Charter Reform Working Group

- ❖ Office of the Mayor
- ❖ Board of Supervisors
- ❖ City Administrator's Office
- ❖ Office of the Controller

February 5, 2025

Administrative Reminders

➢ Working Group meetings are open to the public and public feedback is welcome.

➢ We will have the opportunity for public comment at the end of the meeting and accept written feedback at CharterReform@sfgov.org.

➢ This Working Group is not a formal policy body. Any legislation put forward based on these discussion will be part of a full Board of Supervisors process, where the public is also welcome to provide input.

Agenda

Recap: Working Group Purpose

1 Provide input on a set of potential Charter reforms to modernize and improve San Francisco's government

2 Enable more efficient and effective delivery of City services

Recap: What are the ways a Charter Amendment gets on the Ballot?

Considering and providing feedback on reforms that may end up on the November 2026 ballot.

Pathways to the Ballot:

Legislative Process:
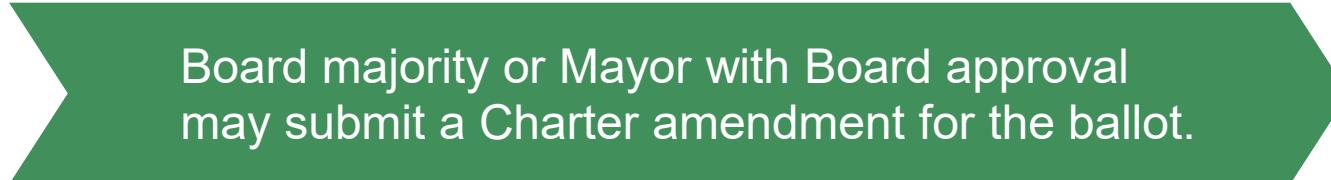
> Board majority or Mayor with Board approval may submit a Charter amendment for the ballot.

Introductions: May 2026

Voter Initiative:
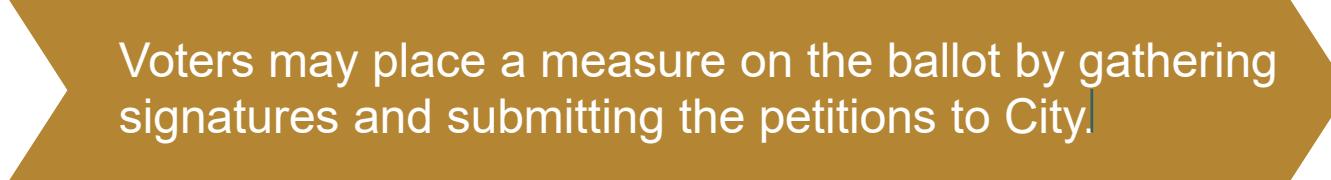
> Voters may place a measure on the ballot by gathering signatures and submitting the petitions to City.

Submittal Deadline: July 6, 2026

Election
Nov 3, 2026

Recap: What Problem are we Trying to Solve?

It is too hard to deliver services to the City and County of San Francisco. Government processes can be uncoordinated and inconsistent.

This leads to:

Difficulty effectively responding to big challenges

Decreasing faith in the public sector

Struggling to efficiently serve vulnerable San Franciscans who rely on city services the most

Diffuse accountability and problems holding elected officials accountable

Recap: Meeting #2 Discussion

Meeting #2 last Friday (1/30) included:

Written Values Exercise →
- Members completed worksheets on values
- Will present initial results today

**Presentation and Discussion: Policymaking** →
- Discussed options to modify **pathways to ballot** and increase **ballot measure quality**
- Staff is developing materials with more in-depth research for member review
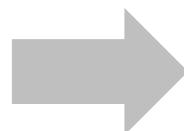
Presentation and Discussion: Operational Efficiency →
- Discussed options to modify the role of the **City Administrator**, with a focus on **procurement.**
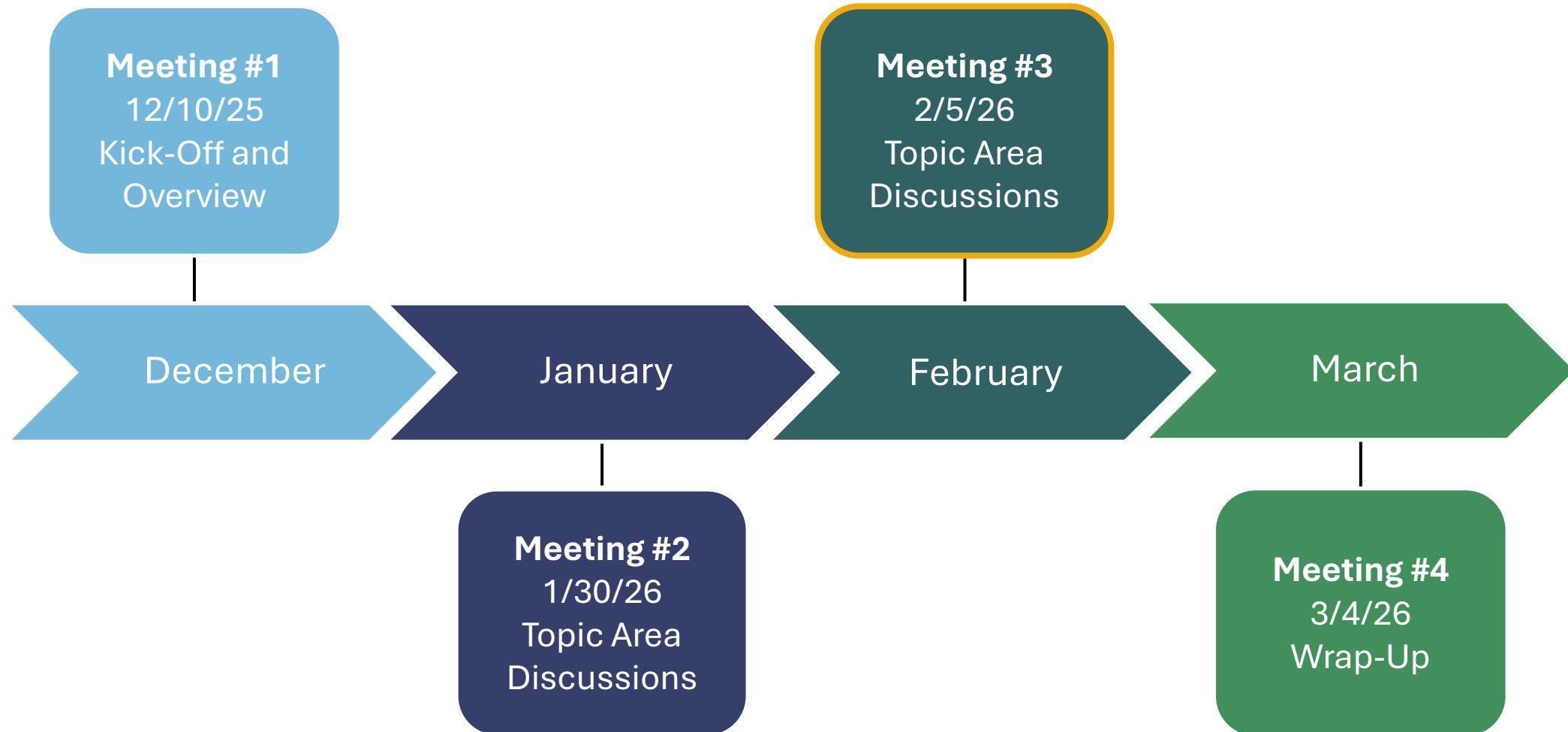
Working Group Participation

➢ We want to hear from all Working Group members

　　➢ During discussion, please raise your hand to participate and we will facilitate the discussion.

　　➢ Give your fellow working group members an opportunity to address the group.

➢ If you have additional thoughts after today's meeting, please let us know by emailing CharterReform@sfgov.org.

Values Exercise

Natasha Mihal

Which Values Rose to the Top?

1. Equity, Access, and Inclusion

(24 mentions)

2. Transparency, Accountability and Public Integrity
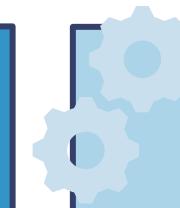
(19 mentions)

3. Efficient and Effective Government

(13 mentions)

Democracy, Public Participation, and Government Responsiveness

(6 mentions)

Evidence-based and Adaptive Government

(6 mentions)

Community Supports and Affordability

(6 mentions)

Coordinated Service Delivery

(5 mentions)

Which Values Rose to the Top?

1. Equity, Access, and Inclusion (24 mentions)

- Access, equal access to government, equity, egalitarian, fairness, inclusion, inclusiveness, inclusivity, parity, voice for the most vulnerable
- *"Government should protect the human and civil rights of ALL San Franciscans"*

2. Transparency, Accountability and Public Integrity (19 mentions)

- Accountability, anti-corruption, public trust, eliminate waste/fraud/corruption, Inspector General, transparency
- *"Accountability of City Hall to residents"*
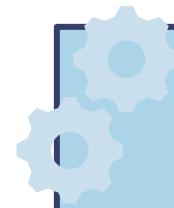
3. Efficient and Effective Government (13 mentions)

- Efficiency, effectiveness, results, streamline
- *"Run the City efficiently"*

Democracy, Public Participation, and Government Responsiveness (6 mentions)

- Democracy, democratic participation, public input and process, voter access, responsiveness
- *"Protect voter access"*

Evidence-based and Adaptive Government (6 mentions)

- Best practices, data-driven, innovation, flexibility
- *"Apply best practices to this proposed reform"*

Community Supports and Affordability (6 mentions)

- Affordability, support for working families, lower burden on all San Franciscans
- *"Make life easier on the people who live and work here."*

Coordinated Service Delivery (5 mentions)

- Cooperation, coordination, seamless, "one-door"
- *"Government should be seamless"*

Commission Streamlining Updates

Rachel Alonso

Commission Streamlining Background and Process

- Prop E (Nov. 2024) established the **Commission Streamlining Task Force**

- Purpose: *Make recommendations to the Mayor and Board of Supervisors about ways to modify, eliminate, or combine the City's 152 boards and commissions to improve the administration of City government*

Process:

- **23** public meetings since January 2025
  - **320+ unique** people provided 556 comments in public meetings
  - **Over 700 pieces** of written feedback
- **January-August 2025:** Gathered data; developed standards and decision-making tools
- **September-November:** Conducted granular body-by-body reviews, by policy area
- **December:** Revisited deferred decisions and checked for consistency
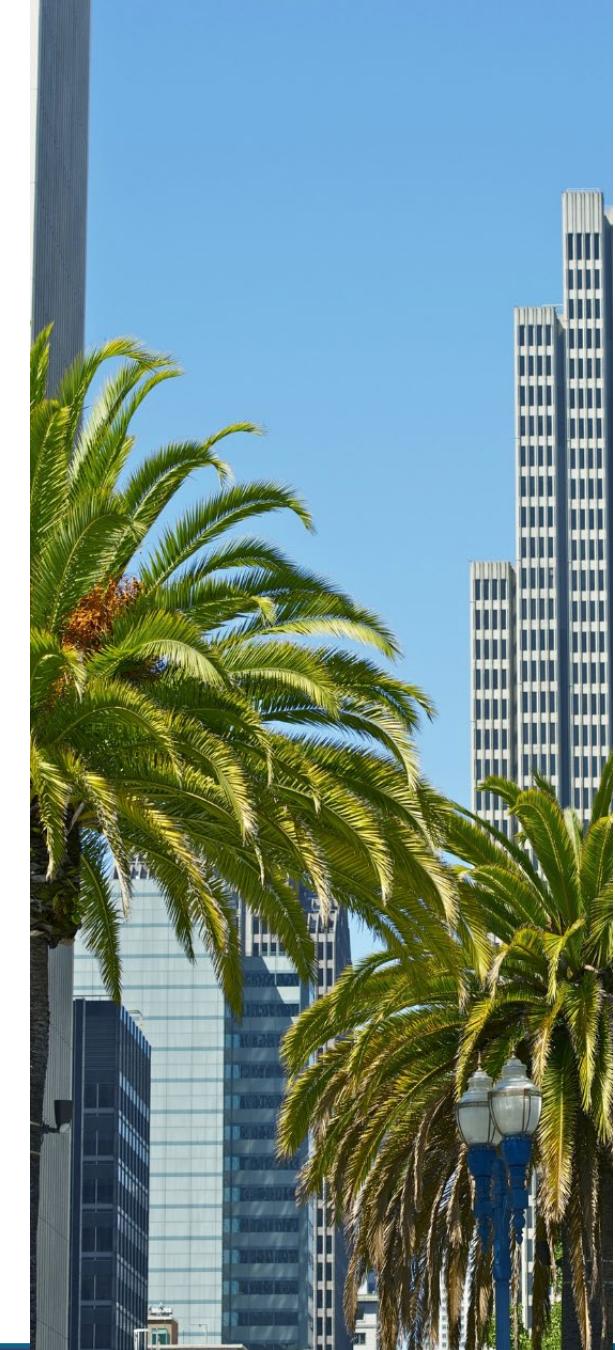
# Overview of the Task Force's Recommendations

Recommendation #1: Strengthen Meaningful Public Engagement by Consolidating Boards and Commissions

152 total bodies
(115 active, 37 inactive)

- Keep: **86** active and effective or legally required bodies
- Combine: **2** bodies with overlapping mandates
- Eliminate: **36** inactive bodies
- Remove from code: **24**
- No Action: **4**
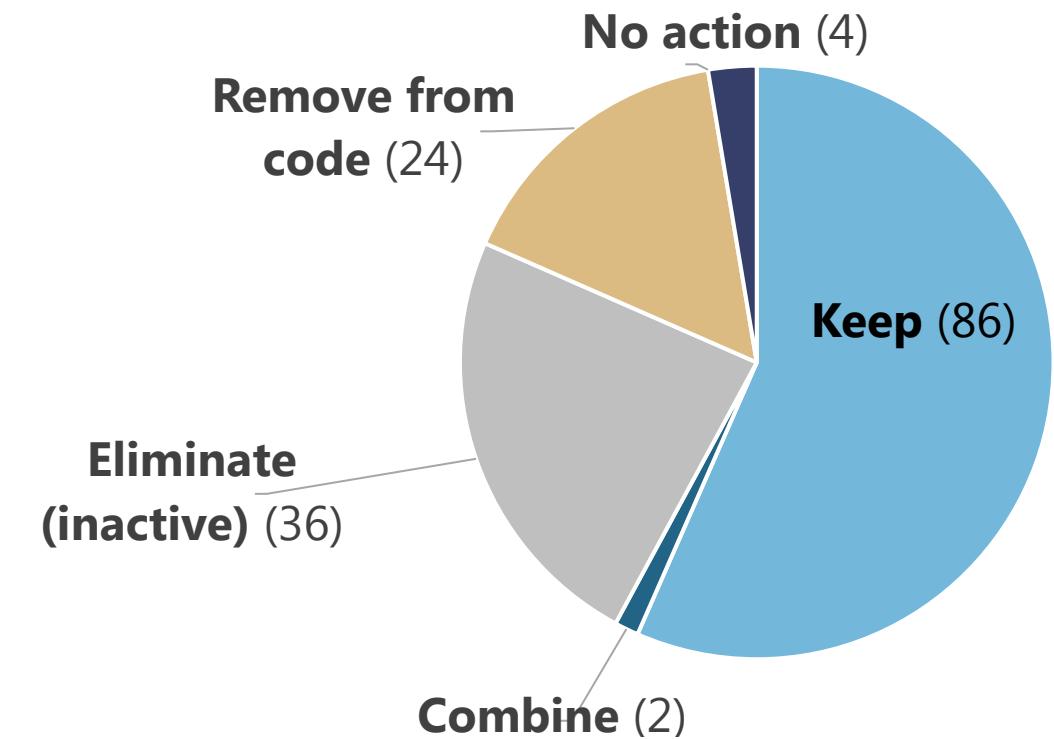
Overview of the Task Force's Recommendations

- **Recommendation #2: Increase Flexibility to Adapt to New Challenges by Moving Bodies to the Administrative Code**

- **Recommendation #3: Improve Accountability by Updating and Clarifying Commission Responsibilities**

- **Recommendation #4: Make Government More Consistent and Understandable by Standardizing Structure and Membership**

FIGURE 7: RECOMMENDED CHANGES TO ESTABLISHING AUTHORITY

From This → To This

Administrative Code (76)
Charter (42)
Anywhere else (34)

Administrative Code (63)
Charter (24)
Remove from code (60)
No action (4)

Timeline

☑ Task Force develops recommendations

Draft legislation to BOS (**ordinance**, **Charter amendment**)

Ordinance takes effect within 90 days unless rejected by BOS supermajority

Voters approve/reject possible **Charter amendment**

JAN-DEC 2025

FEB 1, 2026

MAR 1, 2026

APR 1, 2026

JUN 2026

JUL 2026

NOV 2026

☑ Final report to MYR/BOS

BOS holds hearing on legislation by 4/1

BOS decides whether to place **Charter amendment** on ballot

City Organization

Greg Wagner

Today's Discussion Addresses These Problems:

City Organization
The structure of government is difficult to change and authority is spread out. This leads to residents having difficulty holding officials accountable and leadership having difficulty responding to new needs quickly and efficiently.

Today's Topics:

Mayor's Office Organization

Department Organization

Ongoing Oversight and Flexibility

Organizational Structure

San Francisco's Charter is overly prescriptive and dictates specific structures and functions, constraining the ability to adjust the City's organization as needs change.

The way it is now:

- San Francisco has **over 50 departments**; **approximately 90% of them are established in the Charter**.

- Charter departments and their outlined functions **cannot be changed, renamed, or re-organized** without voter approval.

- Establishing language can be **variable, confusing,** and **overly specific,** such as some specific staffing and service requirements

- San Franciscans **expect to hold the Mayor accountable** for the City's performance, but many **commissions have hiring and firing authority** over department heads.

- The Charter prohibits the City from **employing deputy mayors** and bans the Mayor from **employing staff to oversee departments.**

Examples:

- Voters had to approve changing the "Department of Aging and Adult Services" to the "Department of Disability and Aging Services"

- The MTA section of the Charter is 12 pages long, mandating specific performance targets and number of annual training hours for the Director.

Organizational Structure

How San Francisco compares to peers:

- Almost 90% of San Francisco's departments are in the Charter; **US peer cities have 12%-50% of departments in their Charters.**

- San Francisco's Charter over **500 pages**, longer than many **US peer cities**. Many peers' Charters include **mission and values** and have specific structures in Municipal Codes.

- Most peer cities have Mayor's Office structures that **delegate oversight responsibilities.**

Percentage of Departments Fixed in Charter*

City	%
San Francisco	90%
Los Angeles	17%
San Diego	19%
Oakland	32%
San Jose	48%
Washington, D.C.	12%
Philadelphia	30%
Denver	41%
New York City	51%
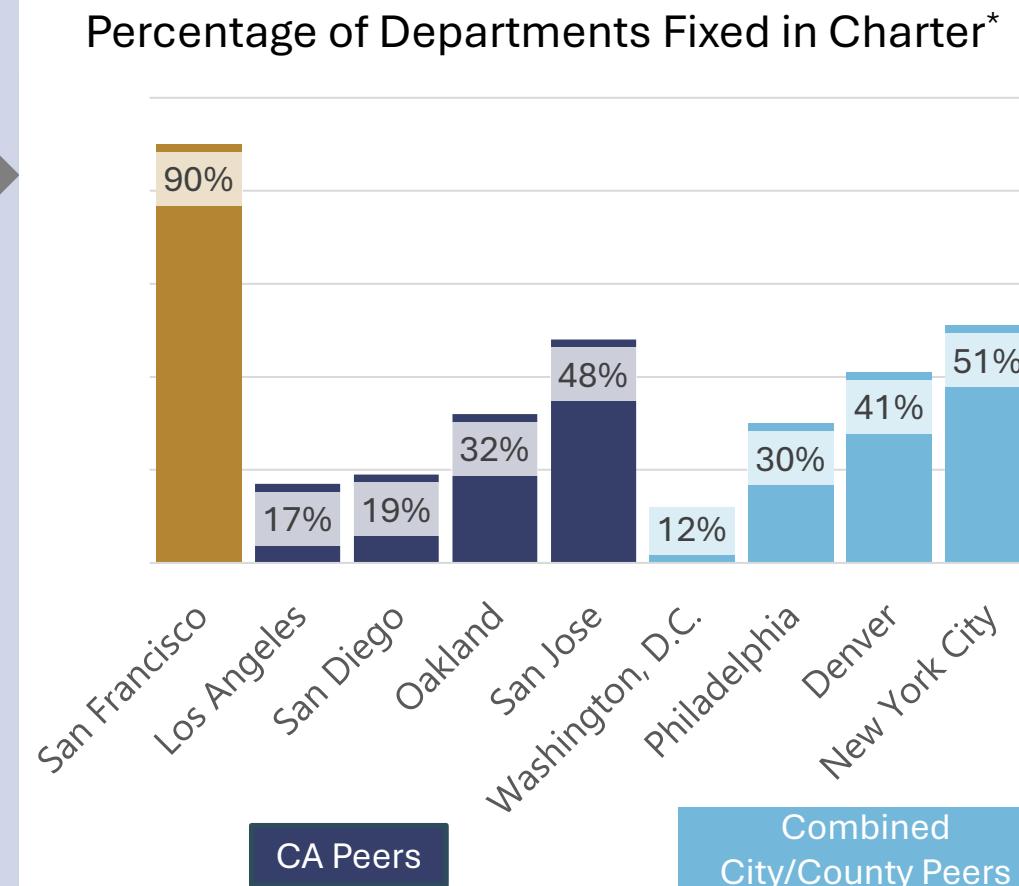
CA Peers

Combined City/County Peers

Organizational Structures

Reasons to consider Charter changes:

- **We cannot adjust** the City's structures and organization as needs change, leaving the City with inefficient and unnecessary silos.

- Being required to maintain functions and operations that are no longer needed **inefficiently uses City resources** and can make the City a poor steward of tax dollars.

- **Outdated or irrelevant information** leads to a bloated and confusing document. It makes it difficult to understand the City's structure and can lead to the City being out of compliance with its foundational document.

- The Mayor alone **cannot provide adequate oversight** for over 50 departments, and the Charter prohibits them delegating this responsibility.

Ways to Address these Problems

Enable the **Mayor to manage more effectively**
to create clearer lines of accountability.

Create flexibility to re-organize City departments
so that structures can adapt as needs change.

Ensure **ongoing oversight of and flexibility** in the Charter
to ensure the Charter retains flexibility to respond to new challenges in the future

Enable the Mayor to manage more effectively

- The Charter prohibits the City from **employing deputy mayors** and bans the Mayor from **employing staff to oversee departments.**

- Most peer cities have Mayor's Office structures that delegate oversight responsibilities

- San Franciscans **expect to hold the Mayor accountable** for the City's performance, but many **commissions have hiring and firing authority** over department heads.

Options for Discussion

1 — **Remove restrictions on Mayor's Office staffing**
Allow the Mayor to hire deputies and delegate oversight of departments

**2** — **Allow the Mayor to appoint and remove most departments heads***
Instead of their commissions, with a few exceptions (e.g., Ethics, Elections, Civil Service)
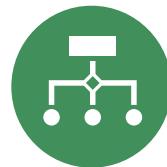
Create flexibility to re-organize City departments
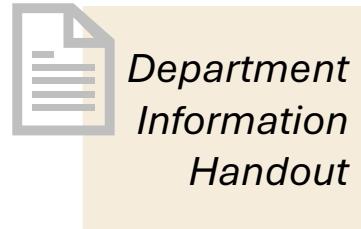
- San Francisco has **over 50 departments**; **approximately 90% of them are established in the Charter**.

- Charter departments and their outlined functions **cannot be changed, renamed, or re-organized** without voter approval.

- Without the ability to re-organize, silos are enshrined in the Charter, making service delivery inefficient

Options for Discussion

3 — **Move some departments from the Charter to the Municipal Codes**
Allow the City to flexibly re-organize more departments through the regular legislative process

4 — **Move some department functions from Charter to the Municipal Codes**
Retain mission and values in the Charter while moving process requirements and other details to code

5 — **Allow the Mayor to move Charter-assigned functions between departments**
Among some executive branch departments, unless vetoed by the Board of Supervisors

6 — **Grant the Mayor broader authority to re-organize reporting relationships between department heads**
Among some executive branch departments, to increase efficiencies from agency model and increase flexibility to re-organize

Ensure **ongoing oversight of and flexibility** in the Charter

- Many cities have a process to **regularly review and maintain their Charters**; San Francisco does not.

- Specific **staffing and service requirements**, such as cable car lines or library hours, are unable to be changed, limiting the flexibility to creatively deploy resources as needs and circumstances change.

Options for Discussion

7	**Create a process to regularly review the Charter** Require changes to go through the Board of Supervisors
8	**Move detailed operational requirements from the Charter to Municipal Codes** Create more flexibility to adjust operations as needs change

Impacts of These Options

Intended to:

- ✓ Move functions and merge departments to allow government to more flexibly respond to changing needs
    - ✓ E.g., Enable the merger of Building Inspection and Planning and the creation of an Arts Agency
- ✓ Reduce the level of operational detail
    - ✓ E.g., Allow the MTA to pivot to new data-informed approaches to track performance
- ✓ Improve the agency model
    - ✓ Currently, the Director of the Department of Disability and Aging Services reports to the Mayor but cannot report to the Executive Director of the Human Services Agency

Not Intended to:

- ✗ Impact City employment
    - ✗ Will not change civil service rules
    - ✗ Will not change requirements for negotiation with labor unions
- ✗ Eliminate departments without public process and preservation of functions
    - ✗ Mayor would only be permitted move functions between departments ("cut and paste"), not remove functions wholesale

Options for Discussion

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Resource Management

Greg Wagner

Today's Discussion Addresses These Problems:

Resource Management

Baselines are approved one at a time, sometimes for overlapping issue areas, without a big-picture view of the City's services and budget.

➡️ Baselines and Set-Asides

Resource Management

The way it is now:

- Budget **"baselines"** and **"set-asides"** are legal requirements to allocate a certain share of the City's budget toward a particular purpose

- **San Francisco has over 20** "baselines" and "set-asides." About **30% of San Francisco's discretionary revenue is allocated toward baselines** each year (compared with 15% in FY 95-96).

- The City funds the same populations and policy areas through multiple baseline requirements, creating administrative complexity.
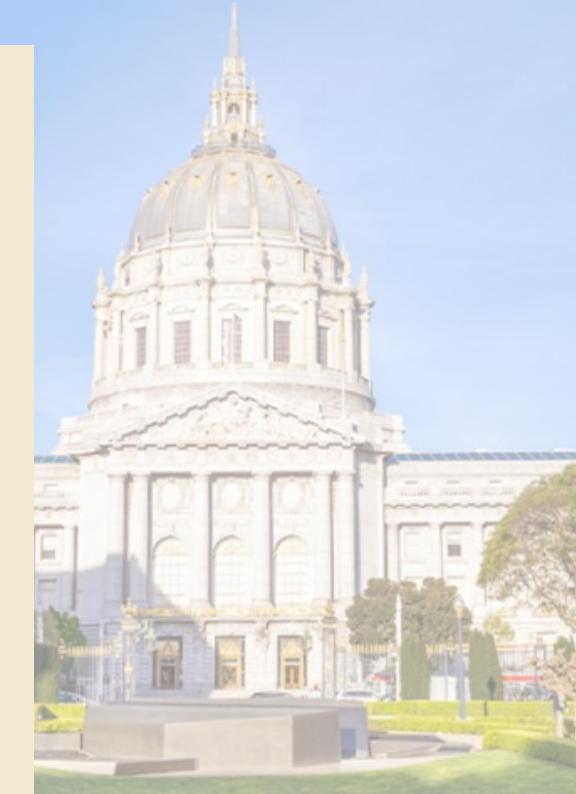
Resource Management

How San Francisco compares to peers:

- Only Charter cities have legal authority to adopt binding baseline requirements

- **Peer jurisdictions have few or no baseline requirements**

- Oakland's Charter allows elected officials to suspend some spending obligations in cases of extreme fiscal necessity

Jurisdiction	Services	Year Approved
Oakland	Children's services	1996
Los Angeles (City)	Library services	2011
	Recreation and parks	1999
San Diego (City)	Infrastructure	2016
Santa Clara County	Parks	1972

*Los Angeles County approved a baseline in 2020, but it was not implemented due to legal and administrative issues

No Voter Approved Baselines:
Alameda County, Fresno County, Fresno, San Diego County, San Jose

Resource Management

Reasons to consider Charter changes:

- Individually, each baseline funds an important service. Collectively, they significantly **reduce budget flexibility to respond to emerging needs/priorities**.

- Creates disproportionate budget impacts – services that aren't baselined bear the brunt of revenue volatility

- Some baselines are very **difficult to administer.** Several baselines overlap significantly, which creates administrative confusion.

Only a **17%** of the FY 2026-27 Budget is Truly **Discretionary**
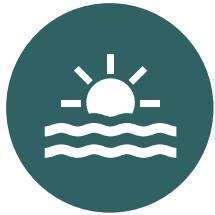
- Self Supporting
- General Fund (non-discretionary)
- General Fund (baselines and set-asides)
- General Fund (discretionary revenue)

Ways to Address these Problems

Sunset baselines
to give policymakers more flexibility to make budget choices

Limit baseline growth over time
to preserve some discretion in the General Fund

Introduce more **budget discretion** for policymakers
to fund programs and services that address the City's most pressing needs
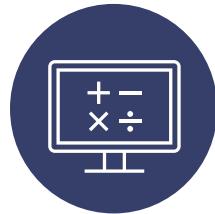
Simplify baseline administration
to spend less time tracking dollars spent and more time tracking services and outcomes

Sunset Baselines

- Some baselines have sunset dates (15 out of 28), while others do not

- Several baselines have been re-authorized before their sunset dates, often at higher amounts

Options for Discussion

1	**Sunset baselines** To give policymakers more flexibility to make budget choices

Limit Baseline Growth Over Time

- The percentage of General Fund allocated toward baselines has **nearly doubled** in the last 30 years (from 15% to 30%)

- Baselines **lack standardization**. They have different growth mechanisms; deficit trigger thresholds and mechanisms.

Options for Discussion

2	**Cap baseline contributions** At a fixed dollar value or as a percentage of the overall budget
3	**Cap the amount that baseline contributions can grow each year** For example, limit growth to 2% per year
4	**Standardize and add suspension triggers to all baselines** To suspend growth during difficult budget years

Introduce more budget discretion for policymakers

- Some **baselines limit/prescribe eligible uses** within a broader service area or population. Residents' needs change over time, yet eligible uses are locked in Charter

- Focusing on whether the City is meeting dollar value requirements shifts attention away from larger questions about the City's policy goals and how to achieve them.

Options for Discussion

5	**Allow the City to reduce baseline contributions in certain years** Through the regular budget process involving Mayor and Board approval
6	**Return unspent funds to the General Fund** Instead of rolling over to the following fiscal year
7	**Allow broader discretion within baselines** So that funds for a particular population or policy area can go toward the most pressing needs

Simplify baseline administration

- Several baselines **overlap in scope** creating **administrative complexity and confusion**, e.g.,

  - Eight baselines or set-asides fund children and youth aged 0-26

    - Three of these directly fund SFUSD

  - Five baselines or set-asides fund the Municipal Transportation Agency (SFMTA)

- Lack of clarity on how to track services/spending that could count toward multiple baseline requirements

Options for Discussion

8	**Consolidate related baselines** To simplify administration

Impacts of These Options:

Intended to:

✓ Create flexibility to fund the **highest priority services** more effectively
  - ✓ E.g., Allow SFUSD to use nearly $200 million in City funds to support their highest priority items

✓ Make baseline administration **simpler and more transparent**

  - ✓ E.g., standardize all suspension triggers to kick in if the City's projected deficit exceeds $200 million

Not Intended to:

✕ **Defund critical services** or populations
  - ✕ Baseline services are high priorities that are often funded *above* required levels

Options for Discussion

1 **Sunset baselines**
To give policymakers more flexibility to make budget choices

2 **Cap baseline contributions**
At a fixed dollar value or as a percentage of the overall budget

3 **Cap the amount that baseline contributions can grow each year**
For example, limit growth to 2% per year

4 **Standardize and add suspension triggers to all baselines**
To suspend growth during difficult budget years

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7 **Allow broader discretion within baselines**
So that funds for a particular population or policy area can go toward the most pressing needs

8 **Consolidate related baselines**
To simplify administration

Closing and Next Steps

Closing and Next Steps

- **Wednesday March 4, 2026**: final meeting and wrap-up

For questions and any public comment, please email CharterReform@sfgov.org
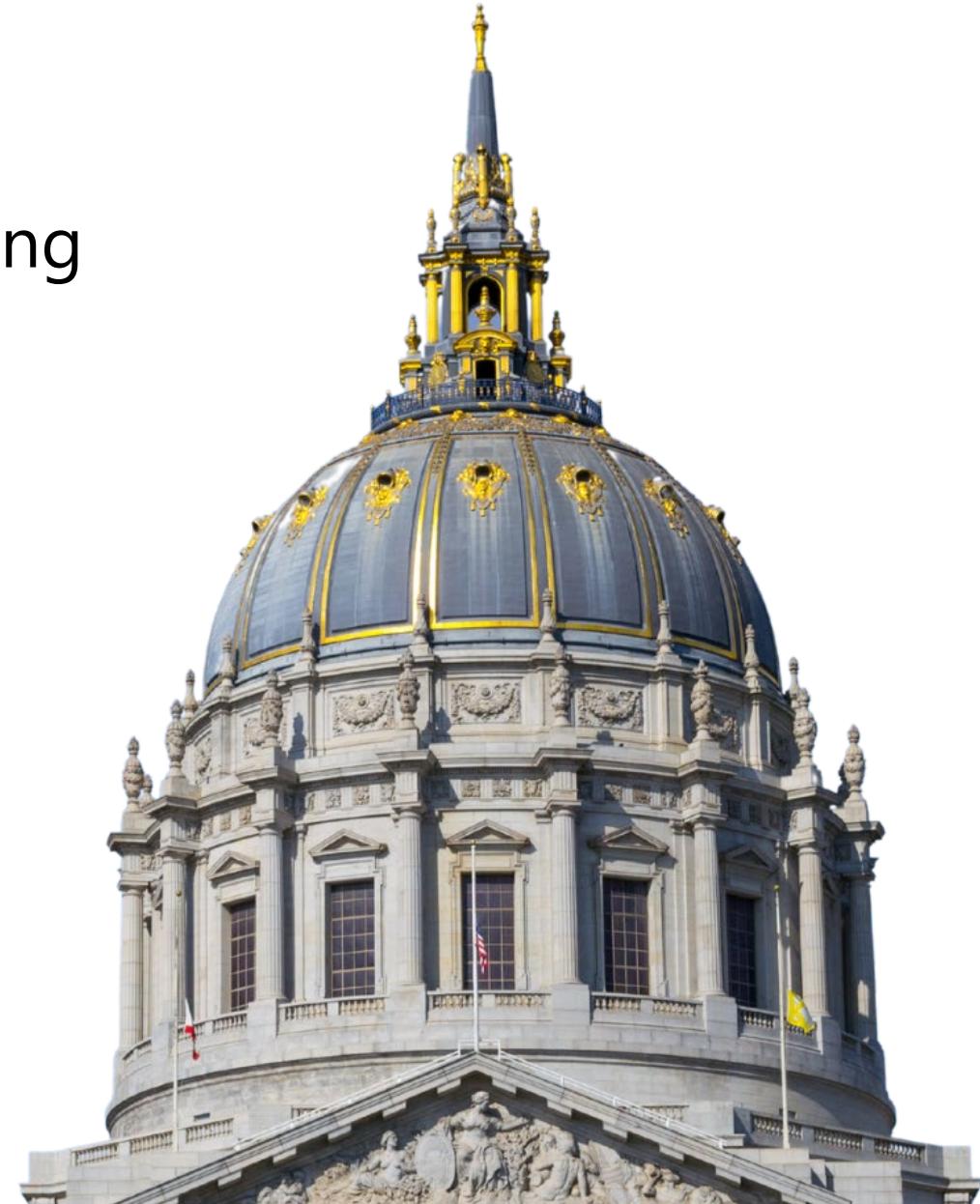
Public Comment

Appendix

Appendix: Departments in the Charter

Key Principle: Moving departments to the Administrative Code preserves flexibility and allows City structures to better adapt to new needs.

Potential rationale for inclusion in the Charter

Is under an elected official	**Performs key City oversight functions**	**Has authority over assets and/or funds**	**Has core public safety functions**
• E.g., Sheriff, Assessor/Recorder, District Attorney	• E.g., Controller, Ethics, Civil Service Commission	• Enterprise Depts, e.g., Public Utilities, MTA • Charitable Trust Depts, e.g., Fine Arts • Others, e.g., Retirement	• E.g., Fire, Police

Appendix: Voter-mandated funding requirements can be conceptualized into four categories

General Fund Spending Mandates	General Fund is transferred to special funds for specific uses (*e.g.,* MTA Muni and Parking & Traffic Baselines, Public Education Enrichment Fund).
Expenditure Requirements	Minimum appropriations that the City must meet every year, from General Fund or otherwise (*e.g,*. Children's Services Baseline; Our City, Our Home Baseline). Ensures dedications of funding (e.g., the Children's Fund) "do not supplant" base year funding levels.
Tax Dedications	Dedications of existing taxes to special funds for specific uses (*e.g.,* $0.025 per $100 NAV of Property Tax for the Library Preservation Fund).
Special Taxes	Taxes dedicated to a specific purpose, with all collections held in special funds (*e.g.,* Commercial Rents Tax for the Babies and Families First Fund).

Appendix: List of Voter-Mandated Funding Requirements (1 of 2)

Month	Year	Prop	Voter-Mandated Funding Requirement	Code Authorization	Category*	Ballot Placement
NOV	2024	G	Affordable Housing Opportunity Fund	Charter Sec. 16.132	GF Mandate	Citizen
NOV	2022	J	Student Success Fund	Charter Sec. 16.131	GF Mandate	Board
NOV	2022	M	Empty Homes Tax (Housing Activation Fund)	Bus. and Tax Code, Article 29A	Special Tax	Citizen
MAR	2020	D	Commercial Vacancy Tax (Small Business Assistance Fund)	Bus. and Tax Code, Article 29	Special Tax	Board
NOV	2019	D	Traffic Congestion Mitigation Tax (TCM Fund)	Bus. and Tax Code, Article 32	Special Tax	Board
JUN	2018	C	Commercial Rents Tax (Babies and Families First Fund)	Bus. and Tax Code, Article 21	Special Tax	Citizen
JUN	2018	C	Early Care and Education (OECE) Baseline	Bus. and Tax Code, Article 21	Exp Req	Citizen
NOV	2018	E	Hotel Tax Dedication for Arts	Bus. and Tax Code, Article 7	Tax Dedication	Board
NOV	2018	C	Homelessness Gross Receipts Tax (Our City Our Home Fund)	Bus. and Tax Code, Article 28	Special Tax	Citizen
NOV	2018	C	Our City, Our Home (OCOH) Baseline	Bus. and Tax Code, Article 28	Exp Req	Citizen
JUN	2016	B	Recreation & Park Maintenance of Effort	Charter Sec.16.107	GF Mandate	Board
NOV	2016	I	Dignity Fund	Charter Sec. 16-128-3	GF Mandate	Board
NOV	2016	E	Street Trees Maintenance Fund	Charter Sec. 16.129	GF Mandate	Board
NOV	2014	B	MTA Population Adjustment Baseline	Charter Sec. 8A.105	GF Mandate	Board
NOV	2014	C	Transitional Aged Youth Baseline	Charter Sec. 16.108	Exp Req	Board

Appendix: List of Voter-Mandated Funding Requirements (2 of 2)

Month	Year	Prop	Voter-Mandated Funding Requirement	Code Authorization	Category*	Ballot Placement
NOV	2012	C	Housing Trust Fund	Charter Sec. 16.110	GF Mandate	Board
NOV	2007	A	MTA 80% Parking Tax In-Lieu	Charter Sec. 8A.105	Tax Dedication	Board
MAR	2004	H	Public Education Enrichment Fund Baseline (renewed 2014)	Charter Sec. 16.123-2	GF Mandate	Board
MAR	2004	H	Public Education Enrichment Fund (renewed 2014)	Charter Sec. 16.123-2	GF Mandate	Board
NOV	2003	C	City Services Auditor	Charter Appendix F1.113	Exp Req	Board
NOV	1999	E	MTA - Municipal Railway Baseline	Charter Sec. 8A.105	GF Mandate	Board
NOV	1999	E	MTA - Parking & Traffic Baseline	Charter Sec. 8A.105	GF Mandate	Board
JUN	1994	E	Library Preservation Fund Baseline (renewed 2007, 2022)	Charter Sec. 16.109	GF Mandate	Board
JUN	1994	E	Library Preservation Fund Property Tax Set-Aside (renewed 2007, 2022)	Charter Sec. 16.109	Tax Dedication	Citizen
JUN	1994	D	Police Minimum Staffing (repealed 2020)	Charter Sec. 4.127 (repealed)	Other	Board
NOV	1991	J	Children's Fund Property Tax Set-Aside (renewed 2000, 2014)	Charter Sec. 16.108	Tax Dedication	Citizen
NOV	1991	J	Children's Services Baseline (renewed 2000, 2014)	Charter Sec. 16.108	Exp Req	Citizen
NOV	1974	J	Open Space Property Tax Set-Aside (renewed 1988, 2000)	Charter Sec. 16.107	Tax Dedication	Board
-	1935	-	Municipal Symphony Property Tax Set-Aside	Charter Sec. 16.106	Tax Dedication	Board