

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 2:30 p.m., Tuesday, May 18, 2004
Glenn S. Dumke Auditorium

Murray L. Galinson, Chair
Roberta Achtenberg, Vice Chair
Robert G. Foster
William Hauck
M. Alexander Lopez
Kyriakos Tsakopoulos

Consent Items

Approval of Minutes of Meeting of March 16, 2004

Discussion Items

1. 2003/2004 Legislative Report No. 9, *Action*

**MINUTES OF THE MEETING OF
COMMITTEE ON GOVERNMENTAL RELATIONS**

**Trustees of The California State University
California State University, Fresno
Save Mart Center
2650 East Shaw Avenue
Fresno, California 93710**

March 16, 2004

Members Present

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

Members Absent

Robert G. Foster
Shailesh J. Mehta
Kyriakos Tsakopoulos

Other Trustees Present

Cruz M. Bustamante, Lt. Governor
Eric Guerra
Kathleen Kaiser
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 10:04 a.m.

Approval of Minutes

The minutes of January 28, 2004 were approved.

2003/2004 Legislative Report No. 8

Trustee Galinson introduced Ms. Karen Y. Zamarripa, assistant vice chancellor, advocacy and institutional relations and asked her to present the report.

Ms. Zamarripa said she estimated there were about 2000 new legislative proposals submitted by the deadline of February 20, 2004. She did not speak to individual bills but focused instead on specific issues of interest to CSU, the results of the March Primary, and the activities planned for CSU Alumni Legislative Day on Monday, March 22, 2004.

Ms. Zamarripa called the board's attention to two measures directly impacting the Board of Trustees. AB 2339 (Negrete McLeod) would allow ex-officio members of the board, including the Lt. Governor, Speaker, State Superintendent, and the Chancellor to appoint someone to attend board meetings on their behalf with full voting privileges. AB 2849 (Lowenthal) would increase the membership of the board of trustees to include a non-faculty employee of the university. Ms. Zamarripa said that CSU has expressed concerns regarding these proposals and that we will be working with the authors regarding their impact on the governance and structure of the board.

Ms. Zamarripa noted that there were some specific trends and issues in the bills introduced this year, including several proposals pertaining to student fees – including one (SB 1535 (Karnette)) sponsored by the Administration to implement their recommendations in the budget regarding a long-term fee policy. Other fee-related bills pertain to providing notice about mid-year fee increases, and directives as to the use of the revenue once those fees are increased. Other important issues addressed in legislation include dual admissions, common course numbering, and other strategies designed to improve articulation and transfer within and among the higher education segments to facilitate student success. She added there were in-depth ongoing discussions on workers' compensation reform and said CSU is watching this issue very closely given the impact of increasing workers' compensation costs on the system.

Ms. Zamarripa also reported that students have been successful in raising the issue of textbook costs and have begun working with Assembly Members Carol Liu and Paul Koretz to explore ways to address increasing textbook costs.

Senators Dede Alpert and Jack Scott have introduced SB 1331, a measure on higher education accountability, which Dr. David S. Spence, Dr. Robert Cherny and others have been working on along with the Master Plan committee. The bill would establish annual accountability reporting and require the development of a data system that focuses on outcomes as it relates to higher education segments meeting the state's objectives in their work.

Ms. Zamarripa noted the successful passage of Propositions 55, 57, and 58 and acknowledged the work of the Chancellor, Trustee Hauck, and President Alexander Gonzalez, who were leaders on CSU's behalf on those efforts. She also thanked the campus presidents, faculty, staff,

students, alumni, community supporters, foundation board, and the voters for making this critical investment in higher education.

Ms. Zamarripa then focused on the outcome of the various primaries and their impact on the dynamics of the legislative structure. Of particular note, was the extensive use of independent expenditure committees and their perceived influence on the election outcomes. She stated that since the March 2nd primary and the outcome of Proposition 56, it appears both Democrats and Republicans are reviewing election outcomes and are making decisions about the most effective strategies to protect key programs (including higher education), and how to most effectively respond to their constituencies.

Ms. Zamarripa cited additional factors that contribute to the complexity of this year's legislative session, including the continued 2/3 requirement for the adoption of a budget and tax increases; the increasing interest in protecting or gaining legislative seats; a voter population that seems generally skeptical about state government's responsiveness to key issues; and a popular governor who has kept them off-balance with his highly visible approach to governing.

In this atmosphere, CSU is working to identify the best means by which policy makers can be influenced to understand the value of individual CSU campuses and higher education in general. CSU will begin its efforts in this regard by holding its annual CSU Alumni Legislative Day on Monday, March 22, 2004. The purpose of this year's program is to share several key messages:

- Calling attention to the serious problem in the CSU in meeting the needs of students, and maintaining the quality of the programs that they deserve;
- Urging the state to step up and support the CSU because we cannot sustain further cuts similar to those proposed in January 2004;
- Establishing a long term fee policy that recognizes the responsibility of the state to students and families coupled with financial aid; and
- Conveying a strong message about the importance of investing in the CSU for the state's long-term economic recovery and growth.

Ms. Zamarripa indicated the key goal of Legislative Day is to have key supporters, alumni, and others make contact with all 120 members of the legislature to talk about CSU's value and the impact that budget cuts have had on the system.

Trustee Kaiser asked if any progress has been made on Cal Grant issues. Ms. Zamarripa replied there has been no explicit improvement or change in the law with respect to an increase in allocations to the Cal Grant program, but noted she believes there has been some success in raising issues associated with the future of the program.

Trustee Galinson indicated there were two speakers who wished to address the committee.

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Gov. Rels.

Ms. Lillian Taiz of the California Faculty Association (CFA) introduced the CFA's new director of legislation, Karon Green. Ms. Taiz indicated Ms. Green will be coordinating with the CSU management on legislative matters and will be addressing this committee from time to time.

Trustee Achtenberg said she simply wanted to point out and acknowledge the importance of the overwhelming support of the CSU and UC in northern California in ensuring the successful passage of Proposition 55.

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

The meeting adjourned at 5:10 a.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2003/2004 Legislative Report No. 9

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. The bill 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. It is likely that the dialogue surrounding these issues will continue into the 2005-06 legislative session.

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 : Approved by the Assembly Business and Professions Committee, April 20
Pending Consideration by the Assembly Appropriations Committee

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 System.

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 previous 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 that 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
- 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: Assembly Appropriations Committee, Suspense File

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: Approved by the Assembly Public Employees, Retirement and Social Security Committee, April 20; Pending Consideration by the Assembly 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: Approved by the Assembly Higher Education Committee, March 30
Pending Consideration by the Assembly Appropriations Committee

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, 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 Senate Education Committee, April 21
Pending Consideration by the Senate Appropriations Committee

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. CSU estimates a cost of over \$1.8 million to implement the mandate in this proposal.

Status: Set for hearing in the Senate Education Committee, April 28

Organization of the Board of Trustees

Assembly Bill 2339 (Negrete McLeod) Trustees of the California State University. As introduced, Assembly Bill 2339 would 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 prohibit the CSU Board of Trustees from meeting on the same day as the University of California Board of Regents.

Status: Approved by the Assembly Higher Education Committee, April 20
Pending consideration in the Assembly 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 Assembly Higher Education Committee, April 14
Pending consideration in the Assembly Appropriations Committee

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: Set for Hearing in the Assembly Appropriations Committee, April 28

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.

Status: Held in Assembly Higher Education Committee; some provisions to be amended into Assembly Bill 2710

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 a fixed percentage (unspecified in the current version of the bill) 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 Assembly Higher Education Committee, April 20
Pending consideration by the Assembly Appropriations Committee

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: Held in the Senate Education Committee, April 22

Senate Bill 1535 (Karnette) Public Postsecondary Education: Student Fee Policies. Senate Bill 1535 would establish an undergraduate student fee policy for CSU, which, generally, would link fee increases to changes in per capita personal income with an overall cap of 10%. Graduate student fee increases could be increased by whatever percentage the trustees deemed appropriate until they are 50 percent higher than undergraduate fees, after which they would increase at the same rate.

Status: Approved by the Senate Education Committee, April 22
Pending consideration in the Senate Appropriations Committee

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: Approved by the Assembly Higher Education Committee, April 20
Pending consideration in the Assembly Appropriations Committee

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 Senate Education Committee, April 21
Pending consideration in the Senate 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 Senate Education Committee, April 22
Pending consideration in the Senate 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 that 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 Assembly Higher Education Committee, April 14
Pending consideration in the Assembly 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 Assembly Higher Education Committee, March 31
Pending consideration in the Assembly 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 Assembly Higher Education Committee, April 14
Pending consideration in the Assembly Appropriations Committee

Assembly Bill 2764 (Bates) Charter Schools: Alternative Authority. This bill 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: Approved by Assembly Higher Education Committee, April 21
Pending consideration in the Assembly Appropriations Committee

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: Approved by Assembly Higher Education Committee, April 21
Pending consideration in the Assembly Appropriations 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. 9 is adopted.