April 20, 2012

Alert from California Community College League RE: AB 2591

April 20, 2012

AB 2591 (Furutani):
Community Colleges: Property Tax Revenues

~SUPPORT~

Thank you to all of the colleges who sent in a letter of support on AB 2591 to the Assembly Higher Education Committee! AB 2591 passed through the Assembly Higher Education Committee and is now going to be heard in the Assembly Appropriations Committee, on Wednesday, April 25th. **We are asking local colleges to send letters of support for AB 2591 ASAP.**

Summary:
AB 2591 will create an automatic backfill funding mechanism for community colleges when property tax and fee revenues fall short of the amounts estimated in the annual Budget Act. This bill requires the Controller to transfer funds from the General Fund to the State School Fund to resolve the deficit created by the shortfall. AB 2591 removes funding uncertainty and prevents the destructive mid-year cuts to California's community colleges, allowing them to maintain essential educational services to students.

This statutory change provides funding protections to community colleges that are similar to those in place for K-12 districts.

Background:
Under Proposition 98, the State must allocate a minimum amount of funds each fiscal year to K-14 education. In the annual budget act, the State estimates how much property tax will be received by K-12, and for community colleges how much property tax and enrollment fees will be received, and then allocates from the General Fund the amount needed to reach the Proposition 98 minimum guarantee. While the state is required to backfill K-12 districts if there is a revenue shortfall, community colleges have no such safety net.

If property taxes and fee revenues fall short of the budget act estimates, community colleges are forced to absorb the cut unless the Legislature and Governor intervene with a supplemental appropriation from the General Fund.

Principles:
In the current year, as a result of the recession and state budget cuts, two factors have impacted the collection of fee revenue: (1) an increase in the number of students receiving the California Community Colleges Board of Governors Fee Waiver (2) a reduction in the overall number of students attending the community colleges. In addition, property tax collections have come in at $41 million below budget estimates. When combined, the total local revenue deficit equals $149 million. This shortfall comes on the heels of a $313 million workload
reduction imposed in the Budget Act, and a $102 million midyear trigger cut which have already heavily impacted community colleges’ ability to effectively serve students.

This funding shortfall:

- Has an affect on colleges’ general purpose revenues, significantly reducing resources available to support educational services;
- Forces colleges to have to find ways to lower expenses such as cutting courses, reducing services and laying off employees; and
- Severely cripples the ability of community colleges to plan accordingly to meet the educational demands of students.

**Argument for Support:**
AB 2591 would provide funding protections to community colleges that are similar to those now in place for K-12 districts. The Legislature and Governor should honor their state budget estimates, and if additional state budget reductions are necessary, the Legislature should convene to deliberate and vote on such budget reductions. Community colleges should not be “cut” through “inaction” on the part of the Legislature and Governor.

**Action Requested:** Ohlone has sent a letter in support of AB 4921 to Assemblymember Warren Furutani and all members of the Assembly Appropriations Committee. The League is requesting that community college administrators, trustees, students, and faculty, also fax letters of support for AB 2591 (Furutani) to members of the Assembly Appropriations Committee, Assemblymember Warren Furutani, and to the Consultant of the Assembly Appropriations Committee. In addition, please fax one copy of your letter to the League Office.

*Fax numbers are listed below:*

- Assemblymember Warren Furutani (916) 319-2155
- Assembly Appropriations Committee Consultant (916) 319-3560
- League Office (916) 441-0378

**Assembly Appropriations Committee:**

- Assembly Member Felipe Fuentes (Chair) (916) 319-2139
- Assembly Member Diane Harkey (Vice Chair) (916) 319-2173
- Assembly Member Bob Blumenfield (916) 319-2140
- Assembly Member Steve Bradford (916) 319-2151
- Assembly Member Charles Calderon (916) 319-2158
- Assembly Member Nora Campos (916) 319-2123
- Assembly Member Mike Davis (916) 319-2148
- Assembly Member Tim Donnelly (916) 319-2159
- Assembly Member Mike Gatto (916) 319-2143
- Assembly Member Isadore Hall (916) 319-2152
- Assembly Member Gerald Hill (916) 319-2119
- Assembly Member Ricardo Lara (916) 319-2150
- Assembly Member Holly Mitchell (916) 319-2147
- Assembly Member Jim Nielsen (916) 319-2102
- Assembly Member Chris Norby (916) 319-2172
In addition, Ohlone has sent a letter in support of AB 2591 (Furutani) to all members of the Assembly Higher Education Committee [Download Sample Letter]. Feel free to copy the letter and fax it to the members of the committee at the fax numbers below.

Fax numbers are listed below:

- Assemblymember Warren Furutani (916) 319-2155
- Assembly Higher Education Committee Consultant (916) 319-3961
- League Office (916) 441-0378

Assembly Higher Education Committee:

- Assembly Member Marty Block (Chair) (916) 319-2178
- Assembly Member Kristin Olsen (Vice Chair) (916) 319-2125
- Assembly Member Katcho Achadjian (916) 319-2133
- Assembly Member Julia Brownley (916) 319-2141
- Assembly Member Paul Fong (916) 319-2122
- Assembly Member Cathleen Galgiani (916) 319-2117
- Assembly Member Ricardo Lara (916) 319-2150
- Assembly Member Jeff Miller (916) 319-2171
- Assembly Member Anthony Portantino (916) 319-2144

This information was provided to Ohlone by Kristine Schilpp of CCLC

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Connecting Community Colleges for a Strong California