

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 4:15 p.m., Tuesday, July 13, 2004
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Roberta Achtenberg, Vice Chair
Robert G. Foster
Eric Guerra
Ricardo F. Icaza
Frederick W. Pierce, IV
Kyriakos Tsakopoulos

Consent Items

Approval of Minutes of Meeting of May 18, 2004

Discussion Items

1. 2003/2004 Legislative Report No. 10, *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 18, 2004

Members Present

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Debra S. Farar, Chair of the Board
William Hauck
M. Alexander Lopez
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
Anthony M. Vitti

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 3:00 p.m.

Approval of Minutes

The minutes of March 16, 2004 were approved.

2003/2004 Legislative Report No. 9

Ms. Zamarripa began the report by noting the completion of the budget subcommittee process. She indicated the Senate and Assembly subcommittees expected to complete their work and

forward a budget proposal to the conference committee in an endeavor to deliver an on-time budget to the state by June 30.

Ms. Zamarripa updated the committee on various issues the Sacramento office has been working on for the system, followed by an update on the May 24th Budget Advocacy Day.

Ms. Zamarripa discussed several employee organization-sponsored bills, beginning with those pertaining to public safety officers. She explained there have been several proposals attempting to address inequities relating to staffing ratios and the level of peace officers available on each campus. Other issues include, seniority and employment status, as well as changes in HEERA to allow for explicit flexibility in the board's authority to negotiate compensation and benefits beyond what the legislature has actually appropriated. She said these bills are of great concern to CSU and that her colleagues will continue to work with Vice Chancellor McClain and Assistant Vice Chancellor Strafaci to explore alternatives that may be palatable and workable for the system and the campuses.

Ms. Zamarripa commented on bills pertaining to the Board of Trustees. Of particular note is a bill sponsored by the California Faculty Association which would allow ex-officio members of the CSU board to send representatives in their place and to vote on their behalf during a board of trustees meeting. Substantial opposition to the voting component of the bill has been raised. The bill was approved by the Assembly Higher Education Committee and has moved on to the Appropriations Committee. In addition, there are two proposals sponsored by the CSEA. One pertains to whistleblower and employer retaliation issues, and the other would add a non-faculty staff employee to the board of trustees.

In addition to discussions on budget related bills, there are two proposals moving forward regarding a long-term student fee policy. Ms. Zamarripa described bills by Assembly Member Carol Liu and Senator Betty Karnette, the latter sponsored by the Schwarzenegger Administration. Ms. Zamarripa speculated that both bills would play themselves out as budget negotiations proceed. She assured the committee that Governmental Affairs would continue to keep the legislature informed regarding the work by CSU leaders, CSSA and the Academic Senate to formulate a fee policy for adoption by the board. Another area being examined is the issue of unfunded mandates in an effort to seek some relief for the campuses and the system. Ms. Zamarripa explained that Governmental Affairs is working with the campuses and the vice presidents for business and finance to identify the various reporting requirements and activities that simply are obsolete or simply not necessary.

Ms. Zamarripa observed some new techniques being used by bill sponsors. Several bills have been substantially amended after key deadlines to avoid consideration in fiscal committees. As an example, she referred to a bill proposal that was completely stripped and amended to severely limit CSU and UC's ability to approve a project with significant environmental impacts which the affected cities and/or counties could be expected to ameliorate unless those cities and counties agreed to undertake the improvements and CSU or UC agree to pay their "fair share" of

such improvements. She explained CSU has been unsuccessful in slowing down the bill to date, but will continue to work to defeat this significant proposal.

Trustee Kaiser inquired if any progress has been made regarding the authority to pursue false claims with regard to construction issues. Ms. Zamarripa replied there has been no progress with respect to a legislative solution. She explained the attorney general was opposed to our original proposal and suggested this may be an area we need to re-visit in 2005/2006.

Trustee Galinson said he understood some of the Attorney General's reasons, however he hoped the trustees might be able to weigh in on the matter.

Trustee Pierce referred to the bill on infrastructure and asked if there could be constitutional issues on that bill being in conflict with the state constitution. Ms. Zamarripa said ultimately the legislature's decision regarding the bill would be based on input from legislative counsel. She said there is most certainly an argument on CSU's side regarding the constitutionality of the bill even if it is passed.

With regard to the bill involving the trustees, Trustee Kaiser asked if there was any sense in amending the bill to change the board meeting dates to avoid the voting right component of the bill. Ms. Zamarripa said she was not convinced the crux of the bill was about meeting dates and suggested the best course of action would be to talk to the bill sponsors directly about any potential actions regarding the proposal.

Trustee Galinson asked if there were any restrictions in the bill that define who the designees may be. Ms. Zamarripa said there have been further amendments to the bill attempting to address this issue by indicating that the designee will work for the individual they are representing, and by addition of certain language stating the designee is present only to express the point of view of the appointed trustee.

Trustee Galinson added he would like to see the board go on record at some point indicating CSU's desire for a collaborative decision with regard to the scheduling of the CSU Board of Trustees and UC Regents meeting dates.

A question was raised regarding the bill for tuition deferrals for persons who had served in the armed forces for at least four years. Specifically, if there was any restriction relating to the length of time between the end of service and beginning of studies at the CSU. Ms. Zamarripa said she did not think there was any definition about length of time and that she would research the matter.

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

The meeting adjourned at 3:20 p.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2003-2004 Legislative Report No. 10

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and Institutional Relations

Summary

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

Background

Trustees' Legislative Program

Assembly Bill 825 (Firebaugh) Student Financial Aid: Ensuring Access to Cal Grant Program. Assembly Bill 825 is an initial effort by CSU to engage issues associated with the Cal Grant Program to ensure that CSU students enjoy full and complete access to statewide financial aid. As amended in June, the bill would appropriate \$500,000 from the Student Loan Operating Fund to the Student Aid Commission to be used for increasing the number of Competitive Cal Grant A and B awards available on a one-time basis during the 2004-05 academic year. The bill also makes legislative findings concerning the need for these awards and the need to increase them in the future, and declares the intent of the Legislature to expand the pool of Competitive Cal Grant A and B awards available in the 2005-06 academic year and hereafter by the same percentage as the percentage growth in higher education enrollment.

Status: Approved by the Senate Education Committee, June 24
Pending consideration in the Senate Appropriations Committee

Assembly Bill 1999 (Assembly Higher Education Committee) Omnibus Legislation. This bill is the CSU's annual omnibus legislation containing technical, conforming, and clarifying changes to Education and Public Contract Code sections that pertain to the CSU.

Status: Set for Hearing in the Senate Appropriations Committee, June 28

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.

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.

Status: Conversations are ongoing with Assembly Member Ellen Corbett, Chair of the Assembly Judiciary Committee, CSU and staff from the Attorney General's (AG) office to determine whether the AG will continue to oppose any legislative proposal that would allow CSU to pursue False Claims should the AG decline to do so.

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 California State University Operations
- Organization of the Board of Trustees
- Student Fees: Fee Policy, Waivers
- Foundation and Auxiliary Issues
- Admissions, Articulation, and Transfer
- Bills to Implement the Recommendations of the Joint Master Plan Committee
- Miscellaneous Relevant Legislation
- Inactive Legislation: Bills Dropped, or Failed Passage in Committee

Bills Directly Impacting the California State University

Assembly Bill 1969 (Negrete McLeod and Nakano) California State University and University of California: Courses in Employee Ethics. Assembly Bill 1969 would require the CSU, and urge the University of California, to offer an orientation course on the relevant ethics statutes and regulations that govern the official conduct of university officials. Each employee who is required to file a Statement of Economic Interests pursuant to the California Political Reform Act would be required to attend the course.

Status: Approved by the Senate Education Committee, June 23
Pending Consideration in the Senate Appropriations Committee

Assembly Bill 2637 (Diaz) California State University: Whistleblower Protection. Assembly Bill 2637 would enact the Reporting by California State University Employees Act of Improper Governmental Activities. The bill would establish procedures for the investigation and determination of complaints by the State Personnel Board similar to those currently included in provisions of the California Whistleblower Protection Act that are not applicable to the CSU.

Status: Set for Hearing in the Senate Judiciary Committee, June 29

Assembly Bill 2902 (Hancock) CEQA: Project Approvals. Assembly Bill 2902 would allow local governments to levy special assessments on CSU campuses to pay for off-campus infrastructure improvements. The bill would pre-empt a pending Supreme Court case, and force public institutions of higher education to assume the costs for a wide variety of local infrastructure improvements.

Status: Set for Hearing in the Senate Environmental Quality Committee, June 28

Senate Bill 1331 (Alpert and Scott) California Postsecondary Education Accountability Act of 2004. This bill would establish a clear set of statewide public goals for higher education in California, and measure the state's progress in achieving these goals. The bill defines statewide policy goals for higher education as: 1) maximizing educational opportunities for students after high school; 2) promoting equitable participation in higher education among Californians; 3) encouraging academic success by college and university students; and 4) providing benefits to the public. Pursuant to these goals, the bill would require the CSU and the California Community Colleges, and request the University of California and the Association of Independent California Colleges and Universities, to provide annual reports to the Legislature and the Governor, by October 1 of each year, to become part of the state accountability record.

Status: Approved by the Assembly Higher Education Committee, June 22
Pending Consideration in the Assembly Appropriations Committee

Organization of the Board of Trustees

Assembly Bill 2339 (Negrete McLeod) Trustees of the California State University. As amended, Assembly Bill 2339 requires CSU and the State Board of Education, and requests the University of California, to coordinate meeting schedules so that, to the extent possible, meeting dates of their respective governing boards do not conflict. As introduced, the bill also would have authorized ex-officio members (the Governor, Lieutenant Governor, Speaker of the Assembly, State Superintendent of Public Instruction, and the Chancellor) of the Board of Trustees to appoint a designated representative to attend meetings of the Board their behalf with full voting privileges.

Status: As Introduced, Failed Passage in the Senate Education Committee, June 16
As Amended, Approved by the Senate Education Committee, June 23
Pending consideration in the Senate Appropriations Committee

Assembly Bill 2849 (Lowenthal) Trustees of the California State University. This bill would increase the membership of the Board of Trustees by requiring the Governor to appoint a non-faculty employee of the university for a two-year term.

Status: Approved by the Senate Education Committee, June 16
Pending consideration in the Senate Appropriations Committee

Student Fees: Fee Policy, Waivers

Assembly Bill 2710 (Liu and Diaz) Public Postsecondary Education: Mandatory Systemwide Resident Student Fee Policy. Assembly Bill 2710 would establish policies regarding mandatory systemwide student fees and financial aid for students at public universities. Included in the bill are the following policies: a) increases in student fees shall be coupled with corresponding increases in state and institutional financial aid; b) the state should fund 30 percent of the costs of education for undergraduate students; c) undergraduate fees should not be increased by more than 8 percent in any academic year; and d) except in fiscal emergencies, student fees should be adjusted by the annual changes in statewide per capita personal income.

Status: Approved by the Senate Education Committee, June 23
Pending consideration in the Senate Appropriations Committee

Foundation and Auxiliary Issues

Senate Bill 1088 (Scott) Grants and Annuities Societies: Investments. Senate Bill 1088 would permit charities to invest up to 50% of their gift annuity reserve assets in equities, allowing them to prudently invest their resources to increase funds for academic and related purposes, while continuing to safeguard payments to annuitants. The bill is of great importance to CSU because increasing and broadening crucial private support is fundamental to the system's success, especially in light of reduced state budgets. The bill would enable CSU to demonstrate that the system is doing its utmost to steward private gifts to meet the goals of donors and the CSU.

Status: Approved by the Assembly Insurance Committee, June 16
Pending Consideration on the Assembly Floor

Senate Bill 1262 (Sher) Charitable Organizations. Sponsored by the Attorney General, as introduced Senate Bill 1262 would have imposed new reporting and disclosure requirements on charitable organizations, including campus foundations and commercial fundraisers. Among

other things, the bill would have required campuses to disclose fundraising costs as a percentage of contributions received when using commercial fundraisers. Due to tremendous pressure from nonprofits and organizations such as the CSU, the bill was recently amended to strike the disclosure provisions in their entirety.

Status: Pending Consideration on the Assembly Floor

Admissions, Articulation, and Transfer

Senate Bill 1415 (Brulte) Postsecondary Education: Common Course Numbering System.

This bill would provide that, not later than January 1, 2006, each campus of the California Community Colleges and the California State University shall adopt, and each campus of the University of California and private postsecondary institutions may adopt, a common course numbering system. The bill would require the California Articulation Number (CAN) Board to adopt and maintain a statewide common course numbering system for the California Community Colleges, the California State University, the University of California, and participating private postsecondary educational institutions. The bill would further require each campus of a public postsecondary educational institution to incorporate the common course numbering system in its catalogue by identifying each course for which a California articulation number has been adopted by its CAN identifier. The bill would specify that the incorporation of these numbers into a campus catalogue would occur at the next adoption of a campus catalogue after January 1, 2006.

Status: Approved by the Assembly Higher Education Committee, June 22
Pending consideration in the Assembly Appropriations Committee

Senate Bill 1785 (Scott) Scott and Alpert: Dual Admissions Programs. This bill would establish a program to ensure that community college students who wish to earn baccalaureate degrees at a campus of the California State University are able to do so in a timely manner by requiring the CSU to establish admissions requirements for community college transfer students in accordance with specified criteria, and require the CSU, in consultation with the Academic Senate of the California State University, to specify for each baccalaureate program major a model core lower-division transfer curriculum. Finally, the bill would require CSU to guarantee that transfer students admitted under the bill will be able to complete the baccalaureate degree in the minimum number of course units required for that degree.

Status: Approved by the Assembly Higher Education Committee, June 22
Pending consideration in the Assembly Appropriations Committee

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. In 2003, each bill was held in the Appropriations Committee in its house of origin, to allow substantive deliberations on their final content. Since January, they have been amended to state general legislative intent to adopt the recommendations of the Joint Committee, and they will be referred to a conference committee for further deliberation.

- Assembly Bill 242 (Liu) Teacher Preparation and Education
- Assembly Bill 1550 (Goldberg) Public Education Facilities
- Senate Bill 6 (Alpert) Public Education Governance
- Senate Bill 550 (Vasconcellos) Education Policy

Miscellaneous Relevant Legislation

Assembly Bill 2469 (Assembly Higher Education Committee). Public Postsecondary Education: Reports. Assembly Bill 2469 is an omnibus bill, which would delay and/or repeal the submission of numerous statutory reports that are required of the CSU and other public institutions of higher education.

Status: Approved by Senate Education Committee, June 16
Pending consideration in the Senate Appropriations Committee

Assembly Bill 2477 (Liu) Public Postsecondary Education: Pricing of College Textbooks. This bill would urge textbook publishers to take specified actions aimed at reducing the amounts that students currently pay for textbooks. Further, the bill would require the CSU and the California Community Colleges, and would request University of California, to encourage faculty members, when assigning textbooks, to give preference to practices that are less costly to students and to encourage campuses to provide as many forums as possible for students to purchase used textbooks.

Status: Approved by the Senate Education Committee, June 23
Pending consideration in the Senate Appropriations Committee

Assembly Bill 2678 (Koretz) Public Postsecondary Education: Textbook Rental Library Service. Assembly Bill 2678 would authorize public postsecondary education institutions to establish textbook rental services for students if the president or chancellor of the campus certifies that specified conditions have been met, including a recognized student body organization of the campus voting to request the establishment of a rental service; and an

appropriate mechanism for shared governance, such as an academic senate, approving the establishment of the rental service.

Status: Approved by the Senate Education Committee, June 23
Pending consideration in the Senate Appropriations Committee

Assembly Bill 2923 (Liu) California Postsecondary Education Commission. This bill would restructure the California Postsecondary Education Commission (CPEC), streamline its statutory responsibilities, and establish priorities that take precedence over other responsibilities during difficult fiscal times.

Status: Approved by the Senate Education Committee, June 24
Pending consideration in the Senate Appropriations Committee

Inactive Legislation: Bills Dropped, or Failed Passage in Committee

The following bills, which appeared in previous Legislative Reports, are no longer active, having failed passage in committee or having been dropped by the author.

Assembly Bill 1880 (Maze) Public Postsecondary Education: Mandatory Systemwide Fees: Veterans. Assembly Bill 1880 would have required a campus of the CSU, the University of California, or the California Community Colleges to reduce by 50% the amount of mandatory systemwide tuition and fees charged to a student who served in the United States Armed Forces for at least 4 years and was honorably discharged, and had exhausted his or her eligibility for any federal educational benefits.

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

Assembly Bill 1973 (Nation) California State University: Employee Relations. This bill would have repealed existing provisions in the Higher Education Employer-Employee Relations Act which (a) prohibit memoranda of understanding that require budgetary action by the Legislature until that action has in fact been taken by the Legislature, and (b) require memoranda to be referred back to the parties for further meeting and conferring when the Legislature or the Governor fails to fully fund the memoranda.

Status: Bill Dropped by Author

Assembly Bill 2764 (Bates) Charter Schools: Alternative Authority. This bill would have authorized the CSU, University of California, and the California Community Colleges to approve a petition submitted to establish a charter school.

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

Assembly Bill 2833 (Plescia) Public Postsecondary Education: Dual Admissions Program. Assembly Bill 2833 would have required the California State University, and requested the University of California, to establish a dual admissions program which included a guarantee that the student would be admitted to the institution if the student completed specified courses at a community college.

Status: Failed Passage in the Assembly Higher Education Committee

Senate Bill 971 (Burton) California State University. Sponsored by the Board of Trustees, SB 971 included provisions to enhance the accountability of university employees and prevent future conflicts of interest in the system, addressing three areas: disclosure of outside employment, employment as an outside consultant, and ethics training. The bill was amended late in the 2003 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 will remain inactive through the close of this year’s session.

Status: Assembly Inactive File

Senate Bill 1329 (Denham) Public Postsecondary Education: Increases in Tuition and Mandatory Systemwide Fees. This bill would enact the Student Protection Act of 2004, expressing legislative intent that, when an increase in the tuition or mandatory systemwide fees charged to students attending public postsecondary institutions in California is enacted, there be a waiting period of at least 90 days between the adoption of the increase and the time at which the student is assessed the increased amount, and no increase in tuition or mandatory systemwide fees exceed 10% of the previous fee or tuition levels in any calendar year. These issues have been included in the ongoing conversations regarding a proposed Trustee policy on student fees.

Status: Failed Passage in the Senate Education Committee

Senate Bill 1445 (Dunn) California State University: Police. Senate Bill 1445 would have required CSU to take several actions with respect to public safety operations, including a) ensure that every vacant police officer position is filled within six months of a vacancy; b) require every CSU police department to maintain a minimum of 12 police officers in each department; and c) apply for funding under programs such as the Citizens Option for Public Safety (COPS) program, and state technology funding programs.

Status: Failed Passage in the Senate Education Committee

Senate Bill 1535 (Karnette) Public Postsecondary Education: Student Fee Policies. Originally the Schwarzenegger Administration's proposed bill to provide for a statewide student fee policy, Senate Bill 1535 as amended would require the Legislative Analyst's Office and CPEC to propose a statewide policy for the mandatory systemwide student fees of public higher education institutions.

Status: Bill Dropped by Author

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. 10 is adopted.