



CITY OF CUPERTINO

DRAFT MINUTES

LEGISLATIVE REVIEW COMMITTEE

Tuesday, June 2, 2020

2:30 PM

SPECIAL MEETING

ROLL CALL

The meeting was called to order at 2:31 p.m.

Present: Mayor Scharf, Councilmember Chao, City Manager Deborah Feng, Assistant to the City Manager Katy Nomura, Townsend Public Affairs (TPA)

ORAL COMMUNICATIONS

Jennifer Griffin is concerned about SB 902.

PUBLIC COMMENT (including comments on all agenda items)

This item was not conducted as the Chair decided to take public comments on agenda items when the agenda items were discussed.

AGENDA REVIEW

This item was not conducted

ACTION ITEMS

1. Subject: Consider adopting a position on the Education Omnibus Trailer Bill with May Revision Amendments regarding excess Educational Revenue Augmentation Funds (ERAF)

Recommended Action: Adopt a position opposing the trailer bill's provisions to retroactively shift property taxes from counties, cities, and special districts; apply civil penalties to audited, good-faith actions of county officials; and install the Department of Finance as the oversight body.

Assistant to the City Manager, Katy Nomura, explains that the City received a request from the Cities Association to oppose the Education Omnibus Trailer Bill as it pertains to excess Education Revenue Augmentation Funds (ERAF). TPA explains that this bill was included as part of the Governor's May revise. This bill regards excess (ERAF), which is the funding mechanism put in place for education that gets diverted from

taxing entities. The excess funding gets distributed back to cities, counties and special districts. This proposal would readjust the calculations for the excess ERAF payments as well as provide the Department of Finance with civil and penalty procedures to go back and retroactively recalculate the amount of excess ERAF that was distributed to cities and counties. Santa Clara County has estimated that the City's portion of these funds amount to \$292,000.

This item is still up for discussion since the budget is still being considered by both the Senate and the Assembly. Senator Beall has expressed his opposition for this bill as well as many other coalitions expressing their opposition to particularly to the retroactive aspect of this trailer bill. The LRC agreed to oppose this trailer bill and the letter will specifically mention that the City is opposed to the retroactivity portion of this trailer bill.

Action Taken:

Mayor Scharf makes a motion to adopt a position opposing the trailer bill's provisions to retroactively shift property taxes from counties, cities, and special districts; apply civil penalties to audited, good-faith actions of county officials; and install the Department of Finance as the oversight body and authorize the Mayor to send a letter of opposition to the state legislature. Councilmember Chao seconds. The motion carries unanimously.

FUTURE AGENDA SETTING

The next LRC meeting is scheduled for June 19 at 8 a.m.

ADJOURNMENT

The meeting was adjourned at 3:01 p.m.