

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: 09/21/09

Reviewed by BP

SUBJECT: Endorsement of AUSD Ballot Measures

REPORT BY: Jacqueline L. Bucholz, CMC, City Clerk

MAYOR RECOMMENDATION

That the Albany City Council go on record endorsing the AUSD ballot measures, Proposition I & J, which will appear on the November 3, 2009 ballot.

BACKGROUND

The Albany Unified School District (AUSD) at its meeting on August 4, 2009, approved two Parcel Tax Initiatives to be placed before the electorate on the November 3, 2009, ballot. These two measures would help to maintain important school programs and to restore services lost due to unprecedented State budget cuts.

A parcel tax is the only kind of tax that voters in a school district can choose to impose to pay for the operation of schools. Aside from a parcel tax, all property taxes go to the State, which then decides how much to send back to school districts for schools.

Proposition I – Emergency Parcel Tax. This would help to restore teacher positions and student services lost because of deep and unprecedented State budget cuts, including school safety and security, reading and math support, music, art and library services.

Proposition I provides short-term revenue to replace funding that was cut by the Governor and Legislature in the most recent State budgets and it also includes senior exemption and exemptions for low-income homeowners and renters.

Proposition J – Combines Existing Parcel Taxes without increasing tax. This combines 3 existing special school taxes, into a single annual tax with senior and low-income exemptions.

Proposition J provides funds for school library and mental health services, science, technology, arts, music courses and athletics, small class sizes and attracting and retaining highly qualified teachers. The tax does not increase and provides an ongoing revenue stream that replaces State funding, which has been increasingly limited. It extends the senior exemption and exemptions for low-income homeowners and renters to all three prior taxes and makes the 2005 Parcel Tax permanent.

The taxes are calculated, as follows: Nonresidential: Proposition I: 3 cents/square foot or \$149, whichever is greater. Proposition J: 11 cents/square foot or \$555, whichever is greater. Residential: Proposition I: \$149/parcel. Proposition J: \$555/parcel. Taxes are adjusted annually for inflation and annual audits are required.

DISCUSSION

Albany is recognized as a great city to live in due to many factors, one of which is the School District. Unfortunately, the City and the District both are feeling the impacts of a severe recession and the loss of revenue – including State budget actions that reduce local resources. The District is pursuing the tax measures as a means to maintain the educational quality expected by the community.

At the Council meeting of September 8, 2009, the City Council deferred action on this request, as they would like to see the full text of the measures that has been submitted to the County.

Attached for Council review the Board of Education Resolution No. 2009-10-01 with full text of measure attached and Resolution No. 2009-10-02.

The City Council also questioned whether Mayor Atkinson could participate in the discussions and vote, as she is a retired District employee who may have a conflict of interest.

The Mayor has determined that she does not have a conflict of interest in this matter because her retirement provisions from the District do not have relationship to the success or failure of the measures.

SUSTAINABILITY IMPACT

Not applicable.

FINANCIAL IMPACT

None directly to the City from endorsing the measures. A healthy school district indirectly benefits the city by helping to maintain strong property values.

Attachments: AUSD Resolution No. 2009-10-01 & 02.