AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 10:20 a.m., Tuesday, July 12, 2011
Glenn S. Dumke Auditorium

Peter G. Mehas, Chair
Carol R. Chandler, Vice Chair
Steven Dixon
Debra S. Farar
Steven M. Glazer
Melinda Guzman
William Hauck
Linda A. Lang
Bob Linscheid
Henry Mendoza
Lou Monville

Consent Items

Approval of Minutes of Meeting of May 10, 2011

Discussion Items

1. 2011-2012 Legislative Report No. 4, Action
MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS

Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California

May 10, 2011

Members Present

Peter G. Mehas, Chair
Bob Linscheid, Vice Chair
Nicole Anderson
Melinda Guzman
William Hauck
Linda A. Lang
Henry Mendoza
Lou Monville
Charles B. Reed, Chancellor

Trustee Mehas called the meeting to order.

Approval of Minutes

The minutes of March 22, 2011, were approved by consent as submitted.

2011-12 Legislative Report No. 3

Mr. Garrett Ashley, vice chancellor for university relations and advancement, provided a brief introduction followed by a detailed report by Karen Y. Zamarripa, assistant vice chancellor advocacy and state relations.

Ms. Zamarripa provided an overview of the current legislative measures that are of interest to the CSU and an update on existing and upcoming advocacy efforts designed to encourage a budget that includes tax extensions as proposed by Governor Brown in January 2011. Ms. Zamarripa reported that all CSU-sponsored bills moved through their policy committees getting closer to approval. One bill in particular, AB 633 (Olsen)—California State University: Acquisition or Replacement of Motor Vehicle that pertains to vehicle purchases, has moved to the second house. AB 822 (Block)—Public Postsecondary Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2012, which proposes a 2012 GO bond for education, is now a two-year bill.
Ms. Zamarripa highlighted two additional assembly bills authored by Assembly Member Marty Block, AB 620—Public Postsecondary Education: Nondiscrimination and Training: Sexual Orientation and Gender Identity is opposed by the CSU, largely because existing policies are in place to address many of the issues. The CSU has concerns about the fiscal implications related to this bill. Currently, AB 620 is on suspense given the multi-million dollar cost to all segments. Ms Zamarripa stated that the CSU has worked closely with Mr. Block on AB 670—California State University admission. As amended, the bill will provide students with a clear, articulated policy on admission appeals, and the CSU is in support of this measure.

AB 1326 (Furutani)—California Higher Education Endowment Corporation: Oil and Gas Severance Tax bill would create an oil severance tax in California and dedicate the revenue to the three public segments of higher education. The CSU is in support of this bill, if amended, to broaden the use of these funds rather than dedicating them only to instructional costs.

Lastly, Ms. Zamarripa discussed Senate Bill 8 (Yee)—Public Records: Auxiliary Organizations. Ms. Zamarripa mentioned that she, along with representatives of the University of California, the California Community Colleges, and the Chancellor’s Office met with Senator Yee’s staff and sponsors of SB 8 to offer amendments to provide greater transparency and accountability for all auxiliaries, while also protecting their nonprofit, non state status; donor and volunteer privacy, and trade secrets. The amendments were well received, and may be the basis of a final agreement on this measure. SB 8 is scheduled to be presented before the Senate Education Committee and forwarded to the Appropriations Committee shortly. Ms Zamarripa is anticipating a favorable update at the next board meeting.

Ms. Zamarripa concluded her presentation with an overview of advocacy activities past, present, and future that are structured to inform and educate the general public on the ramifications of an all-cuts budget for the CSU. Campus presidents are working closely with community leaders and legislators across the state encouraging them to utilize their sphere of influence to advocate our message of the devastating impact of an all-cuts budget on the CSU.

The committee recommended approval of the proposed resolution (RGR 05-11-05) adopting the 2011-2012 Legislative Report No. 3.

The meeting was adjourned.
2011-2012 Legislative Report No. 4

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy & State Relations

Summary

This item contains an update on the Board of Trustees 2011 Legislative Program and several additional bills of interest for the CSU.

Board of Trustees Sponsored Measures

AB 633 (Olsen) California State University: Acquisition or Replacement of Motor Vehicle. This measure permanently allows the CSU to purchase vehicles, an authority that is set to expire next spring.

Status: This measure passed out of the Assembly on consent and will be heard in the Senate Government Organization Committee.

AB 822 (Block) Public Postsecondary Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2012: This legislation would place a four-year K-12/Higher Education bond measure on the ballot for voter approval.

Status: Given the State’s ongoing fiscal crisis, the author has decided to make this measure a two-year bill. Two other measures AB 331 (Brownley) and SB 781 (Lowenthal) were also deferred for further action next year.

AB 997 (Wagner) Professional Fiduciaries This measure will remove an unnecessary regulatory burden and clarify existing law by providing a very narrow exemption as it pertains to the administration of charitable trusts the university is responsible for through our foundations.

Status: The measure will be heard in the Senate Appropriations Committee.

SB 292 (Padilla) Public Postsecondary Education: Community Colleges: Transfer: This measure is a possible clean up vehicle for last year’s transfer agreement measure SB 1440 (Padilla).
**SB 736 (Cannella) California State University: Trustees:** This proposal would eliminate independent campus audits that are duplicative of our systemwide audits thereby reducing administrative costs of up to $2 million a year. This proposal would have no affect on auxiliary organizations, as an independent audit would still be required on every auxiliary in accordance with the Education Code.

**Status:** This measure passed out of the Senate with bipartisan support. Similar language to this bill was placed into a budget trailer bill by the Department of Finance as part of the May revise, but then was removed the day before passage of the majority vote Democratic package due to objections by the California Faculty Association (CFA). This measure was heard at the Assembly Higher Education Committee, but failed passage by one vote (4-0) with all but one democrat not voting. The measure was granted reconsideration for possible further action.

**SB 940 (Committee on Education) Public Postsecondary Education: Students:** This proposal will clarify that the priority enrollment provided to veterans under current law would not be altered by the recently enacted SB 1440 the community college transfer measure of 2010.

**Status:** This measure passed out of the Assembly Higher Education Committee on consent. The measure will now be referred to the Assembly’s Appropriations Committee.

### Additional Legislative Measures of Interest to the CSU

**AB 2 (Portantino) Educational and Economic Goals for California Higher Education:** This bill proposes a statewide accountability framework for higher education similar to prior legislation. This framework would provide a collective assessment of the state's system of postsecondary education in meeting specified educational and economic goals.

**CSU Position:** WATCH

**Status:** This measure passed out of the Assembly and is scheduled to be heard in the Senate Education Committee.

**AB 7 (Portantino) State Employment: Salary Freeze:** This was the third attempt to restrict salary increases for state employees who earn more than $150,000 a year and are not part of collective bargaining agreements.

**CSU Position:** OPPOSE

**Status:** This measure was held by the Assembly Appropriations Committee.

**AB 89 (Hill) Retirement: Public Employees**: This bill requires all public retirement systems in California to apply the IRS $245,000 limit on compensation that can be used to calculate defined benefit pensions.
CSU Position:  NO OFFICIAL POSITION

Status: This measure passed out Assembly on a vote of 75-0 and is set to be heard in the Senate Public Employment and Retirement Committee.

AB 130 (Cedillo) Student Financial Aid: Eligibility: California Dream Act of 2011: This measure allows financially needy AB 540 students to receive non-state funded scholarships.

CSU Position: SUPPORT

Status: This measure was approved by the Assembly, passed out of the Senate Education Committee and will be heard in the Senate Appropriations Committee on June 27th.

AB 131 (Cedillo) Student Financial Aid: This measure would extend the out of state tuition waiver granted by AB 540 to adult education and trade school students. The bill will also allow those students to receive state and institutional financial aid, such as Cal Grants.

CSU Position: SUPPORT

Status: This measure was approved by the Assembly and was approved by the Senate Education Committee.

AB 194 (Beall) Public Postsecondary Education: Priority Enrollment: Foster Youth: This measure would require any CSU, University of California or California Community College to provide priority registration for former foster youth.

CSU Position: SUPPORT

Status: This measure has been approved by the Assembly and passed out of the Senate Education Committee last month. The Appropriations Committee will consider the measure in the next few weeks.

AB 450 (Wieckowski) California State University: Audits: This bill would allow the CSU or the Controller to investigate a vendor for kickbacks and rebates. The CSU already has the authority, along with the Bureau of State Audits to audit any contract over $10,000.

CSU Position: OPPOSE

Status: This measure was passed out of the Assembly on a partisan vote and is now in the possession of the Senate Education Committee. The sponsor’s (SEIU-USWW) target of this bill is a private business, Sodexo, which provides food services for a number of our campuses’ dining halls. SEIU-USWW is attempting to organize Sodexo employees and has elevated their confrontation through this effort. As proposed to be amended, the measure would require any new contract entered into by the CSU to identify any direct or indirect rebates returned to the CSU or its auxiliaries.
AB 635 (Knight) Veterans' Benefits: Public Postsecondary Education: Mandatory Educational Fees: This measure aligns California law with the recently enacted federal benefits for veterans by changing “fee” to "tuition."

CSU Position: NO OFFICIAL POSITION
Status: This measure is a two year bill.

AB 636 (Knight) Military Service: Benefits: Current law allows a student who is called into active duty by a certain date, to receive a credit toward a future academic term. This proposal would delete the cutoff date and provides that a refund of up to 100% of fees paid by the student should be refunded regardless of when the student is called up for duty, if an accommodation could not be reached.

CSU Position: NO OFFICIAL POSITION
Status: This measure was passed out of the Senate Veteran’s Affairs Committee and needs to be considered by the Education Committee by July 10th.

AB 649 (Harkey) Public Postsecondary Education: Veteran's Enrollment: Current law allows a veteran to receive priority registration for courses two years after leaving the military. AB 649 amends this law by giving priority registration for Californian veterans for five years after their discharge from the military.

CSU Position: SUPPORT
Status: This measure is a two-year bill.

AB 661 (Block) Public Postsecondary Education: San Diego Community College District: Baccalaureate Degree Pilot Program: This measure would provide the Grossmont-Cuyamaca and the San Mateo County Community College Districts the authority to offer certain Bachelor's degrees as a pilot program for eight years.

CSU Position: WATCH
Status: This measure was placed on the inactive file and is a two-year measure.

AB 670 (Block) California State University: Admission: This measure stipulates that CSU campuses have an appeal process for admissions denials and notify students of said process.

CSU Position: SUPPORT
Status: This measure was passed out of the Assembly and was approved on consent by the Senate Education Committee on June 22nd.
**AB 795 (Block) Smoke-Free Campuses:** This measure strengthens existing law which allows the CSU to adopt and enforce smoking and tobacco control policies. This measure would authorize our campuses to "cite and collect revenue" to enforce these policies.

CSU Position: NO OFFICIAL POSITION

Status: This measure was passed out of the Assembly and approved by the Senate Education Committee. The next step for the bill is Appropriations Committee.

**AB 844 (Lara) Student Government: Students Qualifying for Exemption from Nonresident Tuition:** This measure would provide that any student who is eligible to receive the benefit for tuition/fees established by AB 540 and who serves on a student government to receive appropriate compensation.

CSU Position: NO OFFICIAL POSITION

Status: This measure passed out of the Assembly and was approved by the Senate Education Committee. The author is attempting to address circumstances like that involving Fresno State’s ASI President. However, given federal law with regard to employment, the measure does not rectify situations where ASI officers are employed by their association.

**AB 851 (Nestande) Distance Learning:** This measure establishes a common definition of "distance learning course" and requires data gathering and reporting on such courses offered by the state public postsecondary institutions. It also requires the Legislative Analyst's Office (LAO) to convene a task force to identify steps needed to establish a virtual Western Governors University (WGU), California.

CSU Position: NO OFFICIAL POSITION

Status: This measure passed out of the Assembly and will next be heard in the Senate Education Committee.

**AB 853 (Blumenfield) Public Postsecondary Education: Tuition and Fees: Veterans:** This measure conforms California to federal law regarding nonresident tuition exemptions for members of the United States Armed Services and their dependents who are enrolled at a California public postsecondary education institution.

CSU Position: SUPPORT

Status: This bill passed out of the Assembly and is now in the Senate, pending further action.

**AB 970 (Fong) Systemwide Student Fees: Student Financial Aid Report:** This measure jeopardizes the ability of the system to serve students in light of reductions in General Fund support by requiring a year’s notice for all fee increases, statutorily changes financial aid set-aside, and improves new reporting requirements that are duplicative, unnecessary and costly.
CSU Position:    OPPOSE
Status: The measure was amended the end of May and rushed through the Assembly Higher Education and Appropriations Committees with many members expressing reservations about the ramifications the measure would have on the UC and CSU. It is now on the floor of the Assembly. The CSSA and UCSA consider themselves sponsors of the bill.

AB 1184 (Gatto) Public Employees’ Retirement Benefits: This measure would in essence eliminate the PERS Replacement Benefit Program (RBP) that is used to provide a gap in coverage of retirement. The IRS has a maximum pension benefit limit of $195,000 for those retiring at age 65 who began their state service prior to 1990 but allows supplemental retirement coverage of up to $245,000 for those employees hired after 1996 and more than $245,000 for those hired between 1990 and 1996.

CSU Position:    NO OFFICIAL POSITION
Status: The measure was passed out of the Assembly and is set in to be heard in the Senate Public Employment and Retirement Committee on June 27th. We are working with Human Resources to determine the impact of this bill on CSU.

AB 1326 (Furutani) California Higher Education Endowment Corporation: Oil and Gas Severance Tax: This measure would impose a 12.5% oil severance fee that would be allocated to a newly created California Higher Education Fund Endowment entity for distribution and to CSU, UC, and CCC.

CSU Position:    SUPPORT IF AMENDED
Status: This measure was held by the Assembly Revenue and Taxation Committee this Spring. CSU had sought amendments to ensure that the supplement and supplant language was as strong as possible. Language was also requested to provide greater discretion on the use of these dollars and to eliminate the new administrative body to oversee the dispersion of funds.

SB 8 (Yee) Public Records: Auxiliary Organizations: This measure creates a Public Records Act–like statute in the Education Code for our auxiliaries while protecting donor’s privacy and proprietary information.

CSU Position:    SUPPORT
Status: This measure was passed out in the Assembly Higher Education Committee on June 21st with unanimous support.

SB 27 (Simitian) Public Retirement: Final Compensation: Computation: Retirees: This measure is similar to a bill that was vetoed last year, and states that the Public Employees Retirement System (PERS) should have a methodology to ensure that an employee does not receive a salary
increase solely for the purposes of increasing a retirement package. The bill would also restrict the ability of a retired annuitant to return to work prior to 180 days after their initial separation date.

CSU Position: NO OFFICIAL POSITION
Status: This measure passed out of the Senate and is now in the Assembly Public Employees Retirement and Social Services Committee.

**SB 185 (Hernandez) Public Postsecondary Education:** This measure allows CSU and UC to look at a student's geographic origin and household income in considering admissions. Further the segments would be allowed to consider race, gender, ethnicity, and national origin to the extent allowable under the 14th amendment of the U.S. Constitution and any relevant case law.

CSU Position: WATCH
Status: This measure was referred to the Assembly Higher Education Committee. Existing CSU practice is consistent with the bill.

SB 322 (Negrete-McLeod) Retirement: This bill clarifies existing law that prohibits PERS members from receiving retirement benefits exceeding the IRS 415(b) $195,000 annual limit.

CSU Position: WATCH
Status: The bill passed out of the Senate and the Assembly and will soon be before the Governor for his action.

**SB 483 (Calderon) The University of California and the California State University: Summer Session Fee** This measure prohibits summer session fees at the UC and CSU campuses from exceeding the fees charged per credit unit for any other academic term.

CSU Position: OPPOSE
Status: The bill, which is sponsored by the California Faculty Association (CFA), was made a two-year bill at the request of the author.

**SB 611 (Steinberg) Public Postsecondary Education: The University of California:** This measure requests UC to maintain and expand the Curriculum Integration Institute (UCCII), which is intended to bring together high school teachers and curriculum experts to develop model courses that provide students, with rigorous academic content linked to real-world applications improving both college and career readiness in K–12.

CSU Position: SUPPORT
Status: The measure passed out of the Assembly Higher Education Committee and is headed to the Assembly Appropriations Committee.
SB 612 (Steinberg) Postsecondary Education: Instructional Strategies: This measure extends the existing California Subject Matter Projects (CSMP), adding projects in Arts, Physical Education, and World Language.

CSU Position: SUPPORT
Status: The measure passed out of the Assembly Higher Education Committee and is headed to the Assembly Appropriations Committee.

SB 813 (Committee on Veterans Affairs) Public Postsecondary Education: Veterans' Enrollment: This measure would grant priority enrollment to members or former members of the Armed Forces of the United States within 4 years of leaving active duty.

CSU Position: SUPPORT
Status: The measure passed out of the Assembly Higher Education Committee with unanimous support and is now headed to the Veterans Affairs Committee.

SB 931 (Vargas) Public Employee Organizations: This bill prohibits public agencies from using public funds to pay outside consultants or legal advisors for the purpose of counseling the public employer in matters such as collective bargaining.

CSU Position: OPPOSE UNLESS AMENDED
Status: This measure passed out of the Assembly Public Employees Retirement and Social Security Committee on a partisan vote and now moves to the Assembly floor. The CSU has requested amendments to clarify the language and is still working with the author on that endeavor. The CSU is also now a member of a broad coalition working to defeat this measure including schools, cities, counties and others.

Adoption of the following resolution is recommended:

**RESOLVED,** By the Board of Trustees of The California State University, that 2011-12 Legislative Report Number 4 is adopted.