



CITY OF SACRAMENTO

CITY MANAGER'S OFFICE
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DEPARTMENT OF FINANCE
DIVISION OF REVENUES AND COLLECTIONS
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MICHAEL L. MEDEMA
REVENUES AND COLLECTIONS OFFICER

June 8, 1981

City Council
Sacramento, California

Honorable Members in Session

SUBJECT: Special Bulletins On State Budget

SUMMARY

Attached are four Special Bulletins on the State Budget issued by the League of California Cities.

DISCUSSION

The Bulletins are self explanatory and are provided for City Council information only.

Respectfully submitted,

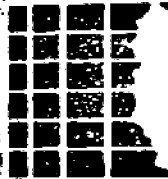
Michael L. Medema
Revenues & Collections Officer

For City Council Information Only:

Walter J. Slipe
City Manager

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JUN 8 1981



California Cities
Work Together

League of California Cities

May 21, 1981



**TO: Mayors, City Managers and City Clerks in Non-Manager Cities
(Internal Distribution Please: Council Members and All Department Heads)**

Special Bulletin on State Budget - #1

OPPOSE 1. SB 102 (Marks); Immediate Vote on Senate Floor

SUPPORT 2. Assembly Democratic Proposal

This Bulletin is the first in a series of special bulletins we anticipate preparing as the Legislature completes its budget proposals.

The Bulletins will give city officials as much information as possible on the fiscal impact of the alternative proposals -- on cities, counties, special districts, schools and state -- and will suggest lobbying approaches for individual cities.

Timing: When Will the Budget Be Settled?

In past years when budget debates have been difficult, the Legislature has regularly missed its Constitutional June 15 deadline and, of course, last year failed to adopt a budget until the second week of July. The apparently completed negotiations and agreement on welfare benefit increases (9.2% increase coupled with program savings of approximately \$170 million) may signal more rapid progress than past years. This is exactly the same issue which held the budget up last July for several weeks.

1. OPPOSE SB 102 (Marks) Receives Approval This Week By the Senate Finance Committee. Co-sponsored by the Senate Republican and Democratic leadership, SB 102 (as amended on May 18) is about to be adopted by the full Senate. A brief hearing (no testimony accepted) was conducted on May 21 with 24-hour notice.

What is unique about adopting SB 102 now is that a "solution" for cities and counties is being proposed before any final decision on either school financing increases, or state operations or Medi-Cal costs. It is obviously impossible therefore to compare the treatment of cities and counties in SB 102 with schools, state operations, etc.

League Position on SB 102 — Oppose Level of Reductions. Cities and Counties Appear to be Singled Out For Deepest Cuts. The League's primary objection to SB 102 is the severity of cuts for local government. A statewide local government general fund revenue increase for all local agencies of only 5.1% in 1981-82 is substantially lower (\$150 million) than the 7.2% increase proposed for schools or the 10% increase the schools are asking for in AB 777 (Greene) or the 6% proposed for state employee salary increases. Cities should not be penalized with the deepest cuts after receiving the least amount of Proposition 13 bail-out, (35% of property tax losses), and after laying off the greatest number of employees (20,000) since 1978-79. It is widely known and acknowledged that the number of state employees has actually grown since Proposition 13. So far, the Legislature has not acted on recommendations of the Legislative Analyst to reduce state operations by hundreds of millions of dollars.

What SB 102 Does.

1. Keeps the property tax with local government. (League strongly supports.)
2. Permanently repeals the deflator. (League strongly supports.)
3. Continues safety net for local bonds. In 1978, a \$30 million loan fund was established to prevent the default of local agency non-voter-approved bonds. To date, only \$3 million has been loaned. Current analysis indicated that \$10 million rather than \$27 million is sufficient to provide a "safety net" to prevent the default of local bonds. Therefore, it is proposed to make the loan fund permanent at the reduced amount of \$10 million and increase the state general fund for 1981-82 by \$17 million.
4. Reduces state subventions. A permanent reduction of \$350 million in city-county subventions is proposed. The effect of this reduction will be to leave local government with 1981-82 growth in total revenues from all sources at approximately 6.8% and growth in local general fund revenues at about 5.1%. In order to accomplish this reduction, four subvention programs will be repealed (FY 1981-82 loss of \$137.4 million). The remainder will come from a permanent reduction of vehicle license fee subventions (FY 1981-82 loss of \$212.6 million).

<u>(a) Repeal of Selected Subventions</u>	<u>1981-82 loss (millions)</u>
(1) Liquor license fee	\$ 14.9
(2) Cigarette tax	86.3
(3) Highway carriers uniform business tax	4.2
(4) Financial aid to local agencies (FALA)	<u>32.0</u>
Total Subventions to be Repealed	\$ 137.4

(b) Reduction in the Motor Vehicle License Fee Subvention Program. The Motor Vehicle License Fund will be reduced by \$212.6 million. The reductions would be made based on the per capita growth in each city and county's sales tax and property tax between 1978-79 and 1980-81. The greater the per capita growth in these two revenue sources between fiscal year 1978-79 and 1980-81, the greater will be the agency's vehicle in lieu fee reduction. The Senate leadership has indicated at least one specific change in this formula so far. Significant amendments will be made for cities which do not receive any property tax since the present formula assumes that all cities and counties receive both sales and property tax revenues. This commitment was made by Senator Marks, the author of SB 102 and by Senator Bill Campbell, the Senate Minority Leader, at the Senate Finance Committee hearing on May 21.

Specific Impact of SB 102 on Individual Agencies is Enclosed. Copies of a computer print-out of the reductions under SB 102 are attached for your review.

What Should You Do About SB 102? Contact your Senator immediately by phone or telegram. Urge a NO vote on SB 102. Analyze the figures for all local government (5.1% increase) and for your city. Urge that cities be treated fairly and not singled out in order to balance the state budget. Urge that statewide city and county general fund (not total) revenue growth be increased to the same level as the growth of state operations or schools under AB 8. If your city's general fund revenue growth for 1981-82 will be substantially less than 7% after the impact of SB 102 is taken into consideration, communicate this to your Senator and the League immediately. If lay-offs and major service reductions will be required, please tell us that, too. Several key legislators have acknowledged to us privately that SB 102 is harsh, and have asked for this information as soon as possible.

2. SUPPORT Assembly Democratic Leadership Proposal By Assemblyman John Vasconcellos. This proposal is not yet in final form and therefore does not have a bill number. However, the following general elements are of most interest to local government:

- (1) Initial cuts for local government would total about \$150 million.
- (2) For 1981-82, (after subsistence grants, K-12, community colleges, Medi-Cal and most county health services factored out) provide for proportionate rates of growth/shrinkage for state and local government.
 - (a) If cuts must be made:
 - (1) Don't take more from locals than from state (as Governor and SB 102 seem to propose).
 - (2) In determining state/local split, use 1980-81 as base year.
 - (3) As between counties, cities, and special districts — split growth/cuts in fair proportion.
 - (b) Specific levels, provisions, and dollars to be determined as budget/decisions evolve.

Insofar as subventions to local government are to be cut (in 1981-82, or in future pursuant to deflator):

- (a) Do not shift property taxes from cities and counties to schools (since reduces federal revenue sharing entitlements).
 - (b) Instead, design formula utilizing multiple subventions.
- (3) Eliminate substantive/programmatic mandates where feasible.
 - (4) Eliminate procedural/administrative mandates where feasible.
 - (5) Authorize broader revenue authority for local governments.
 - (a) Expand use of benefit assessment districts:

Levy an assessment based upon benefit to finance the maintenance of public improvements including streets, sewers, sidewalks, drainage, and lighting improvements. (AB 1317 - Costa)
 - (6) Create a distressed cities fund.
 - (a) Determine mechanism for administering grants and/or loans in case of extraordinary need.

5/20/81

IMPACT OF SENATE BILL 102 ON CITIES AND COUNTIES

ESTIMATES DEVELOPED BY LEGISLATIVE ANALYST AND
SENATE OFFICE OF RESEARCH
BASED ON SALES AND PROPERTY TAX REVENUE DATA
SUBMITTED BY LOCAL AGENCIES TO THE STATE CONTROLLER

CITY/COUNTY	VLF REDUCTION	SUBVENTION REDUCTION	TOTAL REDUCTION

ALAMEDA	474,790	744,378	1,219,168
ALAMEDA	375,556	341,924	717,480
ALBANY	37,930	84,291	122,221
BERKELEY	881,790	614,359	1,416,149
EMERYVILLE	465,110	87,813	552,923
FREMONT	538,362	709,803	1,239,365
HAYWARD	538,477	695,774	1,234,251
LIVERMORE	253,239	253,667	506,906
NEWARK	487,102	184,931	672,033
OAKLAND	445,810	2,153,814	2,598,824
PIEDMONT	32,554	36,923	69,477
PLEASANTON	534,233	184,130	718,363
SAN LEANDRO	723,815	552,087	1,275,902
UNION CITY	274,472	289,994	484,466
 TOTAL COUNTY	 5,975,240	 6,852,287	 12,827,527

ALPINE	0	11,631	11,631
 TOTAL COUNTY	 0	 11,631	 11,631

AMADOR	178,563	45,890	216,453
AMADOR	2,009	1,314	3,323
IONE	19,990	18,353	38,343
JACKSON	38,526	23,479	62,005
PLYMOUTH	7,954	4,461	12,415
SUTTER CREEK	6,818	11,928	17,946
 TOTAL COUNTY	 245,860	 97,424	 342,484

BUTTE	0	302,514	302,514
BIGGS	5,874	6,450	11,524
CHICO	216,417	193,290	409,707
GRIDLEY	93,837	31,487	125,324
OROVILLE	0	85,427	85,427
PARADISE	163,811	180,933	263,944
 TOTAL COUNTY	 478,339	 720,181	 1,198,440

CALAVERAS	205,272	84,186	289,378
ANGELS CAMP	42,721	18,484	61,205
 TOTAL COUNTY	 247,993	 102,590	 350,583

COLUSA	314,259	43,853	358,112
COLUSA	131,478	35,205	166,683

WILLIAMS	28,486	12,345	32,751
TOTAL COUNTY	466,143	91,403	557,546

CONTRA COSTA	0	774,248	774,248
ANTIOCH	0	234,604	234,604
BRENTWOOD	51,856	25,242	76,298
CLAYTON	7,081	18,643	25,644
CONCORD	954,426	652,152	1,606,578
EL CERRITO	211,958	129,885	341,843
MERCULES	0	71,615	71,615
LAFAYETTE	0	113,858	113,858
MARTINEZ	97,330	112,301	209,631
MORAGA	68,154	63,788	123,862
PINOLE	38,197	74,858	112,255
PITTSBURG	74,750	163,201	237,951
PLEASANT HILL	51,618	177,638	229,256
RICHMOND	1,984,229	596,021	2,580,250
SAN PABLO	0	125,522	125,522
WALNUT CREEK	666,249	372,330	1,038,579
TOTAL COUNTY	4,116,968	3,785,027	7,821,995

DEL NORTE	18,833	39,241	57,274
CRESCENT CITY	38,328	35,562	65,890
TOTAL COUNTY	48,361	74,802	123,163

EL DORADO	0	167,330	167,330
PLACERVILLE	149,792	70,166	219,958
SOUTH LAKE TAHOE	103,739	151,744	255,483
TOTAL COUNTY	253,531	389,240	642,771

FRESNO	1,865,683	953,148	2,818,751
CLOVIS	139,184	187,437	326,541
CDALINGA	72,889	38,973	111,862
FIREBAUGH	30,350	28,600	58,950
FOWLER	1,608	14,486	16,094
FRESNO	962,257	1,506,969	2,469,226
HURON	0	17,173	17,173
KERMAN	76,838	27,392	104,230
KINGSBURG	38,898	29,167	68,065
MENDOTA	35,813	28,185	63,918
ORANGE COVE	18,535	21,263	31,798
PARLIER	21,856	15,412	37,268
REEDLEY	86,615	65,948	152,563
SANGER	26,891	71,634	97,725
SAN JOAQUIN	32,496	13,530	46,026
SELMA	26,238	71,187	97,345
TOTAL COUNTY	3,427,191	3,890,342	6,517,533

GLENN	43,213	49,791	93,084
ORLAND	15,992	28,735	44,727
WILLOWS	38,257	33,471	63,728
TOTAL COUNTY	89,462	111,998	201,460

HUMBOLDT	320,280	184,892	505,172
ARCATA	0	83,739	83,739
BLUE LAKE	0	6,274	6,274

EUREKA	0	223,235	223,235
FERNDALE	0	8,769	8,769
FORTUNA	41,086	45,588	86,674
RIO DELL	16,835	13,698	30,533
TRINIDAD	4,323	2,692	7,015
TOTAL COUNTY	382,524	568,887	951,411

IMPERIAL	0	146,339	146,339
BRANLEY	90,458	91,840	182,298
CALEXICO	134,874	101,242	236,116
CALIPATRIA	6,621	14,213	20,834
EL CENTRO	16,006	147,163	163,169
HOLTVILLE	0	21,682	21,682
IMPERIAL	30,973	21,992	52,965
WESTMORLAND	3,580	8,913	12,493
TOTAL COUNTY	282,512	553,384	835,896

INYO	111,165	62,699	173,864
BISHOP	105,127	42,626	147,753
TOTAL COUNTY	216,292	105,324	321,616

KERN	10,308,750	1,190,183	11,498,933
ARVIN	28,048	31,183	59,231
BAKERSFIELD	1,113,271	836,706	1,949,977
CALIFORNIA CITY	0	12,933	12,933
DELANO	128,405	105,577	233,982
MARICOPA	4,738	5,377	10,115
MCFARLAND	5,495	23,474	28,969
RIDGECREST	10,881	91,034	101,915
SHAFTER	61,045	42,345	103,390
TAFT	208,100	25,975	234,075
TEHACHAPI	13,868	21,672	34,740
WASCO	13,420	48,230	61,650
TOTAL COUNTY	11,895,221	2,434,689	14,329,910

KINGS	594,788	125,017	719,805
AVENAL	28,954	17,550	46,504
CORCORAN	59,612	42,864	102,476
HANFORD	129,952	144,493	274,445
LEMOORE	52,368	48,236	100,604
TOTAL COUNTY	865,674	378,159	1,243,833

LAKE	410,352	160,877	579,229
LAKEPORT	43,809	29,245	73,054
TOTAL COUNTY	462,161	190,123	652,284

LASSEN	0	51,741	51,741
SUSANVILLE	47,531	49,290	96,821
TOTAL COUNTY	47,531	101,031	148,562

LOS ANGELES	16,140,970	3,781,700	19,922,670
ALHAMBRA	271,431	379,636	651,067

ARCADIA	543,819	320,886	864,705
ARTESIA	43,610	90,950	134,560
AVALON	27,563	22,763	50,326
AZUSA	0	179,771	179,771
BALDWIN PARK	0	272,389	272,389
BELL	0	140,829	140,829
BELLFLOWER	19,671	315,759	335,430
BELL GARDENS	0	193,775	193,775
BEVERLY HILLS	1,193,785	361,492	1,555,277
BRADBURY	1,041	2,750	3,791
BURBANK	813,524	593,450	1,396,974
CARSON	438,484	586,025	1,016,509
CERRITOS	763,220	398,519	1,153,739
CLAREMONT	158,659	149,347	308,006
COMMERCE	1,286,780	385,789	1,672,569
COMPTON	201,247	473,652	674,899
COVINA	0	269,446	269,446
CUDAHY	75,809	97,703	173,512
CULVER CITY	484,016	364,408	848,424
DOWNEY	532,215	532,479	1,064,694
DUARTE	7,793	92,142	99,935
EL MONTE	197,496	523,546	721,042
EL SEGUNDO	4,195,214	453,663	4,648,877
GARDENA	627,971	320,264	948,235
GLENDALE	1,128,348	988,834	2,029,182
GLENORA	222,115	222,480	444,595
HAWAIIAN GARDEN	0	68,392	68,392
HAWTHORNE	258,523	378,822	636,545
HERMOSA BEACH	176,782	102,894	278,796
HIDDEN HILLS	1,369	5,962	7,331
HUNTINGTON PARK	54,868	276,445	330,513
INDUSTRY	1,509,647	251,233	1,760,880
INGLEWOOD	315,171	561,694	876,865
IRVINDALE	175,607	43,581	219,188
LA CANADA FLINT	144,592	186,132	259,724
LA HABRA HEIGHT	35,096	17,289	52,385
LAKEWOOD	364,185	432,525	796,710
LA MIRADA	314,883	256,821	571,904
LANCASTER	386,670	313,385	620,055
LA PUENTE	66,093	182,869	248,961
LA VERNE	121,043	116,596	237,639
LAWNDALE	144,825	140,882	284,107
LOMITA	65,409	93,224	158,633
LONG BEACH	2,588,829	2,150,463	4,739,292
LOS ANGELES	22,635,110	18,487,156	41,122,266
LYNWOOD	0	272,830	272,830
MANHATTAN BEACH	185,942	188,829	366,771
MAYWOOD	46,822	113,687	159,709
MONROVIA	252,450	189,983	442,433
MONTEBELLO	277,982	346,496	624,478
MONTEREY PARK	189,693	290,367	400,860
NORWALK	574,693	514,435	1,089,128
PALMDALE	111,464	85,716	197,180
PALMS VERDES ES	117,912	55,381	173,293
PARAMOUNT	449,529	266,484	716,013
PASADENA	613,318	786,877	1,400,195
PICO RIVERA	73,967	314,227	388,194
POMONA	0	595,363	595,363
RANCHO PALOS VE	77,285	131,885	209,170
REDONDO BEACH	218,699	360,464	579,163
ROLLING HILLS	14,287	6,640	20,927
ROLLING HILLS E	181,956	58,118	160,074
ROSEMEAD	145,785	238,231	384,016
SAN DIMAS	0	110,886	110,886
SAN FERNANDO	77,892	119,244	197,136
SAN GABRIEL	0	189,769	189,769
SAN MARINO	183,477	54,871	238,348
SANTA FE SPRING	1,246,595	294,884	1,541,479
SANTA MONICA	1,743,639	649,968	2,393,607
SIERRA MADRE	60,975	45,716	106,691
SIGNAL HILL	259,058	101,862	360,920
SOUTH EL MONTE	98,332	154,872	252,404
SOUTH GATE	112,097	394,163	506,260
SOUTH PASADENA	144,825	108,985	253,810
TEMPLE CITY	0	148,252	148,252
TORRANCE	1,136,421	943,838	2,080,259
VERNON	0	149,463	149,463
WALNUT	57,513	43,229	100,742
WEST COVINA	54,197	484,438	538,635
WHITTIER	329,153	429,877	759,030

TOTAL COUNTY	67,499,361	45,641,142	113,140,503

MADERA	635,444	149,538	784,982
CHOWCHILLA	55,746	30,837	86,583
MADERA	62,926	137,677	200,603
TOTAL COUNTY	754,116	318,052	1,072,168

MARIN	1,757,129	159,108	1,916,237
DELVEDERE	42,881	9,147	52,028
CORTE MADERA	3,007	55,893	58,900
FAIRFAX	86,136	35,972	122,108
LARKSPUR	315,361	65,318	380,679
MILL VALLEY	231,486	70,962	302,448
NOVATO	181,297	195,257	376,554
ROSS	30,163	10,118	40,281
SAN ANSELMO	122,132	60,779	182,911
SAN RAFAEL	617,956	346,814	964,770
SAUSALITO	58,837	61,383	120,220
TIBURON	94,300	32,855	127,155
TOTAL COUNTY	3,540,685	1,102,806	4,643,491

MARIPOSA	0	56,623	56,623
TOTAL COUNTY	0	56,623	56,623

MENDOCINO	215,035	189,937	404,972
FORT BRAGG	0	44,482	44,482
POINT ARENA	3,250	4,766	8,016
UKIAH	118,741	102,609	221,350
WILLITS	0	33,008	33,008
TOTAL COUNTY	337,026	374,804	711,830

MERCED	587,502	220,047	807,549
ATWATER	48,958	78,085	127,043
DOS PALOS	21,745	20,348	42,093
CUSTINE	16,697	17,919	34,616
LIVINGSTON	1,392	27,287	28,679
LOS BANOS	54,530	69,611	124,141
MERCED	78,232	244,362	314,594
TOTAL COUNTY	881,056	677,660	1,478,716

MODOC	0	24,283	24,283
ALTURAS	31,888	24,491	56,379
TOTAL COUNTY	31,888	48,773	79,861

MONO	153,125	80,029	233,154
TOTAL COUNTY	153,125	80,029	233,154

MONTEREY	1,070,960	259,146	1,330,106

CARMEL	157,211	68,437	217,648
DEL REY OAKS	13,257	9,046	22,303
GONZALES	28,874	16,311	45,185
GREENFIELD	31,741	22,463	54,204
KING	39,388	37,120	76,428
MARINA	75,617	69,786	145,403
MONTEREY	234,902	207,931	442,833
PACIFIC GROVE	132,580	79,928	212,508
SALINAS	384,804	589,483	813,407
SAND CITY	19,499	4,292	23,791
SEASIDE	0	129,589	129,589
SOLEDAD	0	38,330	38,330
TOTAL COUNTY	2,187,953	1,435,701	3,543,654

NAPA	528,198	178,202	698,400
CALISTOGA	27,223	23,232	58,455
NAPA	0	279,934	279,934
ST HELENA	141,151	33,645	174,796
YOUNTVILLE	21,599	17,293	38,892
TOTAL COUNTY	718,171	524,305	1,242,476

NEVADA	483,956	166,658	650,614
GRASS VALLEY	153,975	60,283	214,258
NEVADA CITY	64,461	24,881	89,342
TOTAL COUNTY	702,392	251,815	954,207

ORANGE	3,429,645	888,770	4,318,415
ANAHEIM	2,589,781	1,410,563	4,000,344
BREA	518,639	187,308	705,947
BUENA PARK	1,904,776	426,817	2,331,593
COSTA MESA	1,111,785	649,439	1,761,224
CYPRESS	671,903	282,937	954,840
FOUNTAIN VALLEY	507,763	271,424	779,187
FULLERTON	511,384	568,112	1,079,416
GARDEN GROVE	299,121	672,771	971,892
HUNTINGTON BEACH	1,496,866	883,897	2,380,763
IRVINE	264,240	413,767	678,007
LAGUNA BEACH	388,632	187,877	576,509
LA HABRA	59,768	256,868	316,636
LA PALMA	84,754	62,647	147,401
LOS ALAMITOS	99,789	76,359	176,148
NEWPORT BEACH	1,156,356	473,347	1,629,703
ORANGE	942,220	652,495	1,594,715
PLACENTIA	262,883	164,758	427,641
SAN CLEMENTE	364,675	148,439	513,114
SAN JUAN CAPIST	284,798	95,260	380,058
SANTA ANA	888,325	1,228,342	2,116,667
SEAL BEACH	288,986	112,474	401,460
STANTON	0	123,693	123,693
TUSTIN	243,856	230,856	474,712
VILLA PARK	38,682	26,381	65,063
WESTMINSTER	585,428	414,815	1,000,243
YORBA LINDA	88,822	107,822	196,644
TOTAL COUNTY	17,847,781	18,847,838	28,694,739

PLACER	1,826,252	388,917	2,215,169
AUBURN	133,688	66,867	200,555
COLFAX	7,398	11,122	18,520
LINCOLN	8,644	24,478	33,122
ROCKLIN	86,955	36,185	123,140
ROSEVILLE	0	172,538	172,538
TOTAL COUNTY	1,262,921	620,187	1,883,028

PLUMAS	0	93,426	93,426
PORTOLA	2,854	14,333	17,187
TOTAL COUNTY	2,854	107,759	110,613

RIVERSIDE	2,798,407	962,116	3,760,523
BANNING	0	73,388	73,388
BEAUMONT	97,456	45,413	142,869
BLYTHE	132,667	56,904	189,571
COACHELLA	85,570	57,893	142,663
CORONA	281,571	224,627	506,198
DESERT HOT SPRING	96,182	27,821	117,923
HEMET	19,874	145,749	165,623
INDIAN WELLS	0	10,844	10,844
INDIO	79,177	170,684	249,861
LAKE ELSINORE	47,877	39,909	87,786
MORCO	29,550	86,734	116,284
PALM DESERT	36,643	81,686	118,329
PALM SPRINGS	1,138,603	259,851	1,397,654
PERRIS	78,236	41,256	119,492
RANCHO MIRAGE	153,570	54,585	208,155
RIVERSIDE	902,682	1,016,162	1,918,844
SAN JACINTO	8,217	36,967	45,184
TOTAL COUNTY	5,988,202	3,398,191	9,378,393

SACRAMENTO	4,186,365	2,582,438	6,768,803
FOLSOM	98,135	60,497	158,632
GALT	0	32,946	32,946
ISLETON	8,574	8,580	17,154
SACRAMENTO	994,603	1,886,400	2,881,003
TOTAL COUNTY	5,287,677	4,570,861	9,858,538

SAN BENITO	75,986	33,645	109,631
MOLLISTER	250,557	71,153	321,710
SAN JUAN BAUTIS	9,429	9,747	19,176
TOTAL COUNTY	335,972	114,546	450,518

SAN BERNARDINO	2,078,965	1,233,189	3,304,154
ADELANTO	3,199	12,761	15,960
BARSTOW	221,159	125,911	347,070
CHINO	192,274	197,332	389,606
COLTON	0	164,353	164,353
FONTANA	129,624	215,565	335,189
GRAND TERRACE	62,160	36,594	98,754
LOMA LINDA	34,802	46,830	81,632
MONTCLAIR	0	189,999	189,999
NEEDLES	21,773	28,188	49,961
ONTARIO	341,947	504,465	846,412
RANCHO DUCAMONG	177,812	267,495	445,307
REDLANDS	250,300	234,116	484,416
RIALTO	343,749	216,583	550,332
SAN BERNARDINO	296,127	865,994	1,162,121
UPLAND	412,739	265,497	678,236
VICTORVILLE	21,116	122,734	143,850
TOTAL COUNTY	4,579,746	4,707,806	9,287,552

SAN DIEGO	11,567,220	1,333,446	12,900,666
CARLSBAD	832,485	229,167	1,061,652

CHULA VISTA	542,848	456,643	999,491
CORONADO	398,113	78,890	477,003
DEL MAR	57,137	31,635	88,772
EL CAJON	488,717	496,948	985,665
ESCONDIDO	98,664	442,220	532,884
IMPERIAL BEACH	63,764	163,035	166,799
LA MESA	154,447	311,529	465,976
LEMON GROVE	0	114,509	114,509
NATIONAL CITY	0	314,979	314,979
OCEANSIDE	587,316	395,266	982,582
SAN DIEGO	7,774,180	4,991,419	12,765,599
SAN MARCOS	275,337	111,266	386,603
VISTA	135,511	180,061	315,572

TOTAL COUNTY 22,807,739 9,591,813 32,398,752

SAN FRANCISCO	4,901,057	5,434,255	10,335,312
SAN FRANCISCO	0	0	0

TOTAL COUNTY 4,901,057 5,434,255 10,335,312

SAN JOAQUIN	1,920,373	530,942	2,451,315
ESCALON	0	21,432	21,432
LODI	392,300	235,612	627,912
MANTECA	0	149,401	149,401
RIPON	6,531	28,690	27,221
STOCKTON	317,357	1,018,352	1,335,709
TRACY	39,846	107,486	147,332

TOTAL COUNTY 2,676,407 2,083,914 4,760,321

SAN LUIS OBISPO	292,270	194,788	487,058
ARROYO GRANDE	59,790	58,919	118,709
ATASCADERO	115,346	73,438	188,784
EL PASO DE ROM	12,285	58,586	70,871
GROVER CITY	43,903	39,398	83,301
MORRO BAY	76,318	56,193	132,511
PISMO BEACH	62,968	36,084	99,052
SAN LUIS OBISPO	250,772	216,306	467,078

TOTAL COUNTY 913,652 733,711 1,647,363

SAN MATEO	1,828,598	504,712	2,333,310
ATHERTON	5,160	25,322	30,482
BELMONT	122,981	108,740	231,721
BRISBANE	259,516	40,727	300,243
BURLINGAME	157,156	238,889	388,045
COLMA	45,989	37,282	83,271
DALY CITY	192,838	393,286	586,124
FOSTER CITY	110,345	180,545	290,890
HALF MOON BAY	74,389	38,659	113,048
HILLSBOROUGH	106,082	34,138	140,220
MEMLO PARK	132,802	152,354	285,156
MILLBRAE	143,247	115,772	259,019
PACIFICA	82,852	153,888	235,940
PORTOLA VALLEY	11,523	15,686	27,209
REDWOOD CITY	0	347,866	347,866
SAN BRUNO	336,770	211,436	548,206
SAN CARLOS	323,962	169,757	493,719
SAN MATEO	0	493,166	493,166
SOUTH SAN FRANC	771,653	368,337	1,139,990
WOODSIDE	13,029	23,580	36,609

TOTAL COUNTY 4,718,092 3,566,142 8,284,234

SANTA BARBARA	1,878,503	470,696	2,349,199
CARPINTERIA	108,885	56,688	165,573
GUADALUPE	10,344	20,190	30,534
LOMPOC	136,468	129,941	266,409
SANTA BARBARA	881,394	529,827	1,330,421
SANTA MARIA	556,568	281,280	837,848
TOTAL COUNTY	3,483,354	1,487,823	4,971,177

SANTA CLARA	3,987,468	827,914	4,815,382
CAMPBELL	0	229,518	229,518
CUPERTINO	92,276	218,876	311,152
GILROY	88,122	133,545	221,667
LOS ALTOS	125,901	137,725	263,626
LOS ALTOS HILLS	22,842	25,945	47,987
LOS GATOS	0	167,769	167,769
MILPITAS	326,240	190,437	516,677
MONTE SERENO	1,840	11,286	12,326
MORGAN HILL	82,246	89,264	171,510
MOUNTAIN VIEW	420,787	419,987	840,774
PALO ALTO	1,818,194	432,013	1,450,207
SAN JOSE	2,888,708	3,507,135	6,395,843
SANTA CLARA	1,290,829	732,587	2,023,436
SARATOGA	86,960	118,519	205,479
SUNNYVALE	2,499,831	696,734	3,196,565
TOTAL COUNTY	12,938,644	7,939,174	20,869,818

SANTA CRUZ	478,413	321,575	799,988
CAPITOLA	135,543	72,152	207,695
SANTA CRUZ	347,138	284,588	631,718
SCOTT'S VALLEY	48,739	41,767	82,506
WATSONVILLE	188,288	150,587	330,787
TOTAL COUNTY	1,174,033	870,661	2,044,694

SHASTA	645,521	227,636	873,157
ANDERSON	190,481	77,438	267,839
REDDING	258,415	335,775	586,190
TOTAL COUNTY	1,086,337	640,849	1,727,186

SIERRA	87,253	13,369	100,622
LOYALTON	0	5,953	5,953
TOTAL COUNTY	87,253	19,322	106,575

SISKIYOU	299,341	75,109	374,450
DORRIS	6,473	5,386	11,859
DUNSMUIR	3,859	14,373	18,232
ETNA	6,294	4,643	10,937
FORT JONES	1,554	4,183	5,657
MONTAGUE	0	7,458	7,458
MT SHASTA	26,372	23,532	49,904
TULELAKE	8,800	7,985	16,785
WEED	23,437	21,875	44,512
YREKA	28,038	53,463	81,493
TOTAL COUNTY	404,168	217,126	621,286

SOLANO	1,441,676	66,785	1,508,461
BENICIA	38,752	79,534	118,286

DIXON	15,368	41,733	57,101
FAIRFIELD	222,657	287,980	518,637
RIO VISTA	61,957	26,265	88,222
SUISUN	57,668	58,183	115,763
VACAVILLE	173,982	211,897	385,879
VALLEJO	13,492	431,961	445,453
TOTAL COUNTY	2,825,544	1,284,258	3,229,802

SONOMA	2,771,599	588,679	3,360,278
CLOVERDALE	39,633	25,399	65,032
COTATI	43,058	26,432	69,490
HEALDSBURG	17,180	58,385	75,485
PETALUMA	234,315	200,968	435,283
ROHNERT PARK	179,155	111,192	290,347
SANTA ROSA	612,701	514,499	1,127,200
SEBASTOPOL	31,319	39,916	71,235
SONOMA	126,081	45,738	171,819
TOTAL COUNTY	4,855,841	1,611,128	5,666,169

STANISLAUS	898,048	434,007	1,332,055
CERES	181,413	81,830	183,243
HUGHSON	6,645	15,289	21,854
MODESTO	486,791	652,523	1,059,314
NEWMAN	36,368	20,167	56,535
OAKDALE	66,425	57,683	124,108
PATTERSON	19,681	27,782	47,383
RIVERBANK	17,486	31,853	49,339
TURLOCK	0	162,897	162,897
WATERFORD	5,718	14,720	20,438
TOTAL COUNTY	1,558,575	1,498,590	3,057,165

SUTTER	168,637	110,043	278,680
LIVE OAK	1,390	16,690	17,480
YUBA CITY	116,667	136,974	253,641
TOTAL COUNTY	286,694	263,107	549,801

TEHAMA	41,279	72,765	114,044
CORNING	181,496	33,988	135,484
RED BLUFF	58,124	69,274	127,398
TEHAMA	874	1,933	2,807
TOTAL COUNTY	281,773	177,961	379,734

TRINITY	0	53,746	53,746
TOTAL COUNTY	0	53,746	53,746

TULARE	1,553,667	460,488	2,014,075
DINUBA	41,812	56,828	98,640
EXETER	26,800	30,588	57,388
FARMERSVILLE	7,165	28,692	35,857
LINDSAY	622	40,991	41,613
PORTERVILLE	0	136,789	136,789
TULARE	0	150,066	150,066
VISALIA	0	360,845	360,845
WOODLAKE	741	28,694	27,435

TOTAL COUNTY	1,630,007	1,291,820	2,922,627

TUOLUMNE	42,614	128,886	171,420
SONORA	11,993	38,961	50,954
TOTAL COUNTY	54,607	167,767	222,374

VENTURA	2,546,787	328,163	2,874,950
CAMARILLO	0	187,505	187,505
FILLMORE	0	46,157	46,157
OTAI	58,874	40,802	99,676
OXNARD	348,886	682,895	951,781
PORT HUENEME	0	72,490	72,490
SAN BUENAVENTUR	866,174	476,158	1,342,324
SANTA PABLA	163,316	184,934	268,250
SIMI VALLEY	174,726	354,593	529,319
THOUSAND OAKS	0	450,984	450,984
TOTAL COUNTY	4,158,763	2,664,675	6,823,438

YOLO	831,985	320,908	1,160,893
DAVIS	209,580	177,504	387,084
WINTERS	18,248	13,967	32,215
WOODLAND	124,850	181,718	306,568
TOTAL COUNTY	1,184,663	702,097	1,886,760

YUBA	328,689	127,022	447,711
MARYSVILLE	96,381	96,466	192,847
WHEATLAND	1,489	8,911	10,400
TOTAL COUNTY	418,559	232,400	658,959



League of California Cities

May 28, 1981



Special Bulletin on State Budget - #2

**TO: Mayors, City Managers and City Clerks in Non-Manager Cities
(Internal Distribution Please: Council Members and All Department Heads)**

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1. STATEMENT OF CITY POSITION

There is little dispute that revenues available to finance state and local government in California are shrinking in real terms. The growth in revenues available for fiscal year 1981-82 has not kept up with inflation and the surplus that has cushioned state budget shortfalls since the passage of Proposition 13 has already been consumed.

The position of cities in the formulation of the state's 1981-82 budget is simple:

- I. REDUCTIONS IN REVENUES ARE INEVITABLE, BUT THEY MUST BE BORNE EVENLY BY STATE AND LOCAL GOVERNMENT.
- II. LOCAL GOVERNMENTS APPEAR TO HAVE BEEN SINGLED OUT FOR THE MOST SEVERE CUTS in at least one of the current budget proposals—SB 102. Cities must urge the legislature to balance cuts to local government with cuts in state operations. Passing red ink from the state budget to local budgets is not a satisfactory solution.
- III. LOCAL GOVERNMENTS HAVE ALREADY BEEN THE MOST RESPONSIVE TO TAXPAYERS' DEMANDS FOR REDUCED GOVERNMENT EMPLOYMENT, SPENDING, AND TAXES. The state must become more responsive by reducing its own operations.
- IV. THE AB 8 DEFLATOR SHOULD BE REPEALED.
- V. UNSECURED PROPERTY TAX ROLL SHOULD REMAIN WITH LOCAL GOVERNMENT.

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2. CITY CUTBACKS SINCE PROPOSITION 13

The following are the results of a study prepared BY THE STAFF OF THE STATE ASSEMBLY ITSELF, measuring the reduction of city revenues, expenditures, employment and service levels from the last year before Proposition 13 through the first two complete years since it passed.

ASSEMBLY OFFICE OF RESEARCH STUDY ON CITY FISCAL CONDITIONS

1977-78 to 1979-80

Draft Report, May 22, 1981

Summary of Findings

I. Revenue Trends (2-year comparison for FY ending June 30, 1978 to June 30, 1980)

A. Per capita revenue growth over 2-years

1. Total revenues	+4.9%
2. Total revenues in constant '77 dollars	-8.2%
3. Reason for slow revenue growth:	
- city property tax	-32.2%
- federal-state grants to cities	-11.8%

II. Expenditure Trends (2-year comparison; per capita, constant '77 dollars)

A. Total (excluding capital outlay) -7.9%

B. By function

1. General government (admin. staff, overhead)	-17.8%
2. Miscellaneous services (social services)	-14.6%
3. Libraries	-12.5%
4. Public Works	-12.3%
5. Parks and Recreation	-8.0%
6. Police and Fire	+0.8%

III. Employment (Excluding Enterprise) -8.1%

IV. Decline in City Service Levels

A. Police and Fire

1. Ave. ratio of police officers/10,000 pop.	-7.2%
2. Ave. ratio of firefighters/10,000 pop.	-6.4%

B. Street Maintenance

1. Mileage repaved, major maintenance (while total mileage of city streets actually increased by 3.1%)	-6.7%
--------------------------------------------------------------------------------------------------------	-------

C. Libraries

1. Public service hours	-14.7%
2. Book purchases (after adjustment for inflation)	-15.4%

D. Park and Recreation

1. Program staff	-15.6%
2. Park land acreage maintained by each worker	+19.7%

3. STATE GROWTH COMPARED WITH CITY CUTBACKS

State government operations have experienced a greater rate of growth since the passage of Proposition 13, and current proposals would allow state operations to continue growing at a faster rate.

SINCE PROPOSITION 13

In 1977, the state operations budget was \$3 billion. By the end of the current 1980-81 fiscal year, it had risen to \$4.15 billion, or 38.3 percent.

In 1977, the state Department of Finance estimated total city revenues at \$3.793 billion. By 1980-81, the figure had risen to \$4.884 billion, or 28.7 percent, far less than the state budget increase.

THE CURRENT 1981-82 FISCAL YEAR

State growth:	<u>7.5 percent</u>	(According to the Governor's budget, and allowing for a 5 percent pay increase for state workers, considered to be the lowest possible increase this year.)
City and county growth:	<u>5.1 percent</u>	(As proposed by <u>SB 102</u> , taking into account all sources of local government general fund revenues.)

However, this 5.1 percent estimate of revenue growth for local government is inaccurate because:

- * Local governments will be forced to absorb cutbacks in federal assistance which SB 102 overlooks.
- * The state Department of Finance has just (May) lowered its estimate for local property tax and sales tax revenue to be received by local governments in 1981-82. This revenue slowdown has been at least partly attributed to slower property sales and a sluggish economy.
- * SB 102 factors in the growth of city "special funds," although the proposed \$350 million reduction to local government will affect only the general funds, which pay for city services that people need, including police and fire.

4. STATE OPERATIONS CAN BE CUT.

I. Legislative Analyst's Recommendations

Charged by the Assembly with the task of finding ways to make state operations more efficient and to trim the "fat" from the state budget, Legislative Analyst William Hamm released on March 2 a list of cuts which, in his judgment, should be made in the state budget.

These recommendations have NOT YET been implemented by the Legislature. It is the position of the League that these recommendations should be seriously considered and that some should be enacted in order (1) to make more general fund revenues available for other uses, including local government assistance, and (2) to trim state government back commensurate with local government reductions:

AMOUNT MADE AVAILABLE (in millions)	RECOMMENDATION
\$40	Set user charges at a level sufficient to cover the cost of services provided to identifiable beneficiary groups that do not warrant a subsidy.
\$19	Utilize miscellaneous General Fund reserves.
\$256	Make specific budget cuts recommended by Legislative Analyst in programs and workloads.
\$141	Repeal some or all of the remaining exemptions in the state tax structure, including sales tax exemptions on candy, movie films, vending machines, and aircraft fuel.
\$192	Switch taxes based on physical units to percentages of sale price. The cigarette tax revenues would be \$192 million higher in 1980-81 if they were adjusted for cigarette price increases since the last unit tax increase.
\$118	Similarly, alcoholic beverage taxes would be \$118 million higher.
\$34	Redirect tideland oil revenues not yet proposed for expenditure in the budget to the general fund.
\$496	Redirect ALL tideland oil revenues into the general fund.

II. Legislative Analyst's Policy Options.

The Legislative Analyst released a second analysis of the state budget on May 22, listing "policy options available to the Legislature that the Members may wish to consider in acting on the 1981-82 budget."

These potential cuts in state operations were placed in three categories:

* Reductions which would have relatively little adverse impact on existing programs.	\$619,283,916
* Programs for which the cuts would be more significant.	\$372,402,549
* Reductions which would have the greatest impact on state programs.	\$242,142,170
	\$1,233,828,635
* Total	

If only those options which would have relatively little adverse impact on existing state programs were adopted, the amount released for other uses would far exceed the proposed \$350 million cut to cities and counties proposed by SB 102.

None of these options have been adopted by the Legislature YET. It is the cities' position that the state should exercise some of these options to realize a growth rate in spending no greater than that of cities and counties.

5. SB 102, THE SENATE BUDGET BILL

It now appears possible that SB 102, the Senate budget bill, will serve as the structure for the budget bill finally approved by both houses relating to local government finance. Most of the debate is likely to concentrate on dollar amounts and refinements of formulas.

The city position on SB 102 is that the currently proposed \$350 million reduction to local government is far too large. Cities support the repeal of the AB 8 deflator, and the preservation of the property tax for local government use, also included in the bill.

Following is a description of the bill's formula for distributing the proposed cuts among cities and counties. Substituting figures for any city into this formula will yield the likely reduction for that city.

How SB 102 formula works (As amended on May 18, 1981)

I. SB 102 permanently repeals four subventions outright:

- . Liquor license fees
- . Cigarette tax subvention
- . Financial Aid to Local Agencies
- . Highway Carriers In-Lieu License Fee

II. The vehicle in lieu license fee (VLF) is permanently reduced by a statewide average of 31.5% by the newly added section 11005.8 of the Revenue and Taxation Code.

Subparagraph (a) of section 11005.8 provides a procedure for computing a percentage (or "factor") by which the VLF would be reduced.

Subparagraph (b) of section 11005.8 directs into the state's general fund the amount by which the VLF is reduced for all cities.

Subparagraph (c) is not yet complete, but is aimed at the newly incorporated cities which did not exist in 1978-79, the base year for this formula.

III. Hypothetical Example for City of XYZ

<u>Assumptions</u>	<u>1978-79</u>	<u>1980-81</u>	<u>2-year % change</u>
a) Sales tax revenue	\$1.0 m.	\$1.2 m.	+20%
b) Property tax revenue	1.5 m.	1.875 m.	+25%
c) population	24,250 (1-1-79)	25,000 (1-1-81)	+3%
d) combined revenue per capita	\$103/cap.	123	+19.4%
e) state-wide city property and sales tax revenue growth in excess of 4% in 1980-81 = \$226 m. (actual estimate)			
f) 1981-82 VLF estimate per capita before reduction = \$21.5/cap. (actual estimate)			

RT Code Section 11005.8

(a)(1): $\$3.075 \text{ m.} \div 25,000 \text{ pop.} = \$123/\text{capita}$ for 1980-81

(a)(2): $\$2.5 \text{ m.} \div 24,250 \text{ pop.} = \$103/\text{capita}$ for 1978-79

(a)(3): $\$123/\text{capita} \div \$103/\text{capita} = 1.194$

(a)(4): $1.194 \text{ less } 1.04 = 0.154$

(a)(5): $(0.154 \times \$123/\text{capita}) \times 25,000 \text{ pop.} = \$473,550.$

This product represents excess sales and property tax revenue over 4%. It is the same thing as 15.4% multiplied by the 1980-81 sales and property tax revenue sum of \$3.075 m.

(a)(6): (1) $\$473,550 \div \$226 \text{ m. (statewide excess sales and property tax revenue for all cities)}$
= .002095;

(2) $.002095 \times \$123.7 \text{ m. (statewide reduction in VLF for all cities)} = \$259,000.$

(a)(7): $\$259,000 \div \$537,500$ (City XYZ's 1981-82 VLF estimate before reductions; $\$21.5/\text{capita} \times 25,000 \text{ pop.}$)

= 0.4819. This is the factor or percentage by which the city's VLF will be reduced in 1981-82 and each year thereafter.

VLF reduction for City XYZ in 1981-82 =

- (1) $0.4819 \times 537,500 = 259,000$
- (2) $537,500 \text{ less } 259,000 = 278,500$
- (3) $\$278,500$ is city's VLF allocation for 1981-82.

Proposed Formula For Reducing Vehicle In Lieu Fee

11005.8 (a) For the 1981-82 fiscal year, and each fiscal year thereafter, the Controller shall reduce the state subventions apportioned to each city pursuant to Section 25761 of the Business and Professions Code; Sections 11003.4, 11005, 26483, and 30462 of this code; and Sections 38830 and 38840 of the Vehicle Code, by multiplying each amounts apportioned to each city pursuant to Sections 11003.4 and 11005, by multiplying each apportionment by the factor for each city determined pursuant to paragraph (7) and subtracting the resulting product from such apportionment. The factor for each city shall be determined as follows:

(1) The sum of the amount of sales and use tax revenue by the city for the 1980-81 fiscal year plus the amount of property tax revenue allocated to the city for the 1980-81 fiscal year shall be divided by the population of the city as of January 1, 1981, as estimated by the Department of Finance pursuant to Section 2227.

(2) The sum of the amount of sales and use tax revenue received by the city for the ~~1979/80~~ 1978-79 fiscal year plus the amount of property tax revenue allocated to the city for the ~~1979/80~~ 1978-79 fiscal year shall be divided by the population of the city as of January 1, ~~1980~~, 1979, as estimated by the Department of Finance pursuant to Section 2227.

(3) The amount determined pursuant to paragraph (1) shall be divided by the amount determined pursuant to paragraph (2).

(4) The quotient determined pursuant to paragraph (3) shall be reduced by 1.04. If the resulting difference is less than zero, the difference shall be deemed to be zero.

(5) The amount determined pursuant to paragraph (4) shall be multiplied by the amount determined pursuant to paragraph (1), and the product shall be multiplied by the population of the city as of January 1, 1981.

(6) The amount determined for the city pursuant to paragraph (5) shall be divided by the sum of the amounts so determined for all cities, *other than those cities to which subdivision (c) applies*, and the quotient shall be multiplied by ~~two hundred million dollars (\$200,000,000)~~ *one hundred and twenty three million seven hundred thousand dollars (\$123,700,000)*.

(7) The amount determined for the city pursuant to paragraph (6) *or subdivision (c)* shall be divided by the sum of the amounts estimated to be allocated to the city pursuant to Section 25671 of the Business and Professions Code; Sections 11003.4, 11005, 26483, and 30462 of this code; and Sections 38830 and 38840 of the Vehicle Code Sections 11003.4 and 11005 for the 1980-81 fiscal year. The resulting quotient shall be the factor for that city.

(b) The amounts subtracted from each apportionment pursuant to subdivision (a) shall be deposited by the Controller in the General Fund.

(c) For any city which was formed after December 1978, an amount shall be computed equal to the population of the city as of January 1, 1981, multiplied by _____ dollars (\$_____).



League of California Cities

June 3, 1981



Special Bulletin on State Budget - #3

**TO: Mayors, City Managers and City Clerks in Non-Manager Cities
(Internal Distribution Please: Council Members and All Department Heads)**

The first two special bulletins (May 21 & 28) and the last several Legislative Bulletins have outlined the background to the current debate over subvention reductions. This bulletin will bring you up to date as of Wednesday, June 3. For the most recent information, call the League's Legislative Hotline at (916) 444-5790.

SB 102 Update

As of noon, June 3, Senator Milton Marks, the author of SB 102, has indicated that he does not believe that SB 102 in its present form can be approved by the full Senate. Massive city opposition has been a critical factor.

Instead, Senator Marks is discussing these amendments which remain rather undefined and vague at this time:

1. The \$350 million reduction in SB 102 would be lowered to "something between \$250 million and \$300 million." \$250 million is a 30% improvement over SB 102 in its current form.
2. A floor would be written into the formula to assure all cities at least some local general fund revenue growth.
3. Non-property tax cities would be recognized in some manner to acknowledge their more restricted revenue base.

While these developments are very positive and are evidence of most Senators having heard from their cities, we have a long way to go.

Conference Committee May Begin as Early as Friday, June 5

Our best information right now is that the Assembly and Senate will pass their respective budgets this afternoon and Thursday and may begin the joint budget conference committee as soon as Friday, June 5, allowing 10 days to reconcile differences before the constitutional deadline of June 15. Accordingly, we would expect AB 251 (and not SB 102) to be the bill or vehicle for local government finance and that the Senate budget bill (SB 111) will be the budget vehicle. Both local government finance (AB 251) and the budget

will be sent to a single joint conference committee. The six conferees have not been named but we are guessing, from the Assembly — John Vasconcellos and Chuck Imbrecht, and from the Senate — Alfred Alquist, John Garamendi and William Campbell. We don't have a guess regarding the third Assembly member. When they are officially appointed, we will let you know.

Major Issues at Stake

Debate will center around:

- (a) Level of funding. \$350 million is by no means the worst that could happen. The AB 251 level of \$250 million is dependent on increases of state revenues provided by other Assembly bills which the Senate could well reject. Schools are also lobbying to shift the \$100 million difference between SB 102 and AB 251 to school apportionments.
- (b) Formula. The SB 102 formula is dead without major amendments. AB 251 has not yet provided a specific formula. We will publish it just as soon as it is available.

What Can Each City Do Effectively to Influence The Decision-Making?

Our most effective argument remains: Don't balance the state budget on the back of local government. \$350 million is an average 5% general fund increase -- we think a 7% increase is reasonable because that is the approximate level of growth for schools, community colleges, and state employee salaries (AB 251 provides cities with a 7% increase).



Make every effort to get a commitment from your legislator to (1) vote against any budget bill in which cities and counties are cut back to allow a continuation of state programs and to (2) support a budget in which cities and counties are treated in a comparable manner with schools, state operations, etc.



Also extremely effective:

- Present and past cuts in employees, services, etc.
- Encouraging employee groups to lobby your legislators.



California Cities
Work Together

League of California Cities

June 5, 1981



Special Bulletin on State Budget - #4

**TO: Mayors, City Managers and City Clerks in Non-Manager Cities
(Internal Distribution Please: Council Members and All Department Heads)**

As of Friday morning, June 5, legislative leaders had not yet decided on who the Budget Conference Committee members would be or, in fact, whether or not there will be one conference committee or two committees running simultaneously. It is possible that the Budget Bill itself will be heard by one conference committee and the trailer bill, which includes local government financing, in a separate conference committee. These announcements will be made early Monday morning when the Conference Committee is scheduled to begin to hear testimony from other legislators. We would expect that the provisions dealing with local government could be heard beginning Tuesday, although probably not that soon. As soon as the Conference Committee members are appointed, we will notify the cities within their legislative districts. These cities will have a special responsibility for keeping in touch with their legislators and lobbying the city position. We are hopeful that League testimony can be presented by elected officials representing the League. The timing of the testimony, of course, is still undecided.

Discussions continue about changes in formulas on how subvention cuts will be distributed. The Senate remains unwilling to take up SB 102 and it appears clear at this time that the bill will not be voted on at all. Senator Marks had prepared amendments which would have reduced the local government reductions from \$350 million to \$275 million, but the Senate leadership indicated their preference for discussing these reductions in the Conference Committee rather than amending SB 102 accordingly. The only change in the last few days dealing with cutback formulas is growing discussion among legislative staffs concerning the use of a per capita formula.

Each city should be sure that it has already communicated directly with its own legislators, preferably by telephone, about their concerns on subvention reductions. Do not hesitate to use key contacts which council members or city staff may have with one or more legislators. Using employee union groups at this time would also be extremely effective. In talking to your legislator, you need to understand (1) that the legislator probably will not be on the Conference Committee and will have no immediate vote on many of these decisions, and (2) that your legislator can have a tremendous impact if he indicates to the conferees privately that he will not be inclined to vote for the budget if it is not a document of fairly balanced cuts between different levels of government. Many legislators will perhaps indicate to you that it is beyond their control, but this is not the case. In the past, legislators have been very effective behind the scenes in insisting on certain provisions in the Budget Conference Report. Finally, if your city is particularly concerned and interested in how the cutbacks are distributed, there is no substitute for coming directly to Sacramento and talking to your legislator personally in his office next week. If city officials are planning to do this, be sure to contact the League staff in advance and we can provide an early morning briefing on the current status of the Conference Committee work.

HEADQUARTERS
1400 K STREET, SACRAMENTO 95814
(916) 444-5790

RESOLUTION NO. 81-422

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

June 9, 1981

Memorializing Resolution for Fred G. Wade

It is hereby noted that the people of this City suffered a great lost in the passing of Fred G. Wade on the 5th day of June, 1981, at the age of 53, in Carmichael, California.

WHEREAS, Fred G. Wade, former Supervisor for the County of Sacramento and local businessman has passed from our midst; and

WHEREAS, Mr. Wade's untimely passing is hereby mourned by the Sacramento City Council, who feels it has lost not only a tireless community leader but a witty, knowledgeable and loyal friend; and

WHEREAS, during his fifty-three years, Fred G. Wade constantly involved himself in the betterment of his community, showed the independence of his political beliefs and the sparkle of his humor to all who were fortunate enough to meet and know him; and

WHEREAS, the growth of Sacramento County during Mr. Wade's tenure as a Supervisor was both unprecedented and wisely controlled;

WHEREAS, this Council believes it proper that its minutes, and the official records of the City, record the passing of Fred G. Wade, and has caused this Resolution to be prepared.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that this Resolution be entered with the minutes of this meeting, in addition to which this meeting shall be called adjourned in respect to the memory of Fred G. Wade.

AND BE IT FURTHER RESOLVED that a suitably engrossed copy of this Resolution be tendered to Betty Wade, bereaved wife, as an expression of this Council's deepest sympathy.

Mayor

ATTEST:

APPROVED
BY THE CITY COUNCIL

JUN - 9 1981

OFFICE OF THE
CITY CLERK

City Clerk