

## **AGENDA**

### **COMMITTEE ON GOVERNMENTAL RELATIONS**

**Meeting: 2:30 p.m. Tuesday, September 18, 2007**  
**Glenn S. Dumke Auditorium**

Melinda Guzman, Chair  
Debra S. Farar, Vice Chair  
Jeffrey L. Bleich  
Carol R. Chandler  
A. Robert Linscheid  
Peter G. Mehas  
Lou Monville  
Jennifer Reimer  
Craig R. Smith

#### **Consent Items**

Approval of Minutes of Meeting of July 10, 2007

#### **Discussion Items**

1. 2007-2008 Legislative Report No. 5, *Action*
2. February Ballot Item: Community College Governance Initiative, *Information*

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

**Trustees of the California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**July 10, 2007**

**Members Present**

Melinda Guzman, Chair  
Roberta Achtenberg, Chair of the Board  
Carol R. Chandler  
A. Robert Linscheid  
Peter G. Mehas  
Lou Monville  
Charles B. Reed, Chancellor  
Craig R. Smith

**Approval of Minutes**

The minutes of May 16, 2007 were approved.

**2007-2008 Legislative Report No. 4**

Trustee Guzman introduced Mr. Richard P. West, executive vice chancellor and chief financial officer, and asked him to present the report.

Before presenting the report, Mr. West congratulated new trustees, Dr. Kenneth Fong and Dr. Glen Toney, on their official senate confirmation as members of the Board of Trustees.

Mr. West noted the legislature had moved into the second part of the legislative session where unapproved bills would either be made into two year bills or considered dead for the session. He pointed out those measures that have moved from one house to another are now in hearings and that the second policy committee is the most likely place where the real issues will be dealt with.

Mr. West reported CSU has been successful with regard to the majority of our sponsored bills/issues. The veterans measure concerning fee waivers for veteran graduate students is moving forward, and the revenue bond improvement measure has gone through the normal process and is awaiting movement to the Governor's desk for final action. He also noted success in persuading various opponents who were against allowing CSU to purchase its own vehicles rather than through the Department of General Services (DGS). Assembly Member Coto has amended his bill, AB 262, to remove CSU from under the DGS for vehicles, as well as extend

the authority of the board for adoption of Title V regulations to make this happen for us this year. The bill was approved by the Senate Education committee and now moves to Appropriations where we expect a short stop given its fiscal impact. The only measure remaining unresolved is our co-sponsored bill with the CSSA and Assembly Member De La Torre concerning Cal Grant expansion of eligibility.

John Garamendi, Lt. governor, expressed his concern with CSU's opposition to AB 1413 that would allow ex-officio members of the CSU Board of Trustees who are unable to attend a board meeting to send a representative in their place, and vote on the member's behalf. The Lt. Governor noted his concern was largely due to the scheduling of CSU and University of California board meetings on the same dates and at the same time.

Dr. Charles B. Reed, chancellor, informed the Lt. Governor that he has had conversations with, and written to president Dynes of the University of California (UC) and other colleagues at UC, in an attempt to negotiate working out an acceptable change between the two systems. Chancellor Reed noted his attempts have not resulted in any form of compromise to date. The Lt. Governor said he was hopeful the two systems would come to some sort of understanding.

The Lt. Governor called attention to legislation linked specifically to building and construction projects at the CSU system that meet what are called 'LEED standards' which are energy conservation and renewable standards, and noted it appears CSU is opposed to that legislation.

The Lt. Governor emphasized his belief that opposition to the bill sends the wrong message regarding the university's position on sustainability and conservation and urged the university to support the legislation.

Mr. West explained the CSU's position including the fact CSU has been nationally recognized for its energy conservation policies. He said CSU advocates that an outcomes based approach of reducing consumption per square foot is the best strategy toward achieving sustainability.

Lt. Governor Garamendi inquired if the university had sent a formal letter to the committee chair, citing its high level of established standards as its reason to oppose the legislation. Mr. West replied that a letter would be submitted.

Trustee Guzman indicated she would work with staff to assure there was follow up.

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

## COMMITTEE ON GOVERNMENTAL RELATIONS

### **2007-2008 Legislative Report No. 5**

#### **Presentation By**

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy and Institutional Relations

#### **Summary**

This item contains a status report on the Trustees' 2007 Legislative Program and pertinent legislative measures introduced for this session.

#### **Trustees' 2007 Legislative Program**

*AB 262 (Coto) Public Postsecondary Education:* This measure requires the CSU to disclose all exclusive arrangements, excluding proprietary information, for credit card companies or banks that have table marketing activities on campus. The measure was amended to also to restore the CSU exemption from DGS, for the purposes of purchasing vehicles, for five years; and extends the Board of Trustees authority to issue Title V regulations for five more years (scheduled to sunset in January 2008).

**Status:** This measure will be taken up by the Senate in August and then return to the Assembly for concurrence.

*AB 302 (De La Torre) Cal Grant B Entitlement Awards: Award Amount:* This Board of Trustee-sponsored measure seeks to provide Cal Grant B recipients with fees/tuition in their first academic year targeting greater aid to lower income students who need assistance to pursue their college objectives.

**Status:** This measure became a two-year bill while on the Suspense File in the Assembly Appropriations Committee.

*AB 950 (Salas) Public Postsecondary Education: Student Residency Requirements: Active Duty Military:* This measure establishes a consistent policy regarding non-resident fee waivers for members of our armed forces, stationed in California, who are not residents of California and are graduate students at the CSU by providing them an additional year at the lower in-state rate for a total of two years.

**Status:** This measure was passed out of Senate Appropriations Committee on 13-0 vote and will now go to the Senate floor.

*SB 855 (Ridley-Thomas) California State University: State University Revenue Bond Act of 1947:* This measure will provide increased flexibility to the CSU's Systemwide Revenue Bonds (SRB) program by strengthening its systemwide fiscal management approach and authorizing the use of the most advantageous interest rates available in the market resulting in lower interest costs for projects, particularly for student housing, parking facilities, and student union projects.

**Status:** This measure was approved by the Assembly on a vote of 73-0 and returns to the Senate for concurrence in the Assembly's amendments, before going to the Governor for final action.

### **Priority Bills**

*AB 35 (Ruskin) Environment: State Buildings: Sustainable Building Standards:* This measure would create the Sustainable Building Act of 2007 and require that any state buildings constructed or renovated after July 1, 2010 be built, designed and operated using sustainable building standards, or green technology, of at least the Gold energy standard.

**CSU Position:** OPPOSE UNLESS AMENDED

**Status:** This measure was passed out of the Senate Appropriations Committee's Suspense File and will now be taken up on the floor. The CSU has proposed amendments to refer to the California State University – Program for Environmental Responsibility (CSU-PER) Standards as a way to better achieve sustainable development and management of capital assets for the system. The author is considering these requested amendments; if adopted, the CSU will change its position.

*AB 100 (Mullin) Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2008:* This measure proposes a K-12 and higher education facility General Obligation Bond for November 2008 ballot approval. Of the total amount of the bond (\$9 billion), \$690,000,000 would be allotted to the CSU, consistent with Proposition 1-D (2006). The CSU is interested in increasing this amount by nearly twice this amount given our systems estimated annual need.

**CSU Position:** NO OFFICIAL POSITION

**Status:** This measure is a two-year bill. CSU will likely seek a higher amount in 2008 to cover mitigation costs associated with the *Marina* case and overall system capital needs.

*AB 145 (Coto) San Jose State University-National Hispanic University Collaboration:* This measure was amended to create a five-year pilot between the California State University, San Jose State University and the National Hispanic University to enter into a collaboration agreement to improve participation in higher education.

CSU Position: SUPPORT  
Status: This measure was held on the Suspense File in the Assembly Appropriations Committee.

*AB 152 (Beall) Postsecondary Education: Golden State Scholarshare Trust: California Prepaid Tuition Program:* This bill establishes the California Pre-Paid Tuition Program under the authority of the Scholarshare Investment Board. Recent Commission policy supports tuition guarantee models that lock in four years of level tuition for entering freshmen.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was held by the Senate Education Committee.

*AB 175 (Price) Cal Grant B Awards: Access Costs:* This measure, which is sponsored by the University of California Students Association (UCSA) would increase funding for the Cal Grant B Entitlement Awards to \$1,551 in 2008-09 and by at least an additional 5% per year thereafter until it has increased by 20% of the measured access costs. While this bill is helpful to students, CSU believes that funding tuition/fees in the first year would have a greater impact, thus *AB 302* is our priority for the 2007-08 session.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was made a two-year bill while on the Suspense File in the Assembly Appropriations Committee.

*AB 178 (Coto) High Schools: Curriculum and Enrollment: College Readiness and Equity Pilot Program:* This measure would have established as a pilot the College Readiness and Equity Program to provide grants to high schools that enroll and support pupils in a college preparation curriculum. The measure proposed a total grant of \$150,000 to fund this pilot.

CSU Position: SUPPORT  
Status: This measure was held by the Senate Education Committee.

*AB 286 (Cook) Public Postsecondary Education: Exemption from Nonresident Tuition:* This measure seeks to repeal the existing exemption from nonresident tuition for undocumented students who have filed an affidavit, but who don't have lawful immigration status, established by *AB 540* by the late former Assembly Member Marco Firebaugh.

CSU Position: OPPOSE  
Status: This bill failed to advance and is now a two-year measure.

*AB 365 (Portantino) Postsecondary Education: Task Force on State Workforce Needs: California Community Colleges Economic and Workforce Development Program:* This measure, which is sponsored by the California Postsecondary Education Commission (CPEC), calls for the Commission to convene a taskforce by March 1, 2008, in cooperation with the Labor and Workforce Development Agency, and including the Department of Finance, the Legislative Analyst's Office, the University of California, the California State University, the California Community Colleges, private and independent California colleges and universities, and stakeholders from labor and business to answer four questions related to future workforce needs and postsecondary programs.

CSU Position: NO OFFICIAL POSITION  
Status: This measure is on the Senate Floor and will be acted on shortly.

*AB 400 (Nunez) Public School Accountability:* This measure would, starting in the 2009-10 fiscal year, require the Superintendent of Public Instruction to incorporate into the Academic Performance Index (API), certain rates including high school graduation rates, rates by which pupils are offered and actually complete a A-G course, and rates by which pupils are offered and actually complete a career technical course.

CSU Position: SUPPORT  
Status: This measure was passed out of the Senate Appropriations Committee's Suspense File and will now go to the Senate floor.

*AB 519 (Mendoza) Pupil Achievement: Academic Performance Index:* This bill requires the Superintendent of Public Instruction to include data on dropouts in the annual API measurement and to report this new data by July 2008.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was held by the Senate Appropriations Committee and is now a two-year bill.

*AB 767 (Walters) Student Financial Aid: Veterans and Dependents:* This measure would create the Golden State GI Bill of Rights for Higher Education and would provide a waiver of resident tuition at the CSU, the University of California (UC), and the California Community Colleges (CCC) for California residents who have been honorably discharged from the military and exhausted their federal benefits under the federal GI Bill for a time equal to the length of time they received federal aid.

CSU Position: OPPOSE UNLESS AMENDED  
Status: AB 767 was made a two-year bill at the request of the author. The CSU was requesting that the measure provide a reimbursement from the State for these students. The CSU estimated a conservative cost of at least \$10 million to pay for these waivers.

*AB 888 (Lieu) Green Building Standards:* This measure would require new commercial buildings built in California to meet the United States Green Building Councils Leadership in Energy and Environmental Design (LEED) "Gold" green building standard. This measure would exempt the UC from the definition of a commercial building, but not the CSU.

CSU Position: OPPOSE UNLESS AMENDED  
Status: This measure was passed out of Senate Appropriations Committee's Suspense File, with amendments that we have not seen. The CSU believes amendments that CSU has proposed for related legislation, AB 35 (Ruskin), address energy conservation goals for all of higher education.

*AB 1038 (Feuer) Postsecondary Education: Student Fees:* This measure sets the student fee at a fixed percentage of the CSU budget, using the fee structure for 2007-08 as an on-going guide. AB 1038 would also not allow student fees to be increased by more than 7% for any year. Finally, this measure does not contain a statutory commitment by the State to ensure continued funding for the CSU.

CSU Position: OPPOSE  
Status: This measure was held on the Suspense File in the Assembly Appropriations Committee.

*AB 1168 (Jones) Social Security Numbers:* This measure would require the Office of Privacy Protection to establish a taskforce to conduct a review of the use of SSN's by all colleges and universities in order to recommend practices to minimize the collection, use, storage, and retention of SSN's and would make the CSU a member of this taskforce.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was passed out of the Senate Appropriations Committee's Suspense File, and will now go to the Assembly floor.

*AB 1343 (Mendoza) Public Postsecondary Education: Faculty and College Excellence Act:* This measure enacts the Faculty and College Excellence Act, which express the intent of the Legislature that at least 75% of the full-time equivalent faculty of the CSU and the California Community Colleges be tenured or on the tenure-track.

CSU Position: OPPOSE  
Status: This measure was held on the Suspense File in the Assembly Appropriations Committee.

*AB 1413 (Portantino) Public Postsecondary Education: California State University: Trustees:* This measure (sponsored by California Faculty Association) would allow the ex-officio members of the Board of Trustees (and not the University of California's Board of Regents) to send a designee (staff member) in their place to serve as their proxy. The measure also places restrictions on employment contracts for the California State University (CSU) executive officers and requires that any contract and its terms be adopted by resolution at a board meeting of the CSU Trustees, which is essentially current law.

CSU Position: OPPOSE  
Status: This measure was passed out of the Senate Appropriations Committee on a 9-3 vote (5 abstentions). The measure will now go to the Senate Floor.

*AB 1415 (Brownley) Teacher Credentialing: Services Credential: Programs of Professional Preparation:* This bill requires the Commission on Teacher Credentialing to create an accountability system to assess the effectiveness of professional preparation programs in education administration. The CSU is concerned that our credential program would be linked to "student learning" outcomes, since our programs are only one part of the equation for student success in California.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was held on the Senate Appropriations Committee's Suspense File.

*AB 1540 (Bass) Student Financial Aid: Cash for College Program:* This bill establishes the existing, privately-funded Cash for College financial aid information outreach efforts as a State program administered under the California Student Aid Commission (CSAC), relying on donations received for the purposes of this program.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was passed out of the Senate Appropriations Committee's Suspense File and will now be headed to the floor.

*AB 1548 (Solorio) Public Postsecondary Education: College Textbook Transparency Act:* This measure establishes the College Textbook Transparency Act, which would require publishers to disclose on the new edition of a book a summary of the substantive differences between the new edition and the prior edition; requires campus bookstores in any postsecondary education

institution to post their mark-up policies for textbooks in the store or on its website; and prohibits an employee of a university from being paid for adopting specific course materials.

CSU Position: No OFFICIAL POSITION  
Status: This measure is on the Senate Floor and will be acted on shortly.

*AB 1578 (Leno) Foster Youth Higher Education Preparation and Support Act of 2007: California College Pathways Program:* This bill states legislative intent to establish and provide services and financial support to help foster youth achieve their educational goals and establishes the California College Pathways Program of 6 grants (2 for each system) to provide comprehensive support in postsecondary institutions to students who are former foster youth.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was held by the Senate Appropriations Committee and is now a two-year bill.

*AB 1586 (DeSaulnier) University of California and California State University: Minimum Admissions Requirements:* This bill requires the Trustees of the CSU and urges the UC Regents to set minimum admission requirements for specified subjects at their respective institutions for first-year undergraduate students. The subject areas are to include history- social science, English, mathematics, laboratory science, language other than English, visual and performing arts, applied arts, and college-preparatory electives.

CSU Position: NO OFFICIAL POSITION  
Status: AB 1586 is a two-year bill.

*SB 43 (Torlakson) Teacher Credentialing:* This measure proposes to create a pilot program of 5 years (2013-2017) known as the Preliminary Recruitment of Experienced Professional (PREP) credential to allow individuals who are interested in either changing careers or teaching after retiring to become teachers.

CSU Position: NO OFFICIAL POSITION  
Status: This bill failed to advance and is now a two-year measure.

*SB 44 (Torlakson) Teacher Development:* This bill establishes the California Teacher Cadet Program to be operated by the California Center on Teaching Careers. It requires the CSU to convene an advisory group to develop hands-on curriculum and criteria and standards for a request-for-proposal. This measure no longer carries an appropriation.

CSU Position: SUPPORT  
Status: This measure was released off of the Assembly Appropriations Committee's Suspense File with amendments to require that it be contingent upon funding from the budget. It will now be heard on the floor.

*SB 52 (Scott) Teacher Credentialing: Designated Subjects: Career Technical Education:* This Administration sponsored proposal on career technical education, would streamline the multiple vocational education teaching credentials to the career technical education teaching credential. In addition this measure requires the Commission on Teacher Credentialing to offer preliminary career technical education teaching credentials based on the 15 industry sectors identified in the California career technical education model curriculum standards adopted by the State Board.

CSU Position: NO OFFICIAL POSITION  
Status: This measure will be taken up on the floor of the Senate.

*SB 139 (Scott) Nursing Education:* This measure makes various clarifications to the State Nursing Assumption Program of Loans for Education (SNAPLE) program, requires that the statutory expansion of enrollment nursing programs administered by CSU and the UC be funded within the general enrollment growth funding provided for in the annual budget process, and prohibits CSU or CCC campuses from requiring nursing students to complete general education coursework if they have already earned a baccalaureate degree.

CSU Position: SUPPORT IF AMENDED  
Status: This measure was passed out of the Assembly Appropriations Committee's Suspense File, and will now go the Assembly Floor. The CSU is asking that the language that is contrary to the Budget Act allocation, to fund nursing enrollments above our general 2.5% enrollment growth funding, be removed from the bill.

*SB 160 (Cedillo) Student Financial Aid: Eligibility: California Dream Act:* This measure would provide students who are eligible for a non-resident fee waiver under current law, to also be eligible to participate in state institutional financial aid programs, to the extent allowed by state and federal law.

CSU Position: SUPPORT  
Status: This measure failed to advance out of the Senate Appropriations Committee's Suspense File and is now a two-year bill.

*SB 190 (Yee) Public Postsecondary Education: California State University: University of California: Open Meetings: Higher Education Governance Accountability Act:* This bill would

restate that all meetings of the California State University relative to executive compensation be conducted in open session. Previously the bill had contained language imposing restrictions on meetings of Board advisory committees—that language has been deleted.

CSU Position: NO OFFICIAL POSITION  
Status: This measure will be taken up on the floor of the Assembly soon.

*SB 232 (Ducheny) Instructional Strategies: Subject Matter Projects:* This bill extends the sunset of the Subject Matter Projects (SMPs) by seven years, to June 30, 2014.

CSU Position: SUPPORT  
Status: This measure was passed out of the Assembly Appropriations Committee's Suspense File with an amendment to only extend the sunset date until 2012 and require a report to be made.

*SB 235 (Negrete McLeod) Vision Care: Annuitants: California State University:* This measure would allow annuitants of the CSU system to participate in the Vision Care Program for State Annuitants, but requires the CSU to administer it. The costs of this benefit will be borne by the annuitants.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was passed out of the Assembly Appropriations Committee and will now be headed to the Assembly floor.

*SB 259 (Negrete McLeod) Public Employees' Retirement: Service Credit: California State University Academic Employees:* This measure would permit a faculty member of the CSU who is granted a reduced pay leave sabbatical would receive the full service credit if the member elects to contribute to the retirement fund the amount that would have been contributed by the member and employer.

CSU Position: NO OFFICIAL POSITION  
Status: This measure was passed out of the Assembly Appropriations Committee's Suspense File, and will now be taken up on the Assembly Floor.

*SB 268 (McClintock) Public Postsecondary Education: Nonresident Tuition Criteria: Immigrants:* This bill deletes the provision for a person, who meets specified criteria and who is without lawful immigration status, from eligibility for paying non-resident tuition at the CSU and CCC.

CSU Position: OPPOSE  
Status: This bill failed to advance and is now a two-year measure.

*SB 309 (Scott) Career Technical Education: Subject Requirements for Admission to the University of California:* This measure would require the superintendent of education to create a standards-based core career and technical education course curricula for at least 5 industry sectors, other than agriculture, that have been identified as high-growth, high-need areas. This measure seeks to have the UC work as a partner to ensure that as many courses as possible qualify for college preparatory coursework.

CSU Position: SUPPORT IF AMENDED  
Status: This bill failed to advance out of the Senate Appropriations Committee's Suspense File and is now a two-year measure. The CSU had concerns with this measure as it would have allowed the State Board of Education to set college admission standards.

*SB 325 (Scott) Postsecondary Education: Educational and Economic Goals for California Higher Education:* This measure calls for the creation of an accountability framework to measure California's progress on higher education and would use six key questions to gauge the State's success.

CSU Position: SUPPORT  
Status: Senator Scott has made this a two-year bill.

*SB 347 (Cogdill) Public Postsecondary Education: Reimbursement of Community College Enrollment Fees:* This measure would establish the Community College Fee Enrollment Program and does not clearly state that the CSU is not required to reimburse its graduates for the amount that they paid for enrollment fees at community colleges.

CSU Position: OPPOSE  
Status: This bill failed to advance and is now a two-year measure.

*SB 405 (Steinberg) Schools: Curriculum: Opportunities for Pupils:* This measure creates a five-year program called the Fair Competition for College and Career Pilot Program and would require the Superintendent of Public Instruction to select up to 100 schools for participation in the program. These schools would receive grants of \$100 per pupil to be used to increase the course offerings of the school and provide support for the pupils related to career technical education and courses satisfying the admission requirements for California public institutions of postsecondary education.

CSU Position: SUPPORT  
Status: This measure was released from the Assembly Appropriations Committee's Suspense File, with amendments to reduce the scope of the measure and is now pending action on the Assembly Floor.

*SB 441 (Torlakson) State Property: Vending Machines:* This measure would require each vendor that operates or maintains vending machines on designated state property to eventually phase in a requirement that at least 25% of the food and beverages offered in the vending machine meet accepted nutritional guidelines.

CSU Position: NO OFFICIAL POSITION  
Status: This bill failed to advance and is now a two-year measure.

*SB 766 (Alquist) Public Postsecondary Education: Health Insurance Coverage for Students:* This bill would require the CSU, UC, and the CCCs to provide, as part of their respective health care services programs, health insurance coverage for each full-time student if they are not otherwise covered by a private health insurance plan or by publicly financed health care coverage.

CSU Position: NO OFFICIAL POSITION  
Status: This bill failed earlier this year to advance and is now a two-year measure.

*SB 832 (Corbett) Postsecondary Education: Textbooks:* This measure would create the College Textbook Affordability Act and would require each publisher to provide a complete list of all of the products offered for sale by each publisher and any price changes prior to a sales transaction with an institution of higher learning.

CSU Position: NO OFFICIAL POSITION  
Status: This measure will be taken up on the floor of the Assembly soon.

*SB 890 (Scott) Pupils: Early Commitment to College Program:* This measure establishes the Early College Commitment Program and would require the superintendent of Education to declare 30% of school districts with the highest low-income population to be "College Opportunity Zones". It would direct the Superintendent to provide materials, along with school districts on how to get to college and would encourage California's institutes of higher learning to participate and provide support services for this program.

CSU Position: SUPPORT  
Status: This measure was held by the Assembly Appropriations Committee's Suspense File and is now dead for the year.

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*SB 946 (Scott) Community College Early Assessment Pilot Program:* This measure states the intent of the legislature to establish a Community College Early Assessment Pilot Program for the purpose of providing high school pupils with an indicator of their readiness for transfer-level English and mathematics at the end of grade 11 and allowing high schools to work with pupils in grade 12 to elevate the skills of these pupils to a level commensurate with transfer-level English and mathematics.

CSU Position:           SUPPORT  
Status:                   This measure was passed out of the Assembly Appropriations  
                                  Committee's Suspense File, and will now go to the Assembly Floor.

Adoption of the following resolution is recommended:

**RESOLVED,** By the Board of Trustees of the California State University, that the 2007-08 Legislative Report No. 5 is adopted.

## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **February Ballot Item: Community College Governance Initiative**

#### **Presentation By**

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy and Institutional Relations

#### **Summary**

Californians for Community Colleges coalition, which is comprised of the Community College League of California (League), California Federation of Teachers (CFT), Faculty Association of California Community Colleges (FACCC), Los Angeles College Faculty Guild (Guild), Community College Chancellor's Office (CCCO), and various student organizations have qualified a ballot initiative known as the Community College Governance, Funding Stabilization, and Student Fee Reduction Act, for the next General Election. If adopted by the voters the initiative would amend the State Constitution as well as the State Education Code.

The Community College Governance initiative would do the following:

- Establish an independent, locally governed community college system in the State Constitution.
- Establish a new Proposition 98 (Prop. 98) enrollment growth mechanism to provide the community colleges with a separate guarantee of Prop. 98 funds.
- Require a state General Fund backfill guarantee for any community college district that experiences a property tax revenue shortfall.
- Increase the membership of the Board of Governors (BOG) from 16 to 19 voting members by adding three new members and changing one current "non-voting" student position to a voting member.
- Exempt Executive Officers of the BOG from Civil Service status and allow the Chancellor to choose up to six appointments, these appointments have currently been made by the Governor.
- Reduce student fees from \$20 per unit (previously \$26 per unit) to \$15 per unit, effective for the Fall 2008 semester. It would also require a 2/3 vote threshold to increase this fee in the future.

#### **Constitution**

The first provision of this initiative would recognize in the state constitution the 72 locally governed community college districts that oversee 2.5 million students at 109 community college

campuses. This would not change the current governance or oversight of the Board of Governor's or the Chancellor's Office over locally governed community college districts but would make any further governance changes to improve governance, student achievement, etc. nearly impossible.

California Tax Payers Association (Cal Tax), which states its mission is to protect taxpayers from unnecessary taxes and to promote efficient, quality government services, raises numerous concerns with the California Community Colleges (CCC) being placed in the State Constitution. Cal Tax suggests that this could exempt community colleges from "legislative oversight and public scrutiny," and also speculates whether problematic or corrupt local community college districts would be insulated from State oversight. (The measure also amends the Constitution to state that the Legislature shall provide through the annual budget act sufficient funding for the State operations of the community colleges and places the Board of Governor's membership into the Constitution as well.)

### **Guaranteed State Revenue Stream**

The initiative also will establish a new Proposition 98 (Prop. 98) enrollment growth mechanism to provide the community colleges with a separate guarantee. Currently, the CCC receives a share of Prop. 98 funding after decisions have been made on K-12 budget priorities. The funding share has ranged from a high of 10.89 percent to a low of 9.67 percent, a difference that represents millions of dollars for the CCC. This initiative would establish a Prop. 98 base of no less than 10.46 percent in the 2007-08 fiscal year and calculate CCC enrollment funding above this base amount on the following three factors:

Whichever is greater of:

- Change in population of California residents between ages 17 and 21, or
- Change in population of California residents between the ages of 22 and 25
  
- Plus, an additional 1 percent enrollment growth above the separate Prop. 98 calculations for every 1 percent above California's unemployment rate of 5 percent, and
- A maximum enrollment growth based on these factors capped at 5 percent in any given fiscal year

Based on fiscal impacts made by the Legislative Analyst's Office (LAO) and the Department of Finance (DOF) this initiative could increase the Proposition 98 funding for California's Community Colleges by \$135 million in 2007-08; \$275 million in 2008-09; and \$470 million in 2009-10.

Cal Tax raises concerns with passing a "fiscally irresponsible measure" and "ballot box budgeting" that could lead to cuts in other programs, those that are not "guaranteed them a piece

of the budget pie,” or through increases in taxes. They further question whether the CCC would no longer work to justify their expenses and may simply lead to a wasting of limited monies.

Finally, questions have been raised about the state being locked-into a spending formula that may be flawed. Cal Tax wonders if besides age and unemployment formulas being used, perhaps enrollment in the CSU and UC, as well as the health of the State Economy, should be considered when deciding CCC’s share of Prop. 98.

### **Guaranteed State Backfill**

This initiative also requires a state General Fund backfill guarantee for any community college district’s property tax shortfall. This provision is currently in place for all K-12 districts, however despite legislative attempts over the past 15 years, the CCC has been unable to get such a statute enacted. In the early 1990’s this represented a cost of over \$100 million to community college districts with lost revenue due to the recession and the loss of property tax revenue.

The initiative does not include any revenue source (e.g. ½ per cent increase in sales tax, property tax or personal income tax) to pay for the additional funding to the CCC. Since the initiative does not provide for any additional tax revenue to the state General Fund the assumption is that the increased funding to the CCC will come from the current 8 percent discretionary portion of the state budget. Therefore, the state General Fund available to support the California State University, University of California, Health and Human Services and Corrections would have less revenue to support funding priorities for these institutions as a result of this initiative.

Cal Tax raises concerns regarding the draft language of this proposal and whether it will provide more monies from the General Fund to be allocated to wealthier districts. It suggests that Section 17 of this initiative would require the legislature to allocate an amount equal to the total revenue that would have been generated by a district not subject to funding from the General Fund (due to high fee revenue and property tax revenue) had the community college fee otherwise not been reduced by the initiative. Because the provision uses the term “total revenue” rather than the term “fee revenue,” Cal Tax wonders if this would result in a revenue windfall to those wealthier districts because the statute does not specify that the legislature should allocate the amount of total “fee revenue.”

### **Board Membership**

The number of voting members on the State Board of Governor’s (BOG) would be increased by adding four new voting members (from 16 to 19 total members, one current “non-voting” student position would be changed to a voting member.) The Governor would appoint these positions

from an approved list of candidates from interested parties rather than the general public. This initiative would change the make-up in the following way:

- 12 public members with three of these members being former or current elected members of local community college boards (existing law requires two members). The Governor must appoint from a list of at least three recommendations submitted from the league for these three appointments.
- Two community college students to serve one-year terms. (Existing law requires one voting student member and one non-voting.)
- Three current or former community college faculty members, to serve three-year terms. (Existing law requires two.) The Governor must appoint from a list of at least three recommendations submitted from the Academic Senate.
- Two current or former community college employees to serve three-year terms. (Existing law requires one.) The Governor must appoint from a list of at least three recommendations submitted from Labor.

Concerns have been raised that the Board would be shifted toward “community college insiders”. The analysis completed by Cal Tax suggests that the board would be changed from “six community college insiders and ten other members, the board must now be composed of 10 community college insiders and nine other members, tipping the scales of governance.” Cal Tax also noted that the Board will be responsible for compensation, college budgets and organizational decisions and may no longer be accountable to the State. The Board of Governors would now be referenced in State Code (Education Code 71000) and the State Constitution (Section 19 of Article IX).

### **Exempt Executive Officers**

This initiative gives the Board of Governor’s and the Community College Chancellor the authority to make executive staff appointments that are currently appointments of the Governor. However, this does not provide any additional funding to the Chancellor’s Office to support these positions. The Chancellor’s Office currently has General Fund support that is less (\$12.3 million) than funding provided to the Chancellor’s Office in the 1989-90 fiscal year (\$15.1 million).

This ballot measure would allow the Chancellor to hire his or her own senior staff instead relying on the Governor to choose staff for the Chancellor. Also, these appointments would not be civil service employees, but similar to CSU senior staff and executives.

### **Fee Reduction**

The California Postsecondary Education Commission (CPEC) estimates that California’s community colleges are not serving as many students as they could be due to budget cuts made

over the last five years. CPEC maintains that the CCC could have served almost 100,000 more students than they are currently serving. Most Californian's are supportive of everyone, especially young adults, having the opportunity to earn a college degree.

This initiative would reduce student fees for CCC's from \$20 per unit (previously \$26 per unit) to \$15 per unit, effective for the Fall 2008 semester. Further it restricts a fee increase to be either: no more than ten percent a year or a formula based on the increase of personal income per capita, whichever is lower.

Article 2, section 10 (c) of the State Constitution states: "the Legislature may amend or repeal an initiative statute by another statute that becomes effective only when approved by the electors unless the initiative statute permits amendment or repeal without their approval." This measure does allow the legislature to modify most of the Education statute changes it proposes with a 4/5 vote of the legislature and signature of the Governor.

However, the initiative makes an exception to those provisions for student fees. The legislature could only raise student fees with a 2/3 vote, and only in "exclusive" legislation pertaining only to CCC fees. However, a student fee reduction would only require a simple majority vote of the legislature. This measure would presumably require a stand alone measure to enact the fee increase, and would not allow a fee increase to take place as a part of a budget deal. The initiative does not include any provisions for the loss of student fee revenue, although the fee revenue losses are presumably offset by the significant General Fund increases required by the initiative. The LAO estimates that the CCC will see a loss of \$71 million in 2007-08 with unknown impacts on-going.

While the measure will likely be marketed to voters as a way to reduce student fees for community college students, it also will change its governance structure as well as provide an increase guarantee for the colleges under Prop. 98. FACC states that January 2005 polling showed that 62% of voters were likely to vote "yes," with that level rising to 69% after hearing pro and con arguments. They also state that this initiative was carefully crafted, like holding K-12 harmless for example, making it difficult for groups with resources to oppose the proposal. The California Teacher's Association is opposed to this measure, and Cal Tax is likely to be opposed as well.