



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

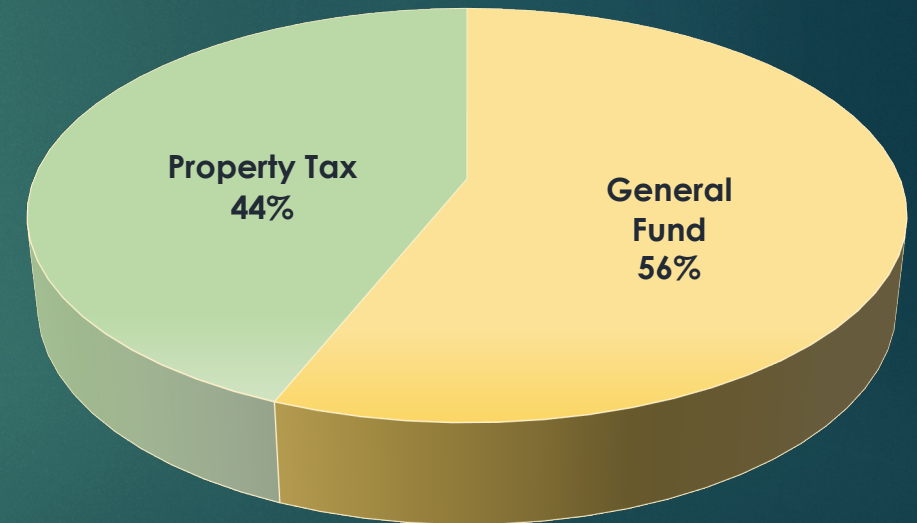
TWO FUNDING ELEMENTS

- 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



LPF: Background – Variables & Risks in the LPF

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General Fund Component

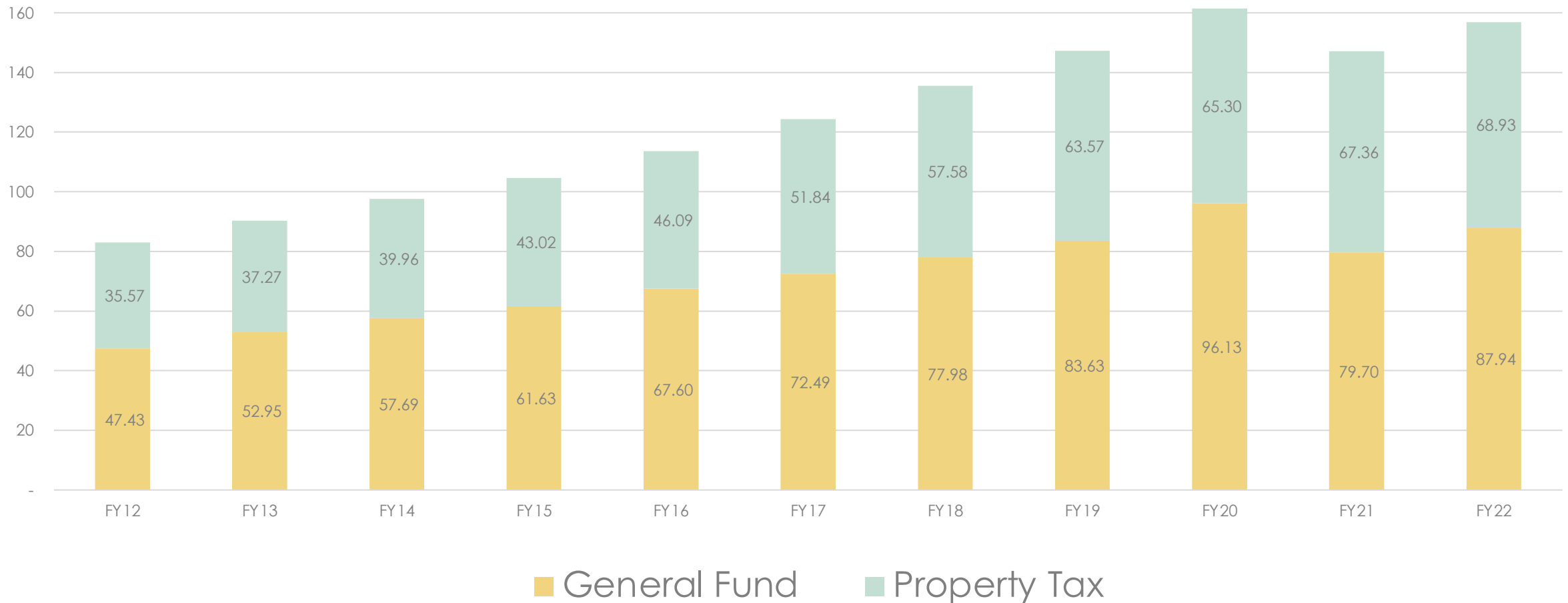
- Tied to annual discretionary revenue (ADR)
- Rises and falls with the overall economy
- Contractions can happen

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



LPF Renewal

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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