

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 4:15 p.m., Tuesday, September 14, 2004
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Roberta Achtenberg, Vice Chair
Jeffrey L. Bleich
Herbert L. Carter
Carol R. Chandler
Moctesuma Esparza
Robert G. Foster
George G. Gowgani
Eric Guerra
Ricardo F. Icaza
Melinda Guzman Moore
Frederick W. Pierce, IV
Kyriakos Tsakopoulos

Consent Items

Approval of Minutes of Meeting of July 13, 2004

Discussion Items

1. 2004/2005 Legislative Report No. 11, *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**

July 13, 2004

Members Present

Debra S. Farar, Chair
Roberta Achtenberg, Vice Chair
Robert G. Foster
Murray L. Galinson, Chair of the Board
Eric Guerra
Frederick W. Pierce, IV
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos

Members Absent

Ricardo F. Icaza

Other Trustees Present

Jeffrey L. Bleich
Herbert L. Carter
George Gowgani
Melinda Guzman Moore
Corey Jackson
Kathleen Kaiser

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
Larry Mandel, University Auditor
Karen Y. Zamarripa, Assistant Vice Chancellor, Advocacy and Institutional Relations

Trustee Galinson called the meeting to order at 4:25 p.m.

Approval of Minutes

The minutes of May 18, 2004 were approved.

2003/2004 Legislative Report No. 10

Ms. Karen Y. Zamarripa, assistant vice chancellor, advocacy and institutional relations, indicated that the written agenda item provided detailed updates on key legislation being followed by the CSU. She then presented an oral status report on the status of the Trustees' Legislative Program and active priority bills that remain unresolved and the primary focus of CSU's work during the last month of session.

Ms. Zamarripa reviewed the timeline of anticipated events during the next few weeks. She noted the fiscal year budget would likely be approved and signed during the current legislative recess. She added the new session begins on August 2 and is scheduled to adjourn on August 27. The adjournment will be the last for many termed-out legislators, including Senate President Pro Tempore John Burton, and Senators Brulte, Alpert, Sher and Vasconcellos.

Ms. Zamarripa informed the committee that the last day for bills to be amended would be August 20. She observed that a great deal of activity is anticipated during the last four weeks of the session with the first two weeks dedicated to the Appropriations Committees considering hundreds of fiscal bills. She pointed out that during the last few weeks of a session, it is common for substantial activity to occur on controversial bills that could pose varying affects on the CSU. Ms. Zamarripa assured the committee she and her staff will be fully engaged in the process and constantly watching the floor sessions for any potential problems.

Other major remaining issues for the CSU at this point include: ongoing efforts to improve and streamline lower division transfer for community college students and development of common pathways for baccalaureate degrees. Other issues that could have an impact on CSU include capital facilities fees, modifications to the CEQA process, changes to the structure and operations of the Board of Trustees, state energy policy, the higher education Master Plan, and whistleblower statutes.

Ms. Zamarripa explained that there has been an ongoing debate about whether municipal utilities can embed fees in monthly charges that are not related to direct service to CSU campuses. The Governor's office asked CSU to develop a proposal on what the system believes to be a fair way of addressing our proportionate share without embedding unnecessary or illegal charges. The proposal was developed and favorably received by the Governor's Office. Ms. Zamarripa said she does not expect the proposal to be acceptable to the utilities; however, it represents a good faith attempt to address the issue and to indicate CSU's willingness to continue to work toward an amicable solution.

Ms. Zamarripa also reported on CSU's work on several proposals that deal with the role, responsibilities, and functions of the Board of Trustees. Specifically, she referred to a proposal (AB 2339, Negrete McLeod) that would have allowed the ex-officio members of the board, with the exception of the Chancellor, to send an alternate representative to participate and vote during

board meetings. The proposal has since been modified to remove those provisions, and in its current form would urge CSU, UC, and the State Board of Education, (which all share ex-officio constitutional officers) to make an effort to coordinate schedules to help statewide elected officials to participate in these important meetings.

Ms. Zamarripa stated that CSU continues to oppose the CSEA-sponsored bill that would direct CSU whistleblower cases to the State Personnel Board, as well as a formal grievance and arbitration process. CSU objects to the proposal given protections in current statute and the ability of employee organizations to address specific issues through collective bargaining. Moreover, we believe it is inappropriate for CSU to be placed under the State Personnel Board and that if there are necessary changes to our process, they should be discussed in collective bargaining.

Ms. Zamarripa mentioned progress has also been made in collaboration with Vice Chancellor McClain in resolving several issues brought forth by CSU peace officers. She reported they have dropped all three of their sponsored bills in the spirit of working successfully with Vice Chancellor McClain, Sam Strafaci, and others.

Trustee Kaiser inquired about the status of SB 1415 (Brulte) concerning common course numbering. Ms. Zamarripa explained that recent amendments appear to address the concerns of CSU and perhaps the community colleges and University of California as well. The bill now works in tandem with Senator Scott's bill SB 1785 regarding articulation CSU and community colleges for upper division major/discipline courses.

Chair Galinson asked for clarification on SB 1262 (Sher) regarding charitable organizations and whether it would be possible to get information on the costs involved in utilizing outside entities in the fundraising process. Ms. Zamarripa explained that the bill has been amended to strike the disclosure provisions in their entirety. Trustee Achtenberg added that campuses would have the information on costs to raise money in the contracts they establish with commercial fundraisers.

Trustee Farar referred to AB 1969 (Negrete-McLeod/Nakano) and asked whether the ethics training requirements applied to the trustees. It was determined that trustees would be required to complete the online training course.

Trustee Farar asked about the status of AB 2923 (Liu) regarding the restructuring of CPEC. Ms. Zamarripa replied that the bill had been amended to add language that would compel UC, CSU, and others to release data in a manner not previously required. Ms. Zamarripa said this was a concern and that she had not yet had the opportunity to review the amendments.

Ms. Zamarripa concluded saying she would return at the next board meeting to present a report to the committee on the final status of outstanding legislative issues. She said she felt CSU has had a successful year despite the many complicated and controversial issues that we have faced, and thanked everyone for their support in assisting her and her staff in their efforts.

The committee recommended approval of the proposed resolution (RGR 07-04-06).

The meeting adjourned at 4:40 p.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2003/2004 Legislative Report No. 11

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 would have allocated unclaimed funds originally appropriated to the Student Loan Operating Fund (SLOF) to the Student Aid Commission (SAC) to be used for increasing the number of Competitive Cal Grant A and B awards. The bill was an initial effort to engage issues associated with the Cal Grant Program to ensure that CSU students enjoy full and complete access to statewide financial aid, with specific focus on the unique needs of older, nontraditional, and reentry students.

Status: Held on the Senate Appropriations Committee Suspense File

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: Governor's Desk

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: Signed by Governor Schwarzenegger; Chapter 264, Statutes of 2004

Assembly Bill 2387 (Firebaugh) Public Postsecondary Education: Admissions. This bill would authorize CSU and the University of California to consider culture, race, gender, and ethnicity in undergraduate and graduate admissions, so long as no preference is given. The bill would also require CSU and UC to report on the implementation of these provisions.

Status: Governor's Desk

Assembly Bill 2637 (Diaz) California State University: Whistleblower Protection. This bill would require the California State University (CSU) to employ an independent investigator on all complaints relative to whether or not an employee has suffered a reprisal, retaliation, threat, coercion, or similar improper act by another employee after filing a written complaint.

Status: Governor's Desk

Assembly Bill 3036 (Yee) Capital Facilities Fees. Under current law, the CSU is not obligated to pay any share of the cost of construction of public utility facilities that do not serve CSU [this applies to other public education entities as well]. Assembly Bill 3036 would eliminate this existing exemption and provide that a utility may charge CSU for the costs of operation, maintenance, construction, repair, replacement or rehabilitation of facilities or debt service payments on facilities that are not in excess of the "reasonable cost" of providing the public utility service. The bill would set aside the statutory compromise negotiated in 1988 after a California Supreme Court decision ruled any such fees illegal without legislative authorization.

Status: Held in Senate 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, 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: Governor's Desk

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.

Status: Governor's Desk

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: Governor's Desk

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 at CSU (and 40 percent at UC); c) undergraduate fees should not be increased by more than 8 percent in any academic year; and d) the Legislative Analyst's Office shall have responsibility for determining the cost of education at CSU and UC.

Status: Governor's Desk

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: Governor's Desk

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: Governor's Desk

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.

Status: Governor's Desk

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: Governor's Desk

Bills to Implement the Recommendations of the Joint Master Plan Committee

Assembly Bill 242 (Liu) Teacher Preparation and University Faculty. Among other provisions, this bill would require CSU to: a) adopt a formal policy on the balance of permanent and temporary faculty; b) require CSU to pay pro rata compensation to temporary faculty; and c) state legislative intent that CSU should examine faculty promotion, tenure and review policies and practices to ensure that teaching excellence is given significant weight in decisions regarding promotion and tenure.

Status: Senate and Assembly Floors (Proposed Conference Committee Report)

[Note: Assembly Bill 1550 (Goldberg) Public Education Facilities, Senate Bill 6 (Alpert) Public Education Governance, and Senate Bill 550 (Vasconcellos) Education Policy were amended late in the session to become vehicles to implement the "Williams Settlement" pertaining to the adequacy of funding and facilities at public K-12 schools.]

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: Governor's Desk

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: Governor's Desk

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: Governor's Desk

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: Governor's Desk

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. 11 is adopted.