DATE: August 28, 2003

TO: Board of Trustees

FROM: Dr. Philip R. Day, Jr., Chancellor

Subject: SPECIAL
California’s community colleges with an automatic property tax backfill
(Resolution No. 030828-S7)

BACKGROUND INFORMATION:

The California community colleges are the largest higher education system in the nation serving over 2.9 million Californians annually, yet their actual annual budget remains a mystery until nearly the end of the school because property revenues cannot be accurately measured until after April 30. Because the budget is passed based on the estimate of property tax revenues as prepared by the State Department of Finance alone and nearly a year in advance, it is literally impossible to make an accurate assessment of the revenues the community colleges will actually receive.

Because community colleges are vulnerable to loss of revenues late in the school year, often the only way to make up these shortfalls is to limit summer school course offerings to students. Summer school is of vital importance to our community college students, whether they are trying to get their last credits before transferring to a four-year university, finishing up their degree, taking advantage of an opportunity to upgrade their skills in order to advance in the workplace, or any of a myriad of other educational needs our students have. It is patently unfair and inequitable to make community college students’ educational opportunities, plans, and achievements subject to last minute financial adjustments. The level of funding coming from property taxes needs to be backfilled from the state’s general fund in order to keep both our programs and our students on track.

Current provisions of state law provide “back-fill” protection to K-12 education in the event that actual property tax collections are below those estimates included in the annual state budget act; no such provision exists for community colleges. It is only just to provide the community colleges with the same type of predictability and stability as is accorded the K-12 system.

RECOMMENDATION:

RESOLVED: That the Board of Trustees supports providing California’s community colleges with an automatic property tax backfill from the California general fund in order to bring the necessary level, stability and predictability to community college funding.
BE IT FURTHER RESOLVED: That the Board of Trustees strongly support AB-1417 (Pacheco) which would enact legislation to ensure that the community colleges automatically receive general fund dollars to backfill any property tax shortfall.

Trustee Johnnie L. Carter, Originator  
Trustee Julio J. Ramos, Chair, Originator  
Trustee Rodel E. Rodis, Chair, Originator