
[THE PUBLIC EDUCATION ENRICHMENT FUND AMENDMENT OF 2014]

SEC. 16.123-1. PUBLIC EDUCATION ENRICHMENT FUND; PREAMBLE.

(a) The people of the City and County of San Francisco find and declare that:

- (1) San Francisco Unified School District ("SFUSD") schools are one of the City's most valuable public assets and every San Francisco student has the right to a quality public education that prepares them to pursue higher education, be competitive in a diversity of job markets, and ultimately contribute to the future health and vitality of San Francisco;
- (2) City funding for SFUSD public schools is an essential and valuable investment in our youth, as validated by San Francisco voters who overwhelmingly passed (by 71 percent) the ballot measure creating the Public Education Enrichment Fund ("PEEF") in 2004;
- (3) The State of California is currently 49th in per pupil spending, and without the PEEF, SFUSD would fall to fifth place in per pupil spending among comparable California school districts;
- (4) Urban public schools have the greatest need for comprehensive educational programs – including preschool programs, arts and music programs, sports activities, and after school programs – but often have the fewest resources to provide them;
- (5) In the last decade, the PEEF enabled all San Francisco public school students to benefit from once-underfunded and diminishing critical programs and services including but not limited to: quality physical education and athletics programs, fully functioning libraries at every school staffed by credentialed librarians, arts and music teachers and programs, wellness and behavioral support staffing and translation and interpretation services;
- (6) In the last decade, critical PEEF funding for sports, libraries, arts and music ensured that every San Francisco public school has a librarian, all elementary schools offer art classes and engagement opportunities, physical education courses are equipped and staffed by credentialed teachers, and sports teams have more coaches and officials along with upgraded uniforms and equipment;
- (7) The Preschool for All program, initially established by the ballot measure that adopted the PEEF in 2004, successfully served over 18,000 children since the program's creation, with enrollment increasing year to year;
- (8) Studies have shown that children who participated in Preschool for All demonstrated significantly higher academic achievement than children who did not participate;
- (9) While the Preschool for All program made great strides in closing the opportunity gap for low-income early age children, the current need far exceeds the current level of services that the City is able to provide;
- (10) The general education portion of the PEEF enabled SFUSD to triple the number of students enrolled in grades K-8 receiving individual and/or group health and mental health services through student support professionals over the past five years, with the number of high school students receiving five or more counseling sessions at the Wellness Center more than doubling in the last 10 years;
- (11) The general education portion of the PEEF enabled SFUSD to nearly double the number of high schools seniors completing two City College of San Francisco courses;
- (12) PEEF enabled the Human Capital Support program to recruit and retain a diversity of quality teachers to SFUSD. In the year the program began, there were approximately 46 teacher vacancies on the first day of school, whereas there were only three teacher vacancies on the first day of school in FY 2012-2013;

(13) SFUSD has seen a resurgence in enrollment in recent years and recognition of the opportunities now available to the young people of San Francisco;

(14) The choices businesses make about where to locate are impacted by the quality of public services the City provides, including public safety, transportation and education; a free quality public education can serve as a key factor for businesses to attract and retain workers in our community;

(15) Since 2000, SFUSD has made strong improvements in achievement measures and financial management; and during the past decade, SFUSD has built an exemplary record for effective and responsible management of voter-approved parcel taxes and bond measures. Financial and programmatic reviews of PEEF expenditures conducted by the Controller's Office have verified that expenditures were spent in accordance with SFUSD's spending plans and Charter requirements; and

(16) As the economy begins to recover, now is the time to continue to invest in our children's future to maintain and grow thriving public schools, before declines begin to erode the progress the SFUSD has made.

(b) This measure may be referred to as "The Public Education Enrichment Fund Amendment of 2014."

(Added March 2004; amended November 2014)

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.

(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 during which funds are required to be set aside under this Section 16.123-2 below the amount so appropriated for 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 through and including Fiscal Year 2040-2041.

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. Additionally, in determining aggregate City and County discretionary General Fund revenues, the Controller shall not include revenues received by the City under the increased rates in Business and Tax Regulations Code Sections 953.1(g), 953.2(h), 953.3(h), 953.4(e), 953.5(d), 953.6(f), 953.7(d), and 953.8(i) adopted by the voters at the general municipal election on November 3, 2020, and shall not include revenues received by the City under Article 36 of the Business and Tax Regulations Code adopted by the voters at the general municipal election on November 3, 2020. 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.** For Fiscal Years 2010-11 and thereafter, 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. In determining the increase or decrease in discretionary General Fund revenues, the Controller shall not include revenues received by the City under the increased rates in Business and Tax Regulations Code Sections 953.1(g), 953.2(h), 953.3(h), 953.4(e), 953.5(d), 953.6(f), 953.7(d), and 953.8(i) adopted by the voters at the general municipal election on November 3, 2020, and shall not include revenues received by the City under Article 36 of the Business and Tax Regulations Code adopted by the voters at the general municipal election on November 3, 2020.

(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") shall agree to such audits as a condition of receiving disbursements from the Fund.

(Added March 2004; amended November 2014; [Proposition F](#), Approved 11/3/2020)

SEC. 16.123-3. ARTS, MUSIC, SPORTS, AND LIBRARY PROGRAMS.

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 San Francisco Unified School District for arts, music, sports, and library programs in the schools.

(Added March 2004)

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

(a) **Universal Access to Early Education.** It shall be the goal of the City and County of San Francisco to provide all children between the ages of three and five years who are City residents the opportunity to attend quality early education programs, giving priority to four year old children. It is the goal of the people in adopting this measure to expand such access beginning no later than September 1, 2015, building upon the work of the City's existing Preschool for All program. This portion of the Fund may also be used to support the development of services for children from birth to three years old.

(b) **Planning Process.** No later than January 1, 2016, the OECE, in consultation with the San Francisco Child Care 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 expanding quality universal early education 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 for revision.

In preparing the plan, the OECE may consult with the First Five Commission to develop universal early education funding guidelines consistent with the findings of the 2012-2013 Child Care Planning and Advisory Council's San Francisco Child Care 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 used in this Section 16.123-4 includes education, technical assistance and coaching, training, and supports, 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 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, and provider support for both family child care homes and child care centers. Such funding guidelines also shall address the unmet need for universal early education and child care slots in specific City neighborhoods.

The plan shall also include an equity analysis of services and resources for children and families. The OECE Citizens' Advisory Committee shall develop a set of equity metrics to be used to compare existing services and resources in low-income and disadvantaged communities with services and resources available in the City as a whole.

Following the Board of Supervisors' approval of the plan, the OECE, in collaboration with the San Francisco Unified School District and First Five Commission, 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, 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.

(Added March 2004; amended November 2014)

SEC. 16.123-5. DIRECT FINANCIAL SUPPORT FOR THE SAN FRANCISCO UNIFIED SCHOOL DISTRICT.

(a) **Annual Disbursements.** Each year through and including Fiscal Year 2040-2041, the City shall appropriate one-third of the money in the Public Education Enrichment Fund to the San Francisco Unified School District as direct financial support.

(b) **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.

(Added March 2004; amended November 2014)

SEC. 16.123-6. EXPENDITURE PLANS.

(a) No later than April 1 of each year during the term of this measure, the San Francisco Unified School District and the OECE 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 Supervisors, in response to the Controller's March fund estimate for the coming fiscal year.

(b) The plans shall include a budget for the expenditures, descriptions of 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 the OECE deem appropriate or the Mayor or the Board requests.

(c) The Mayor and the Board of Supervisors may request further explanation of items included in the plans, and the District and the OECE 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.

(Added March 2004; amended November 2014)

SEC. 16.123-7. [RESERVED.]

(Added March 2004; repealed November 2014)

SEC. 16.123-8. ADJUSTMENTS.

(a) **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 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, 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.

(b) **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 has failed to adopt reserve policies recommended by the Controller.

(c) **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), 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 and Youth Fund established in Charter Section 16.108, or any successor legislation, for the provision of substantially equivalent services and programs.

(d) **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 required by Sections 16.123-1 through 16.123-10 if the voters of San Francisco adopt new, dedicated revenue sources for the School District or the OECE, and the offsetting reduction in disbursements is specifically authorized by the local revenue measure.

(e) **New State Revenues.** Following full implementation of the per-student funding targets outlined for SFUSD in the State's Local Control Funding Formula ("LCFF"), as adopted in 2013, 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 LCFF funding provided by the State of California to the San Francisco Unified School District in any subsequent 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 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.

(Added March 2004; amended November 2014)

SEC. 16.123-9. STATE REDISTRIBUTION OF LOCAL EDUCATION REVENUES.

(a) The people of the City and County of San Francisco find and declare that major urban school districts, such as San Francisco, serve an ethnically and economically diverse student population that requires more resources than currently provided under state guidelines. In adopting this measure, the people of San Francisco choose to provide additional City resources to complement, and not supplant, state funding for the San Francisco Unified School District.

(b) Consistent with subsection (a), the people of the City and County of San Francisco specifically find that their contributions to and disbursements from the baseline appropriations and the Public Education Enrichment Fund are discretionary expenditures by the City for the direct benefit of the children of San Francisco, their families, and the community at large. In the event that the State attempts, directly or indirectly, to redistribute these expenditures to other jurisdictions or to offset or reduce State funding to the School District because of these expenditures, the City shall transfer said monies that would otherwise be distributed to the School District each year to the City's Children's Fund established in Charter Section 16.108, for the provision of substantially equivalent services and programs.

(Added March 2004)

SEC. 16.123-10. SUNSET.

The provisions of Sections 16.123-1 through 16.123-10 shall expire at the end of Fiscal Year 2040-2041, unless extended by the voters.

(Added March 2004; amended November 2014)