

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 9:45 a.m., Wednesday, January 28, 2004
Glenn S. Dumke Auditorium

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Robert G. Foster
William Hauck
M. Alexander Lopez
Ralph R. Pesqueira
Kyriakos Tsakopoulos

Consent Items

Approval of Minutes of Meeting of November 19, 2003

Discussion Items

1. 2003/2004 Legislative Report No. 7, *Action*
2. California State University Federal Agenda for 2004, *Action*
3. Economic Recovery Bond (Proposition 57) and California Balanced Budget (Proposition 58): Endorsement by Board of Trustees, *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**

November 19, 2003

Members Present

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Debra S. Farar, Chair of the Board
William Hauck
M. Alexander Lopez
Ralph R. Pesqueira
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos

Members Absent

Robert G. Foster

Other Trustees Present

Eric Guerra
Kathleen Kaiser
Shailesh J. Mehta
Frederick W. Pierce, IV

Chancellor's Office Staff

David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard P. West, Executive Vice Chancellor and Chief Financial Officer
Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
Karen Y. Zamarripa, Assistant Vice Chancellor, Advocacy and Institutional Relations

Trustee Galinson called the meeting to order at 10:04 a.m.

Approval of Minutes

The minutes of September 16, 2003 were approved.

2003/2004 Legislative Report No. 6

Trustee Galinson noted the agenda item had been revised to reflect the deletion of one name from the committee.

Karen Y. Zamarripa, Assistant Vice Chancellor, Governmental Affairs, informed the committee that they would receive an end-of-year legislative report providing a comprehensive update on all of the legislation of importance to CSU that was followed by Governmental Affairs in 2003.

Ms. Zamarripa then called attention to a number of items in the report and informed the committee about various activities that had taken place since adjournment of the legislative session, including the following:

The success of the board and others in obtaining former Governor Davis' veto on AB 1051 (Goldberg), the utility bill that would have had significant impact on CSU campus operating budgets;

Success in defeating Senate Bill 18, which would have implemented changes to CEQA that would have granted significant authority to the Native American Heritage Commission on CSU capital projects with an impact on Native American sacred sites;

Success in ensuring that CSU had no further directions relating to its 2003/2004 budget, specifically, with respect to proposals to reduce targeted programs such as CMS and others.

Ms. Zamarripa also stated that other issues likely to be acted upon in the Special Session called by Governor Schwarzenegger are workers' compensation, and the repeal of the legislation allowing undocumented immigrants to obtain a driver's license. In addition, discussions surrounding a long-term deficit bond are also expected to play a prominent role in the immediate and near future.

CSU is also actively working with the Assembly Higher Education Committee on a series of hearings regarding the long-term financing of higher education. Ms. Zamarripa indicated that this could be an attempt to shift some of the obligations associated with support of the CSU away from the general fund to free-up those dollars for other activities that clearly are priorities for many legislators (for instance, health care). She noted that CSU will continue to be involved and work with committee members and staff to ensure that funding strategies are in place and to illustrate that CSU continues to be interested in the committee's help in seeking the support from the state that the system needs.

Ms. Zamarripa updated the committee on preparations for discussion on a long-term fee policy. She reported work has begun in collaboration with the Systemwide Budget Advisory Committee, the student leadership, and others, and that the process has been very positive and productive. It is hoped that an initial proposal will be presented to the board in the spring.

Other efforts underway that were described by Ms. Zamarripa include implementing methods for conveying the CSU message with regard to the budget and the long-term needs of the system, as well as educating the legislature and the general public about the impact of the reductions of the past decade have had on quality; and the fundamental choices that the state has as it relates to its investment in higher education.

Ms. Zamarripa informed the committee of the recent advocacy training session held in Sacramento. She reviewed the intent and purpose of the training and noted plans for additional sessions to be held in northern and southern California.

Ms. Zamarripa noted planning has begun for development of the Board of Trustees legislative program for 2004. The process has been initiated with the campuses and additional discussions will be taking place with the chancellor, campus business officers, budget team, and system vice chancellors. Based on feedback from those discussions, a set of proposals will be developed and presented in January to the board for consideration for CSU sponsorship in the next legislative session.

She also noted that plans are underway for the 2004 CSU Alumni Council Legislative Days to be held in Sacramento on March 22, 2004.

Trustee Pierce inquired about efforts in the area of establishing a reserve policy. Ms. Zamarripa explained that within the context of the higher education committee, the proposal has been to set aside a certain amount of general fund money specifically for CSU and UC. However, due to the extreme budget situation, she was not confident there would be total commitment to taking those funds off the table in the midst of other difficult choices in the next several months.

Trustee Guerra thanked Ms. Zamarripa for her report and for presenting it in such an easily understood format. He expressed concern about language contained in AB 550 that would produce an official standing committee for the CSU regarding any changes in student fees. Ms. Zamarripa indicated that in fact many of the issues raised in this CSSA-sponsored bill were being successfully addressed in the development of a proposed long-term fee policy for discussion by the Board of Trustees next spring. She indicated that CSSA leadership had raised the issue of internal consultation with the Chancellor regarding fees, as well as adequate notice for proposed fee increases and accountability through annual reports on not only student fee levels but also financial aid availability and affordability in general. Ms. Zamarripa reported that she felt that many of these issues were being addressed, consistent with the bill and in direct response to the requests of student representatives.

Trustee Galinson asked about the status of SB 971. Ms. Zamarripa explained it is a sponsored bill that was opposed by the CFA due to the requirement for faculty to report outside employment. She explained the bill's link to AB 491 and how the two bills were double-joined and how that affected their outcome, with both bills being placed on inactive status during the last week of session. Trustee Galinson said he was disappointed in CFA's opposition and said it would be interesting to have the faculty senate express their views on the bill.

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Gov. Rels.

The committee recommended approval of the proposed resolution (RGR 11-03-10).

The meeting adjourned at 10:22 a.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2003/2004 Legislative Report No. 7

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and Institutional Relations

Summary

This item contains a presentation of proposals for inclusion in the Trustees' Legislative Program for 2004, and a status report on legislation that remains active in the second year of the 2003-04 legislative session.

Background

The Legislature met in special session for approximately a month following the inauguration of Governor Schwarzenegger, and reconvened on January 5 to begin the second year of the 2003-04 Regular Session. The three special sessions called by the Governor will continue to run concurrently with the Regular Session.

The following dates correspond with the key milestones in the second year of session:

January 31	Last day for bills introduced in the first year of session to be approved in the house of origin
February 20	Last day to introduce bills
April 23	Last day for policy committees to hear bills for referral to fiscal committees
May 21	Last day for fiscal committees to report bills to the floor in the house of origin
May 28	Last day for bills to be approved on the floor in house of origin
June 25	Last day for policy committees to hear and report bills in their second house
July 2	Summer Recess begins, provided Budget Bill has been enacted
August 2	Legislature reconvenes
August 13	Last day for fiscal committees to report bills to the floor in the second house
August 31	Last day for any bill to be passed; Final Recess begins upon adjournment

Carry-Over Proposals from 2003

Assembly Bill 825 (Firebaugh) Student Financial Aid: Ensuring Access to Cal Grant Program. In 2000, the State Legislature passed Senate Bill 1644 (Ortiz), legislation that made California a leader in guaranteeing financial aid for students based on merit and need. Among the four categories of the new Cal Grant structure, the California Community College (CCC) Transfer Entitlement has the greatest potential in providing financial aid to students who have chosen the Community College as their route to a college degree, program or certificate.

This entitlement is structured in such a way that a large portion of CCC students who desire to transfer to a four-year university cannot participate due to the age restriction as set forth in the California Education Code Sec 69436.8 (A-E). Essentially, only CSU-eligible students who are under the age of 24 are eligible for this entitlement. This has a significant impact on CCC transfer students, as many are over the age of 24. Another provision in the CCC Transfer Entitlement Program requires that students maintain a community college GPA of 2.4 in order to be eligible for the award. However, transfer students are CSU-eligible if they maintain a 2.0 GPA. Therefore, the current statutory GPA requirement disenfranchises a significant number of eligible transfer students.

As an initial step in an effort by CSU to address these issues, Assembly Bill 825 expresses a finding by the Legislature that the current Cal Grant Competitive Program should be modified to ensure that the program clearly addresses the unique needs of older, adult, nontraditional, returning, and reentry students. In addition, the bill expresses the intent of the Legislature that the Student Aid Commission convene a group of interested parties to prepare a study regarding the extent to which the current Cal Grant programs adequately address the needs of California residents pursuing a postsecondary education.

Status: AB 825 was held in the Senate Education Committee, making it a two-year bill. The CSU sponsored the bill given ongoing concerns about the impact of the restrictions on community college transfer students. Two out of every three of these transfer students complete their degree at a CSU campus and are encouraged to do so under the state's Master Plan. AB 825 would increase the state's obligation for the Cal Grant program; however in light of budget pressures, enrollment management and state-endorsed strategies to encourage students to complete their first two years at the community colleges, changes in the current program will be required to ensure true access and student success. CSU and others are well positioned with AB 825 to engage this important dialogue in the development of the final 2004-05 budget.

Senate Bill 971 (Burton) California State University. At the conclusion of the first year of session, Senate Bill 971 included three sections pertaining to various employees of the CSU:

- The bill would require Executive, Management Personnel Plan (MPP), and Academic employees to report on outside employment and business activities to ensure that such activities do not constitute a conflict of interest with CSU employment or conflict with normal work assignments or the performance of duties.
- The bill would prohibit an employee of the CSU from being a consultant or an employee of a for-profit business entity that provides services to the university.
- The bill would require CSU to offer ethics training to each employee who is required to file a Statement of Economic Interests in accordance with current law.

The latter two provisions were in response to recommendations made by the Bureau of State Audits in the recent audit of CSU's Common Management Systems.

Status: Assembly Inactive File. The bill was amended late in the session to "double-join" its provisions with those contained in Assembly Bill 491 (Diaz). With this action, both bills became "two-year bills" and SB 971 is expected to remain inactive through the close of session.

New Proposals for 2004

The following proposals were being submitted for potential Trustee-sponsored legislation in 2004.

Authority to Pursue False Claims. Existing law allows the University of California (UC) to directly pursue False Claims Act actions against contractors who have made false claims for payment. Cities, counties, and other local government subdivisions also have the authority to directly file False Claims Act actions against contractors who attempt to defraud them. CSU was initially included in the 1996 bill which granted UC this authority, but was removed in an amendment after the state's prior Attorney General expressed opposition to the measure.

Presently for the pursuit of false claims CSU must depend on the Attorney General, who does not always have sufficient resources to take such actions. An example of this occurred in 1999, when a subcontractor at one of our campuses submitted a total of \$250,000 in false claims consisting of 25 fraudulent time and material change orders. The False Claims Act allows a penalty of up to \$10,000 per item, including legal fees and court costs.

This proposal would amend the current statute to grant CSU authority to pursue such claims when the Attorney General makes a determination that their office will not.

Omnibus Legislation. The CSU frequently sponsors “omnibus” legislation containing non-controversial and/or technical changes to the various codes. For the past several years, the omnibus proposals have been included in legislation authored by the Assembly Higher Education Committee. It is expected that the committee will again author the bill this year. Once the members of the committee have approved the content of the measure, it typically advances through the legislative process without incident. However, under legislative policy any matter which garners formal opposition must be removed from omnibus legislation.

The following items are being considered for omnibus legislation in 2004:

Bilingual Services: The Dymally-Alatorre Bilingual Services Act provides that every state entity directly involved in the furnishing of information to the public shall employ a sufficient number of qualified bilingual persons in public-contact positions to ensure provision of information and services to the public, in the language of non-English-speaking persons. When enacted, the Act provided an exemption from its requirements to school districts, county boards of education, or the office of a county superintendent of schools.

This proposal would clarify that CSU is included within the current exemptions provided for school districts, county boards, and county superintendents. The matter is currently being explored with Assembly Member Dymally and legislative policy staff.

Prequalifying Contractors And Competitive Bidding: Minor Contracts. In 2001, the CSU successfully had three sections within the CSU Contract Law in the Public Contract Code amended to coincide with the increase of the Department of Finance’s (DOF) minor capital outlay dollar limit from \$250,000 to \$400,000.

This proposal would conform additional sections of the CSU Contract Law to the existing authority in the State Contract Act, to ensure that the minor contract limit for CSU is automatically adjusted to be consistent with the limit for state contracts identified by DOF.

Repeal of Obsolete Code Sections: The following proposals to repeal obsolete sections appear to be viable candidates for this year’s omnibus bill:

- Repeal Education Code Section 90450. This section was enacted in 1995 and authorized the CSU to dispose of six houses at CSU, Chico known as “the Language Houses” to parties willing to preserve and restore the houses. As all transactions authorized by the section have been completed, it is no longer needed in the Code.
- Repeal Education Code Section 90500. This section has long provided special authority in the CSU for printing and binding services, addressing a bygone era when CSU was tied to the State Printer by statute to fulfill all of its printing and binding needs. With the amendment of Section 89036(a) two years ago (Stats 2001, Ch. 219 (AB 1719), full authority was given the CSU to "prescribe policies and procedures for the acquisition of services, facilities, materials, goods, supplies, or equipment" which was given "notwithstanding any other provision of law." Since the 2001 enactment, Section 90500 is no longer necessary.
- Repeal (or amend) Education Code Sections 89925 and 89926. Sections 89925 and 89926 address associated students auxiliary organizations. In the 2000 legislative session this general section of the Code was amended to exclude associated students organizations from the article that includes Sections 89925 and 89926. By making the article inapplicable to associated students organizations, the 2000 amendment rendered Sections 89925 and 89926 meaningless. It has thus been proposed that these sections be repealed, or amended to clarify that they do not apply to associated students organizations.

Status Report: Two-Year Bills

Assembly Bill 491 (Diaz) California State University: Information Technology Projects. Assembly Bill 491 would enact a comprehensive statutory scheme relating to procurements and contracts for CSU information technology projects.

Status: Assembly Inactive File (see SB 971 above)

Bills to Implement the Recommendations of the Joint Master Plan Committee

The following bills would implement various recommendations of the Joint Committee to Develop a Master Plan for Education. Each bill was held in the Appropriations Committee in its house of origin, to allow substantive deliberations on the final content of each bill. To date it is unclear whether any of these proposals will be pursued in their current form in the 2004 session

given the state's economic picture and the difficult budget negotiations ahead. An additional measure dealing with higher education accountability as a whole in California under the leadership of Master Plan Committee Chair Dede Alpert and Vice Chair Carol Liu is expected this year as well.

Assembly Bill 242 (Liu) Teachers. This bill contains the committee's recommendations on teacher personnel matters. While the bill's primary focus is on K-12 teachers, it also includes several provisions pertaining to university faculty and higher education issues, including:

- States legislative intent that the state increase the capacity of California's postsecondary education system to prepare larger and more sufficient numbers of qualified educators, especially from among racial, ethnic, and linguistic groups that are underrepresented in today's teaching workforce.
- Requires the CSU and the California Community Colleges (CCC), and requesting the University of California (UC), to adopt policies regarding the appropriate balance of temporary and permanent tenure-track faculty for their respective systems and to report these respective policies, and the rationales therefore, in written reports to the that the segments report the ratio of permanent/tenure-track faculty to temporary faculty who are employed by their respective systems, how this ratio compares to their respective systemwide policies, which activities are reserved for permanent/tenure-track faculty in their respective systems, and the reasons why temporary faculty cannot be enlisted in carrying out these activities.
- States legislative intent that the CSU, CCC, and UC provide adequate pro rata compensation to temporary faculty who agree to perform functions usually restricted to permanent/tenure-track faculty and direct an examination of faculty promotion, tenure, and review policies and practices, and revise them, as needed, to ensure that teaching excellence is given significant weight in decisions that affect the compensation awarded to faculty.

Status: Held in the Assembly Appropriations Committee (two-year bill)

Assembly Bill 1550 (Goldberg) Public Education Facilities. Assembly Bill 1550 contains the committee's recommendations on public facilities, and presently includes the following provisions pertaining to higher education facilities:

- Requires the Department of General Services (DGS) to adopt facility standards for public postsecondary education facilities in consultation with the CSU, the California Community Colleges (CCC), and the University of California (UC).
- Requires DGS to establish and maintain an inventory of all public school facilities, including at the CCC, CSU, and UC. The inventory must include: a) a description of the facility; b) the facility's student loading capacity; c) a description of its current use and condition; d) an assessment of its expected life; e) a description of any prior or planned modernization or renovation projects that would extend the expected life of the facility; and f) an assessment of the regional importance of the facility.
- Requires the Legislative Analyst and the Director of the Department of Finance (DOF), with the assistance of the segments, to jointly review the postsecondary education facilities funding methodology and develop a plan for postsecondary facilities construction.

Status: Held in the Assembly Appropriations Committee (two-year bill)

Senate Bill 6 (Alpert) Public Education Governance. This bill contains the committee's recommendations on Governance issues, including:

- Transfers management responsibility for the department of education from the Superintendent of Public Instruction (SPI) to the Governor's office;
- Assigns responsibility for performance monitoring, reporting and advocacy to the SPI;
- Reconfigures the California Community Colleges as a multi-district system of colleges by designating it as a public trust and assigning accountability for systemwide governance and representation to the Board of Governors;
- Establishes a California Education Commission to serve as the statewide education data repository from pre-kindergarten to postsecondary education.

Status: Held in the Senate Appropriations Committee (two-year bill)

Senate Bill 550 (Vasconcellos) Education. Senate Bill 550 contains the committee's recommendations on issues of student learning. Among other provisions, the bill would:

- Require the State Board of Education (SBE) to establish an academically rigorous curriculum for every high school pupil.
- Require the Community Colleges, the CSU, UC to establish an intersegmental group, including faculty and students, to consider the steps needed to be taken to establish a transfer associate's degree, within the existing associate degree unit requirements, the attainment of which would guarantee admission and course transferability.

In addition, the bill states legislative intent that:

- The CSU and UC systems continue to collaborate with the public elementary and secondary schools to increase the rigor of all academic courses, to reduce the demand for remedial instruction among freshman college students, and to eliminate the current practice of providing additional weight to honors and advanced placement courses in the grade point average calculations made during the admissions process.
- Legislation be enacted to mandate the development of transparent and sustainable articulation and transfer processes to provide students with clear curricular guidance on the transition between grade levels, between high school and college, and between and among 2- and 4-year colleges and universities.

California Postsecondary Education Commission

Assembly Bill 655 (Liu) Consolidation of Functions: Postsecondary Education. Assembly Bill 655 would create the California Higher Education Policy and Finance Commission, which would consolidate the current responsibilities of the California Postsecondary Education Commission, the California Student Aid Commission, and the Bureau of Private Postsecondary and Vocational Education into a single agency. Considered a work-in-progress that will be further developed during intersegmental consultation with legislative staff, the bill's goal is to create an agency which would provide:

- Strong capacity for independent and objective higher education policy planning and analysis.
- Full integration of the resources of the private postsecondary sector, in combination with the public and independent sectors, in accommodating enrollment growth and providing workforce training.

- Full integration of student fee policy and financial aid policy with higher education funding and finance policies.
- A comprehensive higher education information system, integrating all sectors of postsecondary education including financial aid, providing accurate current and historical data about higher education.

Status: Held in the Senate Appropriations Committee (two-year bill)

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the 2003-04 Legislative Report No. 7 is adopted.

COMMITTEE ON GOVERNMENTAL RELATIONS

California State University Federal Agenda for 2004

Presentation By

James M. Gelb
Assistant Vice Chancellor
Federal Relations

Summary

This item contains a presentation of items for inclusion in the 2004 CSU Federal Agenda.

Background

In January 2003, the Board of Trustees adopted the 2003 CSU Federal Agenda, a federal legislative program for the system that included both policy and project priorities for the first session of the 108th Congress. Over the past year, the CSU's Office of Federal Relations ("OFR") and system leaders worked in Washington to advance those priorities. With regard to the system's policy priorities, the CSU had a significant "behind the scenes" impact on the primary focus of those priorities, the still developing reauthorization of the Higher Education Act. Thus at the beginning of the year, the OFR prepared detailed system-wide responses to requests for input on reauthorization from the Secretary of Education and the House and Senate authorizing committees. During 2003, majority-party reauthorizing legislation was introduced in the House concerning five subject areas (teacher preparation and retention, access to higher education, college affordability, international education programs, and graduate and postsecondary improvement programs), and a bill covering a sixth area was being drafted for introduction in early 2004 (accountability and student financial assistance programs). While the OFR worked to ensure system views were communicated and considered in all of these measures, two were the subject of particular OFR impact in 2003. In a bill passed by the House entitled the Ready to Teach Act (HR 2211), OFR staff lobbied successfully for the removal of a provision relating to partnership grant funding that could have reduced monies going to CSU teacher education programs. And OFR staff did extensive work with key member and committee staff regarding concerns about the Affordability in Higher Education Act of 2003 (HR 3311); this bill has yet to be heard in the House, but significant changes have already been made that would ameliorate CSU concerns. OFR staff will continue to work on these issues in 2004.

With regard to project priorities, during 2003 the system garnered roughly \$30 million in federal earmarks for a variety of CSU research and infrastructure initiatives. (This amount includes a

number of earmarks contained in the FY 2004 omnibus appropriations bill, which at this writing has been passed only by the House; the Senate is expected to take the bill up when it returns in late January 2004.) Six items (comprising 7 earmarks) listed among thirteen system-wide priorities on the CSU's Federal Agenda for 2003 received funding, as did a number of additional system-supported campus priorities. For example, the FY 2004 omnibus appropriations bill contains \$2.5 million for the CSU system's signature coastal research initiative, CI-CORE. Already leveraging the strengths of seven CSU campuses in central and northern California, this year's funding, the highest yet for the program, will enable it to expand to include some of CSU's southern California campuses for the first time. Earmarks were also obtained in the areas of water research, nursing, transportation, environmental studies and distance learning, among others.

With the foregoing as background, this past fall the OFR, in coordination with the Chancellor's Office, again set in motion the annual process designed to produce a well-honed federal agenda. Accordingly, in October 2003, Chancellor Reed sent a memo to all 23 CSU presidents and the Executive Staff soliciting recommendations and outlining criteria for the system-wide 2004 Federal Agenda. Once again, the Chancellor's memo solicited proposals in two distinct areas: (1) federal legislative and regulatory policy; and (2) CSU projects for which direct federal funding will be sought. With respect to both project and policy recommendations, the solicitation emphasized that the federal agenda must be consistent with the CSU system's core objectives, as described in the state's Master Plan, *The Mission of the California State University*, and with the 1998 *Cornerstones Report*, and they must contribute to system goals of preserving access, providing quality instruction, and preparing students for the workforce. While these principles have their own relevance in the federal arena, it was stressed that the federal agenda should also complement and be consistent with our state program in Sacramento.

The items proposed below for inclusion in the 2004 Federal Agenda are based upon submissions received in response to the Chancellor's solicitation, and have advanced through several levels of review, including the Executive Council, and the Chancellor and his executive leadership staff.

Recommendations for the 2004 Federal Agenda

Federal Policy Proposals for 2004

The 108th Congress remains in the midst of reauthorizing the Higher Education Act of 1965 ("HEA"), many aspects of which significantly impact the CSU and its students. Accordingly, the OFR will continue to work to ensure that the system's interests are advanced during the reauthorization process. While the CSU will frequently be called upon to respond to HEA proposals made by others, including members of Congress and the U.S. Department of

Education, the following items, all of which were part of the CSU's 2003 Federal Agenda, will continue to be the subject of proactive pursuit:

1. **Campus-Based Programs Allocation Formula:** This formula affects federal student aid dollars in three programs (Supplemental Educational Opportunity Grants; Work-Study; Perkins Loans) that are allocated to postsecondary institutions for award to students. The CSU will advocate altering the current formula to better allocate funds for institutions with growing student populations.
2. **Community Service Provisions:** The CSU will advocate increasing incentives for campus participation in community service activities.
3. **Early Intervention Programs:** The CSU will advocate preserving and expanding key federal programs (GEAR UP and TRIO) vital to preparing underrepresented students for college and decreasing the need for remediation.
4. **International Education Programs:** The CSU will advocate expansion of HEA programs that promote global awareness and understanding in the post 9/11 world, including providing incentives for development of international education programs, and creating opportunities for students, faculty and staff to study abroad and for campuses to serve as hosts for those from abroad.
5. **Science, Technology, Engineering and Mathematics (STEM) fields:** The CSU will advocate programs promoting the participation and success of diverse California students in STEM fields.
6. **Developing and Hispanic Serving Institutions:** The CSU will work to assure that its campuses receive a fair share of the benefits of programs in Title III and Title V of the HEA that are designed to strengthen developing and Hispanic Serving institutions, and to advocate for a new graduate component to these programs.
7. **Federally supported research:** The CSU will advocate broadening the federally supported research base to include more support for comprehensive universities, including in programs outside the HEA.

Federal Project Proposals for 2004

More than 60 projects, including both campus and multi-campus proposals, have been submitted in response to this year's solicitation. It is recommended that the system's project priorities for 2004 be delineated in two categories. The first category would encompass broad-based, multi-

campus initiatives consistent with ongoing system collaborative efforts in core areas of CSU strength, including agriculture, biotechnology and coastal:

- Agricultural Research Initiative (ARI): a multi-campus initiative supporting high impact applied agricultural and related environmental research, development, and technology transfer, as well as public and industry education and outreach.
- California State University Program for Education and Research in Biotechnology (CSUPERB): a multi-campus initiative to enhance system efforts to channel system-wide resources and catalyze interdisciplinary, inter-campus, synergistic endeavors involving Biology and Chemistry departments as well as Engineering, Agriculture and Computer Science.
- California Center for Integrative Coastal Research (CI-CORE): a multi-campus coastal research initiative that will provide real-time access to extensive environmental data to regulatory agencies responsible for the development and enforcement of management policies.

The OFR will work to achieve the broadest possible support for these proposals from all members of the California Congressional delegation.

The second category would include campus-oriented projects, provided they are endorsed and prioritized by the campus president, and meet the following criteria:

- The project significantly impacts a major need or priority of the campus or the system, including:
 - The extent to which the project will benefit a university's students, its programs, the local community, the State of California and/or the nation
 - The extent to which project is well-tailored to the particular competencies and strengths of the university or universities
- The project is well developed including:
 - How clearly articulated and detailed it is
 - Whether the project has additional supporters and advocates among business, alumni, non-profit or political entities
 - Whether the project has partners that are able to assist with the project's success and/or are willing to invest in the project (cash or in-kind) so as to provide a "match" for federal funds being sought
- The project is well suited to the federal appropriations process, including:
 - The past history of federal funding for the project, if relevant

- The manner in which federal funds will be used
 - The likely availability of the federal dollars from the account/source proposed
 - The extent of known Congressional sponsorship and support
- The project fits within a balanced program of requests for the CSU for reasonable amounts across different areas of funding

Because the Congress has yet to complete its work on several FY '04 appropriations bills at this writing, and in light of the inherently shifting nature of campus, state and national priorities, this list may change from time to time. The OFR will continue to work with the campuses to refine and develop project proposals, and to assist them in working productively with their representatives in Congress as they seek support in the relevant appropriations venues for federal funding in FY 2005.

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the federal legislative program described in this item are adopted as the 2004 CSU Federal Agenda.

COMMITTEE ON GOVERNMENTAL RELATIONS

Economic Recovery Bond (Proposition 57) and California Balanced Budget (Proposition 58): Endorsement by Board of Trustees

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Governmental Affairs

Background

From time to time, the Committee on Governmental Relations reviews statewide ballot measures for their implications for the California State University. This item contains a resolution expressing support for the Economic Recovery bond act (Proposition 57) and the California Balanced Budget act (Proposition 58) that are scheduled to appear on the March 2004 Primary Election ballot.

For three years, state government spending has exceeded revenues, creating a deficit. Cuts in program spending have been the mechanism that has been used to try and bring revenues in line with expenditures. Those program cuts have had a serious impact on the California State University, reducing General Fund support by over 28% in the past two years. The University has had to manage enrollment demand, increase student-faculty ratios and class size, continue to hold vacant necessary positions, reduce administrative and travel costs, and reduce funding for maintenance and grounds. Additionally, no financial support has been provided for the necessary student services to support higher enrollment. The Governor's proposed budget for 2004-05 calls for even further cuts to the University that could have a devastating impact if passed.

Governor Schwarzenegger and the state legislature have agreed on some first steps in a complex budget year to begin to address the underlying problems with past budgetary practices. They are to be commended for taking these actions, which will ultimately benefit the University. The first action is the sale of a bond, which proceeds would be used to reduce the overall deficit in the state General Fund. This bond proposal, if successful, could reduce future cuts to the California State University and therefore is critical to the well being of the University. In addition, Proposition 58 would amend the State Constitution to require that spending not exceed income in each fiscal year, and that the state build a budget reserve. The Balanced Budget Act also would prohibit borrowing in future years to pay off deficits. These two initiatives have been coupled

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and each is necessary for the successful implementation of the other, therefore we are recommending support of both propositions.

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of the California State University, that the board supports the Economic Recovery Bond initiative, Proposition 57, and the California Balanced Budget initiative, Proposition 58, that are scheduled to appear on the March 2004 Primary Election ballot.