

File No. 090608

Committee Item No. 2

Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Rules

Date July 6, 2009

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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|-------------------------------------|--------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Charter Amendment</u> |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                    |

Completed by: Linda Wong

Date July 1, 2009

Completed by: \_\_\_\_\_

Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.



[Allowing the Board of Supervisors to designate certain appropriations as mandates to expend the money appropriated.]

## CHARTER AMENDMENT

## PROPOSITION \_\_\_\_\_

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by amending Sections 9.103 and 9.104 to allow the Board of Supervisors to mandate the expenditure of identified appropriations for particular programs or activities, requiring the relevant City departments to report to the Board on their plans for expenditure of the money appropriated, and allowing the Mayor to reject or reduce an appropriation identified as mandatory, and to reject the designation of the appropriation as mandatory with or without reducing the amount of the appropriation.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 3, 2009, a proposal to amend the Charter of the City and County by amending Sections 9.103 and 9.104 to read as follows:

NOTE: Additions are single-underline italics Times New Roman;  
deletions are ~~strike-through italics Times New Roman~~.

**SEC. 9.103. ADOPTION OF APPROPRIATION ORDINANCES.**

The Board of Supervisors may amend the annual proposed budget and appropriation ordinances as follows:

1. After review of the Controller's analysis of the Mayor's revenue estimates, the Board of Supervisors may reduce estimated revenues;
2. The Board of Supervisors may increase or decrease any proposed expenditure in the General Fund or any special, sequestered or other fund so long as the aggregate changes do

not cause the expenditures from each fund to exceed the amount proposed for expenditures by the Mayor from any such fund; *and*

3. The Board of Supervisors may increase or decrease any proposed expenditure for Capital Improvements; *and*

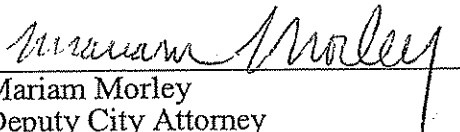
4. An appropriation is an authorization, but not a mandate, to expend money. Nevertheless, the Board of Supervisors may identify those appropriations for specific programs or activities that the relevant department or office of the City must expend or commit to expend no later than the end of the fiscal year. For any such appropriation, the department or office to which the appropriation is made must, no later than 45 days after the adoption of the ordinance providing for such appropriation, report to the Board on its plan for expending the money appropriated.

#### SEC. 9.104. VETO OF APPROPRIATIONS.

By exercising a veto, the Mayor may reduce or reject any expenditure authorized by the Board of Supervisors, except appropriations for bond interest, redemption or other fixed charges, within ten days after the Board of Supervisors' adoption of a final annual or supplemental appropriations ordinance. The designation of an appropriation as a mandatory expenditure under Section 9.103(4) shall not affect the Mayor's ability to reduce or reject the underlying expenditure. In particular, the Mayor may reject the Board of Supervisors' designation of the appropriation as a mandatory expenditure in conjunction with exercise of a veto reducing or rejecting the underlying appropriation, or the Mayor may reject such designation alone, without reducing or rejecting the underlying appropriation. Within ten days of receipt of the Mayor's veto message, the Board of Supervisors may, by a vote of two-thirds of its members, reinstate, (i) in whole or in part, any expenditure reduced or rejected by the Mayor and (ii) any designation of an appropriation as a mandatory expenditure rejected by the Mayor. by a vote of two-thirds of its members. In overriding any Mayoral veto, the Board of Supervisors shall not cause the

aggregate expenditures for the General Fund or any special, sequestered or other fund in the appropriation ordinances to exceed the Mayor's revenue estimate as allocated to such funds.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
Mariam Morley  
Deputy City Attorney

**LEGISLATIVE DIGEST**  
**(Second Draft, 6/18/09)**

[Allowing the Board of Supervisors to designate certain appropriations as mandates to expend the money appropriated.]

**A proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by amending Sections 9.103 and 9.104 to allow the Board of Supervisors to mandate the expenditure of identified appropriations for particular programs or activities, requiring the relevant City departments to report to the Board on their plans for expenditure of the money appropriated, and allowing the Mayor to reject or reduce an appropriation identified as mandatory, and to reject the designation of the appropriation as mandatory with or without reducing the amount of the appropriation.**

Existing Law

An appropriation of money to a City department or office in the annual appropriation ordinance or supplemental appropriation ordinance authorizes the department or office to spend money for the purpose specified. The appropriation ordinance does not require City departments or offices to expend the money appropriated to them.

Amendments to Current Law

The proposal would allow the Board of Supervisors to identify those appropriations that the relevant department or office must expend or commit to expend during the upcoming fiscal year. The relevant department must, within 45 days of adoption of the appropriation ordinance, report to the Board of Supervisors on its plan for expenditure of any appropriation so identified.

The First Draft of this Charter amendment modified only Charter Section 9.103, which pertains to the Board's authority to reduce estimated revenues and to increase or decrease proposed expenditures when it adopts an appropriation ordinance. The Second Draft also modifies Charter Section 9.104 to clarify that, as with other appropriations, the Mayor may veto an appropriation designated as mandatory by reducing or rejecting it. The Mayor may also veto the designation of the appropriation as mandatory with or without reducing the amount of the appropriation.



CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF THE CONTROLLER

Ben Rosenfield  
Controller

Monique Zmuda  
Deputy Controller

June 17, 2009

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place Room 244  
San Francisco, CA 94102-4689

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
JUN 17 PM 4:15  
jm

RE: File 090608 – Charter amendment allowing the Board of Supervisors to designate certain appropriations as mandates to expend the money appropriated

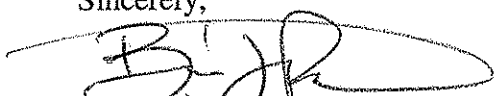
Dear Ms. Calvillo,

Should the proposed Charter amendment be approved, in my opinion, it would not in and of itself affect the cost of government. The amendment allows the Board of Supervisors to designate items in the City's annual budget as mandates that must be expended during the fiscal year. Currently, the Board of Supervisors' approval of the budget authorizes, but does not mandate, that any particular item be expended.

Each year, some items and programs authorized in the City budget are not actually expended. This can occur for a variety of reasons including revenue shortfalls, decisions by City management, disagreement on priorities, delays in hiring or approvals, and other financial, legal or planning issues. At the end of the fiscal year, the authorization for those items either ends or is continued to a future fiscal year, largely depending on the type of fund source. Similarly, unexpended monies at the end of the fiscal year either become part of any available balance in that fund or continue to be held for expenditure in a subsequent year.

The City typically has unexpended monies at year end and has been able to use those to balance subsequent years' budgets. The proposed amendment would make it less likely that there would be unexpended monies at the end of the fiscal year for this purpose. In effect, the amendment would cause the City to spend more funds in some years and less in others, but would not affect the aggregate amount of City expenditures.

Sincerely,

  
Ben Rosenfield  
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

