

[Public Education Enrichment Fund]

**CHARTER AMENDMENT**

**PROPOSITION \_\_\_\_\_**

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by amending Sections 16.123-2, 16.123-4, 16.123-5, 16.123-6, and 16.123-8, and repealing Sections 16.123-7 and 16.123-10, to: (1) renew the Public Education Enrichment Fund and eliminate its expiration date; (2) change the allocation for universal preschool, overseen by the First Five Commission, to an allocation for universal early education, overseen by the Office of Early Care and Education, and create a citizens advisory committee; (3) eliminate the City’s ability to use in-kind services to satisfy its obligations to the Fund; and, (4) modify certain technical requirements for the Fund and delete obsolete provisions.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 4, 2014, a proposal to amend the Charter of the City and County by amending Sections 16.123-2, 16.123-4, 16.123-5, 16.123-6, and 16.123-8, and repealing Sections 16.123-7 and 16.123-10, to read as follows:

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike through italics Times New Roman*~~.

**SEC. 16.123-2. PUBLIC EDUCATION ENRICHMENT FUND.**

(a) **Creating the Fund.** There shall be a Public Education Enrichment Fund. The City shall each year appropriate monies to the Public Education Enrichment Fund according to subsections (b), (c), and (d), below. ~~*In determining whether the City has met its annual obligation to the Fund, the Mayor and the Board of Supervisors may consider both direct financial support and the cash value of any in-kind support services, as described in Section 16.123-5, provided by the City to the San Francisco Unified School District and the*~~

~~Children and Families First Commission (hereinafter the "First Five Commission") or any successor agency, provided that at least two-thirds of the City's contribution to the Fund each year shall be comprised of direct financial support necessary to meet the requirements of Sections 16.123-3 and 16.123-4 of this measure.~~

(b) **Baseline Appropriations.** The Fund shall be used exclusively to increase the aggregate City appropriations to and expenditures for the San Francisco Unified School District. To this end, the City shall not reduce the amount of such City appropriations (not including appropriations from the Fund and exclusive of expenditures mandated by state or federal law) in any ~~year of the eleven years~~ during which funds are required to be set aside under this Section below the amount so appropriated for the fiscal year 2002-2003 ("the base year"). These baseline appropriations shall be separate from the City's annual contributions to the Public Education Enrichment Fund under subsection (c), and shall be appropriated by the City to the School District each year during the term of this measure ~~for the same purposes and in the same relative proportions among those purposes as in the base year, as certified by the Controller.~~

The amount of the City's baseline appropriations to the School District shall be adjusted for each year after the base year by the Controller based on calculations consistent from year to year by the percentage increase or decrease in City and County discretionary General Fund revenues. In determining City and County discretionary General Fund revenues, the Controller shall only include revenues received by the City and County that are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any lawful City purpose. Errors in the Controller's estimate of discretionary revenues for a fiscal year shall be corrected by an adjustment in the next year's estimate. Using audited financial results for the prior fiscal year, the Controller shall calculate and publish the actual amount of City appropriations that would have been required under this baseline for the School District.

(c) **Annual Contributions to the Fund FY 2005-2006 through FY 2009-2010.** In addition to the annual baseline appropriation provided above, the City shall, for years two

through six of this measure, contribute the following amounts to the Public Education Enrichment Fund:

Fiscal Year 2005-06	\$10 million
Fiscal Year 2006-07	\$20 million
Fiscal Year 2007-08	\$30 million
Fiscal Year 2008-09	\$45 million
Fiscal Year 2009-10	\$60 million

(d) **Annual Contributions to the Fund-FY 2010-11 and Thereafter through FY 2014-15.** For Fiscal Years 2010-11 and thereafter through FY 2014-15, the City's annual contribution to the Public Education Enrichment Fund shall equal its total contribution for the prior year, beginning with Fiscal Year 2009-2010, adjusted for the estimated increase or decrease in discretionary General Fund revenues for the year.

(e) **Audit Requirements.** All disbursements from the Fund and from the baseline appropriations shall be subject to periodic audit by the Controller. The San Francisco Unified School District and the Office of Early Care and Education, or any successor entity ("OECE") ~~the First Five Commission~~ shall agree to such audits as a condition of receiving disbursements from the Fund.

**SEC. 16.123-4. UNIVERSAL ACCESS TO EARLY EDUCATION PRESCHOOL.**

(a) **Universal Access to Early Education Preschool.** It shall be the policy of the City and County of San Francisco to provide all children between the ages of three and five years ~~four-year-old children~~ who are City residents the opportunity to attend quality early education programs, giving priority to four year old children. preschool, and it shall be It is the goal of the people in adopting this measure to expand such access beginning ~~do so~~ no later than September 1, 2015, 2009 building upon the work of the City's existing Preschool for All program.

(b) **Planning Process.** No later than ~~January 1, 2016~~ ~~September 1, 2004~~, ~~the OECE the First Five Commission~~, in consultation with the San Francisco Childcare Planning and Advisory Council, ~~the First Five Commission~~, the San Francisco Unified School District, ~~the San Francisco Human Services Agency~~, the San Francisco Department of Children, Youth and Their Families, and community stakeholders, shall submit to the Board of Supervisors a proposal for ~~a~~ expanding quality universal early education preschool program for San Francisco. The Board of Supervisors shall approve the plan by resolution; if the Board does not approve the plan, it may refer the plan back to the ~~OECE First Five Commission~~ for revision.

In preparing the plan, ~~the OECE the First Five Commission~~ shall develop universal early education preschool funding guidelines consistent with the findings of the 2012-2013 Childcare Planning and Advisory Council's San Francisco Childcare Needs Assessment, the 2012 San Francisco Citywide Plan for Early Education, First 5 San Francisco's 2013 Evaluations of the Preschool for All program, the San Francisco Unified School District's 2014 Kindergarten Readiness Data, and the Office of Early Care and Education's 2014 Financing Study.

The plan shall include goals for the quality of early care and education programs, shall align with emerging developments in state and/or federal early care and education policy, and shall address the professional development needs of center-based and family child care providers. Professional development as defined herein includes education, technical assistance and coaching, training, supports and compensation, and shall be aligned with the City's goals for early care and education program quality. Additionally, in preparing the plan, the OECE shall develop ~~including~~ guidelines designed to meet neighborhood-specific needs, including school readiness, subsidy availability, children's dual language development, facility development, parent engagement and education, inclusion of children with special needs, ~~such as subsidies, new facility development,~~ and provider support for both family childcare homes and childcare centers. Such funding guidelines also shall address the unmet need for universal early education preschool and childcare slots in specific City neighborhoods.

Following the Board of Supervisors' approval of the plan, the OECE shall develop an evaluation plan for tracking the results of the City's investments in early care and education.

(c) **Annual Disbursements.** For Fiscal Year 2014-2015, Each year during the term of this measure, the City shall appropriate one-third of the money in the Public Education Enrichment Fund to the First Five Commission for universal preschool programs administered by the Commission. Beginning July 1, 2015, the City each year shall appropriate one-third of the money in the Public Education Enrichment Fund to the OECE for early education programs to be administered by that office or entity or its successor.

(d) Citizens Advisory Committee. No later than March 1, 2015, the Board of Supervisors shall establish, by ordinance, a Citizens Advisory Committee to provide recommendations to the OECE on universal access to early education and the funds appropriated under this Section.

**SEC. 16.123-5. DIRECT FINANCIAL ~~OTHER CITY~~ SUPPORT FOR THE SAN FRANCISCO UNIFIED SCHOOL DISTRICT.**

~~(a) **In-Kind Support.** Not later than one year after the effective date of this measure, the City and the School District shall identify areas of potential in-kind support that the City could provide to the School District free of charge or at substantially reduced rates. In-kind support, for these purposes, may include, but is not limited to:~~

~~Learning support services, including health, counseling, social work, and nutrition services;~~

~~Financial support services;~~

~~Telecommunication and information services;~~

~~Construction management services;~~

~~Utility services;~~

~~Transportation services;~~

*Legal services; and*

*Public safety services.*

~~(b) **Planning Process.** No later than six months after the effective date of this measure, the School District shall submit to the Board of Supervisors proposals for in-kind services that could be provided by the City to the District to further the educational goals and operations of the District. The Board shall distribute those proposals to all City departments having expertise in providing or capability to provide such in-kind services, and no later than nine months after the effective date of this measure, the departments will respond to the Board with proposals to provide such in-kind services to the District. The School District may use any direct financial support provided under this Section to hire consultants to help identify possible in-kind services. The Board of Supervisors may, by ordinance, provide for continuation of this planning process during the subsequent term of the measure.~~

~~(a) (e) **Annual Disbursements.** Each year during the term of this measure, the City shall appropriate one-third of the money in ~~provide direct financial assistance from~~ the Public Education Enrichment Fund to the San Francisco Unified School District as direct financial support. ~~in an amount equal to one-third of the money in the Fund, or in-kind support services of equal value.~~~~

~~(b) (d) **Permissible Uses.** The San Francisco Unified School District may expend funds provided as direct financial support under this Section for any educational or support purpose provided under law, including, but not limited to, gifted and talented programs, magnet programs, literacy programs, dual-language immersion programs, special education, employee compensation, career and college centers at high schools, teacher mentoring or master teacher programs, or other instructional purposes. The City recognizes that in providing such programs and services, a well-run school district requires both certificated and classified staff, and urges the San Francisco Unified School District to hire both certificated and classified staff to carry out the purposes of this measure.~~

~~(e) Within one year of the effective date of this measure, the School District, with the assistance of the City's Department of Public Health, Department of Human Services, and Department of Children, Youth, and Their Families, shall conduct an assessment of health, counseling, social work, and nutritional needs of pupils in the District, including problems related to asthma and other chronic diseases. The City may appropriate a specific portion of the disbursement under this Section through its annual appropriation process for these purposes, pursuant to recommendations from the School District.~~

#### **SEC. 16.123-6. EXPENDITURE PLANS.**

(a) No later than ~~April 1~~ February 1 of each year during the term of this measure, the San Francisco Unified School District and ~~the OECE~~ the First Five Commission shall each submit an expenditure plan for funding to be received from the Public Education Enrichment Fund for the upcoming fiscal year to the Mayor and the Board of Supervisor, in response to the Controller's March fund estimate for the coming fiscal year. ~~The proposed expenditure plans must include prior year total budgeted and expended appropriations and Fund budgeted and expended appropriations by category, as well as average daily attendance information for the prior year and anticipated average daily attendance information for the plan year, to facilitate multi-year comparison.~~

~~(b) The Controller shall review the plans and transmit them, with his or her comments, to the Mayor and the Board of Supervisors for their review and comment.~~

~~(b)~~ (e) The plans shall include a budget for the expenditures, descriptions of budgeted programs and services, performance goals, target populations, hiring and recruitment plans for personnel, plans for matching or other additional funding, operating reserves, and any other matters that the District and Commission deem appropriate or the Mayor or the Board requests.

~~(c)~~ (d) The Mayor and the Board of Supervisors may request further explanation of items included in the plans, and the District and the OECE Commission shall respond in a timely

manner to such inquiries. The Board may place appropriations provided for under this measure on reserve until it has received adequate responses to its inquiries.

**SEC. 16.123-7. [Reserved] ~~STRUCTURAL SAVINGS TO THE CITY'S BUDGET.~~**

~~(a) **Controller's and Budget Analyst's Recommendations.** Not later than October 1 of each fiscal year from Fiscal Year 2005-06 through 2009-10, the Controller and the Board of Supervisors' Budget Analyst shall prepare and submit recommended cuts or other structural changes to reduce, on an ongoing basis, spending on City departmental operations, or identify new revenues, in an amount sufficient to meet each year's required funding for the Public Education Enrichment Fund.~~

~~(b) **Board of Supervisors' Proposals.** Not later than December 15 of each fiscal year from Fiscal Year 2005-06 through Fiscal Year 2009-10, the Board of Supervisors shall hold hearings on the recommendations made by the Controller and the Budget Analyst and shall forward its proposals to the Mayor.~~

~~(c) **Budget Requirements.** In his/her annual budget submission to the Board of Supervisors for each fiscal year from Fiscal Year 2005-06 through Fiscal Year 2009-10, the Mayor shall incorporate the Board of Supervisors' proposals, or identify alternative revenue or expenditure savings sufficient to appropriate funds to the Public Education Enrichment Fund according to the schedule set forth in Section 16.123-2 of this measure.~~

**SEC. 16.123-8. ADJUSTMENTS.**

~~(a) In any year of this measure, if the joint budget report as prepared by the Controller, the Mayor's Budget Director and the Board of Supervisors' Budget Analyst projects a budgetary shortfall of \$100 million dollars or more, the Mayor and the Board of Supervisors may reduce the City's contribution to the Public Education Enrichment Fund under Section 16.123-2, and its disbursements under Sections 16.123-3, 16.123-4, or 16.123-5, by up to 25 percent; provided,~~



~~however, that the City must pay back the amount deferred within the period from June 30, 2015, the last day of the term of this measure, and June 30, 2018, a date three years later, unless the voters extend this measure beyond July 1, 2015 or authorize a substantially similar measure at that time.~~

~~(a) (b) **Audit Recommendations.** The Mayor and the Board of Supervisors may suspend the City's disbursements from the baseline appropriations or the Public Education Enrichment Fund under Sections 16.123-3, 16.123-4, or 16.123-5 in whole or in part for any year where the Controller certifies that the San Francisco Unified School District or the OECE the First Five Commission has failed to adopt audit recommendations made by the Controller.~~

~~As part of the audit function, the Controller shall periodically review performance and cost benchmarks developed by the School District and the OECE the First Five Commission, including:~~

- ~~(1) Fund dollars spent for services, materials, and supplies permitted under the Charter;~~
- ~~(2) Fund dollars spent as reported to the City;~~
- ~~(3) Supporting documentation of Fund expenditures; and,~~
- ~~(4) Progress towards established workload, efficiency and effectiveness measures.~~

~~in consultation with the Controller for programs funded under this measure. The Commission's performance and cost benchmarks shall be based on the same performance and cost benchmarks as are required for other City departments, and on comparisons with other cities, counties, and public agencies performing similar functions. The School District's performance and cost benchmarks shall be based on similar standards.~~

~~In particular, the Controller shall assess:~~

- ~~(1) Measures of workload addressing the level of service being provided or providing an assessment of need for a service;~~

~~(2) Measures of efficiency including cost per unit of service provided, cost per unit of output, or the units of service provided per full time equivalent position; and~~

~~(3) Measures of effectiveness including the quality of service provided, citizen perceptions of quality, and the extent a service meets the needs for which it was created.~~

~~The Controller's audits may address the extent to which the School District and the First Five Commission have met their respective performance and cost benchmarks.~~

~~(b) (e) **Reserve Policies.** The Mayor and the Board of Supervisors may suspend the City's disbursements from the baseline appropriations or the Public Education Enrichment Fund under Sections 16.123-2, 16.123-4, or 16.123-5 in whole or in part for any year where the Controller certifies that the San Francisco Unified School District or the OECE the First Five Commission has failed to adopt reserve policies recommended by the Controller.~~

~~(c) (d) **Transfer and Use of Suspended Distributions.** If the Mayor and the Board of Supervisors suspend City distributions from the baseline appropriations or the Public Education Enrichment Fund under subsections (a) or (b) or (e), the City shall transfer the amount that would otherwise be distributed from the baseline appropriations or the Public Education Enrichment Fund for that year to the Children's Fund established in Charter Section 16.108, as amended, or any successor legislation, for the provision of substantially equivalent services and programs.~~

~~(d) (e) **New Local Revenues.** The Board of Supervisors may, by ordinance, proportionally reduce the contribution to the Public Education Enrichment Fund and the disbursements to the San Francisco Unified School District and the OECE the First Five Commission required by this measure if the voters of San Francisco adopt new, dedicated revenue sources for the School District or the Commission, and the offsetting reduction in disbursements is specifically authorized by the local revenue measure.~~

~~(e) (f) **New State Revenues.** The Board of Supervisors may, by ordinance, proportionally reduce the contribution to the Public Education Enrichment Fund and the~~

disbursements to the San Francisco Unified School District required by this measure if the percentage increase in per-pupil Revenue Limit funding provided by the State of California to the San Francisco Unified School District in any fiscal year exceeds the percentage increase in the City's cost of living during the previous fiscal year.

The Board of Supervisors may, by ordinance, proportionally reduce the contribution to the Public Education Enrichment Fund and the disbursements to ~~the OECE the First Five Commission~~ if the State of California provides funding to the City for universal preschool, provided that such disbursements are not required to match state and/or other funding.

~~(g) Eighteen months prior to the expiration of this measure, the Controller shall conduct a complete analysis of the outcomes of the programs funded through the Public Education Enrichment Fund. The Controller's study shall also address changes in the levels of state and federal funding for local schools, per pupil spending in the San Francisco Unified School District compared to urban school districts of similar size. The Controller shall present the results of this analysis to the Mayor and the Board of Supervisors no later than nine months prior to the expiration of the measure.~~

~~SEC. 16.123-10. SUNSET.~~

~~The provisions of this measure shall expire in eleven years, at the end of Fiscal Year 2014-15, unless extended by the voters.~~

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Thomas J. Owen  
Deputy City Attorney

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