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Charter Amendment

Summary: The Parks Alliance, along with Supervisor Mark Farrell, is sponsoring legislation that will be voted on in the June 2016 election. The proposed charter amendment would lock in the existing funding for the Recreation and Parks Department as a baseline, and add \$3 million to that sum each year for the next ten years. It also contains a trigger provision that if the City should fall into a deficit in any given year, the Mayor would have the authority to pause, but not cut, the increase in funding.

Existing Law:

The voters adopted the current Park, Recreation and Open Space Fund ("Fund") in March, 2000. Each year, the City pays into the Fund a portion of the property tax equal to two and one-half cents for each \$100 of assessed valuation. The Fund and the set aside will expire at the end of fiscal year 2029-2030. The set-aside is in addition to, and not in place of, any sums normally budgeted for the Recreation and Park Department ("Department"), but the Charter does not specify how the "normally budgeted" level of spending is to be calculated or require the City to appropriate a particular amount to the Department in addition to the set-aside.

The Recreation and Park Commission ("Commission") must annually adopt five-year strategic, capital, and operating plans for the Fund. The annual budget for the Fund must include allocations for after-school recreation programs, urban forestry, community gardens, volunteer programs, and a significant natural areas management program, in the amounts allocated for each of those programs from the Fund in the Department's fiscal year 1999-2000 budget, subject to certain exceptions. The annual budget for the Fund must allocate at least 5 percent of the annual property tax set-aside for acquisition of real property identified in the capital plan, with certain exceptions.

Proposed Amendments to Current Law:

- Beginning in fiscal year 2016-2017, the City would annually appropriate a "baseline amount" to the Department measured by the amount of general fund support appropriated to the Department in fiscal year 2015-2016. This amount would increase annually by \$3 million for fiscal years 2016-2017 through 2025-2026. In fiscal years 2026-2027 through 2030-2031 this proposal would adjust the baseline annually by the percentage increase or decrease in aggregate City discretionary revenues, as determined by the Controller.
- Add an allowance for growth in the baseline to be suspended for any year in which the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst project a budget deficit of \$200 million or more in the upcoming fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan. The proposal would require that the \$200 million benchmark be adjusted annually by the percentage change in aggregate City discretionary revenue.
- Limit the City's ability to increase the Department's appropriations for services of other City departments except for departments whose services the Department appropriated funds for in fiscal year 2015-2016 or for new requested services from departments or agencies not provided to the Department in fiscal year 2015-2016.

- Require that any excess general fund Department revenue at the end of the fiscal year be reserved for one-time Departmental expenditures.
- Require that any excess revenue earned by the Department be retained for the Department's future use.
- Remove the existing requirement that Department expenditure savings and new revenue from outside sources be used only for enhancement of park and recreational programs, including, but not limited to, capital and/or facility maintenance improvements and other one-time expenditures.
- Require the Department to propose a Capital Plan to inform the City's Capital Expenditure Plan and include plans addressing the development, renovation, replacement and maintenance of capital assets and acquisitions as part of the Capital Plan.
- Require the Recreation and Park Commission to adopt for each budget cycle an Operational Plan. This plan would be based on the current Strategic Plan and include a statement of the objectives and initiatives within the Strategic Plan that the Department plans to undertake and/or accomplish during the budgetary period, including performance indicators and targets.
- Require that the budget for the Fund include a separate line item for preparation, monitoring, and evaluation of the Department's Strategic, Capital, and Operational Plans.
- Authorize the Commission, starting in fiscal year 2016-2017, to spend up to 5% of the property acquisition allocation for the planning and construction of properties added to the Commission's jurisdiction through the Fund.
- Add a requirement that beginning in fiscal year 2020-21, and every fifth year thereafter, the Controller's City Services Audit Unit conduct a performance audit of the Department's adherence to its Strategic Plan. The costs of the audit would be charged to the Fund.