TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: CITY MANAGER’S OFFICE
DATE: SEPTEMBER 20, 2004 CMR:414:04

SUBJECT: ADOPTION OF A RESOLUTION IN SUPPORT OF MEASURE I, THE PALO ALTO UNIFIED SCHOOL DISTRICT PARCEL TAX

RECOMMENDATION

Staff recommends that Council adopt a resolution of support for the Palo Alto Unified School District (PAUSD) parcel tax.

BACKGROUND

The Palo Alto Unified School District has experienced significant budget shortfalls as a result of the continuing state budget problems, local economic circumstances, and increasing enrollment. In response to these conditions, the District has proposed a parcel tax, which is set for a vote by the citizens of Palo Alto on November 2, 2004.

DISCUSSION

The District is currently receiving supplemental funding ($293/year per parcel) from a parcel tax measure that was approved in 2001. This parcel tax is scheduled to expire in June 2006. This measure effectively extends the expiration date to 2012 and increases the annual parcel tax to $521.

According to PAUSD information, the new parcel tax will be used to “maintain essential educational programs and preserve academic performance.” The District has already gone through the process of reducing administrative positions wherever possible. Any additional cuts to the District budget will most likely result in the degradation of Palo Alto schools as they would affect the core of the schools educational objectives. The successful passage of the parcel tax will help to prevent teacher layoffs and maintain the high quality schools that Palo Alto desires.
RESOURCE IMPACT

Passage of the proposed PAUSD parcel tax, as does the passage of any tax that has a financial impact on Palo Alto residents and businesses, may affect future City revenue raising proposals. For example, the City is preparing a proposed Storm Drain Fee increase to improve its storm drainage system. Passage of a new fee will be dependent on the ability of property owners to absorb the fee if the PAUSD parcel tax is approved.

POLICY IMPLICATIONS

This resolution is consistent with existing City policies.

ENVIRONMENTAL REVIEW

This staff report does not represent a project under the California Environmental Quality Act (CEQA).

ATTACHMENTS

Attachment A:  Resolution – PAUSD Parcel Tax

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