

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 1:15 p.m., Tuesday, November 9, 2010
Glenn S. Dumke Auditorium

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

Consent Items

Approval of Minutes of Meeting of September 21, 2010

Discussion Items

1. 2009-2010 Legislative Report No. 10, *Action*
2. 2010 Statewide General Election Results, *Information*

**MINUTES OF 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**

September 21, 2010

Members Present

Peter G. Mehas, Chair
A. Robert Linscheid, Vice Chair
Nicole M. Anderson
Herbert L. Carter, Chair of the Board
Carol R. Chandler
Debra S. Farar
William Hauck
Raymond W. Holdsworth
Linda A. Lang
Henry Mendoza
Lou Monville
Charles B. Reed, Chancellor

Trustee Mehas called the meeting to order.

Approval of Minutes

The minutes of May 11, 2010, were approved by consent as submitted.

2009-2010 Legislative Report No. 9

Trustee Mehas requested that Vice Chancellor for University Relations and Advancement Garrett P. Ashley introduce the next two items on the agenda. Mr. Ashley related that the legislature has completed its work for the year, and measures have been forwarded to the governor for consideration. The 2009-2010 legislative session would officially adjourn on November 30, and a new body would be sworn in on December 6. Mr. Ashley introduced Assistant Vice Chancellor Karen Y. Zamarripa, who provided a detailed report on measures of interest to the CSU and highlighted the 2010 general election ballot initiatives that will go before the voters on November 2.

Ms. Zamarripa began her report with an overview of current activities in Sacramento. She stated that the legislature adjourned late August 31, after a contentious close of session in which all measures had to be approved by midnight to avoid a two-thirds vote requirement for passage.

Ms. Zamarripa related that short of the ongoing budget deliberations, 2010 was a good year for the CSU. She reported that all four CSU Board of Trustees' sponsored legislation were forwarded to the governor for action. Two of the four bills, AB 1890 (Committee on Higher Education), which reduces the length of time the CSU must hold lost property, and AB 1971 (Lowenthal), which extends the sunset for affinity programs from 2011 to 2014, were signed by the governor. A third bill, SB 1046 (Cogdill), which modifies the tort claims process, is pending. The fourth trustees' sponsored bill, AB 2075 (Cogdill), was vetoed by the governor after discovering that the CSU has the authority to increase the number of days required to pre-qualify contractors to bid on its projects; hence the governor felt no need to sign the bill. The remaining bill for 2009, AB 867 (Nava), proposing a Doctor of Nursing Practice degree, sat in the Senate Appropriations Committee for almost a year; however, the CSU was able to move the bill out of the committee and it is now before the governor awaiting final action. The CSU remains hopeful about the outcome of all its sponsored bills.

Ms. Zamarripa also reported on other bills of interest to the CSU. The most significant are:

- AB 2382 (Blumenfeld), which grants the CSU the authority to award the Doctor of Physical Therapy degree. The bill is now before the governor for signature.
- SB 1440 (Padilla) and AB 2302 (Fong), which both deal with student transfer, were two of the most significant higher education policy initiatives in this year's legislative session. The CSU was successful in moving them both through the legislative process, working with the California Community Colleges (CCC), the students of both the CSU and the CCC, and the Campaign for College Opportunity. Ms. Zamarripa thanked the California State Student Association (CSSA) for its support and hard work on this important effort.

Ms. Zamarripa pointed out that there was a question toward the end of the process regarding the priority status of veterans under SB 1440, which the CSU has committed to clarify in 2011. She added that a letter submitted to the *Senate Journal* calls upon Chancellors Reed (CSU) and Scott (CCC) to name a systemwide task force to oversee the implementation of these bills, given their importance to students and the CSU's expectation that they will improve access to transfer.

- SB 1460 (Cedillo) and AB 1413 (Fuentes), both known as the Dream Act bills. SB 1460 provides Cal Grant eligibility to AB 540 students, and AB 1413 allows students exempt from nonresident tuition to be eligible for all state-administered student financial aid.

In addition, Ms. Zamarripa noted that all measures that restrict the authority of the CSU Board of Trustees and the chancellor, with regard to employment, budget, summer sessions, capital planning, and admissions requirements, were defeated. The CSU was also successful in protecting the governance structure of the system, including making sure that ex officio members attend and participate in board meetings rather than send surrogates.

Ms. Zamarripa also reported on two other measures of concern to the CSU: SB 330 (Yee), the measure that would make the CSU's auxiliary organizations subject to the California Public Records Act, and AB 194 (Torrico), which deals with final compensation that one could use for purposes of retirement. If passed, this bill would severely jeopardize the CSU's ability to recruit the best presidents and executives to the system.

Ms. Zamarripa commented that a final legislative update will be presented at the November SU Board of Trustees meeting that will reflect the governor's actions on all bills as well as report on the November election outcomes and implications for the CSU. She also reported that looking ahead to 2012, the CSU has begun soliciting legislative proposals from campus presidents and system executives in preparation for the January 2011 CSU Board of Trustees meeting. She added that there are a few issues anticipated for next year, such as the CSU and K-12's interest in having an education bond before the voters in 2012, and continuing to engage in conversation about fees, fee policy and notification to students and parents, which is an issue of great importance to Senator Carol Liu, who is the budget subcommittee chair for education and may also become the Senate Education Committee chair seat next year.

Ms. Zamarripa also reported that the CSU anticipates participating in many joint activities next year with the UC, which include continuing to take advantage of direct access as it relates to our energy and serving the students and our campuses more effectively. She also noted that in coordination with the University of California (UC), the next joint advocacy meeting in Sacramento has been scheduled for April 5, 2011. Further, the master plan process is not yet over as the life of the committee has been extended. It is possible that under the master plan committee's leadership, there could be further activity in the areas of accountability, workforce preparation, career technology and higher education financing.

Ms. Zamarripa briefly touched on the 49 candidate visits being conducted by the Advocacy and State Relations Office between now and November 1. The purpose of these visits is to introduce the candidates to the CSU, connect them to their campuses, and encourage them to become advocates for higher education.

In closing, Ms. Zamarripa thanked the CSU Board of Trustees, the chancellor, and the campus presidents for their support in making this legislative cycle so fruitful for the CSU and its students.

Trustee Holdsworth asked if the trustees could offer their assistance on the two doctorate bills. Ms. Zamarripa replied that the doctor of physical therapy bill would more than like be signed by the governor; however, the doctor of nursing bill still remains uncertain. Chancellor Reed added that individual letters from trustees to the governor in support of these two measures would certainly be helpful.

2010 General Election Ballot Initiatives

Ms. Zamarripa referenced the written report in the trustees' packets, which has also been shared with several other members of the CSU community. The report contains eight ballot initiatives,

which include the selection of a new governor, a lieutenant governor and other constitutional officers; the election or re-election of members of Congress and the legislature; and the replacement of one-third of California's state representatives, who will be termed out at the end of this year.

Ms. Zamarripa provided an overview of the November general election ballot initiatives, all of which will have significant impacts on the state. She noted that the CSU is not recommending board action on any of these initiatives as they do not relate back to the CSU. The items that are of interest to the CSU are:

- Proposition 21 – a proposal to increase vehicle license fees by \$18 and earmark the revenue specifically for the state park system. If passed, it would provide \$500 million annually to the park system and would free up \$150 million in the state general fund, according to the Legislative Analyst's Office.
- Proposition 22 – a measure that deals with the state borrowing from local governments. If passed, this bill would restrict the legislature's ability to transfer funds from local government. The League of California Cities is among the bill's proponents.
- Proposition 24 – repeals the corporate tax breaks enacted as part of the 2008 budget agreement. If approved, tax breaks scheduled to take effect in 2010 and 2012 would be repealed with estimated increased revenue to the general fund of \$1.3 billion paid by businesses.
- Proposition 25 – a proposal that would require that California pass the budget by a simple majority vote rather than two-thirds vote and mandate that the legislature forfeit its salary for each day that a budget has not been passed after June 15. Proponents indicate that the measure will not change the two-thirds vote requirement to raise new revenue, but this issue is a point of contention that likely will continue into the courts.
- Proposition 26 – a measure that restricts the legislature's options by subjecting all fee increases to a two-thirds vote requirement. If passed, the bill could also repeal the fuel tax swap. It is likely that state and local governments would see a decrease in revenue.

The committee recommended approval of the proposed resolution (RGR 09-10-05) adopting the 2009-2010 Legislative Report No. 9.

The meeting adjourned.

COMMITTEE ON GOVERNMENTAL RELATIONS

2009-2010 Legislative Report No. 10

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

The legislature adjourned the 2009-2010 session at the end of August sending over 700 bills to the governor for his action by midnight on September 30. At the conclusion of the session, the California State University (CSU) was successful in getting all but one sponsored bill enacted, was a critical partner in the passage of the most significant transfer reform legislation in decades, and prevented unnecessary harm to CSU operations, including its auxiliaries, foundations and the recruitment of system and campus leaders. The CSU's significant achievements include:

- Assembly Bills 867 and 2382, which authorize the CSU to offer independent doctorates in nursing practice and physical therapy, were signed into law.
- Senate Bill 1440 and Assembly Bill 2302, which put into place an Associate of Arts degree from the California Community Colleges for transfer to the CSU, were signed into law.
- Sponsored bills dealing with lost property (AB 1890), alumni affinity programs (AB 1971), and tort claims (SB 1046) were signed into law.
- Senate Bill 330 by Leland Yee was vetoed.
- Legislation impacting retirement calculations for CSU system and campus leaders was defeated.

The legislative session, however, did not come without its challenges. California's budget deficit resulted in many bills being introduced this year that, while small, helped legislators demonstrate to their constituents that they were on the job. Bills were also introduced to "fix" problems that were the result of actions taken in light of the severe budget cuts for programs and services.

The CSU's focus was on several areas that have a direct relationship to the devastating cuts to the CSU's budget in the last two years. The first examples are a series of bills introduced by

Assembly Member Marty Block to protect access to local students in the San Diego area. The Assembly Member sponsored three measures: 1) AB 2400 to allow specified community colleges to offer baccalaureate degrees; 2) AB 2401, which would have required all CSU campuses to admit local students first and fundamentally change its role in the state's master plan; and 3) AB 2402, which outlines the consultation and public notice required when campuses change the admissions criteria impacting local students. The CSU worked with Mr. Block on the final version of AB 2402 and supported its enactment. The other two measures were dropped by the author (AB 2400) and held in the Senate Education Committee (AB 2401).

Another issue of great interest to the legislature this year was student fees. The CSU and the University of California (UC) were both forced to raise fees to help offset an over \$1 billion drop in state general fund resources to the two segments. Student groups and unions pressed the legislators to control student fee increases, resulting in three initial measures. Of the three measures introduced on this subject, two were held in committee while another, Senate Bill 969 (Liu), moved from the Senate to the Assembly Appropriations Committee, where it was dropped by the author.

Both the CSU and the UC worked with Senator Liu and others on this complex matter, but what was ultimately clear, is that the greatest concern for many is adequate notice to students and families on fee increases. Both segments have agreed to continue working with Ms. Liu on this matter within the context of the state budget process, state general fund support for the segments, and the timeliness of the final state budget.

Legislation was also amended in the last week of session to restrict student charges for non-state summer sessions. Authored by Senator Ron Calderon, Senate Bill 1011 would have prevented fees in the summer from exceeding those in the normal academic year, effectively overturning a legal case where the CSU prevailed. The CSU shifted most of its resources to the regular academic year to ensure that enrolled students receive the courses and support services they need to succeed in a timely manner. As a result, summer terms became self-supporting and required the higher fees to offer the courses students were seeking. The bill was never heard by the legislature after a determination was made by the policy committees that this proposal required more vetting than could be provided in the last week of session.

It is expected that the next session will revisit many issues as the newly formed body will again attempt to "solve" problems for higher education, including student fee policies, academic preparation and outreach programs, admissions policies, summer session fees, compensation, transparency and accountability, and nonresident and AB 540 students.

One of the most talked about issues in Sacramento this year has been pension reform. There has been a growing concern about the long-term liability of public pensions at the state and local level for some time. The economic downturn and increased costs associated with health care has

sparked increased worry that pension reform can curb the increasing demand on resources at the expense of other programs and services. Beginning with the January budget, the governor highlighted pension reform as a top issue, one that was necessary for a final budget deal. The 2010-2011 budget, signed into law earlier this month, included reforms for those hired after November 10, 2010, creating a Tier II level of benefits for future employees. Newly hired employees will see their benefit levels rolled back to pre-1999 levels and a three -year average of compensation instead of the highest year to calculate final pension benefits. These changes do not impact current employees.

Below outlines the final results of the CSU-sponsored legislation and those measures of significant interest to the system during the session.

Trustees' 2010 Legislative Program

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

Status: The measure passed out of the Senate on a vote of 31-1, and the Assembly unanimously. It was then signed into law by the governor on September 28, 2010 (Statute of 2010, Chapter 416).

AB 1890 (Committee on Higher Education) Lost Property: This proposal would reduce the length of time the CSU must hold lost 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. Those under this threshold could be donated immediately to nonprofit organizations.

Status: This measure was unanimously approved by the legislature and was signed into law by the governor on August 27, 2010 (Statutes of 2010, Chapter 199).

AB 1971 (Lowenthal) Affinity Programs: This measure extends the “sunset” for affinity programs and services from 2011 to 2014.

Status: This measure was also unanimously approved by the legislature and was signed into law on August 27, 2010 (Statutes of 2010, Chapter 204).

AB 2075 (Committee on Higher Education) Prequalification for CSU Contractors: This proposal would have codified the CSU’s prequalification process for contractors interested in bidding on CSU capital projects from five calendar days to 10 working days. This would have provided clarity of the statute for contractors and the Capital Planning, Design and Construction division.

Status: This measure was vetoed by the governor.

Governor's Message: *I am returning Assembly Bill 2075 without my signature. This bill is not necessary. The California State University already has a policy in place to accomplish its intent. No change to current law is required. For this reason, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger*

SB 1046 (Cogdill) Modification to Claim Filing Process: This proposal removes 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 passed out of the legislature with unanimous support and was signed by the governor on September 30, 2010 (Statutes of 2010, Chapter 636).

Legislative Measures of Interest to the CSU

AB 70 (Norby) Public Postsecondary Education: Genetic Testing: This measure requested the CSU, along with the University of California, refrain from making unsolicited requests for DNA samples to enrolled or prospective students. It required the CSU to submit quarterly reports concerning litigation on research, regardless of funding source, and instructed the controller to revert a general fund amount equal to the amount of settled litigation from the CSU. Almost all of the CSU's campuses participating in research would fall under the provisions of this measure and its implementation, which would have been costly and challenging to do.

CSU Position: OPPOSE

Status: The measure did not advance out of its first policy committee.

AB 194 (Torrico) Retirement: This measure was intended to limit, for the purposes of retirement calculations, a salary of a new state employee to 125 percent of the governor's salary, or about \$212,000. While an employee could earn more than \$212,000, the higher salary would not be used for the purposes of calculating a retirement package. The CSU believes this measure would severely limit its ability to recruit for leadership at the CSU and is unnecessary given existing rules established by the Internal Revenue Service on this matter.

CSU Position: OPPOSE

Status: This measure was vetoed by the governor.

Governor's Message: *I am returning Assembly Bill 194 without my signature. The bill limits the salary that retirement benefits are based on for individuals, prospectively*

after January 1, 2011, to 125 percent of the governor's salary, as specified. The current compensation limit imposed by the federal government to determine public employee retirement benefits is \$245,000. Currently, this bill would cap the compensation counted toward retirement at \$217,483. While this two-tiered cap that would be created by this bill would make a very small dent in the pension problem California faces, it cannot be considered real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that addresses the real cost issues that have driven up the liability in public pension systems. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

AB 218 (Portantino) Postsecondary Education: Educational and Economic Goals for California Higher Education: This bill would have required the creation of an accountability framework measuring a public postsecondary system's performance. This proposal is almost identical to other proposals, including SB 325 (Scott, 2008), which was vetoed by the governor, who stated that any accountability proposal must include a "framework for incentives or consequences that would modify behavior to meet any policy objectives."

CSU Position: SUPPORT
Status: The measure was identified by the Joint Master Plan Committee as being a possible vehicle for the creation of an accountability framework, and the author's office indicated that they had been in discussions with the governor's office. Ultimately, this bill did not advance out of the Senate Appropriations Committee.

AB 220 (Brownley) Public Education Facilities: Kindergarten-University Public Education Facilities Bond Act: This measure was the intended to serve as the vehicle for a K-12 higher education bond for the 2010 ballot. Ultimately, the measure did not advance out of the Senate.

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

AB 656 (Torrico) State Board of Equalization: Annual Report: Oil and Gas Severance Tax Revenue Estimates: This measure 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.

CSU Position: NO OFFICIAL POSITION
Status: This measure was last in the possession of the Senate Education Committee, but its hearing was cancelled at the request of the author.

AB 1413 (Fuentes) Student Financial Aid: This bill was amended and voted during the last night of the legislative session. This is a companion measure to SB 1460 (Cedillo) or the California Dream Act. It allows any student that is exempt from nonresident tuition to be eligible for all state-administered student financial aid. These students, however, may only receive competitive Cal Grant awards if remaining funding exists.

CSU Position: SUPPORT
Status: The measure was vetoed by the governor.

Governor's Message: *I am returning Assembly Bill 1413 without my signature. I have always wholeheartedly supported the policy of making higher education opportunities as affordable as possible for all California's students. Our state's university and community college systems are amongst the finest in the country and should be made accessible to those seeking a better life through higher education. Unfortunately, given the precarious fiscal situation that the state faces, it would not be practical to adopt a new policy that could limit the financial aid available to students that are in California legally, in order to provide that benefit to those students who are not. Since the beginning of the year, I have committed to provide the highest amount of funding for higher education, including for financial aid to needy students, that I believe is prudent given all of the competing interest for limited resources. Given the difficult decisions that are yet to be made to enact a state budget, I am still hopeful that the funding level that I have proposed for higher education will still be enacted. However, with that uncertainty coupled with the ongoing fiscal liabilities California will continue to face in the coming years, the State needs to be especially cautious in even considering enacting a measure like this. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger*

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 their governing boards.

CSU Position: NO OFFICIAL POSITION
Status: This measure passed out of the legislature and was signed by the governor on September 24, 2010 (Statutes of 2010, Chapter 233). The CSU has already instituted the broadcasting of its meetings.

AB 1691 (Ammiano) Trustees of the California State University and Regents of the University of California: This measure was a reintroduction of AB 690 (Ammiano), which was vetoed by the

governor last fall. The measure, at one point, would have authorized ex-officio trustees, except the chancellor of the CSU, to designate a person to attend meetings in his or her absence. The bill was amended toward the end of the session to deal with the oversight of crime laboratories.

CSU Position: WATCH

Status: This measure was ultimately amended to address an unrelated matter, but depending on the outcome of the gubernatorial election, we may see the issues again in 2011.

AB 1764 (Portantino) State Employment: Salary Freeze: This was a reintroduction of Assembly Member Portantino's AB 53, which was held by the Assembly Appropriations Committee last year. The bill would have prohibited 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 the next two years.

CSU Position: OPPOSE

Status: The measure was held by the Assembly Appropriations Committee.

AB 1987 (Ma) Public Retirement: Final Compensation: This measure is a companion measure to SB 1425, and each measure would only go into effect if the other measure was signed into law. While SB 1425 would have applied to the CSU, this proposal would have applied to various local government entities.

CSU Position: NO OFFICIAL POSITION

Status: This measure was vetoed by the governor.

Governor's Message: *I am returning Assembly Bill 1987 without my signature. The practice of pension spiking is a serious one that deserves significant attention by the Legislature in curbing the unacceptable manner in which individual workers are able to artificially boost their retirement payouts. There are numerous examples of public employees taking home larger pension checks in retirement than what they earned in base salary when they were actually working. California does need a consistent standard that is transparent, understandable, and implementable throughout the state. While this bill purports to address this issue by segregating out some of the factors that have allowed pension spiking, in some instances it still allows local pension boards to determine what is ultimately counted in an employee's pension calculation. This does not provide a consistent treatment of all employees. The taxpayers of California deserve better. I am still hopeful that the Legislature can send me acceptable pension*

*reform legislation. For these reasons, I am unable to sign this bill.
Sincerely, Arnold Schwarzenegger*

AB 2047 (Hernandez) Public Postsecondary Education: Admissions Policies: This bill would have authorized the UC and the CSU to consider race, gender, ethnicity, household income, and other relevant factors in undergraduate and graduate admissions, but prohibits giving admissions preference to students based on any of these factors.

CSU Position: NO OFFICIAL POSITION
Status: This measure was vetoed by the governor.

Governor's Message: *I am returning Assembly Bill 2047 without my signature. The goal of advancing a more diverse student population at the University of California (UC) and California State University (CSU) systems, while maintaining high academic standards is an admirable one. However, this bill attempts to change the constitutional ban on considering race, gender, ethnicity, or national origin as a factor in admissions that the people of California supported when they passed Proposition 209 in 1996. The UC and CSU systems are aware of and supportive of the important goal of student diversity and make every attempt through its comprehensive review admissions process. That process considers many of the factors contained in this legislation, but do so within current constitutional restrictions. The intent of this bill would be more appropriately addressed through a constitutional change of those current restrictions. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger*

AB 2079 (Torlakson) Student Athletes: Scholarships: This measure requires a university that offers athletic scholarships to post certain information on their website, including the NCAA's policy on scholarship renewals, the most recent cost of attendance, and whether a school provides scholarships for summer school beginning January 1, 2012.

CSU Position: NO OFFICIAL POSITION
Status: This measure passed out of the Senate on a vote of 24-11 and the Assembly on a vote of 56-19. The measure was signed into law by the governor on September 30, 2010 (Statutes of 2010, Chapter 636).

AB 2086 (Coto) Cal Grant: Qualifying Institutions: Publication of License Examination: This measure, sponsored by Ed Voice, requires the CSU, along with most other institutions of higher education, to annually publish license examination passage rates for graduates who must take state licensing exams. If these rates are not published, then the CSU would lose the ability to participate in Cal Grant programs. "Publishing" may include placing an Internet link to the data

on the enrollment application. The measure was amended to allow a segment to self-certify that this has been posted.

CSU Position: NO OFFICIAL POSITION
Status: The bill was signed by the governor on September 24, 2010 (Statutes of 2010, Chapter 248.).

AB 2203 (Solorio) Public Postsecondary Education: College Textbooks: This measure would request the University of California (UC) and require the California Community Colleges and the CSU to revise their transfer guidelines to ensure that students can continue to use textbooks, regardless of publication date, as long as the information in the textbooks remains current and reflects contemporary thinking in the discipline.

CSU Position: SUPPORT
Status: This measure was signed into law on September 29, 2010 (Statutes of 2010, Chapter 549).

AB 2302 (Fong) Postsecondary Education: Student Transfer: This measure is considered a complement to SB 1440 (Padilla) encouraging the UC to improve community college transfers to its system and asking the CCC and the CSU to determine the best way to provide students information on “similar” programs as outlined in the Padilla measure.

CSU Position: SUPPORT
Status: This measure was passed out of the legislature and was signed by the governor (Statutes of 2010, Chapter 427).

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: SUPPORT
Status: This measure passed out of the Assembly 75 to 1, out of the Senate on a vote of 35-0, and was signed by the governor on September 28, 2010 (Statutes of 2010, Chapter 425).

AB 2400 (Block) Public Postsecondary Education: Community Colleges: Baccalaureate Degree Pilot Program: This measure would have established 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: NO OFFICIAL POSITION
Status: This measure was dropped by the author; however, we anticipate this issue will remain of interest to the author.

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: OPPOSE
Status: This measure was heard in the Senate Education Committee but did not advance out of committee.

AB 2402 (Block) California State University: Admissions: Procedural Requirements: This measure requires CSU campuses to notify a community via public meetings as well as postings on the Internet about any changes in the criteria for admission that would alter the eligibility of applicants residing within their local service area. In cases where the changes are budget-related, the campus would need to give notice six months prior to changes being implemented.

CSU Position: SUPPORT
Status: This measure was passed out of the legislature and was signed into law by the governor on September 24, 2010 (Statutes of 2010, Chapter 262). The CSU negotiated amendments with the author to streamline the consultative process and shorten the timeframe for notification of admissions criteria changes to the community.

AB 2446 (Furutani) Graduation Requirements: This measure would have amended the high school graduation requirements by adding career technical education (CTE) as an option for students seeking to fulfill their requirements to graduate high school, instead of the existing requirement to complete a course in visual or performing arts, or foreign language. While this would not directly affect the CSU or its existing enrollment requirements, it may have led to confusion for students who completed a CTE course, but did not take visual or performing arts, or foreign language coursework needed to enter the CSU as a freshman.

CSU Position: NO OFFICIAL POSITION
Status: This measure was vetoed by the governor.

Governor's Message: I am returning Assembly Bill 2446 without my signature. Improving and expanding Career Technical Education (CTE) opportunities has been among my highest priorities. While I am supportive of the author's intent to give CTE a prominent place in high school graduation priorities, the

final version of this bill omitted my administration's proposed amendments that were intended to limit the new costs to school districts. Therefore, I am concerned that this bill could be construed to impose higher costs without a fund source, which could also be interpreted as a state reimbursable mandate. Given that school budgets are very constrained due to the recession, adding new costs at this time is not advisable. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

SB 330 (Yee) Public Records: State Agency: Auxiliary Organizations: This measure was a reintroduction of SB 218, a measure that the governor vetoed last year, and would have made CSU auxiliaries subject to the California Public Records Act (CPRA).

CSU Position: OPPOSE UNLESS AMENDED

Status: This measure was passed out of the Senate on a very close vote of 22-10 and was vetoed by the governor.

Governor's Message: *I am returning Senate Bill 330 without my signature. While I am a firm believer in providing openness and transparency when it involves public entities and public funding, this bill inappropriately places private auxiliary organizations that receive private funds, under the provisions of the California Public Records Act. The focus of our attention should be given to greater transparency of how the University of California and California State University systems spend the public funds from taxpayers or students. Instead, this bill would require disclosure of private donors, those generous alumni whose giving, especially in times of decreasing state funding, is helping keep our public universities the best in the world. While the bill attempts to provide a veil of protection for donors requesting anonymity, as crafted, it will not provide sufficient protection for many who rightfully deserve a level of privacy as part of their giving. Often times, these generous private citizen donors do not want to be in the glare of publicity, and I cannot support a bill that makes it more difficult for our public universities to raise private funds to maintain the quality educational experience our students deserve, and parents expect, when they send their children to the University of California and California State University systems. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger*

SB 919 (Hollingsworth) State Employee Benefits: This proposal was intended to reduce the benefits currently provided to a public employee who participated in California's Public Employees Retirement System.

CSU Position: NO OFFICIAL POSITION
Status: This measure failed passage in its first policy committee, and the bill is now dead. This measure had significant opposition from labor organizations.

SB 969 (Liu) Public Postsecondary Education: California College and University Fee Stabilization Act of 2010: This measure would require that any fee increase adopted by the UC or the CSU after July 1, 2011, be adopted and students noticed at least three months prior to implementation.

CSU Position: NO OFFICIAL POSITION
Status: The measure was amended in the Assembly Appropriations Committee but did not address the fundamental concerns of the CSU and the UC. It was approved with the support of only the Democrats in the committee; and the Republicans did not vote for the bill. The CSU and UC representatives have since met with Senator Liu and mutually agreed to work together in the next legislative session on a measure dealing with adequate notice for students and families within the context of the budget.

SB 1011 (Calderon) Student Fees: Special Sessions: This bill was amended in the last days of the legislature to limit what courses the CSU and the UC could offer in the summer and the fees that can be charged to students. Specifically, this bill was sponsored by the California Faculty Association (CFA) to prohibit summer session fees from exceeding the fees charged per credit unit for any other academic term, except for courses taken solely for the purpose of career enhancement or job retraining and not taken for credit toward a bachelor's, master's or doctoral degree.

CSU Position: OPPOSE
Status: This measure was referred to the Assembly's Rules Committee where it remained at the close of the legislative session. This bill was a last minute "gut and amend" measure to alter a recent court ruling on CSU summer sessions.

SB 1098 (Corbett) Athlete Agents: This measure would have enacted the Uniform Athlete Agents Act (UAAA) to regulate the activities of an athletic agent. California would have been the 40th state to enact the Act.

CSU Position: SUPPORT
Status: This measure was vetoed by the governor.

Governor's Message: I am returning Senate Bill 1098 without my signature. This bill would make the provisions of the Miller-Ayala Athlete Agents Act inoperative on July 1, 2011, and would repeal those provisions as of January 1, 2012. The bill would replace the existing law with the Uniform Athlete Agents Act provisions developed by the National Conference of Commissioners on Uniform State Laws. The bill would require athlete agents to register with the Department of Industrial Relations (DIR) and require DIR to issue registration certificates based upon the application forms and certificates of other states with similar registration requirements. Lacking a clear need or rationale, this bill adds a new regulatory oversight function to DIR that is outside of the context of an employer/employee relationship. Even assuming it is necessary to create a new government program and associated costs in this time of fiscal challenge, this program would more appropriately be placed within the Department of Consumer Affairs. For these reasons I am returning this bill without my signature. Sincerely, Arnold Schwarzenegger

SB 1231 (Corbett) Public Contracts: State Agencies: Slave and Sweat Free Code of Conduct: This measure would have required that all public agency procurement of equipment materials, supplies, apparel, garments or accessories be produced free from slave labor and be "sweat free."

CSU Position: NO OFFICIAL POSITION
Status: The measure was vetoed by the governor.

Governor's Message: I am returning Senate Bill 1231 without my signature. While I am sympathetic to the abusive treatment of workers, I am concerned that this bill would impose additional and unnecessary regulations on small business, as well as increase the complexity of the state procurement process. In addition, I believe this bill could further compromise the business environment in California during difficult times for many businesses in this state. For these reasons I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

SB 1425 (Simitian) Public Retirement Final Compensation: This measure was intended to strengthen anti-spiking provisions in the Teachers' Retirement Law and the Public Employees' Retirement Law by requiring that the salary used to calculate retirement be the aggregate of the last three years, instead of the highest salary over 12 months. This proposal would also restrict the ability of an agency to hire back an annuitant until six months after their retirement.

CSU Position: NO OFFICIAL POSITION
Status: This measure was vetoed by the governor.

Governor's Message: I am returning Senate Bill 1425 without my signature. The enactment of this bill is contingent upon the enactment of Assembly Bill 1987 (Ma). I am vetoing AB 1987 because it does not provide real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that really addresses California's pension problem. For this reason, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

SB 1440 (Padilla) California Community Colleges: Student Transfer: This bill authorizes community colleges to grant an Associate of Arts degree in the student's field of study that is designated as being "for transfer." It also prohibits local community colleges and CSU faculty from imposing additional units and requiring students to repeat similar courses for such degrees.

CSU Position: SUPPORT

Status: This measure was approved unanimously by the legislature and was subsequently signed by the governor (Statutes of 2010, Chapter 428).

SB 1460 (Cedillo) Student Financial Aid: Eligibility: California Dream Act of 2010: This bill is known as the Dream Act in California and, as amended, expands the eligibility of students under current statute (known as AB 540 students) regarding resident fees. Students would also be eligible to receive state and institutional financial aid within the context of federal law.

CSU Position: SUPPORT

Status: This measure was vetoed by the governor.

Governor's Message: I am returning Senate Bill 1460 without my signature. I have always wholeheartedly supported the policy of making higher education opportunities as affordable as possible for all California' students. Our state's university and community college systems are amongst the finest in the country and should be made accessible to those seeking a better life through higher education. Unfortunately, given the precarious fiscal situation that the state faces, it would not be practical to adopt a new policy that could limit the financial aid available to students that are in California legally, in order to provide that benefit to those students who are not. Since the beginning of the year, I have committed to provide the highest amount of funding for higher education, including for financial aid to needy students, that I believe is prudent given all of the competing interest for limited resources. Given the difficult decisions that are yet to be made to enact a state budget, I am still hopeful that the funding level that I have proposed for higher education will still be enacted. However, with that uncertainty, coupled with the ongoing fiscal liabilities California

will continue to face in the coming years, the state needs to be especially cautious in even considering enacting a measure like this. For these reasons, I am unable to sign this bill. Sincerely, Arnold Schwarzenegger

The following resolution is recommended for adoption:

RESOLVED, By the Board of Trustees of the California State University, that the 2009-2010 Legislative Report No. 10 be adopted.

COMMITTEE ON GOVERNMENTAL RELATIONS

2010 Statewide General Election Results

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

The statewide general election was held November 2, 2010. In addition to the selection of a new governor, a lieutenant governor and other constitutional officers, the voters were asked to elect or re-elect members of Congress and the legislature. There were also eight initiatives on the ballot. While none of the initiatives were *directly* related to the California State University (CSU), many could have significant ramifications for the state, public higher education, and the CSU.