

Ballot Simplification Committee
FINAL Approved Digest – July 30, 2008
Approved by: Packard, Fasick, Fraps, Jorgensen

Policy Regarding Budget Set-Asides

THE WAY IT IS NOW:

Various voter-approved Charter provisions require the City to set aside portions of the annual budget for particular purposes or programs. A "set-aside" requires that a specific amount of revenue be spent for a specific purpose each year. Only the voters have the power to change these set-asides. Various voter-approved ordinances also require the City to set aside funds, but these ordinances act only as policy measures and are not binding after the first fiscal year.

Generally, City revenue that comes from state or federal sources and user fees must be used for particular spending programs. Most revenue from other sources goes to the General Fund, which may be spent for any City purpose. For the 2007-2008 fiscal year, the City's total revenue was approximately \$6.07 billion. After subtracting restricted revenues, set-asides required by the Charter, and set-asides urged by ordinances and spending mandates, \$1.1 billion remained available for the Mayor and Board of Supervisors to spend for all other City purposes.

THE PROPOSAL:

Proposition ___ is an ordinance that would make it City policy that voters will only approve measures authorizing new set-asides or spending mandates if the measure also identifies a new source of funding.

Proposition ___ would also make it City policy that the voters will not approve:

- A new set-aside with a cost-of-living adjustment or other annual increase of more than 2%; and
- Any new or extended set-aside that does not automatically expire 10 years after it goes into effect.

When a proposed set-aside appears on the ballot, the Voter Information Pamphlet would include a statement from the Controller that:

- informs voters of this set-aside policy;
- states whether the proposed set-aside measure identifies replacement funds; and
- analyzes the impact of the proposed set-aside, alone and in combination with existing set-asides, on the City budget.

A “YES” VOTE MEANS: If you vote "yes," you want to adopt an ordinance to make it City policy that the voters will not approve new set-asides without identifying replacement funds.

A “NO” VOTE MEANS: If you vote “no,” you do not want to adopt this ordinance.

word count: 339 [suggested word limit: 300]