

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 11:30 a.m. Tuesday, March 16, 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 January 26, 2010

Discussion Items

1. 2009-2011 Legislative Report No. 7, *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**

January 26, 2010

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 November 17, 2009 were approved by consent as submitted.

2009-11 Legislative Report No. 6

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. Vice Chancellor Ashley provided a brief introduction to the item followed by a detailed report by Assistant Vice Chancellor Karen Y. Zamarripa.

Ms. Zamarripa started her report with an overview of the new legislative session. Governor Schwarzenegger, other statewide officers and one-third of the legislature face term limits this year creating new dynamics to both budget and legislative matters. Changes have already begun with the selection of three new leaders. Assembly Member John Pérez from Los Angeles will become the new Speaker on March 1 replacing Karen Bass. The Assembly and Senate Republican Caucuses have also selected their new leadership. Assembly Member Martin Garrick from the San Diego area has already taken the reins for his caucus. San Bernardino Senator Bob Dutton will replace Dennis Hollingsworth later this year. Darrell Steinberg remains the one constant among the legislative leaders.

As is often the case at the beginning of a new session there have been several changes to committee assignments, and with the leadership changes, it is likely that more changes will occur in the next few months. Of note for the CSU is the naming of Senator Carol Liu as the chair of the Senate Budget Subcommittee on Education. The former subcommittee chair, Gloria Romero, will remain a member of the subcommittee while also serving as chair of the Senate Education Committee.

Moving to the written agenda item, Ms. Zamarripa provided an update on 2009 Board of Trustees sponsored legislation and three new proposals for consideration for the 2010 session. Ms. Zamarripa outlined the work with campus presidents and the Chancellor's Office staff to identify new proposals based on the premise that less is better given the budget challenges ahead.

CSU has two proposals that will continue to be a priority this year. The first is seeking the authority for our system to offer Doctor of Nursing Practice (DNP) degrees. Assembly Bill 867 was introduced last year by Assembly Members Pedro Nava and Juan Arambula as well as over 50 co-authors. The bill has moved through the Assembly and the Senate policy committee and is awaiting further action in the Appropriations Committee this summer. The bill was placed on the committee "suspense file" given concerns about new costs for the CSU to implement new programs. Between now and August, the CSU will be working to convince Senate Pro Tempore Darrell Steinberg and committee chair, Christine Kehoe to move AB 867 to the full Senate for a vote before the legislature adjourns in August. If we are successful, we will then be working with the Chancellor, members of the Board of Trustees and others to make sure the Governor signs the bill into law.

The second ongoing issue this year will be the reintroduction of our affinity program measure to extend the "sunset" on the authority for CSU and University of California alumni associations to offer programs and services to members and graduates. Assembly Bill 1222 by Assembly Member Bonnie Lowenthal was unanimously approved by the legislature last fall but was unexpectedly vetoed by the Governor. We have received indications that the veto was simply an issue of timing, i.e. premature given the "sunset" of January 2011. As a result, Ms. Lowenthal will reintroduce this measure so that we are able to at minimum extend the authority for such programs until 2016.

Three proposals were presented to the Board for their consideration and adoption as the 2010 legislative program. All three proposals are operational and administrative in nature, and are small steps toward trying to help campus and system staffs operate more efficiently and effectively. The first proposal would change the law with regard to the dispensation of lost property.

The CSU is the only public agency required to hold all lost property at its campuses for six months. After this period of time, campuses must conduct a public auction with the proceeds directed to student scholarship funds. The CSU's proposal would (1) reduce from six to three months the period of time the CSU has to hold such local property, consistent with all other

public agencies and the UC; and (2) establish a \$300 threshold for the worth of an item that must be kept or auctioned by the campuses.

The second proposal would modify the claim filing process with the California Victim Compensation and Government Claims Board (VCGCB), a self-supporting entity that performs the function of collecting fees for tort claims filed against state agencies, including the CSU. The CSU was pulled in under VCGCB jurisdiction in 2004 in a provision dealing with the handling of tort claims, which has resulted in increased costs to the CSU. Several agencies have been removed from the jurisdiction of this board and the CSU is seeking the same exemption to streamline its claims process, speed resolution of such matters, and reduce charges that it pays to VCGCB for their minimal efforts on behalf of the system.

The final item would increase the number of days that the CSU has to prequalify contractors interested in bidding on CSU public works projects. Current law requires contractors interested in competing or bidding on CSU projects to be prequalified by the Chancellor's Office before bidding for projects. The current statute only allows contractors and the CSU five days to complete the prequalification process. This tight time frame increases the possibility that contractors may not be able to prequalify in time to bid on the project. The CSU proposes that the law be changed to allow 10 working days for the prequalification process so that more contractors can qualify to do work for our campuses.

The committee recommended approval of the proposed resolution (RGR 01-10-01) adopting the 2009-2011 Legislative Report No. 6.

Melinda Guzman expressed condolences for and asked that the Board recognize the passing of long-time education leader Melinda Melendez, who suffered a stroke and recently passed away. Ms. Melendez was a tireless advocate for education and children working for four Assembly Speakers and most recently for Senate Education Committee Chair Gloria Romero.

California State University Federal Agenda for 2010

Trustee Carol Chandler asked Vice Chancellor Garrett Ashley to introduce the item. Vice Chancellor Ashley commented on the importance of the CSU's efforts in Washington on a wide range of federal programs that provide critical financial assistance to our students, support to our campuses and research funding to our faculty, and introduced Assistant Vice Chancellor Jim Gelb.

Mr. Gelb began by stating his objectives, which included reviewing the 2009 agenda, discussing the current political landscape in Washington, and outlining recommendations for the system's 2010 agenda. He reviewed an abbreviated list of policy priorities for 2009, summarizing that they were divided into three general areas. The first focused primarily on student aid, the second on preparation (pipeline) programs that the federal government supports for our students that

come from K-12 into the CSU system, and the third on the applied research and workforce training that the CSU carries out with support from Washington.

Overall, Mr. Gelb reported, the CSU had a relatively good year in Washington in 2009. 2009 ushered in a new administration, a new Congress and increased vigor and energy about higher education. Two significant pieces of legislation related to higher education saw action in 2009. First was the stimulus bill, known as the American Recovery and Reinvestment Act. The CSU advocated strongly for inclusion of several key provisions in that bill, including student financial assistance in the form of increased Pell Grants, work study, and tax credits; expanded research grant opportunities; and the infusion of funds to states to support higher education budgets. The second was the passage by the House of HR 3221 – Student Aid and Fiscal Responsibility Act (SAFRA). This legislation would end the bank-based student loan program and replace it exclusively with the direct lending program in order to free up money for other priorities, like increased Pell Grant funding, more resources for minority serving institutions, and a College Access and Completion initiative. Chancellor Reed’s testimony to the House in May on this proposal played an important role in getting this piece of legislation passed. It awaits Senate action in 2010. On the systemwide projects front, the Agricultural Research Initiative and the Strategic Language Initiative both received funding. While in many ways key issues will remain the same for the CSU this year in Washington, the landscape has changed somewhat, with concern about the deficit increasing and an election approaching.

Mr. Gelb then reviewed the system’s federal agenda for 2010. The agenda continues to include a range of policy priorities focused on student financial aid, pipeline programs that help prepare California students for college, and federal support for applied research and workforce preparation. A new item was added to support CSU advancement and development, particularly through federal tax laws. The agenda also includes earmark funding requests for six multi-campus initiatives related to strategic languages training, biofuel production, college success for low-income and first generation students, and applied agricultural, coastal, and water research.

The committee recommended approval of the proposed resolution (RGR 01-10-02) adopting the California State University Federal Agenda for 2010.

Trustee Chandler adjourned the committee.

COMMITTEE ON GOVERNMENTAL RELATIONS

2009-2011 Legislative Report No. 7

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 an update on the Trustees' 2010 Legislative Program and other pertinent legislative measures introduced by the February 19 deadline. The CSU will be evaluating these measures in the next several weeks in preparation for committee hearings that will begin shortly.

Trustees' 2009 Legislative Program

AB 867 (Nava) California State University: Doctor of Nursing Practice Degree: This proposal would allow the CSU to offer the Doctorate of Nursing Practice (DNP) degree to prepare nursing faculty for the CSU and community college programs.

Status: This measure awaits further action by the Senate Appropriations Committee this summer.

AB 1890 (Committee on Higher Education) Lost Property: This proposal would reduce the length of time the CSU must hold property from six months to three months, consistent with other public agencies. In addition, it would establish a monetary threshold of \$300 for items that must be kept or auctioned, and those under this threshold could be donated immediately.

Status: This measure may be heard in committee after March 19.

AB 1971 (Lowenthal) Affinity Programs: This measure extends the "sunset" on the ability of our alumni associations to operate affinity programs by five years – to 2014.

Status: This measure may be heard in committee after March 20.

AB 2075 (Committee on Higher Education) Prequalification for CSU Contractors: This proposal would increase the time period for the CSU to complete the prequalification process for

contractors interested in bidding on its capital projects from five calendar days to ten working days. This will allow the Capital Planning, Design and Construction department to better assure contractors that their applications for CSU campuses will be processed before the bid date thus increasing the number of contractors available for CSU campuses.

Status: This measure may be heard in committee after March 21.

SB 1046 (Cogdill) Modification to Claim Filing Process: This proposal would remove the CSU from the jurisdiction of the Victims Compensation Government Claims Board (VCGCB) allowing the CSU to manage claims directly through the CSU Office of Risk Management, eliminating unnecessary costs.

Status: This measure may be heard in committee after March 19.

Legislative Measures of Interest to the CSU

AB 656 (Torricco) State Board of Equalization: Annual Report: Oil and Gas Severance Tax Revenue Estimates: This measure, introduced in 2009, at one point would have established a 12.5 percent oil and natural gas severance tax, with revenues dedicated to the three public higher education segments for direct instructional purposes only. Facing serious challenges to get the necessary two-thirds vote for approval, the bill was amended to ask the Board of Equalization (BOE) to prepare a report on the estimated revenue that would be raised by such a tax and the estimated amount of revenues that would be distributed to the institutions of higher education, as provided.

CSU POSITION: NO OFFICIAL POSITION

Status: This measure is in the Senate Rules Committee awaiting referral to a policy committee and will not be heard until June.

AB 1436 (Portantino) Postsecondary Educational Institutions: Meetings: Live Audio Broadcasts: This measure would require all of higher education, including the CSU, to make available on the internet a live audio broadcast of the public sessions of the Board of Trustees.

CSU POSITION: NO OFFICIAL POSITION

Status: This measure passed out of the Assembly and was referred to the Senate Education Committee and will not be heard until June.

AB 1691 (Ammiano) Trustees of the California State University and Regents of the University of California: This measure is a reintroduction of AB 690 (Ammiano), which was vetoed by the Governor. The measure authorizes ex officio trustees, except the Chancellor of the CSU, to designate a person, to attend meetings in his or her absence, but would not allow them to vote.

CSU POSITION: OPPOSE

Status: This measure was referred to the Assembly Higher Education Committee.

AB 1761 (Fong) Cal Grant B Awards: Award Amount: This measure would increase the number of students who receive Cal Grant B financial aid in their first year from 2 percent to 100 percent over the next four fiscal years.

CSU POSITION: PENDING

Status: This measure was referred to the Assembly Higher Education Committee.

AB 1764 (Portantino) State Employment: Salary Freeze: This is a reintroduction of Assembly Member Portantino's AB 53, which was held by the Assembly Appropriations Committee last year. The bill would prohibit a person employed by the state earning more than \$150,000 per year, except those represented by a union, from receiving a salary increase for two years.

CSU POSITION: OPPOSE

Status: This measure was referred to the Assembly Committee on Public Employees, Retirement and Social Security.

AB 2302 (Fong) Postsecondary Education: Student Transfer: This measure would require the three segments to work collaboratively to improve the number of students who successfully transfer from a California Community College (CCC) to a California State University (CSU) or the University of California (UC), including the creation of a transfer degree which would guarantee a transferring student third-year status at either the CSU or UC upon enrollment.

CSU POSITION: PENDING

Status: This measure may be heard in committee on or after March 23.

AB 2318 (Yamada) Public Postsecondary Education: Student Fees: This measure requires the three public segments of higher education develop internal budget reductions to avoid increasing mandatory systemwide student fees.

CSU POSITION: PENDING

Status: This measure may be heard in committee on or after March 23. The measure appears to be a "spot bill."

AB 2382 (Blumenfield) California State University: Doctor of Physical Therapy Degrees: This measure would grant the CSU the authority to award the Doctor of Physical Therapy (DPT) degree.

CSU POSITION: NO OFFICIAL POSITION

Status: This measure may be heard in committee on or after March 23.

AB 2400 (Block) Public Postsecondary Education: Community Colleges: Baccalaureate Degree Pilot Program: This measure would establish an eight-year pilot program where community colleges from the Grossmont-Cuyamaca, San Diego, and San Mateo County Community College Districts would be granted the authority to award baccalaureate degrees in limited areas of study.

CSU POSITION: PENDING

Status: This measure may be heard in committee on or after March 23.

AB 2401 (Block) Public Postsecondary Education: Admissions Policy: This bill expresses the intent of the Legislature that the California State University provide first-time freshmen and sophomore applicants residing in the local service area priority admission to the applicant's local campus over other California residents or out-of-state applicants.

CSU POSITION: PENDING

Status: This measure may be heard in committee on or after March 23.

AB 2402 (Block) California State University: Admissions: Procedural Requirements: This measure would require the CSU to notify the public via public meetings, posting on the internet and by advising the various school boards in the affected area of any changes in the criteria for admission at a California State University campus that would alter the eligibility of applicants residing within their local service area.

CSU POSITION: PENDING

Status: This measure may be heard in committee on or after March 23.

AB 2447(Furutani) Student Financial Aid: Cal Grant Program: The measure would create a minimum funding level for the Cal Grant program based upon the previous year's budget appropriation for Cal Grant and possible funding increases based upon the Consumer Price Index of the previous year. The appropriation would still, however, be contingent funding in the annual Budget Act.

CSU POSITION: PENDING

Status: This measure may be heard in committee on or after March 23.

SB 330 (Yee) Public Records: State Agency: Auxiliary Organizations: This measure is a reintroduction of SB 218, a measure that the Governor vetoed last year making CSU auxiliaries subject to the California Public Records Act (CPRA).

CSU POSITION: OPPOSE UNLESS AMENDED

Status: This measure was referred to the Assembly's Governmental Organization and Higher Education Committees.

SB 650 (Yee) Disclosure of Improper Governmental Activities: State Colleges and Universities: Damages: This measure would allow employees of the California State University and University of California to seek damages under the state's Whistleblower Act, regardless of the outcome or timeliness of investigations by the universities in these matters.

CSU POSITION: OPPOSE

Status: This measure has been referred to the Assembly Judiciary Committee.

SB 917 (Denham) Public Postsecondary Education: Mandatory Systemwide Fees: Student Protection Act: This proposal requires that any increase in systemwide fees be adopted by the Board of Trustees at least 180 calendar days before charging students. Furthermore, it would prohibit the Trustees from increasing fees by more than 10 percent per academic year, regardless of the actions taken by the State Legislature or the Governor. Senator Denham has authored SCA 26 to place the same restrictions on the University of California.

CSU POSITION: PENDING

Status: This measure was referred to the Senate Education Committee.

SB 969 (Florez) Public Postsecondary Education: California College and University Fee Stabilization Act of 2010: This measure would forbid the Trustees from increasing fees for a student who has started attending the CSU in the Fall of 2011-12 in an amount greater than what they were initially charged when they began attending the system. The system would not be able to raise mandatory systemwide fees for new undergraduate students by more than 5 percent of the previous year's charged fees. If the system does increase its fees, it must do so six months prior to the increase taking place. Finally, the fees charged at the CSU for a resident undergraduate student per academic year may not exceed 30 percent of the average total cost for education.

CSU POSITION: PENDING

Status: This measure was referred to the Senate Education Committee.

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SB 1199 (Liu) Public Postsecondary Education: Mandatory Systemwide Resident Student Fee Policy: This measure states that undergraduate fees charged to the students of the University of California and California State University should not go over an unspecified percentage of the overall cost of instruction and that undergraduate fees should not be increased by more than an undefined percent in any academic year. The measure would provide the UC and the CSU with the primary responsibility for adjusting mandatory systemwide fees, but must develop a "rational and transparent" methodology for adjusting them in consultation with the appropriate student representatives.

CSU POSITION: PENDING

Status: This measure may be acted upon on or after March 21.

SB 1243 (Romero) University of California: Student Fee Disclosure: This measure requires the UC to report to the Legislature quarterly on the percentage of student fees that are pledged to financial institutions as collateral or debt service for loans for capital improvements.

CSU POSITION: NO OFFICIAL POSITION

Status: This measure may be heard on or after March 23.

RESOLVED, By the Board of Trustees of the California State University, that the 2009-2011 Legislative Report No. 7 is adopted.