



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Letter to Governor re: AB 2797 - Education Revenue Augmentation Fund

MEETING DATE: Wednesday September 18, 1996

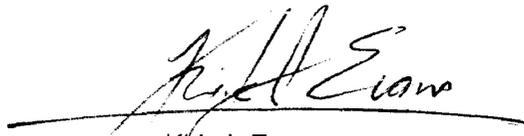
PREPARED BY: Kirk J. Evans, Assistant to the City Manager

RECOMMENDED ACTION: That City Council by motion action authorize Mayor Warner to send a letter to the Governor re: AB 2797 - Education Revenue Augmentation Fund.

BACKGROUND INFORMATION: In 1993-94, the State of California reduced appropriations drawn from its revenue sources and provided to schools. To make up the difference, the Education Revenue Augmentation Fund was created. Revenues were obtained by shifting City, County and Special District property tax revenues into the fund. To date, the City of Lodi has contributed \$3,450,860.

The economic climate in California has improved relative to a few years ago. It is now felt the State has sufficient funding to begin restoring its support for schools back to traditional levels. AB 2797 allows cities to retain growth in property tax revenues transferred to the Education Revenue Augmentation Fund beginning in 1997-98. The amount of revenue transferred would be capped for each local agency at the amount transferred in 1996-97. Savings to cities in California from this cap on the amount of property tax transferred would be about \$30 million in 1997-98. Savings in future years would depend on the growth in assessed value.

FUNDING: N/A - the purpose of this action is to hopefully add revenue to the City's general fund.


Kirk J. Evans
Assistant to the City Manager

APPROVED: _____


H. Dixon Flynn -- City Manager

CITY COUNCIL

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September 19, 1996

The Honorable Pete Wilson
Governor
State Capitol, First Floor
Sacramento, CA 95814

Dear Governor Wilson:

On behalf of the City Council and residents of the City of Lodi, I urge your support and signature of AB 2797 (Aguiar), recently passed by both the Senate and Assembly.

By signing AB 2797, you will begin restoring a portion of the \$3,450,860 lost by the City of Lodi since 1992. This will help restore public services vital to the residents of this community.

California's local governments provide hundreds of vital services and programs that have been cutback or eliminated due to the loss of property tax revenues. Cities throughout the state must have an adequate revenue base to provide essential services to their communities.

This measure begins the return of property tax lost in the early 1990s. It will go a long way to help state and local government become partners rather than adversaries. The message from the citizens of California is very clear -- they want their government institutions to work together and not at cross-purposes. AB 2792 is a step in this direction.

I respectfully request your signature of AB 2797. Thank you very much.

Sincerely,



David P. Warner
Mayor