

Living Wage for Educators Act of 2018

BE IT ORDAINED by the People of the City and County of San Francisco as follows:

SECTION 1. Title.

This measure shall be known and may be cited as the “Living Wage for Educators Act of 2018.”

SECTION 2. Living Wage for Educators Act of 2018.

The Business and Tax Regulations Code is hereby amended by adding Article 16, consisting of Sections 1601 through 1609, to read as follows:

Article 16. Living Wage for Educators Parcel Tax

Section 1601. Title.

This Article shall be known and may be cited as “Living Wage for Educators Act of 2018” (hereinafter the “Act”).

Section 1602. Necessity and Authority.

A. The People of the City and County of San Francisco (hereinafter “the City”) have determined that:

1. A parcel tax is necessary to attract and retain quality teachers and staff within the San Francisco Unified School District (hereinafter the “School District”).
2. The Bay Area is one of the most expensive places to live in the country. Skyrocketing rents and the Bay Area’s affordability crisis have made it difficult for San Francisco teachers to make ends meet and nearly impossible for them to live in the City.
3. Great teachers are at the center of student achievement. San Francisco schools need the resources to employ great teachers, so every student has the opportunity to thrive.

4. In recent years, the School District has recently hired more than 500 teachers annually, but still has a teacher shortage. This measure will allow the School District to not only train and retain the best teachers but also recruit new high-quality teachers.
5. California schools have suffered from consistent underfunding. The state ranks 42nd in per-pupil spending across the nation. San Francisco can do something about that by supporting local programs that will prepare the City's students for college and 21st century jobs. All of the revenue from this measure will be spent right here in San Francisco public schools and cannot be taken away by the State.

B. This Article and the special tax authorized herein are adopted pursuant to Section 1.101 and other applicable provisions of the Charter, and Article XI sections 5 and 6 of the California Constitution.

Section 1603. Imposition.

A. A special non-*ad valorem* parcel tax (hereinafter the "Parcel Tax") is hereby established and shall be levied annually on the owner of each parcel of taxable real property within the City, unless the owner is by law exempt from taxation, in which case, the Parcel Tax shall be assessed to the holder of the possessory interest in such parcel, unless such holder is also by law exempt from taxation. The Parcel Tax is an excise tax on the use of property within the City.

B. The Parcel Tax shall hereby be established and levied each year, commencing July 1, 2018, on each parcel of taxable real property, improved or unimproved, within the boundaries of the City at the rate of two hundred and ninety-eight dollars (\$298.00) per year per parcel, and adjusting for inflation each year thereafter by the San Francisco All Items Consumer Price Index for All Urban Consumers (CPI-U) as reported by the United States Department of Labor's Bureau of Labor Statistics.

C. For the purposes of this Article, a "parcel of taxable real property" shall be defined as any unit of real property in the City which receives a separate tax bill for *ad valorem* property taxes from the City's Office of the Treasurer and Tax Collector (hereinafter the "Tax Collector").

D. The collection of the Parcel Tax shall commence July 1, 2018 and expire June 30, 2038.

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E. All property that the Tax Collector has determined to be otherwise exempt from property taxes, or on which no *ad valorem* property taxes have been levied, in any year shall also be exempt from the Parcel Tax in such year. The Tax Collector's determination of exemption or relief for any reason of any parcel from taxation, other than the Senior Citizen Exemption or Unit Owner Parking Space Exemption, shall be final on the taxpayer for purposes of the Act. Taxpayers desiring to challenge the Tax Collector's determination should do so under the procedures established by the Tax Collector's Office, applicable provisions of the California Revenue and Taxation Code or other applicable law. Taxpayers seeking any refund of taxes paid pursuant to the Act shall follow the procedures applicable to tax refunds pursuant to the California Revenue and Taxation Code.

F. An optional exemption (heretofore the "Senior Citizen Exemption") from the Parcel Tax will be made available annually to each individual in the City who attains 65 years of age prior to July 1 of the tax year, and who owns a beneficial interest in the parcel, and who uses that parcel as his or her principal place of residence, and who applies to the City on or before July 1 of each tax year, or during the first year of the tax at a date to be determined by the Tax Collector. Any application for such exemption must be submitted to the Tax Collector, pursuant to any rules and regulations of the Tax Collector, and must be renewed annually.

G. An optional exemption (heretofore the "Unit Owner Parking Space Exemption") from the Parcel Tax will be made available annually to each owner of a parcel of taxable real property which (1) is classified as a "parking space" by the City and County of San Francisco's Assessor-Recorder's Office, (2) is contiguous to an exempt residential parcel, and (3) includes shared ownership between both the parking space parcel and exempt residential parcel. Parcels of taxable real property which are considered parking lots or other commercial spaces shall not be exempted under this section. Any application for such exemption must be submitted to the Tax Collector, pursuant to any rules and regulations of the Tax Collector, and must be renewed annually.

Section 1604. Levy, Collection and Purpose.

A. The proceeds of the Parcel Tax shall be deposited into a special fund, maintained by the City, which proceeds, together with any interest and any penalties thereon, collected each fiscal year shall be used solely for the purposes set forth in this section. The proceeds from the Parcel Tax shall be expended only for these purposes.

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B. The City shall transfer all money deposited into the special fund to the School District for the purposes set forth in this section. The School District shall use these proceeds only for these purposes.

C. The proceeds collected by the levy of the Parcel Tax shall be used to:

1. Raise the salary of teachers so the School District can compete with other school districts in recruiting and retaining qualified and prepared teachers to support student achievement;
2. Raise the salary of paraeducators so the School District can better support individualized learning;
3. Increase staffing and supports at high-needs schools;
4. Increase staffing and program funding at Community Schools;
5. Provide additional professional development to all teachers and paraeducators;
6. Provide more competitive compensation and/or benefits to other School District personnel;
7. Invest in 21st century technology, including providing support for digital teaching and learning tools for students, educators and families;
8. Allocate funds to public charter schools in the City; and
9. Provide oversight to make sure the proceeds from the Parcel Tax are only spent for the purposes approved by voters.

D. The purposes set forth in this section shall constitute the specific purposes of the Act, which are specific and legally binding limitations on how the proceeds of the tax can be spent. The proceeds of the Parcel Tax shall be used only for such purposes and shall not fund any program or project other than those set forth herein.

E. The City shall, with every disbursement made pursuant to this Article, require the District to verify in writing that it will use the funds only for the purposes set forth in this section.

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F. The Parcel Tax shall be collected by the Tax Collector at the same time and in the same manner and shall be subject to the same penalties as *ad valorem* property taxes collected by the Tax Collector.

Section 1605. Controller's Report

The City's Office of the Controller (hereinafter the "Controller") shall prepare a report on at least an annual basis which shows the amount of funds collected and expended, and the status of any project required or authorized to be funded, by the Parcel Tax. The Controller shall file each report with the Mayor, Board of Supervisors and the oversight committee referenced in this Article.

Section 1606. Supplement to Existing School District Funding.

A. The People of the City and County of San Francisco find and declare that major urban school districts such as San Francisco serve an ethnically and economically diverse student population which requires more resources than currently provided. In adopting this Parcel Tax, the people of San Francisco choose to provide additional City resources to complement, and not supplant, City, State, Federal and other funding for the School District.

B. Consistent with subsection (a), the People of the City and County of San Francisco specifically find that their contributions to and disbursements from the special fund authorized by this Article are discretionary expenditures by the City for the direct benefit of the children of San Francisco, their families, and the community at large. In the event that the State attempts, directly or indirectly, to redistribute these expenditures to other jurisdictions or to offset or reduce State or Federal funding to the School District because of the contributions to and disbursements from the special fund authorized by this Article, the City shall transfer said monies that would otherwise be distributed to the School District each year from the special fund to the City's Children's Fund established in Charter section 16.108, or such other fund as the Board of Supervisors may designate, to be spent for purposes which are substantially equivalent to the purposes set forth in this Article.

C. This Parcel Tax is intended to be in addition to and not to replace any other monies provided by the City to the School District, including but not limited to the Public Education Enrichment Fund (hereinafter "PEEF"). This Article does not authorize a reduction in disbursements from the City to PEEF.

Section 1607. Increase in Appropriations Limit.

To the extent that the revenue from the Parcel Tax is in excess of the spending limit for the City, as provided for in applicable provisions of the California Constitution and state law, the approval of the Act by the voters shall constitute approval to increase the City's spending limit in an amount equal to the revenue derived from the Parcel Tax for the maximum period of time as allowed by law.

Section 1608. Oversight.

The oversight committee created pursuant to Proposition A on the June 2008 San Francisco ballot shall, starting with the Act's first operative year, submit a report on at least an annual basis to the Mayor, Board of Supervisors and Board of Education evaluating whether the proceeds from the Act are being properly expended for the purposes set forth in the Act. If this body is unwilling or unable to perform this function for any reason, then the City shall establish an oversight committee to submit a report on at least an annual basis to the Mayor, Board of Supervisors and Board of Education evaluating whether the proceeds from the Act are being properly expended for the purposes set forth in the Act.

Section 1609. Severability.

If any provision of this Article, or section or part thereof, or the applicability of any provision, section or part to any person or circumstances, is for any reason held to be invalid or unconstitutional, the remaining provisions, sections and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions, sections and parts of this Article are severable. The voters hereby declare that this Article, and each section, provision and part, would have been adopted irrespective of whether any one or more provisions, sections or parts are found to be invalid or unconstitutional.

SECTION 3. Effective Date and Operative Date.

This measure shall become effective upon its approval by a simple majority of electors voting on the measure. This measure shall become operative on July 1, 2018.

SECTION 4. Statement of Facts.

The Living Wage for Educators Act of 2018 creates a non-*ad valorem* parcel tax of \$298 on each parcel of taxable real property in the City and County of San Francisco,

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the proceeds of which are specifically limited and shall be used solely for teacher, paraeducator and School District personnel compensation, increased staffing, support and programming at high-needs schools and Community Schools, professional development, technology, public charter schools, and spending oversight.

SECTION 5. Severability.

If any provision of this measure, or part thereof, or the applicability of any provision or part to any person or circumstances, is for any reason held to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions and parts of this measure are severable. The voters hereby declare that this measure, and each portion and part, would have been adopted irrespective of whether any one or more provisions or parts are found to be invalid or unconstitutional.

SECTION 6. Conflicting Measures.

This measure is intended to be comprehensive. It is the intent of the People of the City and County of San Francisco that, in the event this measure and one or more measures relating to a special tax to fund compensation for School District staff shall appear on the same ballot, the provisions of the other measure or measures shall be deemed in conflict with this measure. In the event that this measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void. If this measure is approved by a majority of the voters but does not receive a greater number of affirmative votes than any other measure or measures appearing on the same ballot regarding a special tax to fund compensation for School District staff, then this measure shall take effect to the extent not in conflict with said other measure or measures.

SECTION 7. Liberal Construction.

This measure is an exercise of the initiative power of the People of the City and County of San Francisco to implement a special tax to fund the purposes set forth in the Act, and shall be liberally construed to effectuate these purposes.

SECTION 8. Municipal Affairs.

The People of the City and County of San Francisco hereby declare that providing funding to the San Francisco Unified School District through a parcel tax for the purposes

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set forth in this measure constitutes a municipal affair. The People hereby further declare their desire for this measure to coexist with any similar tax measures adopted at the city, county or state levels.

SECTION 9. Home Rule.

The authority to pass this measure is derived from San Francisco's home rule powers outlined in Section 1.101 and other applicable provisions of the Charter, and Article XI sections 5 and 6 of the California Constitution. The People of the City and County of San Francisco declare their intent that this citizen initiative be enacted, and the parcel tax be collected for the entire uninterrupted time period described herein, if this measure is approved by a simple majority of voters pursuant to the California Supreme Court case of California Cannabis Coalition v. City of Upland (2017) 3 Cal.5th 924. To the extent that the California Constitution or state law is amended, after this measure is passed by voters, to change or create additional voting requirements to implement or to continue to implement this measure, the People of the City and County of San Francisco declare their intent that such amendments should be applied prospectively only and not apply to, or in any way affect, this measure.

SECTION 10. Legal Defense.

The People of the City and County of San Francisco desire that this measure, if approved by the voters and thereafter challenged in court, be defended by the City. The People, by approving this measure, hereby declare that the proponent(s) of this measure have a direct and personal stake in defending this measure from constitutional or statutory challenges to the measure's validity or implementation. In the event the City fails to defend this measure, or the City fails to appeal an adverse judgment against the constitutionality, statutory permissibility or implementation of this measure, in whole or in part, in any court of law, the measure's proponent(s) shall be entitled to assert his, her or their direct personal stake by defending the measure's validity and implementation in any court of law and shall be empowered by the People through this measure to act as agents of the People. The City shall indemnify the proponent(s) for reasonable expenses and other losses incurred by the proponent(s), as agent(s), in defending the validity and/or implementation of the challenged measure. The rate of indemnification shall be no more than the amount it would cost the City to perform the defense itself.

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