



**TO:** Chief Business Officers  
Chief Student Services Officers

**FROM:** Gina Browne  
Assistant Vice Chancellor, Program Operations and Strategic Planning

**RE:** Participation in the 2026 Chancellor's Office Tax Offset Program

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The Chancellor's Office is inviting California community college districts to participate in the Chancellor's Office Tax Offset Program (COTOP) for 2026. COTOP enables the Chancellor's Office to act on behalf of community college districts for the purpose of collecting outstanding student financial and other specific non-financial aid obligations through participation in the Franchise Tax Board (FTB) Interagency Tax Offset Program. Under COTOP, the FTB offsets up to the amount owed to a district from the debtor's personal state income tax refunds, lottery winnings or other state refunds. The offset amount, minus a 25% administrative fee, is then sent to the district.

Districts that participate in COTOP agree to:

- Consider, when appropriate, leveraging available funding sources to resolve student debt and provide a fiscal incentive for students to re-enroll before submitting a debt for offset.
- Not use transcript issuance as a tool for debt collection including per [Cal. Civ. Code § 1788.93](#):
  - Refusing to provide a transcript for a current or former student on the grounds that the student owes a debt.
  - Conditioning the provision of a transcript on the payment of a debt, other than a fee charged to provide the transcript.
  - Charging a higher fee for obtaining a transcript or providing less favorable treatment of a transcript request because a student owes a debt.
- Follow collections procedures described in [section 8776.6](#) of the State Administrative Manual (SAM) prior to submitting a debt for offset.

To participate in COTOP for 2026, authorized district representatives should complete the [COTOP Request for Participation survey](#). For questions, please contact the COTOP team at [COTOP@CCCCO.edu](mailto:COTOP@CCCCO.edu).

## **Attachment 1 – COTOP Recoverable Debt Types**

The following types of debtor obligations are recoverable through COTOP:

- Defaulted Perkins, Nursing, Emergency, and EOPS loans
- Campus financial aid funds (e.g. EOPS grant, CCPG fee waiver, etc)
- Non-resident tuition fees
- Enrollment fees
- Library fines
- Library replacement material charges
- Parking fees
- Parking fines (incurred within three years of date submitted for collection only)
- Residence hall rent contracts
- Cafeteria meal contracts
- Telephone bills
- Drop fees (incurred prior to January 1992)
- Personal checks returned for non-sufficient funds (limited to bookstore and other charges listed in this section only)
- Returned check service charges
- Childcare charges
- Instructional equipment breakage/replacement charges
- Health fees
- Transcript fees
- International student insurance charges
- Dental health center charges
- Community services fees
- Lost key charges
- Transportation charges or fees
- Audit fees
- Contract class charges
- Instructional materials fees
- Damage to campus facilities or equipment charges
- Personal checks written to "Cash" returned for non-sufficient funds (including returned check service fee)
- Auto repair costs (including parts, lab fee, sales tax on parts)
- Student representation fee
- Student center fee