



Mt. San Antonio College

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April 30, 2018

The Honorable Phillip Chen
State Capitol
P.O. Box 942849
Sacramento, CA 94249

Dear Assemblymember Chen,

On behalf of the Mt. San Antonio Community College District, I am reaching out to you on an issue that could severely limit the ability of community college districts and other local government entities to pass local bonds. AB 195 (Obernolte) was chaptered in 2017 and mandates changes to the ballot label for local bonds. It was characterized as a technical fix but the policy implications are far-reaching and damaging for community colleges.

We are asking the Legislature to exempt local bonds from the requirements of AB 195. Time is of the essence for colleges all over the state, including Mt. San Antonio College. We are planning for a November 2018 bond election and are concerned that AB195 would negatively impact the bond's passage. We are asking you to address this issue with a budget trailer bill, which is effective immediately upon signature.

AB 195 Creates a Major Policy Change

Specifically, AB 195 requires a local ballot measure that imposes a tax or raises the rate of a tax – including local bonds – to include on the ballot label:

- The amount of money to be raised annually
- The rate of the tax to be levied
- The duration of the tax to be levied

AB 195 Causes Voter Confusion, and Confused Voters Vote “No”

Placing these statements on the ballot label will generate confusion, ultimately causing more voters to vote “NO” and reducing the passage of local bonds. Polling for the June and November 2018 elections shows a decrease of approximately 5 to 10 percentage points when these statements are placed on the ballot label, pushing many bonds below the threshold needed for passage. This outcome is not a reflection of voters changing their personal beliefs regarding the use of bonds to fund critical infrastructure improvements, rather it shows that voters default to a “NO” position when they do not fully understand what they are being asked to approve.

AB 195 Misleads Voters with Inaccurate Information

These statements do not make sense for bonds and are therefore misleading. The tax rate and annual revenue fluctuate annually based on economic conditions, as colleges levy the tax needed to make principal and interest payments on their bonds. The duration of a bond program changes when projects take longer than anticipated due to factors such as decreasing property values or changing local priorities. Additionally, the ballot label is capped at 75 words, and these statements

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take up about a third of the space that would otherwise be used to describe how bond proceeds will be spent in the community.

Detailed, Accurate Cost Information Belongs in the Voter Information Guide

Transparency and accountability are extremely important for bond programs. That is why voters already receive detailed information about the mechanics of a proposed bond measure and the potential costs to taxpayers in the tax rate statement, which is included in the voter information guide. It is important that we communicate accurately and clearly to voters, and the tax rate statement is the best location for such information because it provides space for context and detailed explanation. We believe that placing the inaccurate statements required by AB 195 on the ballot label actually misleads voters, as they do not make sense in the context of bonds.

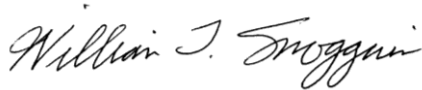
AB 195 Creates Legal Challenges

Placing this information on the ballot label could also create legal challenges for us. By placing the rate, duration, and amount raised annually on the ballot label, bond counsel could interpret this as creating a cap on all three, making it difficult for colleges to access the full amount authorized by voters and creating credit concerns with bond investors.

Our college is looking to the future and the important role we play in making higher education a reality for students in our community. California's community colleges face over \$21.5 billion in facilities needs over the next five years. AB 195 significantly diminishes the system's ability to build and renovate lecture halls, labs, and job training facilities, which are vital to ensuring students have access to the classes and hands-on training necessary to complete their education and advance their careers.

For these reasons, we are asking you to exempt local general obligations bonds from the provisions of AB 195. We look forward to a swift resolution that will help protect the ability of community colleges and other local entities to work with their communities in support of critical infrastructure projects. Thank you for your consideration of this request.

Sincerely,



William Scroggins, PhD
President & CEO

Cc: The Honorable Toni Atkins, Senate President Pro Tempore
The Honorable Anthony Rendon, Assembly Speaker
The Honorable Holly Mitchell, Chair, Senate Budget Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee

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