

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 3:35 p.m., Tuesday, March 11, 2003
California State University
Titan Student Union, Portola Pavilions B & C

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

Consent Items

Approval of Minutes of Meeting of January 28, 2003

Discussion Items

1. 2003/2004 Legislative Report No. 2, *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**

January 28, 2003

Members Present

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

Other Trustees Present

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

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 Galinson called the meeting to order 2:40 p.m.

Approval of Minutes

The minutes of November 12, 2002 were approved.

Adoption of Trustees' Statement of Legislative Principles

Trustee Galinson asked Karen Y. Zamarripa, assistant vice chancellor, governmental affairs, to present the item, the adoption of the Board of Trustees' Statement of Legislative Principles for the 2003-04 legislative session.

Ms. Zamarripa, assistant vice chancellor, governmental relations, began the meeting with insights into the current political climate in Sacramento and how various issues may affect the CSU. She stated her hope that the CSU can work together to protect access and quality for students during this difficult year.

Ms. Zamarripa indicated there are many factors posing serious challenges to all levels of education, and outlined a number of those issues to provide the committee a context for the legislative principles and proposals for CSU's 2003 legislative program. She also focused on the current composition of the legislature following the November election, the impact of the estimated \$35 billion budget shortfall on all state-supported programs, and how each decision affects education funding. She noted that regardless of the serious problems facing the state, there would be a great deal of political positioning as new legislators establish themselves in the State Capitol and in their districts. In addition to budget issues, Ms. Zamarripa reported on several emerging trends in legislation, including several bills dealing with privacy issues; tax and expenditure structures, a long-term student fee policy; accountability in higher education; and community college/K-12 governance issues. Ongoing issues include teacher credentialing and preparation in relation to federal mandates under the No Child Left Behind Act, bills on contracting out, and bills to protect the sacred nature of Native American sites.

Ms. Zamarripa said that it is within the context of those and other issues that the governmental affairs team has worked with the chancellor, campus presidents, and others to prepare the items before the committee at this meeting.

Turning to the statement of legislative principles, Ms. Zamarripa indicated that the Board of Trustees has adopted such principles to guide the chancellor and the office of governmental affairs in representing the system before the legislature and the executive branch. She pointed out that the item before the committee reflected some minor changes to the Principles adopted in 2001 which clarify and affirm our core principles consistent with the Master Plan, the CSU's role in K-12 education, and our commitment to maintain the operational policy and managerial objectives of the system and the Board of Trustees.

Trustee Goldwhite asked it would be possible to consider adding the chair of the academic senate of the CSU, and the chair of the California State Student Association, to the list of those to be consulted on legislative positions as set forth in number 7 of the proposed legislative principles.

Ms. Zamarripa suggested that a separate bullet could be added urging the chancellor to seek such consultation. However, she stressed that ultimately the board and the chancellor remain the voice before the legislature and the state government on behalf of the CSU.

Trustee Galinson suggested that the committee adopt the resolution as set forth in the agenda and asked Ms. Zamarripa to work out some acceptable language to amend the resolution for approval at the meeting the following day.

The committee recommended approval of the proposed resolution (RGR 01-03-01).

2003/2004 Legislative Report No. 1

Trustee Galinson indicated Ms. Zamarripa would present a report on items for inclusion in the Trustees' 2003 legislative program.

Ms. Zamarripa explained the items she would describe were developed during the past 9 – 12 months in collaboration with the campuses, the chancellor, and others. She indicated that the legislative principles had been followed, and consideration made of long-term and short-term implications, as well as the overall fiscal impact of each of the proposals.

The items proposed for the 2003 legislative program are as follows:

- Ensuring Access to the Cal Grant Community College Transfer Entitlement Program
- CSU Personnel: Conflict of Interest
- Omnibus Legislation containing technical and non-controversial items pertaining to the CSU

Ms. Zamarripa described each item individually and provided her comments on the purpose and reasoning behind each one. She noted that the proposal in the agenda concerning the California Maritime Academy was being withdrawn due to the need for further research on the program. She also indicated that the item concerning funding for the specialized high school located at Cal Poly, Pomona would not be a legislative proposal but instead would be pursued through the budget process, if feasible.

The committee recommended approval of the proposed resolution with the elimination of the California Maritime Academy proposal (RGR 01-03-02).

California State University Federal Agenda for 2003

Trustee Galinson asked Mr. Louis Caldera, vice chancellor, university affairs, to present the item.

Mr. Caldera introduced Mr. Jim Gelb, assistant vice chancellor, federal relations, and asked him to make the presentation.

Mr. Gelb explained that the Office of Federal Relations and the Chancellor's Office have initiated what will be an annual process designed to produce a systemwide federal legislative agenda. It is hoped this annual process will assist the CSU to pool its collective assets in Washington and to help the decision makers, opinion leaders, and CSU supporters in the federal arena to assist in understanding the system's priorities for the new year.

Mr. Gelb noted the agenda item was broken into two separate components: Federal Policy Proposals, and Federal Project Proposals.

Some of the policy issues to be addressed include:

- Reauthorization of the Higher Education Act of 1965;
- Increasing incentives in the Work Study Program;
- Assuring strong funding for vital federally funded intervention programs;
- Expansion of international education programs;
- Advocating federal programs that promote global awareness and understanding; and
- Development of Hispanic Serving institutions

The federal project proposals are specific projects for which the CSU will seek federal appropriations. Mr. Gelb noted that 13 systemwide priority projects have been identified for 2003.

Mr. Gelb said the Office of Federal Relations would strive to obtain signatures of as many members of the California congressional delegation as possible to sign a letter supporting our priority projects and that his office will focus on securing funding for each of them. In the meantime, the office will continue to work with the campuses and all members of the California congressional delegation in formulating, improving, and advancing projects that can be enhanced in the federal appropriations process.

Bruce Wolf of San Francisco State, inquired about the campus-based programs allocation formula. He asked if the exact adjustments for that proposal were available. Mr. Gelb replied that he did not have a specific legislative proposal at this time. He indicated the critical part of the formula contained in the higher education act is the base allocation that is geared toward outdated numbers based on student load in the 1970's. He explained that changes to the base-funding piece of the formula would be necessary in order to make a real difference in how those funds are allocated in the future. He agreed that is an issue that needs to be addressed with our delegation to ensure that those dollars are allocated to areas where today's students are going to receive the most benefit.

The committee recommended approval of the proposed resolution (RGR-01-03-03).

The meeting adjourned at 3:15 p.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2003/2004 Legislative Report No. 2

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 proposals comprise the Trustees' Legislative Program for 2003.

Ensuring Access to Cal Grant Community College Transfer Entitlement 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 Section 69436.8. 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.

To ensure access to this program for the greatest number of students, this proposal would:

- Remove the age restriction for the transfer entitlement;

- Reduce the minimum community college grade point average required for receipt of a transfer entitlement award from 2.4 to 2.0; and
- Remove the requirement that, for a community college transfer entitlement award, a student had to have graduated from a California high school or its equivalent during or after the 2000-01 academic year.

Status: Statutory Language Submitted to Legislative Counsel. Author: Assembly Member Marco Firebaugh

CSU Personnel: Disclosure of Outside Business Activities. Under this proposal executive, Management Personnel Plan (MPP), and academic employees of the California State University would be required to report on outside employment and business activities to ensure that such activities do not conflict with normal work assignments or the satisfactory performance of duties.

Status: Statutory Language Submitted to Legislative Counsel. Author: Senator John Burton

Omnibus Proposals. The following technical and/or non-controversial proposals comprise this year's CSU 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 recently-gained CSU authority providing 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 problematic to CSU's position that CSU auxiliary organizations are separate from the State. It is therefore proposed that it be repealed.

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.

Amend Government Code Section to Include CSU Peace Officers. This proposal would add CSU peace officers to a prohibition against posting of the home address or telephone number of public safety officers and their family members on the Internet in a threatening manner or with intent to cause them harm.

Status: Statutory Language Submitted to Legislative Counsel. Author: Assembly Higher Education 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

Priority Bills

The following bills have been designated as a priority for the 2002 Legislative session. As of February 19, approximately 750 bills had been introduced. The deadline for bill introductions was February 21, and it was expected that up to 1500 bills would be introduced in the final two days prior to the deadline. A complete list of priority legislation will be available at the May hearing of the Board.

Assembly Bill 46 (Simitian) Identity Theft. Assembly Bill 46 would prohibit California colleges and universities from using a social security number as a student identifier.

Status: Introduced; Referred to Assembly Public Safety Committee

Assembly Bill 119 (S. Horton) Public Postsecondary Education: Student Charges. Assembly Bill 199 would establish state policies with regard to mandatory systemwide undergraduate student fees at the CSU and University of California. Among other provisions, the bill would place a ceiling on the amount of fee increases which could be adopted over a four-year period. Note: this is not the student fee policy bill which is based on the recent report by the California Postsecondary Education Commission – that bill had not been introduced as of 2/18/03.

Status: Introduced; Referred to Assembly Higher Education Committee

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: Introduced; referred to Assembly Higher Education Committee

Assembly Bill 242 (Liu) Teachers. Sponsored by the Joint Legislative Master Plan Committee, 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:

- Stating 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.
- Requiring 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.

- Stating 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: Introduced; Referred to Assembly Education and Higher Education Committees

Assembly Bill 307 (Maddox) Student Financial Aid: Cal Grant NG Awards. Assembly Bill 307 would establish the Cal Grant NG Program which, commencing with the 2004-05 academic year, would award Cal Grants to qualifying members of the California Army National Guard and California Air National Guard, for full-time study or student loan repayment. The award, which would not be based on the financial need of the applicant, would be equivalent to the sum of the fee charged to resident undergraduate students at the University of California for the academic year of the award.

Status: Introduced; Referred to Assembly Higher Education Committee

Assembly Bill 475 (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: Introduced; Pending Referral to Committee

Senate Bill 6 (Alpert) Public Education Governance. This bill contains the Joint Legislative Master Plan Committee's recommendations on governance issues, including:

- Transferring management responsibility for the Department of Education from the Superintendent of Public Instruction (SPI) to the Governor's office;
- Assigning responsibility for performance monitoring, reporting and advocacy to the SPI;
- Reconfiguring 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;

- Establishing a California Education Commission to serve as the statewide education data repository from pre-kindergarten to postsecondary education.

Status: Introduced; Referred to Senate Education Committee

Senate Bill 25 (Bowen) Personal Information: Security. Among other provisions pertaining to the security of personal information, Senate Bill 25 would place restrictions on the use of social security numbers by public universities that are similar to those which currently exist for private entities. As introduced, the bill would provide flexibility for campuses to continue using the numbers for appropriate internal purposes.

Status: Introduced; Referred to Senate Judiciary Committee

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. 2 is adopted.