June 4, 2012

The Honorable Mark Leno, Chair, Senate Committee on Budget
The Honorable Bob Blumenfield, Chair, Assembly Committee on Budget
California State Legislature
State Capitol
Sacramento, CA 95814

RE: Item 6870 - California Community Colleges: RDA HOLD HARMLESS LANGUAGE

Dear Senator Leno and Assemblymember Blumenfield:

The Ohlone Community College District supports the inclusion of Redevelopment Agency (RDA) Hold Harmless language in the 2012-13 Budget Act.

Under current law, General Fund apportionments to K-12 districts automatically adjust for changes in property tax revenues. The law does not provide a similar adjustment for community college districts. If property taxes (regular or, as proposed, revenues from redevelopment wind-down) or 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. Until and unless a backfill appropriation is provided, local community college districts must assume the cuts will be sustained and reduce programs and services accordingly.

The dissolution of redevelopment agencies effective February 1, 2012, set in motion a new administrative process. This process will oversee the dismantling of redevelopment agencies and identify amounts of property tax resources which may act as offset to State general funds. Until legal uncertainties are resolved and until the state establishes a track record in determining the actual amount of RDA revenues to be received, community college funding should be protected in the same manner as K-12 funding. RDA Hold Harmless language removes funding uncertainty and prevents destructive mid-year cuts to California's community colleges, allowing them to maintain essential educational services to students.

For the Ohlone Community College District, the uncertainty created by redevelopment revenues in 2012-13 is $2,574,000.

In the current year alone, community colleges face a $100 million local revenue shortfall attributed to an overprojection of enrollment fees due to increased fee waivers. These unexpected cuts were on top of $313 million in Budget Act cuts and $102 million in mid-year "triggered" cuts.
Community colleges understand the gravity of the state's fiscal challenges and have thus taken over $805 million in cuts since 2008-09 that have deeply affected their ability to serve California's citizenry. Should the tax measure not pass in November additional cuts will be necessary, but community colleges shouldn't be the sole entity penalized if redevelopment revenues do not materialize at the projected level.

Therefore, the Ohlone Community College District respectfully requests that Redevelopment Revenue Hold Harmless language be included in the 2012-13 Budget Act.

Thank you for your consideration of this request to provide some degree of budgetary certainty to enable us to provide a quality community college education to the students of California.

Sincerely,

Greg Bonaccorsi
Chair, Ohlone College Board of Trustees