



County of Los Angeles
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DAVID E. JANSSEN
Chief Administrative Officer

March 31, 2006

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From: David E. Janssen
Chief Administrative Officer

MOTION TO SUPPORT PROPOSITION 81, THE CALIFORNIA READING AND LITERACY IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 2006 (ITEM NO. 87-D AGENDA OF APRIL 4, 2006)

Item No. 87-D on the April 4, 2006 agenda is a motion by Supervisor Burke to support Proposition 81, the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006, and encourage County voters to support the ballot measure at the June 6, 2006 California Statewide Primary Election.

In 2000, California voters approved Proposition 14, the California Library Construction and Renovation Bond Act which authorized \$350 million in State General Obligation bonds for the acquisition, construction, remodeling or rehabilitation of public library facilities. Proposition 14 funds have been fully expended; however, because of the large number of applicants, approximately 75 percent of all eligible library bond applications were not awarded grants.

Proposition 81, placed on the ballot by enactment of SB 1161 (Alpert) in 2004, would authorize \$600 million in State General Obligation Bonds to finance library construction and renovation, subject to voter approval. A specified bond board would award funds for up to \$20 million per project. Local agencies would be required to pay 35 percent of the project cost. The first priority would be to allocate up to 50 percent of the bond funds, \$300 million, to eligible but unfunded applicants from the 2000 Library Bond Act. Of this amount, \$25 million would be reserved for projects serving both a library and public education institution. Grant funds could not be used for books, certain administrative costs, interest payments, or operating costs.

According to the County Librarian, the department submitted four projects under the 2000 Library Bond Act and three cities served by the County also submitted projects. Although two of the County Library (Library) projects were funded, two County projects and three City projects were not funded and are now eligible. The County's East San Gabriel Valley Regional Library and the Topanga Canyon Library were eligible for \$16.2 million and \$5.2 million, respectively from the previous 2000 bond measure. In addition, three cities served by the Library, which applied under Proposition 14 and were not funded, would be eligible under the new bond: 1) the City of Duarte is eligible for \$5.1 million; 2) Diamond Bar, \$6.5 million; and 3) West Hollywood, \$18.3 million.

The County Librarian indicates that the library faces a serious long-term problem with outdated and crowded library facilities. Financial limitations have prevented the Library from expanding or replacing its facilities to any significant degree since the 1970s. Among the current County library buildings, 74 percent are 30 years and older, and 29 percent are 40 years and older. Over the past 20 years, the Library's service area population has increased 39 percent. By 2020, the Library will need to add 10 new library service areas with new facilities, and replace 67 of its existing buildings.

According to the Legislative Analyst's Office, the State will pay off these bonds over a period of 30 years. If the bonds sell at an average interest rate of five percent, total debt service would be approximately \$1.2 billion.

Proposition 81 is supported by the California Library Association, the League of Women Voters, the California Federation of Teachers, the Congress of California Seniors and the California Business Roundtable, and is opposed by the Howard Jarvis Taxpayers Association and the National Tax Limitation Committee.

Because this measure will provide funding for library construction and renovation, the County Librarian recommends that the County support Proposition 81. Support for this measure is consistent with the Board's action to support Proposition 14 on January 4, 2000; however, a position on a bond related initiative, such as Proposition 81, is a matter of Board policy determination.

DEJ:GK
MAL:RM:cc

c: Executive Officer, Board of Supervisors
County Counsel
County Librarian