



MEETING DATE: 5/1/06
ITEM NO. 3

COUNCIL AGENDA REPORT

DATE: April 25, 2006
TO: MAYOR AND TOWN COUNCIL
FROM: DEBRA J. FIGONE, TOWN MANAGER
SUBJECT: ADOPT A RESOLUTION TO ENDORSE AND SUPPORT PROPOSITION 81, CALIFORNIA READING AND LITERACY IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 2006.

RECOMMENDATION:

Adopt a resolution to endorse and support Proposition 81, California Reading and Literacy Improvement and Public Library Construction and Renovation and Bond Act of 2006.

BACKGROUND:

For the most part, municipalities and special districts pay the cost of operating and building local libraries. The State of California also provides grant opportunities to help pay for the construction and renovation of library facilities, typically through general obligation bonds. In 1988, state voters approved Proposition 85 for \$75 million in general obligation bonds, and in 2000 approved Proposition 14 for an additional \$350 million in bond funds.

These grant programs required local agencies to pay for 35 % of the cost of the project with their own funding. Proposition 14 funded 45 projects, many of which are currently under way. Eligible applications were submitted for an additional 60 projects which were not funded. These unfunded applications sought \$506 million in state bond funding.

A 2003 needs assessment, conducted by the California State Library, concludes there are more than 500 library building needed in the next five years in California.

PREPARED BY:

Peggy Conaway
Library Director

Reviewed by: PSJ Assistant Town Manager AK Town Attorney _____ Clerk Administrator
_____ Finance _____ Community Development Revised: 4/25/06 12:39 pm

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MAYOR AND TOWN COUNCIL

SUBJECT: ADOPT A RESOLUTION TO ENDORSE AND SUPPORT PROPOSITION 81,
CALIFORNIA READING AND LITERACY IMPROVEMENT AND PUBLIC
LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 2006.

April 25, 2006

DISCUSSION:

Proposition 81 allows the state to sell \$600 million in general obligation bonds for construction and renovation of local library facilities. By combining a 65% state match with 35% locally generated funds, Proposition 81 would actually result in nearly \$900 million being spent to expand access to reading and literacy programs in California's public education system and to expand access to public library services for all residents of California. The fiscal impact to the state would be about \$1.2 billion over 30 years to pay off both the principal (\$600 million) and interest (\$570 million) cost of the bonds.

The state would use these bonds to fund the construction of new libraries, expand or renovate existing libraries, acquire land for new or expanded libraries, and provide for related furnishings and equipment. By law, local governments cannot use this bond money for books and other library materials, certain administrative costs of the project, interest costs or other charges for financing the project, or for ongoing operating costs of the new or renovated facility.

These funds will build homework centers for students, expand literacy centers and facilities for reading programs, and upgrade electrical and telecommunications systems to accommodate computers and increased Internet access for students, people with disabilities, and adult learners.

The new program grants first priority to eligible applications submitted but not funded under Proposition 14. No more than \$300 million of new funding would be reserved for these applications. The remaining bond funds would be available for new applications. The measure also reserves \$25 million for "joint use" projects serving both a library and a public education institution.

The proposition provides for a seven-member state board to adopt policies for the program and decide which local agencies would receive grants. In reviewing new applications the board must consider factors such as the needs of urban, suburban and rural areas, the age and condition of existing facilities in the local area, and the financial ability of the local agency to operate library facilities.

CONCLUSION:

Staff recommends that Council adopt a resolution to support and endorse Proposition 81.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT:

None

Attachments:

1. Resolution
2. Letter from Ann Cousineau, Chair, Californians for Literacy and Community Libraries

Distribution:

General

cc: Yes on Prop. 81
1215 19th Street, 2nd floor
Sacramento, CA 95814

RESOLUTION NO.

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS TO ENDORSE AND SUPPORT PROPOSITION 81, CALIFORNIA READING AND LITERACY IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 2006.

WHEREAS, the State of California provides grant opportunities to help pay for the construction and renovation of library facilities, typically through general obligation bonds, and

WHEREAS, a 2003 needs assessment conducted by the California State Library concludes there are more than 500 library buildings needed in California in the next five years, and

WHEREAS, Proposition 81 allows the state to sell \$600 million in general obligation bonds for construction and renovation of local library facilities, and

WHEREAS, Proposition 81 would actually result in nearly \$900 million being spent to expand access to reading and literacy programs in California's public education system and to expand access to public library services for all residents of California, and

WHEREAS, the state would use these bonds to fund grants for the construction of new libraries, expand or renovate existing libraries, acquire land for new or expanded libraries, and provide for related furnishings and equipment;

NOW THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Los Gatos, that the Town Council endorses and supports Proposition 81, the California Reading and Literacy Improvement and Public Library Construction and Renovation Act of 2006.

PASSED AND ADOPTED at a _____ meeting of the Town Council of the Town of Los Gatos, California, held on the _____ day of _____, 200_ by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA