

## **AGENDA**

### **COMMITTEE ON GOVERNMENTAL RELATIONS**

**Meeting: 2:45 p.m., Tuesday, July 15, 2003**  
**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 May 13, 2003

#### **Discussion Items**

1. 2003/2004 Legislative Report No. 4, *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 13, 2003**

**Members Present**

Murray L. Galinson, Chair  
Roberta Achtenberg  
Debra S. Farar, Chair of the Board  
Bob Foster  
Frederick W. Pierce IV  
Ralph R. Pesqueira  
Charles B. Reed, Chancellor

**Other Trustees Present**

Harold Goldwhite  
William Hauck  
Alexander Lopez  
Erene S. Thomas  
Kyriakos Tsakopoulos

**Members Absent**

Dee Dee Myers

**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  
Freda Hinsche Otto, Assistant Vice Chancellor, University Development  
Karen Y. Zamarripa, Assistant Vice Chancellor, Governmental Affairs

Chair Galinson called the meeting to order at 2:08 p.m.

**2003/2004 Legislative Report No. 3**

Chair Galinson announced Ms. Karen Y. Zamarripa, assistant vice chancellor, governmental relations, would present the report.

Ms. Zamarripa provided her perspective on the current political climate in Sacramento and on the various complexities surrounding the state budget and policy issues being considered this legislative session. She noted that significant factors contributing to the lack of consensus include newly elected officials, the effect of term limits, and upcoming 2004 elections and campaign finance laws. As a result, there is little focus, and few people with the experience to grapple with the complexity of the state's fiscal condition.

To date, there have not been any substantive actions taken in the subcommittees. Ms. Zamarripa observed that higher education is not as high a priority for many new members as other issues such as health and welfare, local government, public safety, and layoffs of state public employees. Given the overall circumstances, Ms. Zamarripa reinforced the system's objective to maintain the governor's January budget and oppose any further reductions. In addition, leadership at the systemwide and campus levels, as well as many staff, alumni, and community supporters, will urge the Legislature to maintain the authority and flexibility granted to the CSU during the last fiscal crisis to allow the management of resources in the best way to protect access and quality. Ms. Zamarripa urged all of the CSU to work together to protect the system from further cuts and thanked the members of SETC and SUPA for their active work advocating the budget in partnership with the system.

Ms. Zamarripa briefly touched on other non-budget related activities currently in the pipeline. She and her staff are working with members of the legislature on over 300 legislative proposals introduced this year, including improvements to financial aid programs, a long-term student fee policy, and early retirement legislation.

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

#### **Education Bond Act: Endorsement by Board of Trustees**

Ms. Zamarripa urged the committee to recommend adoption of the resolution expressing support for the education bond act scheduled to go before the voters next year. In 2002, Assembly Bill 16 (Hertzberg, Leonard et al) was enacted to place two successive K-University Education Bond Acts on the ballot. The first, Proposition 47, was approved last November.

The 2004 Bond Act would provide \$690 million over two years to CSU for capital outlay projects critical to meet the needs of students, staff and faculty in light of additional enrollments of over 100,000 expected in the next several years.

The committee recommended approval of the proposed resolution (RGR 05-03-06).

The meeting adjourned at 2:25 p.m.

**COMMITTEE ON GOVERNMENTAL RELATIONS**

**2003/2004 Legislative Report No. 4**

**Presentation By**

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Governmental Affairs

**Summary**

This item contains a status report on the Trustees' Legislative Program, and legislation introduced this year pertaining to the CSU or higher education in general.

**Background**

*Trustees' Legislative Program*

The following proposals comprise the Trustees' Legislative Program for 2003.

***Senate Bill 971 (Burton) California State University.*** As amended on April 23, Senate Bill 971 includes 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 are in response to recommendations made by the Bureau of State Audits in the recent audit of CSU's Common Management Systems.

**Status:** Set for Hearing in the Assembly Higher Education Committee, July 8

***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 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; and that the current program structure should be modified to ensure that the needs of students pursuing vocational and technical education programs are adequately being met.

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. The study would specifically address means by which the current structure could be enhanced to meet the needs of nontraditional, returning, and older adult students, and focus on the current limitations on eligibility which are identified above.

**Status:** Set for Hearing in the Senate Education Committee, July 2

***Assembly Bill 1778 (Higher Education Committee) California State University Omnibus Proposals.*** The following technical and/or non-controversial proposals comprise this year's omnibus legislation:

Repeal Government Code Section Pertaining to Lottery Payments. This proposal would delete an obsolete reference in the Code to the California Maritime Academy (CMA) Board of Governors which no longer applies given the CMA's formal inclusion in the CSU.

Amend Government Code Section Pertaining to CSU Lottery Education Fund To Reflect CSU Authority. This proposal would amend Government Code section 8880.5 to reflect authority in

the Education Code which provides CSU discretion to deposit lottery funds in local trust accounts.

Repeal Education Code Section Pertaining to Auxiliary Organization Obligations. Education Code Section 89911 was added to the Code by CSU-sponsored legislation in 1988 to enable favorable tax treatment of auxiliary organization revenue bonds. Since that time the IRS has issued a revenue ruling which assures favorable treatment, and this section is now obsolete.

Amend Education Code Section to Update Internal Citation. This proposal would update an internal citation in Education Code Section 90404 pertaining to the CSU's mission, which is located in a different code section than it was at the time that Section 90404 was adopted.

**Status:** Pending Hearing in the Senate Appropriations Committee

***International Polytechnic High School: Specialized Secondary Funding.*** This proposal would seek enhanced funding, through the budget process, for the International Polytechnic High School (I-Poly), a public specialized secondary school operated and housed at Cal Poly, Pomona.

**Status:** Ongoing conversations with key legislators involved in the budget process

#### Notable Legislation

The bills in this section of the report would result in an impact on the CSU or on higher education in general. The bills are organized under the following subject matters:

- Bills Directly Impacting the California State University
- Student Fee Policy
- Student Financial Aid
- Bills to Implement the Recommendations of the Joint Master Plan Committee
- California Postsecondary Education Commission
- Miscellaneous Relevant Legislation

#### Bills Directly Impacting the California State University

***Assembly Bill 457 (Negrete McLeod) Public Employees: Early Retirement Incentives.*** This bill would authorize specified state, local, and school employees, upon a specified determination by their employer, to receive credit for an additional 2 years of service and 2 years of age if those employees retire within a designated period, prior to January 1, 2005. As introduced, the bill would include employees of the CSU in its provisions.

**Status:** Pending Hearing in the Senate Public Employment and Retirement Committee

***Assembly Bill 491 (Diaz) California State University: Information Technology Projects.*** Assembly Bill 491 would enact a comprehensive statutory scheme relating to information technology projects of the CSU. To secure the bill's passage in the Assembly, Assembly Member Diaz stated that he would amend the bill to a) apply only to projects over \$1 million; b) delete the requirement that CSU hire an independent oversight consultant for IT projects; and c) remove the Department of General Services (DGS) from provisions requiring outside agency oversight of CSU IT projects. However, Mr. Diaz stated his desire that outside oversight – from some state agency – remain a part of the bill.

**Status:** Pending Hearing in the Senate Education Committee

***Assembly Bill 1051 (Goldberg) Capital Facilities Fees.*** Under current law, the CSU is not obligated to pay any share of the cost of construction of public utility facilities that do not serve CSU [this applies to other public education entities as well]. Assembly Bill 1051 would eliminate this existing exemption and provide that a utility may charge CSU for the costs of operation, maintenance, construction, repair, replacement or rehabilitation of facilities or debt service payments on facilities that are not in excess of the "reasonable cost" of providing the public utility service. The bill would set aside the statutory compromise negotiated in 1988 after a California Supreme Court decision ruled any such fees illegal without legislative authorization.

**Status:** Pending Hearing in the Senate Education Committee

***Assembly Bill 1144 (Pavley) California State University: Employees.*** This bill would require the CSU to provide employees who are appealing notices of adverse actions or who are challenging denials of requests for reasonable accommodation for disabilities with procedural rights based on those granted to some civil service employees.

**Status:** Pending Referral to Senate Committee

***Assembly Bill 1185 (Montañez) California State University: Administrative Costs.*** Assembly Bill 1185 would require the Chancellor's Office and each campus of the CSU, using existing resources, to provide annual reports on administrative costs, which are defined to include only non-represented employees; i.e. executives, confidential and management personnel plan employees.

**Status:** Set for Hearing in the Senate Education Committee, July 2

***Assembly Bill 1253 (Bermudez) Public Employees' Retirement: CSU Employees.*** Assembly Bill 1253 would provide an additional 2 years of service credit for employees of CSU, if those employees retire within a period to be designated by the Director of the Department of Finance

during fiscal year 2003-04. The bill requires that CSU must offer this benefit to all eligible employees.

**Status:** Set for Hearing in the Senate Public Employment and Retirement Committee,  
June 23

***Assembly Bill 1465 (Negrete McLeod) California State University: Independent Audit.*** This bill would require the CSU to annually provide a detailed accounting of funds related to the CSU Continuing Education Program in an independent audit.

**Status:** Pending Hearing in the Senate Education Committee

***Senate Bill 81 (Alpert) Teacher Training: California State University Integrated Programs.*** This bill would require greater uniformity among integrated teacher preparation programs offered by the CSU, beginning in 2006-07. The bill also requires the CSU and community colleges to strengthen articulation for students who transfer into such integrated programs.

**Status:** Pending Hearing in the Assembly Higher Education Committee

#### *Student Fee Policy*

***Assembly Bill 843 (Higher Education Committee) Public Postsecondary Education: Resident Student Fee Policy.*** During the 2002-03 State budget deliberations, the Legislature adopted Supplemental Report Language directing the California Postsecondary Education Commission (CPEC) to convene various parties to develop long-term student fee policy recommendations for students enrolled at the University of California and the CSU. The CSU was an active participant in this process, and after a series of formal meetings and extensive consultation an advisory group reached broad general agreement about a recommended framework for implementing a long-term student fee policy.

Assembly Bill 843 incorporates the policy principles and implementation recommendations which were developed during the CPEC process, and calls for the state to continue to bear the principal responsibility for ensuring that all financially needy students have the financial assistance necessary for them to complete their postsecondary education objectives. In addition, the bill directs the Board of Trustees and the University of California Board of Regents to develop in consultation with students, faculty, and staff, a state university fee policy. The bill would require any changes in resident student fees to reflect several fundamental policy principles, including a) any changes should be graduate, moderate and predictable; b) available State General Fund revenues should be considered; c) the total cost of educating a student should be considered; and d) timely information about available financial aid should be provided.

**Status:** Held on the Assembly Appropriations Committee Suspense File

***Assembly Bill 550 (Diaz) Public Postsecondary Education: Resident Student Fee Policy.*** As amended on April 21, this bill would have established a Systemwide Student Fee Advisory Committee as an official standing committee of the Board of Trustees, the University of California Board of Regents, and the California Community Colleges Board of Governors. The committee would have been comprised of 11 members, as follows: six students; 2 faculty members; 1 administrator; 1 non-faculty, non-administrator employee; and 1 parent of a student enrolled in that segment. The bill would have directed the committee to develop and implement a process requiring that any alternative funding for that segment be considered and exhausted before consideration of a student fee increase.

**Status:** Held on the Assembly Appropriations Committee Suspense File

*Student Financial Aid*

***Assembly Bill 153 (Calderon) Student Financial Aid: Eligibility.*** In 2001, Assembly Bill 540 (Firebaugh and Maldonado) exempted non-resident students from paying resident tuition at CSU and CCC provided they: a) attended high school in California for three or more years; b) graduated from a California high school or attainment of the equivalent thereof; c) have registered at or attends an accredited institution of higher education in California not earlier than the fall semester or quarter of the 2001-02 academic year.

Following up on that measure, AB 153 would require the CSU and the California Community Colleges, and request the University of California, to establish procedures and forms that enable students exempted from paying non-resident tuition pursuant to AB 540 to apply for, and participate in to the full extent permitted by federal law, all student aid programs administered by each respective segment.

**Status:** Pending Hearing in the Senate Education Committee

***Assembly Bill 547 (Liu) Student Financial Aid: Tuition and Fee Waivers for National Guard and Military Reserve.*** This bill would establish the National Guard State Tuition Benefits Program (NGSTBP). Specifically, it would award qualifying members of the California Army National Guard (NG), the California Air NG, State Military Reserves, and the Naval Militia with the following tuition benefits:

a) For students attending California Community Colleges (CCC), eligible NG members shall be eligible for the Board of Governors Fee Waivers; and,

b) For students attending California State University and University of California (UC) institutions, the tuition and student fee benefit shall not exceed 75% of the fee charged students enrolled in UC campuses on the quarter system.

**Status:** Set for Hearing in the Senate Education Committee, July 2

***Assembly Bill 1323 (Jackson) Student Financial Aid: Decentralized Campus-Based Approach.*** Assembly Bill 1323 would require the California Postsecondary Education Commission to establish a Cal Grant Delivery Transition Work Group to discuss, negotiate, and resolve technical and logistical issues relating to the transition to a decentralized, campus-based approach for the administration of Cal Grant award programs. The bill would require the commission to submit a plan for the implementation of this decentralized, campus-based approach to the Legislature by December 31, 2004.

**Status:** Held on the Assembly Appropriations Committee Suspense File

***Senate Bill 680 (McPherson) Student Financial Aid: Cal Grant M Program.*** Among other provisions, this bill would establish, commencing in an unspecified fiscal year, the Cal Grant M Program to defray the cost of tuition and mandatory systemwide fees for nontraditional, returning, and older adult students.

**Status:** Set for Hearing in the Assembly Higher Education Committee, July 8

*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 begin. No further legislative action on the bills is expected this year, although the committee will hold an informational hearing later this summer on higher education student fee and financial aid policy.

***Assembly Bill 242 (Liu) Teachers.*** This bill contains the committee's recommendations on teacher personnel matters. With a goal of ensuring that every student in the state is taught by a qualified, credentialed teacher, the bill would:

- provide financial aid and other incentives for the best teachers to move to low-performing schools
- boost salaries for teachers and principals
- eliminate emergency teaching permits
- establish career opportunities that encourage exceptional teachers to remain in the classroom

- provide salary credits tied to professional development goals
- develop rigorous standards and training for those who teach young children

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 Legislature, to be submitted no later than January 1, 2005. In addition, the bill requires 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, including career and technical courses for every high school pupil and necessary learning support, including career guidance, to enable pupils to pursue a postsecondary education or career options.
- 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, but not

necessarily admission to the major of choice, at any campus of the California State University or the University of California for students who successfully complete the transfer associate degree program.

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.
- Legislation be enacted that would require the CCC, CSU, and UC to collaborate to strengthen the programs in community colleges that prepare students to transfer successfully to CSU or UC.
- Legislation be enacted to require that the courses taken by community college students who plan to transfer are acceptable for transfer credit at all CSU and UC campuses.

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

*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:** Pending Hearing in the Senate Education Committee

*Senate Bill 542 (Murray) California Postsecondary Education Commission.* This bill would transfer from the Bureau of Private Postsecondary and Vocational Education to the California Postsecondary Education Commission (CPEC) the authority to regulate and approve private postsecondary institutions that grant degrees, and to assume the administration and oversight of the federal Veterans program from the State Department of Education. In addition, the bill would require CPEC to consult with representatives of the private, public, and independent postsecondary education sectors, and develop recommendations for long-term policies that guide oversight and regulation of the nonpublic sectors of postsecondary education. The bill would require CPEC to submit the recommendations to the appropriate education committees of the Legislature by September 1, 2004.

**Status:** Senate Business and Professions Committee (two-year bill)

Adoption of the following resolution is recommended:

**RESOLVED**, By the Board of Trustees of the California State University, that the 2003/2004 Legislative Report No. 4 is adopted.