



San Francisco Public Library

Proposition S – Informational Discussion
October 20, 2016

2016 Proposition S:

San Francisco Arts & Families Funding Ordinance

- Proposition S Background
 - **The Way It Is Now:** SF's hotel tax is 14% (8% base + 6% additional tax surcharge). Half of the base tax is spent on maintaining, improving, and operating the convention center. Other base tax allocations include tax administration, refunds, and advertising for San Francisco. Any remaining amount + the 6% surcharge is allocated to the General Fund for any public purpose
 - **The Proposal:** Allocate a portion of the 8% base hotel tax to arts programs and family homeless services. It would not change the existing hotel tax rate
 - **Ballot Process:** a citizen initiative with 5% of the total votes cast in the preceding mayoral election, or 9,485 valid signatures
 - **Approval requirement:** 66 $\frac{2}{3}$ % affirmative votes to pass

Note: Attachment I is the full text of Proposition S

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- Fiscal Impact
 - Does not generate new revenue
 - Dedicates increased funding to the arts and family homeless services
 - Net funding growth in FY 18 is \$26M, rising to \$56M by FY 21
 - Expenditures currently funded with this source would have to be reduced or new revenues identified to maintain current service levels

General Fund (GF) Baseline Reductions	FY 18	FY 19	FY 20	FY 21
Municipal Transportation Agency	\$6	\$7	\$8	\$10
Library	\$2	\$2	\$2	\$2
San Francisco Unified School District	\$2	\$2	\$2	\$2
Children's Services	\$5	\$5	\$6	\$7
General Reserve	\$0	\$2	\$3	\$3
GF Reduction Total	\$15	\$18	\$21	\$24
Additional GF Impact	\$11	\$17	\$25	\$32
Grand Total	\$26	\$35	\$46	\$56
* figures in millions				

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- Other Proposition S Information
 - Establishes two new funds:
 - Ending Family Homelessness Fund
 - Neighborhood Arts Program Fund
 - If Prop S is approved, subsequent modifications to the impacted San Francisco codes would require voter approval
 - Slows the Library's GF Baseline growth
 - Does not impact the Library's Property Tax Set-aside