

## **Ballot Simplification Committee**

**Approved Digest-Tuesday, July 29, 2014: Packard, Fasick, Fraps, Jorgensen, Unruh**

Any Requests for Reconsideration due by 12:00 p.m. on Wednesday, July 30

### **Children's Fund; Public Education and Enrichment Fund; Children and Families Council; Rainy Day Reserve** *(working title only, subject to change)*

#### **THE WAY IT IS NOW:**

The City funds services for children, youth, and their families through various ways, including the Children's Fund, Public Education Enrichment Fund, and Rainy Day Reserve.

#### Children's Fund

In 1991, San Francisco voters created the Children's Fund, which receives a dedicated portion of the property tax that the City collects each year. The current amount of the set-aside is 3 cents for each \$100 of assessed property value. The City uses the Children's Fund to provide services for children under 18 years of age. These services include child care, health services, job training, social services, educational, recreational and cultural programs, and delinquency prevention services. For fiscal year 2013-14, the City will deposit approximately \$49 million into the Children's Fund.

The Children's Fund will expire on June 30, 2016.

#### Public Education Enrichment Fund

In 2004, San Francisco voters created a Public Education Enrichment Fund (PEEF). The City Charter requires the City to contribute a certain amount to PEEF each year, based on the City's General Fund revenues. For fiscal year 2013-14, that amount was \$77.1 million.

The Charter requires the City to distribute money each year from PEEF as follows:

- One-third to the San Francisco Unified School District (School District) for arts, music, sports and library programs;
- One-third to the City's Children and Families Commission for universal preschool programs for 4-year-olds; and
- One-third to the School District for general education purposes.

PEEF will expire on June 30, 2015.

#### Rainy Day Reserve

The City has a Rainy Day Reserve (Reserve). When the City's collections increase by more than 5% over the year before, the City deposits half of the amount over 5% in the Reserve.

The City may take money out of the Reserve only when:

- it collects less money than it did in the previous year. In this case, the money would be used for City operations.

- the School District collects less money per student than in the previous year and plans significant layoffs. In this case, the City may give up to 25% of the money in the Reserve to the School District.

## **THE PROPOSAL:**

Proposition \_\_\_ is a Charter Amendment that would change the way the City funds and administers services to children, youth, and their families.

### Children's Fund

Proposition \_\_\_ would extend the Children's Fund and the property tax set-aside for 25 years, until June 30, 2041. Proposition \_\_\_ would increase the property tax set-aside gradually over the next four years to 4 cents for each \$100 of assessed property value. The proposal would not increase or otherwise change property taxes; it would only affect the amount of property tax revenues set aside for the Fund.

Proposition \_\_\_ would also extend the age group served by the Children's Fund to include youth aged 18 through 24 years old.

### Public Education Enrichment Fund

Proposition \_\_\_ would extend PEEF for 26 years, until June 30, 2041.

Proposition \_\_\_ would extend funding for universal preschool to include 3-, 4- and 5-year-olds, but would still give priority to 4-year-olds. The City could also use these funds to develop services for children from birth to 3 years old.

### Our Children, Our Families Council

Proposition \_\_\_ would create an Our Children, Our Families Council (Council) to advise the City and School District on the needs of children and families in San Francisco and on priorities, goals, and best practices for addressing those needs.

Every five years, the Council would adopt an Our Children, Our Families Plan to recommend new City policies and programs for children and families in San Francisco. The purpose of the Plan is to create a more coordinated and efficient system of services.

### Rainy Day Reserve

Proposition \_\_\_ would divide the existing Rainy Day Reserve into a City Rainy Day Reserve (City Reserve) and a School Rainy Day Reserve (School Reserve).

Under the proposal, 25% of future Rainy Day deposits would go to the School Reserve and 75% would go to the City Reserve.

Under Proposition \_\_\_, the School District could withdraw up to half the money in the School Reserve in years when it expects to collect less money per student than in the previous fiscal year and would have to lay off a significant number of employees. The School Board could, by a two-thirds' vote, override those limits and withdraw any amount in the School Reserve in any year.

**A “YES” VOTE MEANS:** If you vote "yes," you want the City to amend the Charter to support services to children, youth, and their families by:

- extending the Children’s Fund for 25 years and increasing its funding;
- extending the Public Education Enrichment Fund for 26 years;
- creating an Our Children, Our Families Council; and
- dividing the existing Rainy Day Reserve into a City Rainy Day Reserve and a School Rainy Day Reserve.

**A “NO” VOTE MEANS:** If you vote “no,” you do not want the City to reauthorize the Children’s Fund and the Public Education Enrichment Fund or to make these changes to the Charter.

word count: 814 [suggested word limit: 300]