

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of September 11, 2012

ITEM TITLE:

Chancellor's Office Tax Offset Program (COTOP)

SPECIFIC BOARD ACTION REQUESTED:

Consider approval of contract between the Peralta Community College District and the Chancellor of the California Community College for the District to participate in the Chancellor's Office Tax Offset Program (COTOP).

ITEM SUMMARY: (PLEASE DISCUSS THIS ITEM)

This program is made available to California Community College Districts through the State Chancellor's Office. Through the use of this program, the District is able to collect amounts owed from students past due longer than 365 days. Using this program in the prior year the District was able to collect thousands of dollars of past due balances going back to fiscal year 2005-06.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

UNRESTRICTED GENERAL FUND

BACKGROUND/ANALYSIS:

AB 2347 authorizes the State Chancellor's Office to act on behalf of local community college districts for the purpose of collecting outstanding student financial obligations through participation in the Franchise Tax Board's Interagency Tax Offset Program. Through the use of this contract, the District can recover outstanding student debts owed to Peralta CCD such as enrollment fees, out-of-state fees, library fines, personal checks with non-sufficient funds, student loans, financial aid overpayments, and other approved debt. Recoveries would occur by the Franchise Tax Board remitting directly to the District debtor's personal state income tax refunds, lottery winnings, or other state refunds. The Franchise Tax Board authorizes the State Controller to disburse the offset amount less an administrative fee.

Over the last 12 years the state-wide COTOP program has been successful in recovering over \$16.1 million directly to participating districts. As of August 30, 2012 the District's accounts receivables were approximately \$12 million with approximately \$6 million over 365 days past due.

DELIVERABLES/SCOPE OF WORK:

Recovery of funds due to the District as individuals who owe amounts file state income tax returns.

ANTICIPATED COMPLETION DATE:

June 30, 2013

ALTERNATIVES/OPTIONS:

None

EVALUATION AND RECOMMENDED ACTION:

APPROVE OPEN PURCHASE ORDER FOR OFFICIAL PAYMENTS.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ **NO** **X**

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (VICE CHANCELLOR)

VICE CHANCELLOR GERHARD

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 8/28/12

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 8/28/12

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 8/28/12

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____
Thuy T. Nguyen, General Counsel

Date: _____

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: *José M. Ortiz*
José M. Ortiz, Chancellor

Date: 9-4-12