

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 1:30 p.m. Tuesday, January 26, 2010
Glenn S. Dumke Auditorium

Carol R. Chandler, Chair
Peter G. Mehas, Vice Chair
Debra S. Farar
Melinda Guzman
Raymond W. Holdsworth
Linda A. Lang
A. Robert Linscheid
Lou Monville

Consent Items

Approval of Minutes of Meeting of November 17, 2009

Discussion Items

1. 2009-2011 Legislative Report No. 6, *Action*
2. California State University Federal Agenda for 2010, *Action*

**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**

November 17, 2009

Members Present

Carol R. Chandler, Chair
Peter G. Mehas, Vice Chair
Herbert L. Carter, Chair of the Board
Debra S. Farar
Melinda Guzman
Raymond W. Holdsworth
Linda A. Lang
A. Robert Linscheid
Lou Monville
Charles B. Reed, Chancellor

Approval of Minutes

The minutes of September 22, 2009 were approved by consent as submitted.

2009-11 Legislative Report No. 5

Trustee Chandler called the meeting of the Governmental Relations to order with the introduction of Vice Chancellor for University Relations and Advancement Garrett P. Ashley. Mr. Ashley provided a brief introduction to the item followed by a detailed report by Assistant Vice Chancellor Karen Y. Zamarripa.

Ms. Zamarripa reported that the report covers primary legislative proposals that we have been tracking during the first of the two-year legislative session for 2009-2011. She reported that there were four measures that went to the Governor for action which CSU opposed and thus requested a veto. Three were vetoed by the Governor. The remaining measure, Senate Bill 147 (De Saulnier) was signed into law. The bill deals with career technical education and, in particular, now puts into place a bifurcated admissions process for CSU versus the UC. There were provisions added to the bill prior to adoption by the legislature that non-state resources be used to implement its provisions. The Advocacy and State Relations Office is in the process of working with the Academic Affairs division to sort out the bill's meaning for us and determine how we can best proceed on this matter with as little disruption as possible to students.

The CSU Board of Trustees sponsored bills, *Assembly Bill 1222* and *Assembly Bill 867 (Nava)*, were not successful this year. AB 1222, which extended the current sunset date of the current authorization for affinity programs from January 2011 to January 2016, was vetoed. The Governor's view was that the bill is premature since the sunset does not actually occur until 2011; therefore, he believed that the CSU is acting too early in seeking this bill. At the CSU's request, Assembly Member Bonnie Lowenthal is prepared to reintroduce the bill in January 2010 so that it can be done before the senate adjourns in September, without a break in the authority for the programs and services our alumni associations offer to graduates and members through affinity partnerships.

Assembly Bill 867 (Nava), the nursing doctorate bill, is still in the Senate Appropriations Committee where it was stalled based on staff predictions of General Fund costs to develop and implement these new programs at the CSU. We have until mid-spring to move the bill out of Appropriations and onto the Senate Floor; and then, hopefully, to the Governor's desk. This proposal has met some strong resistance from legislative staff including mission creep, as it relates to the CSU trying to be more like the UC in taking over the role in doctorate education; and funding in the context of the state's current budget situation and whether we should be creating new programs at a time when we are cutting back undergraduate enrollments.

Ms Zamarripa reminded the board that at its January meeting, they will receive recommendations from the Chancellor on 2010 legislative proposals. Staff has been diligently working with the leadership in the chancellor's office and with the campus presidents to develop proposals for consideration. The proposals are being considered in the context of some of the issues we see in next year including, but not limited to, a new Master Plan Review Committee. Chancellor Reed will join President Mark Yudof and Chancellor Jack Scott in making a presentation to the committee at its first hearing on December 7 at the State Capitol. Chair Ira Ruskin is termed out in 2010; therefore, it will more than likely be a fast-paced process. We will also face serious challenges due to the state's ongoing fiscal condition, collective bargaining and election year politics.

Another upcoming legislative issue relates to a discussion on an education bond for 2010. As many know, the legislature and the governor were successful in negotiating a water infrastructure package that includes an \$11 billion water bond for the November 2010 ballot. Embedded in that bond is a \$50 million allocation to the CSU; recognition of our faculty's expertise in this area and the applied research that we can provide as it relates to water; and our infrastructure and the use of water in California. This will present the CSU and the educational community as a whole in a difficult position given ongoing capital outlay investment needs and growing concern among voters about the economy and debt. Ms. Zamarripa noted that while support for all levels of education remain strong, a bond for schools and colleges and universities will be discussed in the context of the level of debt service the state should carry. We have begun initial discussions with the K-12 community and there have been a couple of initial polls taken that relate to voters'

attitudes. In early December, the CSU advocacy and state relations office plans to begin the process of talking with legislative leaders and others on what the CSU can expect in 2010. If the issue makes it onto the ballot, the CSU will have a campaign to run in the midst of everything else, making for a very active 2010.

Upon completion of her verbal report, Ms. Zamarripa responded to Trustee Fortune's inquiry of what the early polls were saying about the public's reaction to the education bond. Ms. Zamarripa explained that the recent poll results that she saw only related to K-12 and did not address the combined issue of K-12 and higher education. Before getting into the issues that might be raised about debt service, economic recovery, etc., early polls indicated that approximately 56 percent of Californians were prepared to support a bond measure testing a bond level lower than what would be necessary for a combined bond for all education.

The committee recommended approval of the proposed resolution (RGR 11-09-08) adopting the 2009-2011 Legislative Report No. 5.

Trustee Chandler adjourned the committee.

COMMITTEE ON GOVERNMENTAL RELATIONS

2009-2011 Legislative Report No. 6

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains a presentation of proposals for consideration as the Trustees' 2010 Legislative Program.

Background

The Chancellor initiated requests for proposals for the 2010 legislative session last fall. Staff analyzed each of the proposals submitted considering several issues including, but not limited to, making sure that there is a clear need for each proposal, the programmatic and fiscal implications of the request, the political and policy environment, and overall relationship to system initiatives and priorities. Campus presidents and vice presidents, as well as the Chancellor's leadership team, have reviewed all of these proposals and concur with our recommendations on the proposed 2010 legislative package.

Two measures that the Board of Trustees approved for its 2009 Legislative Program will continue into this year as described below.

Doctor of Nursing Practice (DNP) Degree

This proposal would grant the California State University (CSU) the authority to award the Doctor of Nursing Practice (DNP) degree. The CSU's DNP programs will train future CSU and California Community College (CCC) faculty. In addition, the CSU will be able to train advanced practice nurses (for example, nurse practitioners, nurse anesthetists or midwives) to the doctoral level. A DNP program will enable professionals to earn a degree while working full-time and this degree will be distinguished from the research-based doctoral degrees at the University of California.

Last year the CSU system asked Assembly Member Pedro Nava to introduce Assembly Bill 867. This measure advanced out of the Assembly and through the Senate policy committee before it was held by the Senate Appropriations Committee due to perceived cost pressures on the state and the CSU. The author and the system intend to pursue AB 867's release from the Senate's fiscal committee this summer.

Public University Alumni Development and Support: Affinity Programs

Campus alumni associations have been established at almost all of the 23 California State University (CSU) campuses as well as the 10 University of California (UC) campuses to maintain relationships and build long-term connections to graduates with the ultimate goal to support the University in the form of donations, scholarships and volunteerism.

Senate Bill 569, passed in 2005, was sponsored by the CSU and the UC to offer benefits and services to alumni and generate non-state support through January 2011. In addition, SB 569 set a higher standard for the CSU and the UC by requiring that all affinity partnerships contain confidentiality clauses to prohibit misuse of alumni information as well as statutory requirements regarding no cost "opt out" means for graduates and alumni association members.

The Affinity Programs Reauthorization has no General Fund impact for the state or system. Without action, however, UC and CSU campuses, as well as the alumni associations, face serious problems in supporting the activities, sustaining and attracting membership, and facilitating future donor investments worth millions of dollars in non-state revenue.

CSU sponsored AB 1222 (Bonnie Lowenthal) extending the "sunset" by five years – to 2014. In 2009 this measure was vetoed by the Governor not for policy reasons but because of a procedural issue. The CSU and the UC propose re-introducing this legislation in 2010.

New Proposals for Consideration

Below describes three proposals that have been brought forward by the Chancellor's Office and campuses to improve operations and/or increase effectiveness with scarce resources. CSU staff would work through various means to achieve these proposals whether individual legislative, omnibus measures or other appropriate approaches.

Lost Property

When a lost item is turned in at a CSU campus, the campuses are obligated by law (Civil Code 2080.9) to hold all property for a period of six months. It is only after this period of time that campuses are allowed to sell the item at a public auction with any revenues collected from

auctions used for student scholarships. Campuses typically hold one auction a year, usually at the end of the year, which generates from \$500 to \$1,200 per campus, the proceeds of which go toward student scholarships. Any items that have not been sold at auction can be donated to a non-profit organization.

Larger campuses must dedicate two full-time employees to managing the inventory, storage and auction of lost property. Because property is not defined by law, it can include items such as books, sunglasses, articles of clothing, in addition to more valuable, tangible items like bicycles computers, etc. Campuses are obligated to log and store all items that are turned into a campus and then organize an auction with proper public notice. This measure would allow a campus to streamline process and use staff resources more effectively.

The CSU is the only public entity that must hold property for six months. The University of California (Civil Code 2080.8), public agencies (Civil Code 2080.6) (such as the Department of General Services, the Department of Parks and Recreation, any city, county, city and county, etc.) and public safety (Civil Code 2080.3) are only required to keep property for three months.

This proposal would reduce the length of time the CSU must hold property from six months to three months, consistent with other agencies and the UC. In addition, it would establish a monetary threshold for the worth of an item that must be kept or auctioned, and allow its donation to other public institutions or not-for-profit entities as an alternative to auction.

Modification to Claim Filing Process with the California Victim Compensation and Government Claims Board

The Government Claims Act provides that before a public entity can be sued for damages, a potential plaintiff must bring a claim under the Act as a way of mitigating the need for court action. The CSU's Risk Management Authority believes that this process, as currently drafted, is burdensome, unnecessary, and duplicative.

The Victims Compensation Government Claims Board (VCGCB) is the entity that performs the function of collecting fees for tort claims filed against state agencies, including the CSU, but does not perform any investigation, only the ministerial function of assigning a claim number and referring the claim to the CSU for resolution. In 2004 the budget trailer bill captured the CSU in a provision dealing with the handling of tort claims by the VCGCB that resulted in increased costs to the CSU by imposing a 15 percent surcharge on top of any settlement fees.

Over the past several years, the CSU and its third-party claims administrator, Alliant Insurance, have become increasingly dissatisfied with the handling of claims against the CSU. Further, VCGCB has failed to transmit claims in a timely manner to the system for recommendation, delaying the resolution of claims by months. Another complicating factor is that the Office of

the Attorney General recently decided to decline giving legal opinions or recommendations on late-claim applications because it cannot charge back the CSU for that work, and this task has been taken on by the Office of General Counsel. In light of the budget cuts, the declining service from the VCGCB, and the increased costs of settlement, the CSU would like to modify the existing procedures so that the CSU is given the same claim-filing independence as other public entities.

This proposal would remove the CSU from the jurisdiction of VCGCB and allow the CSU to manage tort claims directly through the CSU Office of Risk Management.

Prequalification for CSU Contractors

In the current environment of the public works program, many campuses are having difficulties qualifying new contactors. Current law allows contractors to submit for prequalification five calendar days before the bid opening date and prohibits them from submitting a bid unless they are prequalified at least one day prior to the bid opening. That leaves four calendar days to process a prequalification application. An application submitted on a Friday for a Wednesday bid opening leaves staff with two days to process that application, and which includes securing reference checks. This tight time frame allows the possibility that the contractor may not be prequalified to bid the project. If the application process is not completed or the prequalification approval is denied, the contractors' work is wasted.

This proposal would increase the time period for contractors to become prequalified to bid on CSU public work projects from five calendar days to ten working days. The benefit of this proposal is a longer period of time for prequalification that will allow the Capital Planning, Design and Construction department to better assure contractors a likely chance that their prequalification application will be processed before the bid date.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the legislative proposals described in Agenda Item 1 of the Committee on Governmental Relations at the January 26-27, 2010 meeting are adopted as the 2010 Board of Trustees' Legislative Program.

COMMITTEE ON GOVERNMENTAL RELATIONS

California State University Federal Agenda for 2010

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

James M. Gelb
Assistant Vice Chancellor
Federal Relations

Summary

This item contains a presentation of recommendations for the 2010 CSU Federal Agenda.

Background

In January 2009, the Board of Trustees adopted the 2009 CSU Federal Agenda, a legislative program for the system that included both policy and project priorities for the first session of the 111th Congress. Over the past year, the CSU's Office of Federal Relations (OFR) and system leaders worked in Washington to advance those priorities. With regard to the system's policy priorities, the CSU had a significant, positive impact on a number of items. For example, in May, Chancellor Charles B. Reed was asked to testify at a House hearing to examine Obama Administration proposals to restructure federal student loan programs and use projected savings to increase funding for Pell grants and other aid programs. Chancellor Reed's testimony reviewed CSU campus experiences with existing loan programs and promoted several ideas to increase need-based aid for students and improve college access and completion, particularly in underserved communities. That hearing eventually led to the House's passage of HR 3221, "the Student Aid and Fiscal Responsibility Act of 2009" (SAFRA). HR 3221 would increase the maximum Pell Grant award; extend mandatory funding through 2019 for programs that benefit minority-serving institutions such as Hispanic-Serving Institutions (HSIs) to help students attain degrees in Science, Technology, Engineering, and Mathematics (STEM) fields; create a new five-year, \$600 million per year Access and Completion fund to increase the pursuit of and persistence in postsecondary education for underserved populations; and simplify the Free Application for Federal Student Assistance (FAFSA) by eliminating questions relating to assets. The measure awaits Senate action. The CSU also helped advocate successfully for: increased financial aid for CSU students, expansion of national service, more research and modernization dollars, and alleviation of state budget cuts to education in the American Recovery and

Reinvestment Act (ARRA, or “stimulus” bill); increased funding in this year’s budget for Pell Grants, the TRIO and GEAR UP outreach programs, Hispanic-Serving Institutions, and a new program championed by the CSU to provide competitive grants to universities piloting innovative means of serving students who are veterans; and ensuring that the Education Department made both part-time and full-time students eligible to receive a second Pell Grant award in an academic year to pursue year-round studies.

With regard to project priorities, the CSU was able to garner strong support from members of the California Congressional delegation for a number of system and campus initiatives. For example, CSU’s Strategic Language Initiative (SLI), a systemwide priority, received \$2,880,000 in the FY 2010 Defense appropriations bill, marking a fifth consecutive year and the largest amount of funding awarded to the program. The CSU’s Agricultural Research Initiative, another systemwide priority, equaled last year’s total with \$693,000 in the FY 2010 agricultural appropriations bill. More than twenty campus earmarks were also included in FY 2010 appropriations bills for a variety of programs.

Recommendations for the 2010 Federal Agenda

This past fall the OFR, in coordination with the Chancellor’s Office, set in motion the annual process designed to produce a well-honed federal agenda. In September, Chancellor Reed sent a memo to all 23 CSU presidents and senior system leaders, soliciting recommendations and outlining criteria for the system’s 2010 Federal Agenda. As in the past, the Chancellor’s memo sought proposals in two distinct areas: (1) federal legislative and regulatory policy; and (2) CSU projects for which direct federal funding will be sought. With respect to both project and policy recommendations, the solicitation emphasized that the federal agenda must be consistent with the CSU system’s core objectives, and they must contribute to system goals of preserving access, providing quality instruction, and preparing students for the workforce. While these principles have their own relevance in the federal arena, it was stressed that the federal agenda should also complement and be consistent with our state program in Sacramento.

The items proposed below for inclusion in the 2010 Federal Agenda are based upon submissions received in response to the Chancellor’s solicitation, and have advanced through several levels of review, including the Executive Council, and the Chancellor and his executive leadership staff.

Proposed Federal Policy Priorities for 2010

As the second session of the 111th Congress and the second year of the Obama administration commences, several items of significant interest to the CSU remain in play. These include the SAFRA legislation outlined above, potential additional economic recovery/jobs initiatives, and tax legislation important to CSU advancement interests. In addition, the Obama administration will continue to work on implementing several recently enacted pieces of legislation of great

interest to the CSU, including the American Recovery and Reinvestment Act (ARRA, or “stimulus” bill), the Higher Education Opportunity Act (HEOA), the 2008 Farm Bill, and the post 9/11 GI bill. Implementation will include a range of activities: agency rulemaking, technical corrections legislation, and decisions about whether and at what levels to fund various programs included in these laws. The CSU should work across all of these areas to ensure that these programs effectively meet the needs and priorities of California students and CSU institutions. In addition, it remains possible, though increasingly unlikely, that the 111th Congress will take up reauthorization of the Elementary and Secondary Education Act, or “No Child Left Behind.” Teacher preparation programs and pipeline issues will be of particular interest to the CSU. Other potential legislative areas for this year that could have a significant impact on the CSU include major transportation legislation, and bills related to energy and the environment. While the CSU will frequently be called upon to respond to proposals made by others, including members of Congress and the U.S. Department of Education, the following priorities should be the subject of proactive pursuit:

Student Aid: support federal programs that promote college access and completion for students with the greatest financial need, including through increased funding for the Pell Grant program and assistance to institutions that serve such students.

Community and Government Service: advocate increasing incentives and resources for student and campus participation in national and community service activities and for entering government service.

Veterans Education: enhance veterans’ opportunities through thoughtful implementation of Post-9/11 Veterans Educational Assistance Act and funding Centers of Excellence for Veteran Student Success.

Developing and Hispanic-Serving Institutions: seek increased funding and effective implementation of programs to strengthen “developing” and “Hispanic-Serving” institutions, including new HSI graduate program.

College Preparation: advocate maximum funding for programs such as GEAR UP and TRIO, which are vital to preparing underrepresented students for college and decreasing the need for remediation, along with other programs that support access and inclusion for California’s students.

Science, Technology, Engineering and Mathematics (STEM) fields: promote success of diverse California students in STEM fields, including by funding Professional Science Master’s program in the America COMPETES Act.

Teacher Preparation: support efforts to strengthen teacher preparation, especially in STEM fields, and through programs that increase opportunities for disadvantaged students to become classroom teachers and faculty.

International Education: support international education programs that promote global awareness and understanding, such as the proposed Paul Simon Study Abroad Act.

Applied Research and Workforce Training: broaden the federally-supported applied research base for comprehensive universities, as well as other programs that fund the vital workforce preparation conducted by the CSU, including the Workforce Investment Act.

Farm Bill: effectively implement and fund new competitive grant program supporting non-land-grant colleges of agriculture and new programs supporting Hispanic-serving agricultural colleges and universities (HSACUs).

Energy and Sustainability: support federal initiatives consistent with the CSU commitment to sustainability through best institutional practices and applied research, education, and service.

Transportation and Infrastructure: advocate inclusion of support for applied research and university infrastructure needs in economic recovery and transportation legislation.

University Advancement: advocate for a positive climate for university advancement in general and philanthropy in particular.

Federal Project Proposals for 2010 (FY 2011)

More than 70 projects, including both campus and multi-campus proposals, were submitted in response to this year's solicitation. It is recommended that, as in recent years, these project priorities for 2010 be broken in two categories. The first category would encompass six broad-based, multi-campus initiatives consistent with ongoing system collaborative efforts in core areas of CSU strength:

- **Agricultural Research Initiative (ARI):** the CSU will seek continued federal support for its ARI initiative, which leverages state, federal and industry resources to support high impact applied agricultural and related environmental research, development, and technology transfer, as well as public and industry education and outreach.
- **California Biotechnology Partnerships for Next Generation Biofuel Production:** the CSU Program for Education and Research in Biotechnology (CSUPERB) will seek funding to develop a hybrid university-government-industry educational partnership to

substantially accelerate production of a well-prepared “home grown” biotechnology workforce that will produce next generation biofuels.

- **Strategic Language Initiative (SLI):** the CSU will seek continued federal support for SLI, its collaborative effort to create programs that integrate language learning with professional majors and career opportunities and serve as a national model for training programs in critical world languages, helping our nation meet defense, diplomatic and business needs.
- **CSU COAST Equipment and Infrastructure:** the CSU’s Council on Ocean Affairs, Science and Technology (COAST) will seek equipment and infrastructure funding to upgrade technological capacity statewide and launch six Technology Resource Groups to address critical national environmental issues. By linking these groups and sharing CSU equipment and data using high-speed networks, COAST will create an unparalleled, robust statewide resource that maximizes the use of coastal research and education capabilities throughout the 23-campus CSU system.
- **Water Resources and Policy Initiative (WRPI):** CSU campuses are in a unique position to provide the necessary technical capabilities, trained workforce, and on-going research efforts that are required to accomplish the state’s objective of 20 percent per capita water consumption reduction by 2020. To help the state address all three aspects of this ambitious goal - urban water use, agricultural water consumption, and environmental protection - the CSU’s Water Resources and Policy Initiative (WRPI) will seek funding for strategic planning, research, and equipment and infrastructure improvements.
- **Metro Academies Initiative:** a five-campus consortium will seek support for the Metro Academies program – a high impact, innovative intervention program designed to foster academic and career success for low-income, first generation college students. Targeting the first two years of college, its goals include: (1) retention; (2) accelerated academic progress without remediation in the required general education areas of writing, quantitative thinking, public speaking, and critical thinking; and ultimately (3) college completion. Academies will be tied to growth industries, such as health, early childhood education, and green technology.

The OFR will work to achieve the broadest and most strategic support possible for these proposals from members of the California Congressional delegation.

The second category would include the submitted campus-oriented projects, provided they have been endorsed and prioritized by the campus president, and meet the following criteria:

- The project significantly impacts a major need or priority of the campus or the system, including:
 - The extent to which the project will benefit a university's students, its programs, the local community, the State of California and/or the nation
 - The extent to which the project is well-tailored to the particular competencies and strengths of the university or universities

- The project is well-developed including:
 - How clearly articulated and detailed it is
 - Whether the project has additional supporters and advocates among business, alumni, non-profit or political entities
 - Whether the project has partners that are able to assist with the project's success and/or are willing to invest in the project (cash or in-kind) so as to provide a "match" for federal funds being sought

- The project is well-suited to the federal appropriations process, including:
 - The past history of federal funding for the project, if relevant
 - The manner in which federal funds will be used
 - The likely availability of the federal dollars from the account/source proposed
 - The extent of known Congressional sponsorship and support

- The project fits within a balanced program of requests for the CSU for reasonable amounts across different areas of funding

Because of the inherently shifting nature of campus, state and national priorities, the CSU federal agenda process recognizes that project requests may evolve over time. While campuses are primarily responsible for garnering support for their local initiatives, the OFR will continue to work with the campuses to refine and develop project proposals, and to assist them in working productively with their representatives in Congress as they seek support in the relevant appropriations venues for federal funding in FY 2011.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the federal legislative program described in the January 26-27, 2010 Agenda, Item 2 at the Committee on Governmental Relations is adopted as the 2010 CSU Federal Agenda.