

DPSC Endorsement Panel Report – January 9, 2020

MEASURE D (CITY OF ISLETON)

Measure D is a special tax that would impose a 0.75% sales tax to fund fire protections services in Isleton. Requires a 2/3 vote for passage.

Proponents Interviewed:	Opponents Interviewed:
None. Proponents did not reply to interview invite.	None. There is no formal opposition.

Interview Panel Recommendation:

Adopt a “Yes” position in support of Measure D (Ayes: 5; Noes: 1).

Panel Members: Andres Ramos (chair), Dennessa Atilas, Dillon James, Darrow Sprague, Rachelanne Vander Werf, Eric Wiesenthal.

Panel Report:

The proponents of Measure D were unavailable to interview but the panel decided that the DPSC should nevertheless adopt a position on the measure. The city of Isleton has one paid fire chief and the rest of its fire department is all-volunteer. Isleton is a small community in the Delta panhandle of our county that we have not had much opportunity to engage with. However, it consistently votes Democratic and elects Democrats to its city council. It’s also a community that struggles with poverty and bleak economic vitality. While we are not enthusiastic about increasing the regressive sales tax burden on a low-income community, we recognize that this measure would merely extend the city’s existing sales tax to fund fire protection services and would only slightly increase the rate. We were concerned that the measure eliminates the requirement for a citizen oversight committee, but we imagine that this is because as such a small community the city struggles to recruit residents to apply and serve on city boards and commissions (for example, the city struggles to fill vacancies on its planning commission).

We also believe that supporting this measure would be a good opportunity for the DPSC to engage Democrats in Isleton and give that community some much-needed attention. Accordingly, the panel recommends a “Yes” position in support of Measure D.

Executive Board Recommendation:

Uphold the interview panel’s recommendation to adopt a “Yes” position in support of Measure D (Ayes: 7; Noes: 0).

MEASURE E (LOS RIOS COMMUNITY COLLEGE DISTRICT)

Measure E is a school facilities bond that would authorize the issuance of \$650 million in bonds. Requires a 55% vote for passage.

Proponents Interviewed:	Opponents Interviewed:
Deborah Ortiz, Los Rios College Trustee.	None. There is no Democratic opposition.

Interview Panel Recommendation:

Adopt a “Yes” position in support of Measure E (Ayes: 5; Noes: 0).

Panel Members: Andres Ramos (chair), Dennessa Atilas, Dillon James, Darrow Sprague, Eric Wiesenthal.

Panel Report:

The panel interviewed Los Rios Trustee Deborah Ortiz. Trustee Ortiz explained that the district’s existing bond measure is set to expire and Measure E would replace it. She discussed the broad need for improvements district-wide and at every campus, but especially at older campuses like Sacramento City College (SCC) and American River College (ARC). The measure would likely also have some investment in the satellite campuses that have been successful in extending the district’s reach to communities that are not near any of the four main campuses. Trustee Ortiz also explained that the bond receives its own separate financial audit, which allows for independent oversight. She further explained that when there’s an economic downturn district enrollment increases, which increases the need for investment in facilities. With an economic downturn expected on the horizon, the district is planning on being prepared for meeting the corresponding facilities needs that will accompany increased enrollment.

The panel recognizes the need for investing in the district’s facilities, especially in older campuses like ARC and SCC. We would like to see the bond invested in replacing portable classrooms with permanent facilities. We appreciate that the district has been fiscally responsible and that it is planning ahead for increased enrollment. Accordingly, the panel recommends a “Yes” position in support of Measure E.

Executive Board Recommendation:

Uphold the interview panel’s recommendation to adopt a “Yes” position in support of Measure E (Ayes: 7; Noes: 0).

MEASURE G (CITY OF SACRAMENTO)

Measure G is an initiative measure that would require the City of Sacramento to spend at least 2.5% of its unrestricted general fund on youth services. Requires a majority vote for passage.

Proponents Interviewed:	Opponents Interviewed:
Jim Keddy, Sac for Kids Yes on G campaign.	Heather Fargo, Former Mayor of Sacramento; Rivkah Sass, Director, Sacramento Public Library.

Interview Panel Recommendation:

Adopt a “No” position in opposition to Measure G (Ayes: 4; Noes: 2).

Panel Members: Andres Ramos (chair), Dennessa Atilas, Dillon James, Darrow Sprague, Rachelanne Vander Werf, Eric Wiesenthal.

Panel Report:

The panel interviewed Jim Keddy as a proponent. Mr. Keddy discussed how the measure qualified for the ballot with the support and funding of a coalition of nonprofits and community leaders. He explained that the need driving the measure is that the city of Sacramento only invests 1% of the city’s budget in youth. The measure is based on a city of Oakland measure that similarly directs the spending of a percentage of the city budget on youth. On a question about ballot box budgeting, Mr. Keddy replied that this is an appropriate case for ballot box budgeting because the city council cannot be relied on to make the needed investments. With regard to oversight of nonprofits, he explained that oversight would be provided by an oversight committee appointed by the city council.

The panel interviewed Heather Fargo and Rivkah Sass as opponents. Mayor Fargo and Ms. Sass explained that the city is facing many fiscal constraints and needs, and this measure would make it harder for the city to appropriately meet those needs because it would require cutting certain services. They emphasized that the 2.5% is not funded by new revenues, but will just be cut from existing city services and redirected to nonprofits or other city departments. Mayor Fargo commented that all city services serve the community and youth, directly or indirectly, and that the city actually spends approximately 7.5% on youth. Ms. Sass talked about how the Sacramento Public Library relies on 40% of its funds from the city of Sacramento and provides a range of services for the community and youth, but would likely lose critical funding due to this measure despite doing much work that benefits youth.

The panel debated this measure extensively. The panel is concerned that this measure is ballot box budgeting that will result in the cutting of important services. Had this measure been written as a special tax with a dedicated revenue stream that does not take money from existing city services, the panel would have supported the measure—but it doesn't do that. It's possible that city departments and other city-funded agencies who lose funding under this measure could get their funding back and potentially get more, but the idea of making agencies like the Sacramento Public Library have to jump through the hurdles of going through a "bid process" to keep funding they're already getting seems like an inefficient exercise. We are also concerned about the funding of nonprofits, some of which funded the qualification of this measure and would benefit from its passage. The transfer of city dollars from city departments or city-funded agencies to private nonprofits to provide services looks to us like outsourcing of city services. Additionally, the measure's language is lacking in how the city will hold nonprofits accountable in ensuring that they spend the funds on youth and not just pad their pockets. The measure provides that the oversight commission will establish metrics and assess progress toward service goals, which is good, but since public money is involved the public should have the right to know how every penny is used. Lastly, we are concerned that this measure's adoption would have the unintended consequence of promoting an attitude at city hall that the city doesn't need to voluntarily invest any more in youth services because Measure G already has that covered. We recognize the important goals that this measure aims to achieve, understand the need to more substantially invest in our youth, and appreciate the work that the proponents are doing to make that happen, but we don't believe that this measure is the right way to do it. Accordingly, the panel recommends a "No" position in opposition to Measure G.

Executive Board Recommendation:

None – open ballot vote by membership (Ayes: 4; Noes: 3).

MEASURE H (SACRAMENTO CITY UNIFIED SCHOOL DISTRICT)

Measure H is a school facilities bond that would authorize the issuance of \$750 million in bonds. Requires a 55% vote for passage.

Proponents Interviewed:	Opponents Interviewed:
Cecile Nunley, official proponent.	None. There is no formal opposition.

Interview Panel Recommendation:

Adopt a "Yes" position in support of Measure H (Ayes: 4; Noes: 0; Abstentions: 1).

Panel Members: Andres Ramos (chair), Dennessa Atilas, Dillon James, Darrow Sprague, Eric Wiesenthal.

Panel Report:

The panel interviewed Cecile Nunley. She explained that most of the Sacramento City Unified School District (SCUSD)'s facilities are at least 50 years old and this bond measure would invest in needed

technology infrastructure and bringing facilities up to code, such as for ADA upgrades. Ms. Nunley explained that this measure would supplement, not replace, the district's previous bond measures. That would raise the current tax of \$114 per \$100,000 of assessed value by an additional \$50 to \$164 per \$100,000 of assessed value. She explained that the priority of which schools or other facilities get invested in first is decided by the district's administration and is based on a needs assessment. Ms. Nunley explained that the debt payment of the bond's principal and interest is paid for exclusively by the property tax increase and that the district's general fund is not on the hook for any payments.

The panel was very apprehensive about supporting Measure H. SCUSD has been in a financial mess and is struggling to avoid state takeover. The panel was concerned that adding more debt to the district's debt burden would only exacerbate its fiscal problems. However, the panel's concerns were assuaged by Ms. Nunley's clarification that the district's general fund would not be on the hook for the debt payments. Nevertheless, the district's fiscal mess still raises concerns about the ability of the district's leadership to responsibly manage debt, which underscores the need for accountability in the oversight of this bond to ensure that it is managed in a responsible manner. The panel is also concerned about ensuring that the bond funds are invested in an equitable manner throughout the district—for example, it would be inequitable for C.K. McClatchy High School to see substantial investment from this bond while Luther Burbank High School gets left behind. Ms. Nunley explained that the decision on which projects receive priority would be based on a "needs assessment." However, it's unclear whether the determination of "need" will adequately consider socioeconomic disparities between schools and the communities that their student bodies represent. We believe that the district needs to incorporate an equity perspective into its analysis of need to ensure that the bond funds are invested in a truly equitable manner. We are concerned that this hasn't been the case under the previous bond measures because there are facilities improvements at schools in underserved communities that have not been addressed.

The panel recommends that SCUSD consider the foregoing issues to ensure that the public's confidence in the district's ability to be fiscally responsible can be restored and that it create real metrics for considering equity in determining "need" when prioritizing the funding of projects. With those caveats, the panel recommends a "Yes" position in support of Measure H.

Executive Board Recommendation:

Uphold the interview panel's recommendation to adopt a "Yes" position in support of Measure H (Ayes: 7; Noes: 0).