Library Preservation Fund Renewal

April 21, 2022

Maureen Singleton, Chief Operating Officer
Library Preservation Fund (LPF): Background
San Francisco Charter, Section 16.109

TERM
• VOTER-APPROVED NOVEMBER 7, 2007
• 15 YEARS
  • JULY 1, 2008 – JUNE 30, 2023

SPENDING PRIORITIES & AUTHORITY
• OPERATE THE MAIN LIBRARY & 27 BRANCH LIBRARIES
• LIBRARY COLLECTIONS & SERVICES
• CONSTRUCT & MAINTAIN FACILITIES
• ISSUE DEBT

TWO FUNDING ELEMENTS
• 2.3% OF ANNUAL DISCRETIONARY REVENUE (GENERAL FUND, OR GF MAINTENANCE OF EFFORT)
• 2.5 CENTS OF EVERY $100 IN ASSESSED VALUATION (PROPERTY TAX)

LARGEST SFPL BUDGET SOURCE
• 92% OF SFPL’S FY22 BUDGET

Example: FY22 LPF Split

- General Fund 56%
- Property Tax 44%
LPF: Background – Variables & Risks in the LPF

### General Fund Component
- Tied to annual discretionary revenue (ADR)
- Rises and falls with the overall economy
- Contractions can happen

### Property Tax Component
- Tied to overall assessed valuation
- Historically strong, pre-COVID extremely strong
- Natural hazards, street conditions and perceived safety, and macro business and workforce changes remain as risk factors
Historical View – LPF by Component

LPF Approved Budget ($M)  
FY12 - FY22

<table>
<thead>
<tr>
<th>Component</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
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<tbody>
<tr>
<td>General Fund</td>
<td>47.43</td>
<td>52.95</td>
<td>57.69</td>
<td>61.63</td>
<td>67.60</td>
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<td>83.63</td>
<td>96.13</td>
<td>79.70</td>
<td>87.94</td>
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<tr>
<td>Property Tax</td>
<td>35.57</td>
<td>37.27</td>
<td>39.96</td>
<td>43.02</td>
<td>46.09</td>
<td>51.84</td>
<td>57.58</td>
<td>63.57</td>
<td>65.30</td>
<td>67.36</td>
<td>68.93</td>
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</tbody>
</table>

- FY12 - FY22
**Key Provisions: 2007 LPF Renewal**

- **15 years**
- **Funding Elements:**
  - GF Baseline: 2.3% of ADR
  - Property Tax: 2.5 cents of every $100 in assessed valuation
- **Spending Priorities & Authority:**
  - Operate the Main Library & no fewer than 27 Branches
  - Library Collections & Services
  - Construct & Maintain Facilities
  - Issue Debt
- **Minimum Weekly Service Hours:**
  - 1,211
- **Public Hearings to Modify System Hours:**
  - Every five years in each supervisorial district

**Key Provisions: 2022 LPF Renewal**

- **25 years**
- **Funding Elements:**
  - GF Baseline: 2.3% of ADR
  - Property Tax: 2.5 cents of every $100 in assessed valuation
- **Spending Priorities & Authority:**
  - Operate the Main Library & no fewer than 27 Branches
  - Library Collections & Services
  - Construct & Maintain Facilities
  - Issue Debt
- **Minimum Weekly Service Hours:**
  - 1,400
- **Public Hearings to Modify System Hours:**
  - Every five years in each supervisorial district
- **Baseline Funding Freeze & Adjustment:**
  - Activated when there is citywide projected deficit of $300M+
  - Adjust to anticipated Baseline funding within two fiscal years after a funding freeze

* Provision variance in proposed 2022 LPF renewal vs. 2007
LPF Renewal 2022

Renewal Process

- Library Commission:
  - Discuss LPF renewal
  - Approve a resolution urging the Board of Supervisors to place a charter amendment to renew the LPF on the November 8, 2022, ballot

- Board of Supervisors:
  - Introduce the proposed charter amendment to renew the LPF in May 2022
  - Committee hearing in June 2022
  - Full Board deliberation in summer 2022

- Submit Charter Amendment to Director of Elections summer 2022
- Election: November 8, 2022
LPF Renewal 2022

Requested Action

Approve the proposed resolution urging the Board of Supervisors to submit to the voters a charter amendment to renew the Library Preservation Fund.