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MAYOR LEE & BOARD OF SUPERVISORS SEND CHILDREN & FAMILIES CHARTER AMENDMENT TO NOVEMBER BALLOT

Measure Will Increase Investments in Programs & Strengthen Public Schools for San Francisco Youth & Families with Renewal of Children's & Public Education Enrichment Funds

San Francisco, CA— Today Mayor Edwin M. Lee and all 11 members of the Board of Supervisors send to the voters a proposed Charter Amendment for the November 2014 ballot to extend the Children's Fund and the Public Education Enrichment Fund for 25 and 26 years, respectively. The proposed Charter Amendment also creates the "Our Children, Our Families Council" to prepare a Children and Families Plan to better service youth and families and reforms Rainy Day Reserves that fund youth, family and education programs.

"If we want families to stay, grow and thrive here in San Francisco, we need to do more and that is why this November, we will ask San Francisco voters to renew the Children's Fund and the Public Education Enrichment Fund – all without raising property tax rates," said Mayor Lee. "We know we must invest in our schools and our families so we can do even more to prepare our young people for their future. Thank you to Supervisors Norman Yee, Jane Kim, John Avalos and all of the other members of the Board along with the school district, City departments and children and family advocates for all working together on a single proposed Charter Amendment to take to the voters that supports our youth. We will continue to create a long term vision for our schools that leverages the investments we are making today and that will directly lead to a world class public school system, starting with universal pre-school and continuing through college."

"After many months of discussion, we are excited to bring together one unified measure that we can all support," said Supervisor Norman Yee, primary sponsor of the proposed Charter Amendment. "This measure is a way for us to come together as a city and collectively prioritize children and families' needs. Families bring vibrancy to our community and we owe it to our youth to offer the best opportunities. We hope that this cultural shift – putting families first – will entice others to choose San Francisco as a place to raise their children."

"With San Francisco's affordability crisis we need the Children and Families Initiative now more than ever," said Supervisor John Avalos, lead co-sponsor of the proposed Charter Amendment. "The Children and Families First initiative is the result of a broad and inclusive process that included parents, children, youth, community-based organizations and City government all working to support children and families for generations to come."

"Since we approved college prep graduation requirements in 2009, SFUSD has seen \$77 million in State funding cuts," said Supervisor Kim, lead co-sponsor of the proposed Charter Amendment. "Our children depend on the critical funding provided by the Public Education Enrichment Fund (PEEF) and the Children's Fund. PEEF alone has ensured that our students have credentialed art teachers, librarians, athletic coaches, physical education and peer resource teachers, as well as funding for health & wellness centers. These children are our children, and San Francisco has a responsibility to invest deeply in their success."

“Years ago, when our state faced the greatest economic crisis in decades, other school districts put things like sports, libraries, arts, music, student health centers on the chopping block,” said San Francisco Unified School District (SFUSD) Superintendent Richard A. Carranza. “But not here in San Francisco. We had already begun building these programs up and we stayed committed to it through even the worst economic weather. And we even strengthened them. Now, we have these programs where other districts have none. In ten years, Public Education Enrichment Fund has benefited hundreds of thousands of our City’s children.”

This proposed Charter Amendment integrates reauthorization of both the Children and Youth Fund (formerly called the Children’s Fund) and the Public Education Enrichment Fund (PEEF), establishes the ‘Our Children, Our Families Council’, and creates a City Rainy Day Reserve and a School Rainy Day Reserve out of the existing Rainy Day Reserve.

Children and Youth Fund

In 1991, the voters first created in the City Charter a Children’s Fund, which receives a set portion of the property tax each year. The current amount of the set-aside is 3 cents for each \$100 of assessed property value. The Children’s Fund is used to increase services for children under 18 years of age, including child care, health services, job training, social services, out-of-school programs, educational programs, recreational and cultural programs, and delinquency prevention services. The Department of Children, Youth and Their Families currently administers the Children’s Fund. The Children’s Fund and the property tax set-aside are set to expire on June 30, 2016.

The proposal would extend the Children and Youth Fund and the property tax set-aside for 25 years, until June 30, 2041. The proposal would increase the property tax set-aside a quarter cent each year for four years, from the current three cents for each \$100 of assessed property value to four cents for each \$100 of assessed property value in fiscal year 2018-2019 and thereafter. The proposal would not increase or otherwise change the property tax rate; it would only affect how the City may spend the tax.

The proposal would allow the City to use the Children and Youth Fund to provide services to Disconnected Transitional-Aged Youth (TAY), as well as to continue to provide services to children younger than 18 years. TAY are 18 through 24 years old youth who: are homeless or in danger of homelessness; have dropped out of high school; have a disability or other special needs, including substance abuse; are low-income parents; are undocumented; are new immigrants and/or English Learners; are Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning (LGBTQQ); and/or are transitioning from the foster care, juvenile justice, criminal justice or special education systems. The proposal would also set a spending baseline for services to Disconnected Transitional-Aged Youth based on what the City spent in fiscal year 2013-2014. The City would be required to continue spending this amount each year, adjusted for inflation, for these purposes, separate from the set-aside for the Fund.

The proposal would change the current three-year planning cycle for spending from the Children and Youth Fund to a five-year cycle, and set out additional steps in the cycle. This longer planning cycle will support stronger evaluation processes and greater stability in programs. The proposal would create an eleven-member Children, Youth and Their Families Oversight and Advisory Committee to participate in the planning process and oversee the Department of Children, Youth and Their Families and administration of the Fund. The Mayor and the Board of Supervisors would appoint the members of the Committee. The Board of Supervisors would set the structure and further functions of the Committee by ordinance. The proposal would replace the current Advisory Committee for the Fund with a new Service Provider Working Group, which will advise the Oversight and Advisory Committee.

Public Education Enrichment Fund (PEEF)

In 2004, voters created the PEEF requiring the City to make a specified annual contribution. The annual contribution was approximately \$77.1 million for fiscal year 2013-2014. The Charter requires the City to disburse funds from the PEEF each year: one-third of the PEEF to the San Francisco Unified School District (SFUSD) for arts, music, sports, and library programs; one-third to the First Five Commission for universal pre-school programs for 5 year-olds in San Francisco; and one-third to SFUSD for general education purposes. The PEEF, and the requirements for the City's annual contributions to and disbursements from the PEEF, are set to expire on June 30, 2015.

The proposal would extend the PEEF, and the City's annual contributions to and disbursements from the PEEF, for 26 years, until June 30, 2041. The proposal would change the current allocation for universal preschool for four-year-olds to an allocation for universal early education for three to five year-olds, but still give priority to four year-olds. This early education portion of the PEEF could also be used to develop services for children from birth to three years old. The proposal would move oversight of the program from the First Five Commission to the City's Office of Early Care and Education. The proposal would also create a Citizens Advisory Committee for this portion of the PEEF.

The proposal would eliminate the City's authority to defer up to 25 percent of its contributions to and disbursements from the PEEF in years in which the City projected a revenue shortfall of \$100 million or more.

Children and Families Council

The proposal would create "Our Children, Our Families Council" to advise the City on the unmet needs of children and families in San Francisco and on priorities, program goals, and best practices for addressing those needs through the creation of a Children and Families Plan for the City. The Mayor and the SFUSD Superintendent would Co-Chair the Council. Other members of the Council would include the heads of City and SFUSD Departments, and members of the community.

No later than July 1, 2016, and every fifth year after that, the Children and Families Council would prepare and adopt a Children and Families Plan for the City, which would include a comprehensive assessment of City policies and programs, addressing the needs of children and families in San Francisco, and policy level recommendations for making the City more supportive of children and families.

Rainy Day Reserve

In any year when the City collects over five percent more money than it collected in the previous year, the City deposits half of this money in the Rainy Day Reserve Fund. The City may only take money out of the Rainy Day Reserve Fund when it collects less money than it did in the previous year. The City may give up to one quarter of the money in the Reserve Fund to SFUSD when the School District collects less money per student than in the previous year and plans significant layoffs, but the City is not required to give SFUSD the money.

The proposal would divide the existing Rainy Day Reserve into a City Rainy Day Reserve and a School Rainy Day Reserve. In any year when the City collected over five percent more money than it collected in the previous year, the City would deposit half of this money in the two reserves, with three quarters of that amount going to the City Reserve and one quarter going to the School Reserve. So in a year when the City's revenues grew by more than 5 percent over the previous year, for every \$100.00 the City collected over that threshold, it would deposit half of the money in the two reserves, \$37.50 in the City Reserve and \$12.50 in the School Reserve.

If approved by voters, the City would transfer half the balance of the existing Rainy Day Reserve to the City Reserve and half to the School Reserve.

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