

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 3:15 p.m., Tuesday, July 16, 2002
Glenn S. Dumke Auditorium

Murray L. Galinson, Chair
Martha Fallgatter, Vice Chair
Roberta Achtenberg
Robert Foster
Dee Dee Myers
Ralph R. Pesqueira
Frederick W. Pierce IV

Consent Items

Approval of Minutes

Discussion Items

1. 2001/2002 Legislative Report No. 9, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

May 14, 2002

Members Present

Martha C. Fallgatter, Chair
Daniel N. Cartwright
Debra S. Farar, Chair of the Board
Murray L. Galinson
Shailesh J. Mehta
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos

Members Absent

Roberta Achtenberg, Vice Chair
Bob Foster
William Hauck
Ricardo F. Icaza
Dee Dee Myers
Ralph R. Pesqueira

Other Trustees Present

Cruz M. Bustamante, Lieutenant Governor
William D. Campbell
Harold Goldwhite
Frederick W. Pierce, IV
Erene S. Thomas

Chancellor's Office Staff

David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard P. West, Executive Vice Chancellor and Chief Financial Officer
Jackie R. McClain, Vice Chancellor, Human Resources
Christine Helwick, General Counsel
Louis Caldera, Vice Chancellor, University Affairs
Karen Y. Zamarripa, Assistant Vice Chancellor, Governmental Affairs

Chair Fallgatter called the meeting to order at 1:54 p.m.

Approval of Minutes

The minutes of March 13, 2002 were approved.

2001/2002 Legislative Report No. 8

Ms. Karen Zamarripa presented the report. She informed the committee that the May Revision of the Governor's Budget had just been released, leading to the next step of the budget process as the budget subcommittees completed their work and moved the budget to a conference committee.

Ms. Zamarripa said she was pleased to report that the deadline for policy committees to take action on bills having a fiscal impact on the CSU had been met. In most cases, CSU was successful in opposition efforts, or in obtaining requested changes to bills that would directly impact CSU.

She acknowledged it has been a difficult year, with tough bargaining issues adding to an already complex situation. Ms. Zamarripa commended the hard work of the California State Employees Association (CSEA) over the last several months and their efforts in attempting to come to an agreement, resolve difficulties, and addressing our mutual goal of protecting the students, faculty and staff of the CSU.

Ms. Zamarripa then addressed various issues beyond those contained in the written report, including the following:

- The governor has signed two bills putting the California tax code into conformity with federal changes relating to retirement planning and educational expenses, resulting in a benefit to CSU and other state employees.
- CSU is supporting legislation authored by the Senate Public Employment and Retirement Committee that will allow faculty who took advantage of the early retirement program sponsored in the mid-nineties, to return to the classroom to teach without jeopardizing their service credit earned at the time. The bill grew out of an increasing need for faculty to assist students, and the availability of faculty who desire to return at the campuses' request.
- CSU has been actively involved with the administration in the Governor's nursing initiative. Ms. Zamarripa explained that there is \$24 million in federal money available to make investments in nursing programs to assist with the current workforce shortage in nursing. The administration has requested that CSU be a partner in writing the Request for Proposals to be distributed later this year that would provide additional dollars to invest in capacity nursing programs. This would also provide the opportunity to seek dollars that would support

partnerships that campuses are already involved in, or plan to introduce, with healthcare providers as well as community colleges and other providers in their respective areas.

Ms. Zamarripa noted that the governor signed into law, the housing bond that will go before voters in November. Thanks to the successful work of the CSSA and the UC student association, the bond bill will include a \$15 million dollar set-aside for housing and higher education as a matching program. It is a small amount, but a beginning and recognition of the additional support needed to provide housing, specifically for students.

Other legislative issues being pursued include AB 2160 sponsored by the California Teachers Association, which would recommend that curricular and instructional equipment and textbooks decisions be made through the collective bargaining process. The chancellor and the CSU have opposed this bill because of our commitment and partnership with K-12 schools as it relates to improvement and accountability. CSU has been part of the coalition working to defeat the proposal given its long-term implications.

Ms. Zamarripa stated that in the past 48 hours, legislation has been amended to require all projects under the education bond to have a labor compliance agreement in place. She explained that this requirement is beyond CSU's commitment to pay prevailing wage, and would initiate a process requiring us to demonstrate that we are complying not only with our contractors, but with our subcontractors as well. This is a serious issue due to its significant costs, and therefore CSU will be working with the Speaker and other members of the Assembly in an attempt to resolve differences.

Trustee Galinson called attention to the wording in some legislation that 'requires' CSU and the community colleges to do various things, but only 'requests' the UC to do them. Ms. Zamarripa acknowledged this was indeed the case, and that the UC has constitutional autonomy therefore protecting them from legislative mandate.

The committee recommended approval of the proposed resolution (RGR 05-02-03).

Education Bond Act: Endorsement By Board of Trustees

Ms. Zamarripa informed the committee that the resolution before them was for their endorsement of the higher education K-12 Education Bond Act for November 2002. The bond act would provide \$4.6 billion over four years, for higher education. This would translate into approximately \$340 million a year for CSU. It is one of two ballot items, with the second following in March of 2004.

CSU will be working together with K-12, other higher education entities, businesses, and other state and community leaders, along with the Californians for Higher Education to educate the public on the tremendous need for the bond.

Chancellor Reed informed the committee he has asked Louis Caldera, vice chancellor, university advancement, to provide leadership for the CSU, along with his colleagues at the UC, the community colleges and the public schools, to inform the citizens of the state on the importance of this bond issue. The chancellor noted Mr. Caldera will provide the board with periodic updates on the efforts he and others are pursuing.

The chancellor expressed his gratitude to all those who worked so hard to bring this initiative forward. It is the largest bond measure ever initiated in the state.

Vice Chancellor Caldera congratulated Ms. Zamarripa, her colleagues and staff, and Mr. West, on their fine work in this area. He also thanked members of the alumni council, the trustees, and others who have committed to making this initiative a top priority and their willingness to go forward and explain the importance and need for this bond. Mr. Caldera said he looks forward to working with all these entities to assist in getting the information out.

The committee recommended approval of the proposed resolution (RGR 05-02-04).

The meeting was adjourned at 2:05 p.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2001/2002 Legislative Report No. 9

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Governmental Affairs

Summary

This item contains a status report on the Trustees' Legislative Program, and priority legislation introduced this year.

Background

The following bills comprise the Trustees' Legislative Program for 2002. The status of each bill, as of June 19, 2002, is indicated.

Senate Bill 277 (Chesbro) Public Employee Health Care Benefits: Rural Areas: State University Employees. This bill would make employees of the California State University eligible to access the Rural Health Care Equity Trust Fund, which provides subsidies and reimbursements for health care costs incurred by state employees and annuitants who live in rural areas where there is no available health maintenance organization (HMO) plan that has been approved by the Public Employees' Retirement System (PERS) Board of Administration. CSU has co-sponsored SB 277 with CSEA, but the estimated \$2 million cost makes its passage problematic in the current budget environment.

Status: Assembly Appropriations Committee

Assembly Bill 16 (Hertzberg) Education Bond. AB 16 places Public Education Facilities Bond Acts on the ballot this November and in March 2004, in the total amounts of \$13.05 billion and \$12.30 billion respectively.

Status: Signed by Governor Davis; Chapter 33, Statutes of 2002

Assembly Bill 1863 (Higher Education Committee) California State University Regulations.
This bill would extend the Trustees authority to adopt, amend, and repeal CSU regulations for five years.

Status: Approved by the Senate Education Committee, June 5

Senate Bill 1539 (Public Employment and Retirement Committee) Retirement Benefits.
Among other provisions, the omnibus retirement benefits bill for 2002 would enable CSU faculty who retired under an early retirement incentive in 1992 to return to the classroom without forfeiting their service credit, under the same conditions as other retired annuitants.

Status: Set for Hearing in the Assembly Public Employees, Retirement and Social Security Committee, June 26

Priority Bills

The following bills have been designated as a priority for the 2002 Legislative session.

Assembly Bill 1122 (Corbett) Taxation: Federal Conformity
Senate Bill 657 (Scott) Income and Bank and Corporation Taxes: Federal Conformity

AB 1122 and SB 657 conform California tax law to the federal Economic Growth and Tax Reconciliation Relief Act of 2001 (EGTRRA). Among other provisions, these bills conform state law to the following EGTRRA provisions:

- Increase limits on distributions and contributions;
- Allow more flexibility to “roll” funds between different types of tax-sheltered savings accounts, including IRAs, 401(k), 403(b), and 457;
- Allow these funds to be used to purchase service credit in defined benefit 401(a) plans.
- Allow for recent retirees to retroactively take advantage of these provisions.

Status: AB 1122: Signed by Governor Davis; Chapter 35, Statutes of 2002
SB 657: Signed by Governor Davis; Chapter 34, Statutes of 2002

Assembly Bill 1506 (Wesson) Public Works. Assembly Bill 1506 was amended in May to require any entity using education facilities bond funds for public works projects to initiate and

enforce a labor compliance program, or to contract with a third party to do so, to ensure payment of prevailing wage rates.

Status: Pending on the Senate Floor

Assembly Bill 1746 (Liu) Postsecondary Education: Tuition and Fees. Assembly Bill 1746 would prohibit the California State University and the California Community Colleges from collecting any fees or tuition from any person who is the surviving spouse or child of any individual killed in the terrorist attacks of September 11, 2001.

Status: Approved by the Senate Education Committee, June 12

Assembly Bill 1747 (Briggs) Statewide Need Study. This bill would require CPEC to conduct a study of statewide need, including the particular need within Tulare County, and require CPEC to report its findings to the Legislature by July 1, 2003. The bill makes a \$75,000 appropriation to CPEC to conduct the study.

Status: Approved by the Assembly, May 28

Assembly Bill 1756 (Bogh) Higher Education: Noncitizen Students: Reporting. AB 1756 would require CSU and the other higher education segments to report to the United States Immigration and Naturalization Service the name of any student-visa student who fails to enroll or commence participation by the 30th day after the institution's or program's deadline for classes for an academic term. This measure is consistent with federal law and is the result of a special hearing on international students held last fall.

Status: Failed Passage in the Senate Education Committee, June 12

Assembly Bill 2077 (Koretz) Nursing: Education Resources. As introduced, AB 2077 stated the intent of the Legislature to identify ways to increase the number of nurses by providing more opportunities and financial resources to educate and train nurses at the community college and state university levels. As amended on June 12, the bill would establish the Community College Nursing Education Fund to provide an additional allocation per nursing student beyond the full-time equivalent funding provided for community college students. The bill would make an appropriation of \$125,000 to the California Community Colleges for this purpose.

Status: Referred to Senate Education Committee Suspense File, June 19

Assembly Bill 2120 (Simitian) Professional Development Block Grant. AB 2120 states the intent of the Legislature to develop a flexible professional development block grant for K-12 teachers by consolidating several current programs, including the Education Technology Professional Development program, the English Language Acquisition Program, the Beginning Teacher Support and Assessment Program (BTSA), the California Pre-Internship Teaching Program, the Paraprofessional Teacher Training Program, the California Technology Assistance Project, and the California Professional Development Institutes. Similar discussions are taking place in the budget deliberations.

Status: Held in the Assembly Appropriations Committee

Assembly Bill 2225 (Lowenthal) CSU: Personal Services Contracting. AB 2225 would place in the Education Code provisions regarding contracting out that are currently used for non-university, civil service employees.

Status: Referred to the Senate Education Committee Suspense File, June 19

Assembly Bill 2497 (Negrete McLeod) CSU Probationary Employees: Probationary Proceedings. This bill would have authorized a nonacademic probationary employee who is rejected during probation to request a hearing before the State Personnel Board. The bill was dropped by Assembly Member Negrete McLeod after this issue was addressed in the collective bargaining agreement with the California State Employees Association.

Status: Dropped by Author

Assembly Bill 2549 (Nation) Part-Time CSU Employees. This bill would provide that temporary faculty at CSU who work half time or more shall not be excluded from PERS if so provided in a collective bargaining agreement or by the Trustees with respect to excluded employees. The bill defines half time as a minimum teaching load of six weighted teaching units for two consecutive semesters or three consecutive quarters.

Status: Set for Hearing in the Senate Public Employees and Retirement Committee,
June 25

Senate Bill 1227 (Burton) Housing and Emergency Shelter Trust Fund Act of 2002. SB 1227 placed the Housing Bond and Energy Shelter Trust Fund Act of 2002 on the November 5 General Election ballot. If approved, \$2.1 billion in general obligation bond funds would be available for state housing programs. The bill includes \$15 million for low-income CSU and UC student housing requiring UC and CSU to provide a dollar-for-dollar match.

Status: Signed by Governor Davis; Chapter 26, Statutes of 2002

Senate Bill 1339 (Vasconcellos) Postsecondary Education: Admissions. As amended, this bill would require the Superintendent of Public Instruction to advise school districts about the importance of making readily available to each high school student the list of courses that are certified by the University of California (UC) as meeting admission requirements. The bill would also request UC to assist each school district to ensure matters regarding UC and CSU admission requirements are understood and maintained by the school districts and to ensure that lists of courses certified as meeting admission requirement criteria are made available to each high school student.

Status: Set for Hearing in the Assembly Higher Education Committee, June 25

Senate Bill 1412 (Romero) Voter Registration: University Campuses. SB 1412 would require CSU and the California Community Colleges, and request the University of California, to distribute a voter registration form to students and require voter registration materials to be made available at central campus locations.

Status: Set for Hearing in the Assembly Higher Education Committee, June 25

Senate Bill 1450 (Romero) CSU: General Purpose Funds. This bill would have required the expenditure, for each fiscal year, of a minimum of 50% of the current expense of education for payment of instructional costs by the California State University and each CSU campus.

Status: Failed Passage in the Senate Education Committee, April 24

Senate Bill 1467 (Bowen) Public Contracts: Conflict of Interest. Senate Bill 1467 would apply conflict of interest provisions in state agency, CSU, and UC purchasing to information technology goods and services (IT) that are otherwise exempt.

Status: Approved by the Assembly Business and Professions Committee, June 18

Senate Bill 1646 (Alpert) Teacher Credentialing. This bill would require regionally accredited public postsecondary institutions to establish undergraduate degrees in elementary education.

Status: Set for Hearing in the Assembly Higher Education Committee, June 25

Senate Bill 1652 (Sher) Athlete Agents. SB 1652 would enact the Uniform Athlete Agents Act (UAAA) to regulate the activities of an athlete agent in soliciting or contracting with a student athlete to represent him or her in negotiations for a professional sports or endorsement contract.

Status: Approved by the Assembly Arts, Entertainment, Sports, Tourism, and Internet Media Committee, June 18

Senate Bill 1655 (Scott) Administrative Service Credentials. Existing law sets forth the minimum requirements for both a preliminary and professional services credential with a specialization in administrative services. SB 1655 would authorize the Commission on Teacher Credentialing to issue those credentials to persons who meet expedited alternative requirements, as follows:

Preliminary Services Credential: Possesses a teaching or services credential; and either a) successfully passes a test adopted by the commission that assesses the knowledge, skills, and abilities typically provided in a preparation program for an administrative services credential, or b) possesses a Master's Degree in Educational Administration or a related field from a regionally accredited institution of postsecondary education, and produces documentation of three years of administrative experience at a school, college, or university.

Professional Services Credential: Holds or is eligible for a preliminary services credential with a specialization in administrative services, and who meets one of the following requirements: a) successfully completes an accredited professional services program; b) demonstrates mastery of commission accredited fieldwork performance standards for the credential; or c) passes a national administrator performance assessment adopted by the commission.

Status: Pending in the Assembly Appropriations Committee

Senate Bill 1731 (Alarcon) Pupils: Graduation Requirements. As amended May 29, SB 1731 would require the Superintendent of Public Instruction, in consultation with school districts that include high schools, to develop a plan to better prepare pupils for life careers by providing them with a rigorous and high-level curriculum. The bill would also make legislative findings and declarations regarding the value of a rigorous high school curriculum. Previously, the bill would have required, commencing with the 2005-06 school year, a school district to enroll all pupils in a “college readiness curriculum,” defined as including an additional year course in English and mathematics, 2 year courses in a foreign language, a year course in visual and performing arts, 2 courses in physical education unless otherwise specified, and a year course in specified elective subjects.

Status: Pending in the Assembly Education Committee

Senate Bill 1820 (Romero) Postsecondary Education: Retention and Support Data. This bill would have required the California State University and the California Community Colleges, and request the University of California and the Association of Independent California Colleges and Universities, to collect data about retention and graduation support systems in their respective segments and submit this data to the California Postsecondary Education Commission (CPEC).

Status: Held on the Senate Appropriations Suspense File

The following bills, which appeared in previous Legislative Reports, are no longer active or no longer pertain to the CSU:

AB 2097(Diaz) CSU General Purpose Funds	Dropped by Author
AB 2433 (Steinberg) Teacher Professional Development Programs	Never Heard
AB 2528 (Jackson) Postsecondary Education: Nursing Science	Never Heard
SB 1493 (Alpert) Nursing Education	Amended; Pertains Only to Community Colleges
SB 1771 (Alarcon) University of California: Diversity	Amended, Pertains Only to UC

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the 2001-02 Legislative Report No. 9 is adopted.