

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

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2016 MAR 14 PM 4:36
DEPARTMENT OF ELECTIONS

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

March 11, 2016

Mr. John Arntz
Department of Elections
City Hall, Room 48
San Francisco, CA 94102-4689

RE: Proposition B; Charter amendment providing funding for parks, recreation and open space

Dear Mr. Arntz,

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 amendment would create a new baseline funding requirement for parks, recreation, and open space that would grow over time. These funds are currently part of the City's General Fund discretionary revenues, available for any public purpose. As funds are shifted to meet the proposed baseline established in the amendment, other City spending would have to be reduced or new revenues identified to maintain current City service levels.

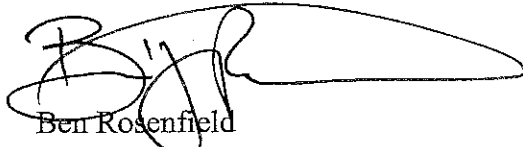
The Recreation and Parks Department receives approximately \$64 million from the City's General Fund to support its fiscal year (FY) 2015-16 budget. The proposed amendment would create a new baseline funding requirement, binding on the Mayor and Board of Supervisors, equal to this amount. This allocation would grow by \$3.0 million per year for the next ten fiscal years. After that, and prior to the sunset of the baseline in FY 2045-46, this baseline amount would be adjusted at the same rate as the percentage increase or decrease in the City's discretionary revenues. The amendment allows the City to temporarily suspend growth in baseline funding in years when the City forecasts a budget deficit of \$200 million or greater.

Additionally, the measure would extend the sunset date for an existing voter-approved set-aside for parks, recreation and open space by an additional 15 years. The existing Charter set-aside of City property tax revenues was approved by the voters in 2000. This set-aside is 2.5 cents per \$100 of the City's total assessed property value, budgeted at \$46 million in FY 2015-16. The proposed amendment would extend this set-aside by 15 years, moving its sunset date from FY 2030-31 to FY 2045-46. This set-aside is in addition to the General Fund budget for the department, and therefore in addition to the baseline established in the measure.

The proposed amendment requires Recreation and Parks to set goals and measures, develop a five year strategic plan and set annual operational and capital spending plans. The plans must be approved by the Recreation and Parks Commission, the Mayor and the Board of Supervisors. A performance audit is required in the fourth year of the strategic plan cycle.

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.

Sincerely,



Ben Rosenfield
Controller