

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 2:30 p.m., Tuesday, March 15, 2005
Glenn S. Dumke Auditorium

Debra S. Farar, Chair
Roberta Achtenberg, Vice Chair
Larry L. Adamson
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
Kyriakos Tsakopoulos

Consent Items

Approval of Minutes of Meeting of January 26, 2005

Discussion Items

1. 2005/2006 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 26, 2005

Members Present

Debra S. Farar, Chair
Roberta Achtenberg, Vice Chair
Jeffrey Bleich
Herbert L. Carter
Carol R. Chandler
Moctesuma Esparza
Robert G. Foster
Murray L. Galinson, Chair of the Board
George G. Gowgani
Eric Guerra
Melinda Guzman Moore
Charles B. Reed, Chancellor

Approval of Minutes

The minutes of November 17, 2004 were approved.

Adoption of Trustees' Statement of Legislative Principles

Chair Farar explained that the Trustees' Statement of Legislative Principles provides the basic parameters to guide positions taken by the Chancellor and system representatives on matters pending before the California Legislature.

Ms. Karen Zamarripa, Assistant Vice Chancellor, Advocacy and Institutional Relations, provided a brief history of the development of the principles and noted that the principles proposed for the 2005-2006 legislative session required no revisions from the prior version. Ms. Zamarripa recommended adoption of the proposed resolution.

The committee recommended approval of the proposed resolution (RGR 01-05-01).

2005/06 Legislative Report No. 1

Ms. Zamarripa provided a brief overview of the written report on the proposed Trustees' 2005-2006 legislative program and offered to answer questions.

Trustee Guerra inquired if there was anything within the purview of the state of California that could assist with issues of student debt. Ms. Zamarripa responded that our approach as a system has been to continue to press for full funding of the state Cal Grant and federal Pell Grant programs and then distributed to meet the needs of CSU students. Ms. Zamarripa emphasized that one of the most effective ways to reduce student debt is to assure that grant assistance is available to our students.

Trustee Chandler inquired about the property known as the Lemon Orchard at CSU Channel Islands. Ms. Zamarripa explained that the legislative proposal would allow the system to sale, not just exchange this parcel as the campus continues its work to improve access to the campus, and to programs and services for faculty, staff and students.

Chancellor Reed commented on the importance of two proposals contained in the proposed legislation (the Affinity Cards Information Practices Act, and the Independent Authority for Selected Professional Doctorates) and urged support for both.

Chair Galinson asked if there was any opposition to the affinity card proposal. Ms. Zamarripa said she anticipated there would be some opposition, but to what extent was unknown until the bill moves forward.

The committee recommended approval of the proposed resolution (RGR 01-05-02).

California State University Federal Agenda for 2005

Trustee Farar introduced Mr. Jim Gelb, Assistant Vice Chancellor, Office of Federal Relations, and asked him to present the item.

Mr. Gelb greeted the committee, and noted he was accompanied by Mr. George Conant, Legislative Director, Office of Federal Relations. He explained that the item before the committee reviewed the efforts of his office during the past year and contained a detailed overview of items proposed for inclusion in the 2005 CSU Federal Agenda.

Mr. Gelb reported a primary focus for his office has been work on higher education policy, especially the pending reauthorization of the Higher Education Act. He explained the history and importance of the Act and the growing need for its reauthorization. Ultimately, the 108th Congress did not approve reauthorization but did extend earlier provisions through the fall of this year. In addition, appropriations project priorities worked on during the past year resulted in the receipt and dissemination of over \$32 million in federal funds earmarked for a wide range of CSU research and infrastructure initiatives..

Mr. Gelb then summarized current activity on the policy and project fronts, noting that the proposals being set forth for 2005 followed a similar path to last year. He assured the committee

that he and his office would continue work to ensure that system views are communicated and considered in all areas of interest and impact to the CSU.

Trustee Jackson expressed his concern about the issue of student debt and the need to increase Pell grants.

Mr. George Conant responded that CSU's Office of Federal Relations and other higher education organizations that lobby on behalf of increased funding are making progress on a number of proposals that could impact positively on reducing student debt. He pointed out in addition to our Pell Grant increase proposals, there are a number of other proposals, such as revising federal campus-based aid formulas and increasing the scope of early intervention programs, which could ultimately serve to reduce debt by increasing grant aid and ensuring that students are better prepared to progress through college more quickly. Mr. Conant cautioned that it would be a very tough budget year but was encouraged that the President is actually proposing some increase to the Pell Grant Program.

Trustee Kaiser then inquired and expressed concern about recent actions by the Department of Education that resulted in reductions in Pell grant eligibility for some students. Mr. Gelb explained that the Department's action was taken pursuant to a law that requires it to regularly update tax tables used to help calculate student need and aid eligibility. He noted that the higher education community is generally supportive of updating such information to help ensure that available resources target those most in need. However, there was considerable concern about the timing of this particular action and about whether the data being used were the best available. He noted that Chancellor Reed was among those expressing such concerns to the Education Secretary, but that the Department went forward with the changes anyway. Mr. Gelb said that finding better ways to deal with this issue would likely be discussed as part of the upcoming Higher Education Act reauthorization.

The committee recommended approval of the proposed resolution (RGR 01-05-03).

Chair Farar adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

2005/2006 Legislative Report No. 2

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 identified to date.

Trustees' Legislative Program

The following proposals comprise the Trustees' legislative program for 2005.

Affinity Cards – Information Practices Act: The California State University (CSU) and the University of California (UC) will jointly sponsor legislation that would allow the systems' campus alumni associations to offer benefits and services to members through affinity programs like other nonprofit organizations and private colleges and universities.

Status: Senate Bill 569 was introduced by Senator Tom Torlakson (D-Antioch) on February 18, 2005.

Whistleblower Protection: This proposal guarantees that the CSU can protect the confidentiality of whistleblowers and related information consistent with protections afforded state employees through the Bureau of State Audits (BSA). The California Whistleblower Protection Act stipulates that the identity of a "whistleblower" shall not be disclosed without the written permission of the person providing the information unless disclosure is necessary for a law enforcement agency conducting a criminal investigation. Although CSU policy states that care shall be taken to keep confidential the identity of the whistleblower, the CSU cannot shield the whistleblower's identity or keep every investigative audit confidential because the CSU is subject to the California Public Records Act. This may deter these individuals from making protected disclosures, expose them to acts of retaliation should their identity become known, and expose the CSU to potential fines and legal liability.

Status: Assembly Bill 706 was introduced by Assembly Member Nicole Parra (D-Hanford) on February 17, 2005.

Independent Authority for Professional Doctorates: Current statute allows the California State University to offer joint doctorates with the University of California or accredited independent universities. This legislation would authorize the independent (i.e. not joint) award of professional and clinical doctorate degrees by the CSU consistent with its graduate education and applied research mission, faculty expertise, resources, and need for such professionals as well as accreditation and licensure requirements.

Status: Senate Bill 724 was introduced by Senator Jack Scott (D-Pasadena) on February 22, 2005.

Outside Employment: Former Senate President pro Tempore John Burton carried legislation in 2003-04 to require all Executive, Management Personnel Plan (MPP) and Academic employees to disclose 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 CSU is interested in reintroducing this measure along with language to prohibit employees from being consultants or employees of a for-profit business entity that provides services to the university. The proposal is consistent with current UC policy as well as the policies of the CSU's comparable institutions as identified by the California Postsecondary Education Commission.

Status: Statutory language has been submitted to Legislative Counsel.

Community Distributed Generation: This proposal would benefit the State, local communities and the CSU by disconnecting 150 MW of power from California's transmission grid and returning unused power for re-use in local communities. This would not only help resolve the problems of local grid congestion and high voltage transmission, but would also result in significant long-term savings to the state and energy reliability for the CSU.

Status: This proposal has been deferred and will be pursued at a later date based on discussions with key legislators and administration officials regarding state energy policy.

Dormitory Revenue Fund: This proposal would amend the Education Code to permit the investment of dormitory revenue, dormitory construction, dormitory interest and redemption, and dormitory maintenance and repair accounts outside of the State Treasurer's accounts.

Status: This proposal has been deferred and will be pursued at a later date based on discussions with the Treasurer's Office and Department of Finance.

Omnibus Proposals: The CSU frequently sponsors "omnibus" legislation containing non-controversial and/or technical changes to the various codes. Five proposals appear to be viable candidates for this year's omnibus bill:

Protection of Subcontractors in Design-Build Contracting. The Subletting and Subcontracting Fair Practices Act assumes a design-bid-build approach. That is, the Act requires the prime contractor, when it submits its bid for the public work, to include with its bid a list of all subcontractors where work is in excess of one-half of one percent. However, in the design-build context of Public Contract Code Section 10708, where the prime contractor teams with an architect to both design and build public works, the design phase of the project has not yet concluded, thus making it impossible to bid the work to subcontractors at the time the prime contractor, the design-build team, submits its bid. This legislation seeks to conform the protections of the Subletting and Subcontracting Fair Practices Act to the design-build environment. As soon as the subcontractors are identified by competitive bid, they enjoy the rights provided by the Act.

Auxiliary Board Meetings: Change to Annual Meetings. Under the California Corporations Code, the Board of Directors of a nonprofit organization is required to hold a general meeting annually in every year in which directors are to be elected. However, the Education Code requires auxiliary organization governing boards of the CSU to meet *at least quarterly*. Since it is unclear which standard applies to governing boards of CSU auxiliary organizations, this legislation would amend Section 89903(b) of the Education Code to require them to meet at least annually.

Sale of Real Property: CSU Channel Islands Lemon Orchard. SB 323 (Chapter 402, Stats. of 2001) authorized the Trustees to exchange a portion of the 258-acre lemon orchard parcel in Camarillo for a parcel of land adjacent to the CSUCI campus. The CSU is seeking the authority to sell the property to assist the campus in constructing a better campus entrance as well as building athletic fields and parking lots for students, faculty and staff.

In addition to these three items, Advocacy and Institutional Relations staff is working with several state agencies to determine whether or not we can resolve two additional issues without legislation. If we cannot resolve the following issues, they may be included in the omnibus bill as well:

Cal Trans Directional & Identifying Signs: Highway 101. Since 1995, CSU Monterey Bay has repeatedly requested that CalTrans install campus directional signs on Highway 101 near Salinas. While CalTrans is sympathetic to CSUMB's request, they cite Vehicle Code Section 21375 as restricting their ability to provide for the necessary signs. This legislation would allow CalTrans to install and maintain signs for CSUMB on Highway 101.

Disability Access Review. The CSU currently reviews and approves its own building construction contract documents for seismic safety, constructability and adherence to the California Building Code. Under current law, however, the CSU is required to secure confirmation that its plans are in conformance with the *access compliance* chapter of the

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California Building Code from the Department of General Services, Division of the State Architect (DSA) prior to undertaking any construction project over \$25,000. Under this legislation, DSA would no longer review the CSU's access compliance documents and would not be required to certify them. Instead, the CSU would self-certify these documents, which is consistent with the CSU's authority to approve plans for compliance with the rest of the Building Code.

Status: Statutory language will be amended into the Assembly Higher Education Committee's annual omnibus legislation, if necessary.

Priority Bills

AB 39 (Walters) Charter Schools: Alternative Authority: This bill would establish a pilot program that would authorize the Regents of the University of California, the Trustees of the California State University, or the Board of Governors of the California Community Colleges to authorize no more than 10 campuses within their respective segments to approve and administer one charter school each.

Status: Introduced on December 6, 2004; pending referral to committee.

AB 58 (Nunez) Kindergarten – University Public Education Facilities Bond Act of 2006: This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2006, to become operative only if approved by the voters at the November 7, 2006, statewide general election, and would provide for its submission to the voters at that election.

Status: Introduced on December 6, 2004; pending referral to committee.

AB 196 (Liu) Postsecondary Education: Accountability: Similar to legislation vetoed last year (SB 1331), this bill would establish a statewide California Postsecondary Education Accountability structure that would assess the progress made by the state's system of postsecondary education in meeting policy goals related to educational opportunity, preparation, student success, public benefits, and cost-effectiveness. The bill would also require CPEC to collect information, maintain a comprehensive database, report on measurable outcomes, and publish reports on the condition of the postsecondary educational system.

Status: Introduced on January 27, 2005; pending referral to committee.

AB 222 (Bogh) Public Works: Prevailing Wage: Labor Compliance: This bill would repeal existing law that requires the initiation and enforcement of a labor compliance program for all public works projects, and instead, would require an awarding body to post a notice, as specified, advising workers that do not receive the prevailing rate of per diem wages for work performed on a public works project to contact the Division of Labor Standards Enforcement.

Status: Introduced on February 3, 2005; pending referral to committee.

ACA 5 (Richman) Public Retirement Systems: This measure would provide that on and after July 1, 2007, any person hired as a new employee by a public agency including the CSU and UC may enroll only in a defined contribution plan of a public pension system or retirement system, and is prohibited from enrolling in a defined benefit plan, as defined. The measure would limit employer contributions to a defined contribution plan to an unspecified percentage of employer payroll, establish other parameters for defined contribution plans, and also set forth related findings of the Legislature.

Status: Introduced on December 6, 2004; pending referral to committee.

ACA 1x (Richman) Public Retirement Systems: This measure is very similar to ACA 5, but was introduced in the extraordinary session called by the governor.

Status: Introduced on January 6, 2005; pending referral to committee.

SB 5 (Morrow) Public Postsecondary Education Standard: Student Bill of Rights: This bill would request the Regents of the University of California, and direct the Trustees of the California State University and the Board of Governors of the California Community Colleges, to develop guidelines and implement specified principles, relating to academic freedom, of a Student Bill of Rights.

Status: Introduced on December 6, 2004; pending referral to committee.

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the 2005/2006 Legislative Report No. 2 is adopted.