposal would require that the Controller maintain the Fund separate and apart from all other City funds and carry forward to the next fiscal year any amount in the Fund unspent or uncommitted at the end of the fiscal year. The proposal would require that monies in the Fund be used by the City to benefit San Francisco residents enrolled in City College by providing funds for student stipends to cover education costs, subject to certain defined conditions, and to cover the City’s costs related to administering the Fund.

The proposal would require that beginning in fiscal year 2020-2021 the City annually appropriate a “baseline amount” to the Fund as follows:

For fiscal year 2020-2021 - \$15 million.

For fiscal year 2021-2022 - \$15.7 million.

For fiscal year 2022-2023 - \$16.4 million.

The proposal would require that for fiscal years 2023-2024 through 2030-2031, the Controller would adjust the baseline contribution by the percentage increase or decrease in aggregate City discretionary revenues.

The proposal would allow the City to suspend growth in the baseline for any year in which the Controller, projected a budget deficit of \$200 million or more. The proposal would allow the City to contribute more to the Fund than the annual baseline amounts required, without affecting the City's required baseline contribution.

The proposal would require that any amount in the Fund over what is spent in any fiscal year be kept in the Free City College Reserve ("Reserve"). But the total amount in the Reserve would not be allowed to exceed 20% of the next year's annual baseline contribution. Any amount over the 20% limit would be returned to the General Fund.

The proposal would allow the Board to adjust the student stipend amounts by a majority vote and would allow the Board, by a two-thirds majority vote, to expand the eligible uses of the Fund to benefit any or all students enrolled at City College by defraying any costs related to their enrollment in City College.

Finally, the proposal would require the Controller to produce and file with the Board a report on the Fund, in fiscal year 2027-28.

Background

This third draft of the proposal would permit the Board of Supervisors to, by resolution adopted by a two-thirds majority of the Board, adjust contributions to the Fund for the upcoming fiscal year if (A) the amount in the Reserve is 20% of that year's annual baseline contribution and (B) the Board of Supervisors finds that City College has sufficient resources to fund the program. This proposal also would change the date on which the Controller's report was due to fiscal year 2024-25.

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