

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 4:45 p.m., Tuesday, March 16, 2004
Arena Floor - Save Mart Center

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 January 28, 2004

Discussion Items

1. 2003/2004 Legislative Report No. 8, *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, 2004

Members Present

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

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 9:25 a.m.

Approval of Minutes

The minutes of November 19, 2003 were approved.

2003/2004 Legislative Report No. 7

Ms. Karen Y. Zamarripa, assistant vice chancellor, advocacy and institutional relations, presented the item. She noted this was the second year of the two-year session and it is expected that things will move quickly given the February 20, 2004 deadline for new bill introductions.

Ms. Zamarripa proceeded to provide an assessment of the climate in Sacramento with regard to adjustments after the recall election and positioning of new leadership roles and committee membership in the legislature.

Based on voter feedback, the primary issues legislators are expected to pay attention to are: the budget deficit, taxes, the economy, jobs, and employment. She noted voters appear to be less focused on education as a high priority; however, 60% of voters indicate they believe the state is generally moving in the right direction.

Some of the initiatives expected to be at the forefront for discussion are, repeal of the health care requirement instituted by Senator Burton's SB 2, workers compensation, and revenue shortfalls for local governments.

Ms. Zamarripa then informed the committee of the new proposals suggested for consideration and submission for the 2004 Trustees Legislative program. She indicated there were only two bills recommended for adoption due to the complexity of the year in light of the new administration, impending elections, new legislative leadership, and the budget problems facing the CSU and the state.

The proposals include: a bill to allow CSU the authority to seek false claims against contractors who seek to defraud the institution. Presently, CSU must rely on the Attorney General to seek such action on our behalf. This policy has hurt the CSU over time and the new bill would enable the system to directly pursue its best interest in such cases. Ms. Zamarripa indicated the Attorney General's office is not in favor of the proposal, however, her office is working with them on a revision to the bill stipulating they will have the right of first refusal to proceed on such cases.

The second proposal is CSU's annual omnibus bill. The bill includes various technical changes that have been reviewed and approved by the two parties and committees. The bill is sponsored by the Higher Education Committee and will likely become a vehicle for additional recommendations along the way.

Trustee Galinson asked about the status of AB 825 (Firebaugh) - Student Financial Aid. Ms. Zamarripa replied the bill was in the second year of a two-year session. She explained the bill has been modified slightly and that we are examining the current Cal-Grant program to determine how it is addressing the most needy students in California, particularly those who attend CSU.

Trustee Galinson then referred to the false claims proposal and offered the assistance of the board in facilitating the bill through the legislative process if needed.

The committee recommended approval of the proposed resolution (RGR 01-04-01).

California State University Federal Agenda for 2004

Mr. James M. Gelb, assistant vice chancellor, federal relations, presented a report on the items for inclusion in the 2004 CSU Federal Agenda.

Mr. Gelb reviewed several priority issues, including an update on the status of the reauthorization of the Higher Education Act. He reported it was very possible the act would not be reauthorized this year. However, it would then be expected to be renewed under its current terms for another year. Mr. Gelb assured the committee the Office of Federal Relations will continue to work to ensure that the system's interests are advanced during the reauthorization process.

On the project front, CSU has delineated the system's project priorities into two categories: multi-campus initiatives that focus on core areas of CSU expertise and strength; and campus-oriented efforts, system support of which is criteria based. Mr. Gelb then briefly reviewed the status of appropriations, noting that we expect a very tight and acrimonious year.

Mr. Gelb mentioned two new communications tools developed by the Office of Federal Relations. He referred to their new website and electronic update, and an e-mail newsletter that anyone may subscribe to. These tools are intended to keep both internal and external audiences informed about what is happening in Washington, DC, and about the status of CSU's ongoing priorities.

Trustee Pierce asked Mr. Gelb for clarification on his statement regarding a possible one-year renewal of the higher education act. Mr. Gelb responded the reauthorization process is typically approved for a five-year period, and was last approved in 1998. He explained a provision included in the General Education Provisions Act allows for a one year renewal should reauthorization not take place on time.

The committee recommended approval of the proposed resolution (RGR 01-04-02).

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

Ms. Zamarripa reviewed the item recommending approval to support Proposition 57 and Proposition 58 that are scheduled to be on the March 2004 Primary Election ballot.

The two propositions are a package that reflect the governor and the legislature's efforts to consolidate the ongoing deficits facing the state and authorizes the state to issue up to \$15 billion

in bonds in order to address long-term deficits and cash issues. It also requires a balanced budget, set up of a reserve, and dedicates one-quarter cent of sales tax revenue in order to pay for debt service on those bonds.

She explained that the two proposals are tied together. One cannot be passed without the other and both are critical to move toward the 2004/2005 budget the governor proposed. Further, this bond proposal, if successful, could reduce future cuts to the CSU making it critical to the well being of the University. Additionally, Proposition 58 would amend the State Constitution to require that spending not exceed income in each fiscal year, and that the state build a budget reserve.

Ms. Zamarripa explained that for those reasons and the importance of laying this framework in place as we move ahead in moving California back on track, the board is being asked to formally endorse both Proposition 57 and 58.

Trustee Kaiser asked why we were not considering support for Proposition 56. Ms. Zamarripa replied that both Propositions 57 and 58 have a direct relationship to the possibility of CSU facing greater reductions in 2004/2005. Proposition 57 and 58 were approved to be placed on the ballot by the Governor and the legislature, while Proposition 56 was placed on the ballot by the initiative process.

Trustee Foster noted it is clear that if the propositions do not pass, CSU will incur further reductions. Based on that reality he reluctantly voiced his support for approval of the resolution.

The committee recommended approval of the proposed resolution (RGR 01-04-03).

The meeting adjourned at 10:02 a.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2003/2004 Legislative Report No. 8

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

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

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

the extent to which the current Cal Grant programs adequately address the needs of California residents pursuing a postsecondary education.

Status: AB 825 was held in the Senate Education Committee in 2003, making it a two-year bill. The CSU sponsored the bill given ongoing concerns about the impact of the restrictions on community college transfer students. Two out of every three of these transfer students complete their degree at a CSU campus and are encouraged to do so under the state's Master Plan. AB 825 would increase the state's obligation for the Cal Grant program; however in light of budget pressures, enrollment management and state-endorsed strategies to encourage students to complete their first two years at the community colleges, changes in the current program will be required to ensure true access and student success. CSU and others are well positioned with AB 825 to engage this important dialogue in the development of the final 2004-05 budget.

Assembly Bill 1999 (Assembly Higher Education Committee) Omnibus Legislation. The CSU frequently sponsors "omnibus" legislation containing non-controversial and/or technical changes to the various codes. The following items are contained in this year's bill, again authored by the Assembly Higher Education Committee. Under legislative policy, any matter that garners formal opposition must be removed from omnibus legislation.

Prequalifying Contractors And Competitive Bidding: Minor Contracts. The bill conforms sections of the CSU Contract Law to the existing authority in the State Contract Act, to ensure that the minor contract limit for CSU is automatically adjusted to be consistent with the limit for state contracts identified by the Department of Finance.

Repeal of Obsolete Code Sections: The following proposals to repeal obsolete Code sections appear in the bill:

- **Repeal Education Code Section 90450.** This section was enacted in 1995 and authorized the CSU to dispose of six houses at CSU, Chico known as "the Language Houses" to parties willing to preserve and restore the houses. As all transactions authorized by the section have been completed, it is no longer needed in the Code.
- **Repeal Education Code Section 90500.** This section has long provided special authority in the CSU for printing and binding services, addressing a bygone era when CSU was tied to the State Printer by statute to fulfill all of its printing and binding needs. With the amendment of Section 89036(a) two years ago (Stats 2001, Ch. 219 (AB 1719), full authority was given the CSU to "prescribe policies and procedures for the acquisition of services, facilities, materials, goods,

supplies, or equipment" which was given "notwithstanding any other provision of law." Since the 2001 enactment, Section 90500 is no longer necessary.

Status: Introduced, February 13

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

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

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

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

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 that granted UC this authority, but was removed in an amendment after the state's prior Attorney General expressed opposition to the measure.

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

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

Status: Pursuant to conversations with Assembly Member Ellen Corbett, Chair of the Assembly Judiciary Committee, CSU and staff from the Attorney General's (AG) office will meet to discuss the AG's services to the CSU, with the goal of reaching an agreement on how the AG can better serve the CSU on False Claims issues. Assembly Member Corbett supports the CSU's position, and will work with the system to facilitate an expedited agreement on the matter.

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
- Admissions, Articulation, and Transfer
- Bills to Implement the Recommendations of the Joint Master Plan Committee
- Miscellaneous Relevant Legislation

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: Introduced, February 12

Assembly Bill 1973 (Nation) California State University: Employee Relations. This bill would repeal existing provisions in the Higher Education Employer-Employee Relations Act which (a) prohibit memoranda of understanding which 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: Introduced, February 12

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: Introduced, February 20

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: Introduced, February 18

Senate Bill 1445 (Dunn) California State University: Police. Senate Bill 1445 makes a legislative finding that CSU is understaffing campus police departments, and states legislative intent that the CSU ensure adequate staffing levels of police officers in CSU police departments. The bill requires 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: Introduced, February 19

Senate Bill 1491 (McPherson) Capital Facilities Fees. This bill is a "spot bill" (i.e., a placeholder) on the subject of capital facilities fees, and has been introduced as a vehicle for a potential compromise on the issue. Last year, Assembly Bill 1051 (Goldberg) would have set aside the statutory compromise negotiated in 1988 on Capital Facilities Fees after a California Supreme Court decision ruled any such fees illegal without legislative authorization. The bill

was opposed by a large coalition comprised of public educational agencies, and vetoed by Governor Gray Davis.

Status: Introduced, February 19

Organization of the Board of Trustees

Assembly Bill 2339 (Negrete McLeod) Trustees of the California State University. As introduced, Assembly Bill 2339 is a “spot bill” that makes technical changes to the law, which governs the organization of the Trustees. Staff for Assembly Member Negrete McLeod have indicated that it is her intent to amend the bill to 1) authorize ex-officio members (the Governor, Lieutenant Governor, Speaker of the Assembly, State Superintendent of Public Instruction, and the Chancellor) to appoint a designated representative to attend meetings on their behalf with full voting privileges; and 2) request the CSU Board of Trustees and the University of California Board of Regents to avoid meeting on the same days.

Status: Introduced, February 19

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: Introduced, February 20

Student Fees: Fee Policy, Waivers

Assembly Bill 1880 (Maze) Public Postsecondary Education: Mandatory Systemwide Fees: Veterans. Assembly Bill 1880 would require 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 signed up for service in the United States Armed Forces, who is a resident of California for the purposes of the determination of student residency, who served in the United States Armed Forces for at least 4 years and was honorably discharged, and who has exhausted his or her eligibility for any federal educational benefits.

Status: Introduced, February 4

Assembly Bill 2574 (Diaz) Public Postsecondary Education: Student Fee Policy. This bill expresses the intent of the Legislature to enact legislation that will develop a framework of policy principles for governing boards, the Legislature, and the administration to follow when

taking action on the fees or fee policies of California's public postsecondary educational institutions. The bill would add to the Donahoe Higher Education Act statewide policy principles to be applied when action is contemplated on the fees or fee policies of public postsecondary educational institutions. These policy principles would require that any increase in student fees result in a proportional improvement in academic quality and service, that the Legislature and the administration recognize all costs incurred by the system in providing public postsecondary education and fund a percentage of the real cost accordingly, that increases in fees be coupled with corresponding increases in state and institutional student financial aid, and that the price of mandatory public postsecondary resident student fees be set and adjusted based only on what an average middle class family in California is able to pay without grants or loans.

Status: Introduced, February 20

Assembly Bill 2710 (Liu) Public Postsecondary Education: Mandatory Systemwide Resident Student Fee Policy. Assembly Bill 2710 would express legislative findings and intent with respect to the process of setting student fee levels. The bill would provide that the Regents of the University of California and the Trustees of the California State University bear the primary responsibility for adjusting mandatory systemwide resident student fees at their respective systems. The bill would also add provisions to require these universities to develop methodologies for the adjustment of fees in accordance with a prescribed procedure. The bill would require the California Postsecondary Education Commission to annually review, and report to the Legislature and the Director of Finance about, the policies and procedures adopted pursuant to the bill. [Note: This bill is a reintroduction of Assembly Bill 843 from 2003].

Status: Introduced, February 20

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.

Status: Introduced, February 18

Senate Bill 1535 (Karnette) Public Postsecondary Education: Student Fee Policies. Senate Bill 1535 would provide that, beginning in the 2005-06 academic year, the trustees, if they elect to increase undergraduate mandatory systemwide fees in the California State University system, may not increase those fees by a percentage exceeding that by which per capita income, as

defined, in California grew during the most recent fiscal year during which complete data is available. The bill would authorize the trustees, upon a finding of unique fiscal circumstances, to increase undergraduate mandatory systemwide fees by an amount not to exceed 10% of the level of those fees at the time the finding is made. The bill would authorize the trustees, beginning in the 2004-05 academic year, to increase mandatory systemwide fees for graduate students by whatever percentage is deemed appropriate by the trustees, until graduate fees are 50% higher than undergraduate fees, after which the bill would authorize graduate fees to be increased at a rate no higher than the rate of increase for undergraduate fees.

Status: Introduced, February 19

Admissions, Articulation, and Transfer

Assembly Bill 2833 (Plescia) Public Postsecondary Education: Dual Admissions Program. Assembly Bill 2833 would require the California State University, and request the University of California, to establish a dual admissions program in which eligible applicants who are not directly admitted to either of those institutions would be authorized to enter into a dual admission agreement with that institution. The bill would require the agreement to include a guarantee that the student will be admitted to the institution if the student completes specified courses at a community college, and require each community college to offer counseling services to each student participant to ensure that the student is informed of the program requirements.

Status: Introduced, February 20

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: Introduced, February 19

Senate Bill 1785 (Scott) Scott and Alpert: Dual Admissions Programs. This bill would establish a program with the purpose of ensuring that community college students who wish to earn baccalaureate degrees at a campus of the California State University are able to do so, and require to carry out specified tasks in connection with the establishment of this program. The bill would require 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: Introduced, February 20

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: Introduced, February 19

Assembly Bill 2477 (Liu) Public Postsecondary Education: Pricing of College Textbooks. This bill would express various findings and declarations of the Legislature with respect to the cost of college textbooks. The 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: Introduced, February 19

Assembly Bill 2678 (Koretz) Public Postsecondary Education: Textbook Rental Library Service. Assembly Bill 2678 would require CSU and each community college district in the state, and urge the University of California, to establish a textbook rental library service for the undergraduate students at each of their campuses, to be available at the start of the 2006-07 academic year. The bill would require the textbook rental library service to make available on each campus any required textbooks for all courses in the undergraduate curriculum at each campus. Because the bill would create new duties for community college districts, it would constitute a state-mandated local program. The bill would authorize the trustees, community college district governing boards, and regents to charge an annual textbook rental fee to each student as part of annual tuition or mandatory systemwide fees to cover the costs of administering the textbook rental library program on each campus and maintaining current editions of books.

Status: Introduced, February 20

Assembly Bill 2728 (Strickland) Charter Schools: Authorization and Assembly Bill 2764 (Bates) Charter Schools: Alternative Authority. AB 2728 would authorize the chancellor of a campus of the University of California, the president of a campus of the California State University, or the governing board of a community college district to approve a petition submitted to establish a charter school within the county in which that campus or community college district is located. AB 2764 would authorize the CSU, University of California, and the California Community Colleges to submit an application to the State Board of Education to approve a petition submitted to establish a charter school.

Status: Introduced, February 20

Assembly Bill 2903 (Campbell) State Employees' Retirement: Contributions and Benefits.

The Governor's Budget Summary stated that in the fiscal environment for the foreseeable future, the State can no longer afford the current retirement program for state employees without a reduction in benefits or an increase in employee's contributions toward the benefits. The summary stated the Administration's intent to increase employees' annual retirement contributions by 1 percent of their gross pay (in most cases, an increase from 5 percent to 6 percent). In addition, the Administration indicated that they would seek legislation to place new state employees in a second tier retirement plan with lesser benefits. AB 2903 would implement the statutory changes needed to achieve the Administration's goals.

Status: Introduced, February 20

Assembly Bill 2923 (Liu) California Postsecondary Education Commission. This bill would consolidate the policy responsibilities of the California Postsecondary Education Commission into a new state entity, to be known as the California Postsecondary Education Policy and Finance Commission, and would provide for the appointment of its members and of an executive director. The bill would require the California Postsecondary Education Policy and Finance Commission to succeed to the powers, duties, functions, and obligations of CPEC on July 1, 2005.

Status: Introduced, February 20

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. 8 is adopted.