

## AGENDA

### COMMITTEE ON GOVERNMENTAL RELATIONS

**Meeting:** 12:45 p.m., Tuesday, September 21, 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 May 11, 2010

#### **Discussion Items**

1. 2009-2010 Legislative Report No. 9, *Action*
2. 2010 General Election Ballot Summary, *Information*

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

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

**May 11, 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 March 16, 2010, were approved by consent as submitted.

**Introduction of Speakers**

Trustee Chandler called the meeting of the Governmental Relations Committee to order. She introduced the first speaker, Dr. John Tarjan, chair of the Academic Senate (ASCSU), who provided an overview of the Academic Senate's recent plenary session in which two resolutions dealing with transfer bills were approved. The first resolution was a general response to Senate Bill 1440 (Padilla) and Assembly Bill 2302 (Fong) while the second specified the ASCSU's senate's concerns and requested amendments to the Senate measure. Dr. Tarjan also reported that the Academic Senate has joined the Board of Trustees in opposing Assembly Bill 2401 (Block) on local admissions policy and a support position on Assembly Bill 2382 (Blumenfield), which would grant the CSU authority to offer an independent doctorate of physical therapy.

The second speaker, Mr. Ronnie L. Grant, California State University Employees Union (CSUEU) vice president for organizing, addressed the committee on Assembly Bill 1436 (Portantino), which requires all of higher education governing boards to broadcast their open meetings. Mr. Grant noted that although the CSU currently provides live audio streaming of its Board of Trustees meetings, he believes that the board should go even further by broadcasting of

all its open sessions, including teleconferences, and archiving these sessions online so that members of the public could go back and listen to the meetings at any time.

### **2009-2011 Legislative Report No. 8**

Trustee Chandler called upon Vice Chancellor for University Relations and Advancement Garrett P. Ashley to provide a brief introduction to the item, which was followed by a detailed report by Assistant Vice Chancellor Karen Y. Zamarripa.

Ms. Zamarripa began her report with an overview of current happenings in Sacramento. In particular, the master plan review process, which has moved at a very rapid pace with a series of six public meetings that focused on such issues as affordability, student success and completion, higher education coordination, and financing. She indicated that there seem to be three prominent themes coming out of this work: 1) the value and role of a coordinating a board such as the California Postsecondary Education Commission (CPEC); 2) student retention and completion; and 3) transfer and articulation between the segments.

Ms. Zamarripa expressed her appreciation to everyone for the success of the first joint advocacy event between the CSU, University of California (UC) and California Community Colleges (CCC) that was held in Sacramento on April 27, 2010. Over 300 people participated and every member of the legislature had at least one visit with a delegation representing all three segments, including faculty, students, alumni and other supporters of higher education. They all made the case for the importance of this budget, emphasized the need to invest in all three segments, and reinforced the importance of the Cal Grant programs for our students. Chancellor Reed, UC President Yudof, and CCC Chancellor Scott made several visits together in the course of the day. They were also joined by CSU Board of Trustees Chair Herb Carter and Steve Dixon, president of the California State Students Association (CSSA), in a meeting with Governor Schwarzenegger, his Chief of Staff Susan Kennedy and Secretary of Education Bonnie Reiss. The governor conferred with higher education leaders and then stated his position that he will not sign any budget that does not retain the funding he has proposed in his budget for all three segments. He also reported his intent to restore the Cal Grant program.

On May 24, 2010, the campus presidents will return to Sacramento for another day in the Capitol to make the CSU's case for investing in higher education. The presidents have been asked to invite one or two members of influence from their community to urge the legislature to adopt a final budget consistent with the governor's proposal. These statewide and ongoing local efforts are important to keep higher education on the legislature's radar as they are faced with making difficult budgetary decisions over the next few months. We want to emphasize to them that investing in higher education is a way for them to turn this economy around.

Ms. Zamarripa noted that we have passed the first hurdle in the second year of the two-year legislative session. Thousand of bills have moved through policy committees and are now in

fiscal committees for consideration within the context of the state's fiscal condition. In the last week of May, the leadership of both houses will make decisions about which measures, currently in the suspense file, will move forward. The good news for the CSU is that all its sponsored bills have passed out of the first house and have already moved to the second house without any "no" votes.

Doctorate programs at the CSU were another subject highlighted in the legislature. Two measures, Assembly Bill (AB) 867 (Nava), which is the CSU-sponsored bill on nursing practice doctorate programs, and Assembly Bill (AB) 2382 (Blumenfield) authorizing the CSU to offer physical therapy doctorates, are moving through the process. AB 867 remains in the senate appropriations committee where it is expected to be considered in August 2010. AB 2382, sponsored by the physical therapy association, has moved through the assembly without a "no" vote.

Ms. Zamarripa also discussed three measures of concern to the CSU dealing with admissions and impaction processes. Assembly Member Marty Block who is the new chair of the Higher Education Committee has sponsored all three as a result of concerns in the community regarding impaction at San Diego State University (SDSU). Assembly Bill 2400, which would allow specified community college districts to offer baccalaureate degrees, has been dropped for this year, but Mr. Block continues to believe that this is an appropriate step in meeting demand for higher education. Assembly Bills 2401 and 2402 are currently in the appropriations committee and have been placed on suspense given their fiscal impact. The bill of greatest concern is 2401, which requires local students to be a priority in every category for admissions, making fundamental changes to the role and mission of the CSU. The system believes that this is a draconian approach to a local situation that in fact was created by budget cuts and delays in the adoption of a state budget. The CSU is opposed to this measure and appreciates the support of the academic senate in opposing it.

The California Senate started the new session with three measures proposing a statutory fee policy. After extensive discussion in the policy committee, one measure remains, Senate Bill 969 by Carol Liu, which is a cap on the total fees that students can be charged by the CSU (and UC) and limits annual adjustments and fees. The CSU is taking an opposition position on this measure the board's authority to respond to a budget crisis, and the lack of commitment to fund higher education to avoid such fee increases. If the measure was in place in the current year, the system would have \$177 million less revenue leading to an estimated reduction in our workforce of 5,000 systemwide.

Ms. Zamarripa shared exciting news on the momentum for Senate Bill (SB) 1440 (Padilla), a measure being championed by the CSU, CCC, and the Campaign for College Opportunity. This measure would provide students a clear pathway to complete their degree with less "excess units" through an Associate of Arts (AA) degree at the community colleges. SB 1440 provides students with an AA degree admission to the CSU with junior status without facing the need to repeat comparable courses.

Trustee Roberta Achtenberg asked for clarification on the average number of units our transfer students currently accrue when transferring from a community college. Executive Vice Chancellor/Chief Academic Officer Jeri Echeverria responded that the average number of units is 162. The new transfer process will eliminate the need for “excess units.”

Trustee Lou Monville stated that, based on his prior service on the California Community College Board of Governors, transfer is the most important issue that the CSU can address to help students. He also noted how valuable having a uniform transfer policy will be to CSU students, especially in freeing up capacity at CSU campuses during a time when enrollment is being reduced.

Trustee Achtenburg inquired if the legislation also requires the CSU to have a similar level of uniformity that prevents students from requiring additional courses. Ms. Zamarripa explained that the bill states that if students have a 60-unit AA degree, they are considered juniors at CSU campuses, and, as such, the campuses cannot add additional requirements or ask them to repeat any courses that they have already completed.

Trustee Gowgani reiterated his support for the transfer bill and added that it is one of the biggest improvements that the CSU can make.

Chair Carter thanked Ms. Zamarripa and her staff for their diligent work on this effort. He further stated that rectifying issues in the transfer process would benefit all by providing access to thousands of students whom the CSU would otherwise not be able to accommodate. Also, through the graduation initiative, students would be encouraged to move more quickly through the process. These two instruments combined will help the CSU meet the state and national goal of providing more bachelors degree recipients to make the country more globally competitive. Chair Carter expressed that the academic senate of the CSU and faculty need to get on board with the transfer process as it is important to not only the policymakers, but to the students that the CSU serves.

Trustee Raymond Holdsworth asked whether there is a way that the CSU can work with community colleges to better educate students on the roadmap to college and the 24 policy points, so that when students look to enter a four-year university, they are already acquainted with what they need to do to transfer early on. Dr. Echeverria mentioned that quite a bit of discussion is being held between the faculty of the two segments on how alignment can best be sought, which she anticipates will evolve over time. All 23 campuses have now put forth a time-to-degree plan in which students must declare a major.

Chancellor Reed noted that he has been pushing for ways to improve the transfer process for students since he arrived in California. He was able to successfully address this issue in Florida. The chancellor stated that he believes that with the current technology available, institutions can

provide students in community colleges with prerequisites for their major at those institutions, which the students can see and complete before they transfer. Chancellor Reed also indicated that in conversations with Chancellor Scott of the CCC, it was noted that if the appropriate transfer measures can be put in place, more than \$100 million worth of access to students could be saved and would guarantee students a seat at one of the CSU campuses.

The committee recommended approval of the proposed resolution (RGR 05-10-04) adopting the 2009-2011 Legislative Report No. 8.

## COMMITTEE ON GOVERNMENTAL RELATIONS

### 2009-2010 Legislative Report No. 9

#### Presentation By

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy and State Relations

#### Summary

The 2009-2010 legislative session came to a conclusion on August 31, and other than the work on the state's budget, the legislature's work is complete. The governor has until September 30 to take action on the bills that are before him. Even in the midst of the ongoing budget dispute between the legislature and the governor, the California State University (CSU) was quite successful on the legislative front with two sponsored measures already signed into law. This report provides an update on the legislation of greatest interest to the CSU this year.

#### 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:* This measure was released from the Senate Appropriation Committee's suspense calendar on a vote of 11-0. The measure passed out of the Senate on a vote of 31-1, and the Assembly unanimously, before making it to the governor for his action.

*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 also 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 our 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.

*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 passed out of the legislature with unanimous support and is now before the governor for final action.

### **Legislative Measures of Interest to the CSU**

*AB 656 (Torrico) State Board of Equalization: Annual Report: Oil and Gas Severance Tax Revenue Estimates:* This measure, introduced in 2009, would establish 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 referred to both the Senate Education and Revenue and Taxation Committees, but never had a hearing. The issue of oil severance tax is still an option being discussed to provide more revenue to the state general fund for the state’s budget.

*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 legislature and has made it to the governor's desk for his action. The CSU has already instituted the broadcasting of its meetings.

*AB 1604 (Nava) Taxation: Oil Industry Fair Share Act:* This bill would impose a 10 percent oil and natural gas severance tax, with revenues deposited in the state's General Fund.

*CSU Position:* NO OFFICIAL POSITION  
*Status:* This measure was referred to the Assembly Revenue and Taxation Committee but was never voted on or heard.

*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 no longer deals with the CSU, but the issue will likely return next session.

*AB 1761 (Fong) Cal Grant B Awards: Award Amount:* This measure would, over four years, increase the number of students who receive Cal Grant B financial aid to cover fees, rather than just the \$1,551 stipend, in their first year from 2 percent to 100 percent.

*CSU Position:* SUPPORT  
*Status:* This measure, which is sponsored by the CSSA, passed out of the Assembly Higher Education Committee with unanimous support, but was held by the Assembly's Appropriations Committee due to its fiscal impact.

*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 the next two years.

*CSU Position:* OPPOSE  
*Status:* This measure was held by the Assembly Appropriations Committee due to the measure's cost.

*AB 2047 (Hernandez) Public Postsecondary Education: Admissions Policies:* This bill authorizes 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 bill passed out of the legislature on a partisan vote and is now before the governor awaiting his action.

*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. It will now proceed to the governor's desk.

*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 a 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 passed out of the legislature and is headed to the governor for his action.

*AB 2203(Solorio) Public Postsecondary Education: College Textbooks:* This measure urges the University of California (UC) and requires the CSU to review and revise their student transfer policies to ensure that faculty may choose a textbook selected for a transfer or general education course regardless of the publication date for as long as the textbook is available and the information provided is current and reflects contemporary thinking.

*CSU Position:* SUPPORT  
*Status:* This measure passed out of the legislature and is now before the governor for his action.

*AB 2237 (Eng) Contracts: Consideration:* This bill would provide that a promise to make a gift, bequest, or devise of cash or other property to a tax-exempt charitable organization would be an

enforceable contract without consideration, if the promisor indicated in writing the intent that the promise is a binding legal obligation.

*CSU Position:* SUPPORT

*Status:* This measure was referred to Assembly Judiciary Committee, but the hearing was cancelled at the request of the author.

*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 their 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 Senate and the Assembly and is pending action by the governor.

*AB 2382 (Blumenfeld) 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 and out of the Senate on a vote of 35-0. The measure is now before the governor.

*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:* 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 requires the CSU to 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 the public 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 is now before the governor. 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 2447 (Furutani) Student Financial Aid: Cal Grant Program:* This measure requires the Cal Grant A and B awards to cover mandatory campus-based fees. Further, it requires that Cal Grant C awards be equal to the sum of the tuition and fees and the book and supply award levels included in the budget act of 2009.

*CSU Position:* NO OFFICIAL POSITION

*Status:* This measure was held by the Assembly Appropriations Committee due to costs.

*AB 2656 (DeLeon) Postsecondary Education: Contracts for Academic Research:* This measure would have required research conducted under contract with the state by any administrator, faculty member, or staff member of a public or private postsecondary educational institution to be subject to internal institutional policies regarding minimum academic standards and protocols.

*CSU Position:* NO OFFICIAL POSITION

*Status:* The measure passed out of the Assembly, but did not move in the Senate. AB 2656 is now dead.

*AB 2752 (Blakeslee) Public Postsecondary Education: Transfer Requirements:* This measure would require the CSU to develop a lower-division common core curriculum comprised of 60 units instead of 45 units.

*CSU Position:* NO OFFICIAL POSITION

*Status:* This measure passed out of the Assembly, but failed to advance out of the Senate. The measure is now dead for the year.

*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 passed out of the Senate on a very close vote of 22-10 and is now headed to the governor's desk after the Assembly concurred in Senate amendments. Senator Yee has never responded to the CSU's requested amendments except through press statements.

*SB 650 (Yee) Disclosure of Improper Governmental Activities: State Colleges and Universities: Damages:* This measure would allow employees of the UC to seek damages through the courts under the state's Whistleblower Act before the administrative process is completed, regardless of the outcome or timeliness of investigations by the campuses in these matters.

*CSU Position:* NO OFFICIAL POSITION

*Status:* With the recent decision reached on the Runyon case, the CSU was removed from the bill and it now only deals with the UC. The measure was signed by the governor. (Statutes of 2010, Chapter 104)

*SB 917 (Denham) Public Postsecondary Education: Mandatory Systemwide Fees: Student Protection Act:* This is one of several proposals that would enact a statutory fee policy for the CSU and the UC. This measure requires that any increase in systemwide fees be adopted by the CSU Board of Trustees at least 180 calendar days before charging students. Further, 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 on annual budget appropriations. Senator Denham has also authored SCA 26 to place the same restrictions on the University of California.

*CSU Position:* OPPOSE

*Status:* This measure was heard in the Senate Education Committee on April 21, but did not receive the votes needed to advance and is now dead.

*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; 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 would 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. The measure was sponsored by the California Faculty Association (CFA), who was party to the lawsuit.

*SB 1098 (Corbett) Athlete Agents:* This measure would enact the Uniform Athlete Agents Act (UAAA) to regulate the activities of an athletic agent. California would be the 40<sup>th</sup> state to enact the Act.

*CSU Position:* SUPPORT

*Status:* This measure passed out of the legislature and is on the governor's desk.

*SB 1199 (Liu) Public Postsecondary Education: Mandatory Systemwide Resident Student Fee Policy:* This measure would cap systemwide mandatory undergraduate fees at the CSU and the UC to an unspecified percentage of the overall cost of instruction and rule that undergraduate fees not be increased by more than the percentage change in the state's per capita personal income. The measure would provide the UC and the CSU with the primary responsibility for adjusting mandatory systemwide fees, but require the universities to develop a "rational and transparent" methodology for adjusting fees in consultation with the appropriate student representatives.

*CSU Position:* OPPOSE

*Status:* This measure was not heard by the Senate Education Committee. Senator Liu instead opted to pursue SB 969, which was discussed previously.

*SB 1231 (Corbett) Public Contracts: State Agencies: Slave and Sweat Free Code of Conduct:* This measure would require 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 passed out of the legislature on a partisan vote and will now go before the governor for his action.

*AB 1413 (Fuentes) Student Financial Aid:* This bill was amended and voted upon 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:* NO OFFICIAL POSITION  
*Status:* The measure passed both the Assembly and Senate floors on the last night of session and now goes before the governor.

*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 has been approved unanimously throughout the legislative process, including on the Senate floor on a vote of 34 to 0. The measure is now headed to the governor.

*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 passed out the Senate on concurrence and is headed to the governor.

**RESOLVED,** By the Board of Trustees of the California State University, that the 2009-2010 Legislative Report No. 9 be adopted.

## **COMMITTEE ON GOVERNMENTAL RELATIONS**

### **2010 General Election Ballot Summary**

#### **Presentation By**

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy and State Relations

#### **Summary**

The Secretary of State has confirmed nine initiatives for the November ballot. While none of these items are directly related to the California State University (CSU), many have significant ramifications for the state, public higher education, and the CSU. In many ways, the November ballot seems to be shaping up as an extended forum on California's current budget stalemate, with numerous measures aimed directly at previous budgets, or proposals that were presented as budget solutions, but failed to achieve desired results. Some of these proposals will alter how future budgets are enacted by further restricting the ability of the legislature and the governor to act, or possibly, lowering the vote threshold for a budget.

#### **Proposition 18 – California Water Bond REMOVED FROM BALLOT**

This proposition, known as the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, would authorize the state government to borrow \$11.1 billion to overhaul its water system. The measure was placed on the ballot by the state legislature last year as part of a water agreement between the legislature and the governor. Since it was placed on the ballot, various parties have expressed concerns about the bond, including long-term bonded indebtedness for the state. Given the state of the economy, polls were clear: less than 40 percent of the public were prepared to approve the bond. Fears of its failure led the governor and proponents to move the bond to a 2012 election, much like what was done with the high-speed passenger train bond act early this decade.

#### **Proposition 19 – Sale of Marijuana**

Proposition 19 would allow any person over the age of 21 to possess, cultivate, or transport marijuana for their personal use. It also permits local governments to regulate and tax

commercial production and sales of marijuana. Marijuana would still be illegal to sell to a minor and to operate a vehicle while under its influence. Employers retain the right to address on-the-job consumption of marijuana that affects an employee's job performance. Finally, the transportation of marijuana in or out of the state or country would remain illegal.

*Fiscal Estimate*

The Legislative Analyst's Office has reported it is difficult to calculate the cost of this proposition as it is uncertain how the federal government will react to the enactment of Proposition 19. The question of prosecution by the federal government of individuals has not been resolved, nor has the question of whether government entities would tax the sale of commercially produced marijuana.

This proposal may provide savings of up to several tens of millions of dollars annually to state and local governments on the costs of incarcerating and supervising certain marijuana offenders. It is assumed that tax, fee, and benefit assessment revenue to state and local governments related to the production and sale of marijuana products could produce hundreds of millions of dollars. Advocates have suggested that Proposition 19 could generate up to \$1.4 billion a year in new local taxes, while opponents have suggested that the state could lose billions of dollars of federal funding due to the inability to "effectively enforce the drug-free workplace requirements outlined by the federal government."

It is believed by some that Proposition 19 could increase costs for substance abuse programs given speculated increase in usage of marijuana. It also would likely lead to the end of California's medical marijuana program, as adults over the age of 21 would be less likely to participate in the existing program since obtaining marijuana would be easier.

*Support (partial list)*

California National Association for the Advancement of Colored People (NAACP)  
California National Organization for the Reform of Marijuana Law (NORML)  
Drug Policy Alliance  
California Federation of Teachers (CFT)  
The California affiliates, American Civil Liberties Union (ACLU)  
United Food and Commercial Workers Union  
California Young Democrats  
Green Party of California  
United States Libertarian Party

*Opposition (partial list)*

Drug Abuse Resistance Education (DARE) America  
Coalition for a Drug-Free California  
California Narcotics Officers Association  
Mothers Against Drunk Driving (MADD)  
California Police Chiefs Association  
League of California Cities

**Proposition 20 – California Congressional Redistricting Initiative**

This proposition would amend California's constitution and transfer the authority of the state legislature to create California's congressional districts to the recently authorized 14-member redistricting commission, created with the passage of Proposition 11 in 2008.

*Fiscal Estimate*

This proposal would not have any significant new costs as the commission is already in the process of being created, per Proposition 11.

*Support (partial list)*

California Chamber of Commerce  
California NAACP  
American Association of Retired People (AARP)  
California Taxpayers Association  
California Common Cause  
California Manufacturers and Technology Association  
Small Business Action Committee

*Opposition (partial list)*

Congressional Leadership  
California Faculty Association

**Proposition 21 – Vehicle License Fee for State Parks**

This proposition would increase vehicle license fees (VLF) by \$18 a year, generating an estimated \$500 million a year dedicated to the state's 278 parks. This fee would be applied to about 28 million vehicles, but would exempt mobile homes, permanent trailers, and vehicles

registered under the Commercial Vehicle Registration Act. Access would be to most state parks, but would exclude certain parks like Hearst Castle, and the Año Nuevo elephant seal preserve.

Eighty-five percent of the fee revenue would be spent on maintaining and operating state parks. This idea was first raised during last year's budget negotiations as an approach to increase revenues and fund parks.

*Fiscal Estimate*

It has been estimated that the proposition would increase state revenues by \$500 million annually from the imposition of a surcharge on the VLF to be used mainly to fund state parks and wildlife conservation programs. However, it would also reduce approximately \$50 million annually in state and local revenues from state park day-use fees. These revenue losses could potentially be offset by increases in other types of state park user fees and revenues.

Because the proposal would eliminate California State Parks' reliance on the general fund for support, it would result in a savings of \$150 million annually for the state.

*Support (partial list)*

The Nature Conservancy  
National Audubon Society  
Trust for Public Land  
Save-the-Redwoods League  
California Faculty Association

*Opposition (partial list)*

Cal-Tax

**Proposition 22 – State Borrowing from Local Governments**

This proposition, which was brought forward by the League of Cities and others, would further restrict the ability of the state legislature to redirect or borrow certain funds from local governments. It does this by reducing and/or eliminating the state's authority to: use state fuel tax revenues to pay debt service on state transportation bonds; to borrow or change the distribution of state fuel tax revenues; redirect redevelopment agency property taxes to any other local government; temporarily shift property taxes from cities, counties, and special districts to schools; and use VLF revenues to reimburse local governments for state-mandated costs.

This proposal would place transportation funds in a separate account from the state's general fund. Since the general fund provides for California's schools, prisons, health and social services programs, and universities, this proposition would provide less flexibility for the governor and the legislature in developing priorities and enacting annual budgets. Finally, it would allow a local government entity that sues the state government under the law, and wins, to have the settlement funds automatically appropriated.

Advocates for this proposition state that, since 1992, the state government has taken \$11.2 billion in locally-approved tax measures for the state general fund. In addition, in 2009, the state borrowed \$5 billion from city, county, transit, redevelopment and special district funds. In their opposition to the measure, the California Teachers Association (CTA) notes its concern that this could reduce funding for K-12 schools by \$1 billion immediately and subsequently \$400 million each year.

*Fiscal Estimate*

Due to restrictions on state authority over fuel and property taxes, the state would have to take alternative actions—probably in the range of \$1 billion to several billion dollars annually—to pay off bond debt. This would result in both a reduction in general fund program spending and/or increases in state revenues of those amounts, as well as a comparable increase in transportation and redevelopment resources.

*Support (partial list)*

League of California Cities  
California Fire Chiefs Association  
California Police Chiefs Association  
California Transit Association  
California Redevelopment Association  
California Special Districts Association

*Opposition (partial list)*

California Teachers Association  
Health Access California  
California Professional Firefighters

**Proposition 23 – Suspension of AB 32**

Proposition 23 would suspend AB 32, the 2006 Global Warming Solutions Act, until California's unemployment rate drops to 5.5 percent or below for four consecutive quarters.

California's unemployment rate is currently at 12.2 percent. The original legislation required that greenhouse emission levels in the state be reduced to 1990 levels by 2020, a gradual process of cutting that is slated to begin in 2012.

*Fiscal Estimate*

The suspension of AB 32 could result in a modest net increase in overall economic activity in the state. In this event, there would be an unknown, but potentially significant, net increase in state and local government revenues. California may lose a new source of state revenues from the auctioning of emission allowances by state government to certain businesses that would pay for these allowances by suspending the future implementation of cap-and-trade regulations. It could also delay investment in clean technologies that might result in cost savings to businesses and consumers. If AB 32 were to be repealed by this proposal, state and local governments would likely save money as it is assumed that energy costs would be reduced.

*Support (partial list)*

California Association of Business and Property Owners  
California Independent Oil Marketers Association (CIOMA)  
California League of Food Processors  
California Manufacturers and Technology Association  
California Republican Party  
California State Firefighters Association  
California Taxpayer Protection Committee  
California Trucking Association  
Chemical Industry Council of California  
Howard Jarvis Taxpayers Association  
Independent Oil Producers Agency  
National Petrochemical and Refiners Association

*Opposition (partial list)*

Governor Schwarzenegger  
American Lung Association in California  
California Teamsters Public Affairs Council  
American Association of Retired Persons (AARP)  
California Faculty Association  
California Nurses Association  
California Professional Firefighters  
California Labor Federation, AFL – CIO  
Bay Area Council

eBay, Inc.  
California Teachers Association  
Pacific Gas and Electric  
Sierra Club California

### **Proposition 24 – Repeal of Corporate Tax Breaks**

Several corporate tax breaks were added to the final budget package in 2008 to go into effect in 2010 and 2012, giving eligible corporations about \$1.3 billion in tax breaks per year.

The targeted tax breaks that would end include the "single-sales factor," which allows multi-state corporations to choose whether they will be taxed on property, payroll or sales. Currently, corporations that are experiencing losses can obtain tax credits that they may use or distribute to their affiliates. It has been estimated that roughly 120,000 businesses in the state would pay more in taxes if Proposition 24 were to be approved by the voters.

#### *Fiscal Estimate*

This proposition would provide an estimated increase in state revenues of about \$1.3 billion each year by 2012-2013 from higher taxes paid by businesses. It would produce smaller increases in 2010-2011 and 2011-2012.

#### *Support (partial list)*

California Teachers Association  
California Faculty Association

#### *Opposition (partial list)*

California Taxpayers' Association  
California Small Business Alliance  
California Manufacturers and Technology Association  
California Hotel and Lodging Association  
California Business Roundtable  
California Chamber of Commerce  
California Building Industry Association  
Silicon Valley Leadership Group

### **Proposition 25 – Simple Majority Vote Budget**

This initiative called the “On Time Budget Act of 2010,” would modify the current vote requirement to pass a state budget from two-thirds to a simple majority vote. It also would mandate that members of the legislature forfeit their salary for each day that a budget has not been passed after June 15. Currently, only California, Arkansas and Rhode Island have a two-thirds vote threshold for a budget passage.

This initiative would allow the annual budget and its trailer bills to be passed with a simple majority. Proponents have advocated that this proposal would prohibit a tax increase without a two-thirds vote. Opponents have stated that language dealing with “trailer bills” would allow for a tax increase on a simple majority vote: "Notwithstanding any other provision of law ...bills providing for appropriations related to the budget may be passed [by] a majority." Proponents point to another section of Proposition 25, found in section 2 of the proposal, in the findings and declarations, which states: "This measure will not change the two-thirds vote requirement for the legislature to raise taxes."

#### *Fiscal Estimate*

In any year that the legislature does not send a budget to the governor on time, there would be a daily reduction in state legislator compensation costs of about \$50,000.

#### *Support*

American Federation of State, County and Municipal Employees (AFSCME)  
California Faculty Association  
California Federation of Teachers  
California Nurses Association  
Health Access California  
League of Women Voters

#### *Opposition (partial list)*

California Chamber of Commerce  
California Taxpayers' Association  
California Business Roundtable  
California Grocers Association  
California Hotel and Lodging Association  
California Manufacturers and Technology Association  
California Restaurant Association  
Howard Jarvis Taxpayers Association

### **Proposition 26 – Two-thirds Vote for Fees**

Proposition 26 would require a two-thirds vote requirement for the legislature to raise fees consistent with Proposition 13 tax increase standards. It would also increase legislative vote requirements to two-thirds for certain tax measures, including those that do not result in a net increase in revenue, that are currently subject to majority vote.

While taxes are used to pay for numerous services that most Californian's use, such as education, public safety or social services, a fee is meant to be used only for those government services that are of benefit to the user. The use of regulatory fees seems to be of primary concern to the advocates. Regulatory fees pay for programs that restrict the activities of businesses or people to achieve particular public goals or help offset the public or environmental impact of certain activities.

Many fees have been implemented by the legislature and have been challenged as being a tax. Recent budget proposals have suggested swapping fees with taxes as an approach to balance the budget.

#### *Fiscal Estimate*

Proposition 26 could lead to a decrease in state and local government revenues and spending due to the higher approval requirements for new revenues, according to the Legislative Analyst's Office. The level of decrease would depend on future decisions by governing bodies and voters, but over time, could total up to billions of dollars annually. It would also impact the state's fiscal situation by repealing recent fee and tax laws, including a fuel tax swap created by the legislature in early 2010.

#### *Support (partial list)*

California Chamber of Commerce  
Howard Jarvis Taxpayers Association  
California Taxpayers Association

#### *Opposition (partial list)*

Health Access California  
California Faculty Association

**Proposition 27 – Elimination of the Citizen Redistricting Commission**

This proposition would repeal the recently enacted Proposition 11, which created the California Citizens Redistricting Commission, and make congressional districts created by the state legislature not subject to a veto referendum.

If Proposition 27 were enacted, the authority to draw state assembly, senate, and board of equalization district boundaries would return to the legislature along with the authority to draw congressional districts.

*Fiscal Estimate*

It has been stated that the existing commission has cost about \$6 million. The measure stipulates that the legislature would be forbidden from spending more than \$2.5 million for redistricting beginning in 2020.

*Support (partial list)*

Congress Member Judy Chu

*Opposition (partial list)*

Charles Munger Jr.