

AUSTIN MONITOR



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CITY COUNCIL

Nonprofit funds OK'd despite Flannigan questions

In spite of Council Member Jimmy Flannigan's effort to postpone the vote, Council last week approved adding \$319,000 to a contract with Capital IDEA for funds to train young adults for entry into the workforce. The total for the six-year contract is now pegged at more than \$10.6 million.

As Flannigan explained to the *Austin Monitor*, "I pulled a long list of procurement items because of the tax caps and my hesitation to enter into long-term obligations with vendors when I cannot be sure I can afford long-term obligations." Three of those items were postponed as part of the Council consent agenda and several other items were postponed at staff's request.

Under legislation approved by the Legislature this spring, if a municipality wants to raise more than 3.5 percent in property tax revenue than it did the previous year, it must hold an election and get voter approval. The new law will take effect in January 2020. The current cap is 8 percent and the majority of urban and suburban cities and counties are expected to raise taxes the maximum amount this fall in order to put them in a better position when the new law takes effect.

Flannigan and his colleagues [have expressed concern on several occasions](#) about how the city can pay its bills under the 3.5 percent cap on property tax revenue growth.

Rabbi Alan Friedman asked Council not to postpone consideration of the new funds for Capital IDEA. He said the nonprofit has started recruiting 50 students to go through the job training program this summer. “That was done in reliance on the fact that this program was part of the budget for this particular year. We worked hard during the course of this year to meet the standards that were set for these funds ... and city staff has agreed that is the case,” he said.

Friedman, who said he was representing Interfaith Austin, added that Capital IDEA has worked very hard to get state funding for their program and that would be jeopardized if they lost the city funding.

The matter was pulled off the consent agenda in the morning and Flannigan made a motion to postpone when it came up in the evening. However, none of his colleagues provided a second to his motion, so he joined the other Council members on the dais and approved the item. Council Member Natasha Harper-Madison and Mayor Steve Adler were absent at the time of the vote, although Adler had been there earlier in the day.

One thing that particularly bothers Flannigan is that when Capital IDEA came for approval of the additional funding, it “had already taken steps that relied upon getting this funding even before we had voted on it,” he said.

In an email to the Monitor, Capital IDEA executive director Steve Jackobs clarified, “The Fall ACC semester starts August 16, and we optimally want a three-month window for outreach, assessing and planning with interested folks. No obligations to start in August had yet been made with the \$319,000.”

According to the Capital IDEA website, the nonprofit partners with Austin Community College to offer training for careers in information technology, health care, automotive repair and electronics, and others.

Flannigan will undoubtedly bring up this issue whenever there are new contracts or contract amendments on the Council agenda. Council voted 7-0 to approve the increased funds with Mayor Steve Adler and Council members Kathie Tovo, Greg Casar and Natasha Harper-Madison absent for the vote.

This article has been updated since publication to clarify the Capital IDEA contract. Photo courtesy of Capital IDEA.

<https://www.austinmonitor.com/stories/2019/06/nonprofit-funds-okd-despite-flannigan-questions/>