

## **AGENDA**

### **COMMITTEE ON GOVERNMENTAL RELATIONS**

**Meeting: 1:00 p.m., Tuesday, November 15, 2011**  
**Glenn S. Dumke Auditorium**

Peter G. Mehas, Chair  
Carol R. Chandler, Vice Chair  
Bernadette Cheyne  
Steven Dixon  
Debra S. Farar  
Steven M. Glazer  
Melinda Guzman  
William Hauck  
Linda A. Lang  
Bob Linscheid  
Henry Mendoza  
Lou Monville

#### **Consent Items**

Approval of Minutes of Meeting of September 20, 2011

#### **Discussion Items**

1. 2011-2012 Legislative Report No. 6, *Action*

**MINUTES OF THE MEETING OF  
COMMITTEE ON GOVERNMENTAL RELATIONS  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**September 20, 2011**

**Members Present**

Peter G. Mehas, Chair  
Herbert L. Carter, Chair of the Board  
Debra Farar  
Steve Glazer  
William Hauck  
Linda Lang  
A. Robert Linscheid  
Henry Mendoza  
Lou Monville  
Charles B. Reed, Chancellor

Trustee Mehas called the meeting to order.

**Approval of Minutes**

The minutes of July 12, 2011, were approved by consent as submitted.

**2011-12 Legislative Report No. 5**

Mr. Garrett Ashley, vice chancellor for university relations and advancement, informed the board of that the legislative session adjournment date is September 9 and the established 30-day time frame established for Governor Brown to take final action on new proposed statutes. He provided a brief introduction followed by a detailed report by Karen Y. Zamarripa, assistant vice chancellor, advocacy and state relations.

Ms. Zamarripa provided a written report outlining the disposition of various legislative bills, followed by a verbal report highlighting various measures that the CSU has urged Governor Brown to sign into law or veto. She incorporated into her report a discussion of noteworthy advocacy activities.

Ms. Zamarripa informed the board that she and her advocacy staff have been closely watching AB 1326 (Furutani)—California Higher Education Endowment Corporation: Oil and Gas Severance Tax bill. This bill which would impose a 12.5 percent oil severance fee that would be allocated to

a newly created California Higher Education Fund Endowment entity for distribution to the CSU, did not move forward for the governor's signature this year but is expected to be further discussed in 2012 in Sacramento and possibly with the voters as an initiative. Ms. Zamarripa presented the following bills, which are supported by the CSU and are currently waiting for the governor's approval: AB 131 (Cedillo) Student Financial Aid which makes provisions for SB 540 students to be eligible for institutional and state financial aid starting in 2013; and AB 194 (Beall) Public Postsecondary Education: Priority Enrollment: Foster Youth. Ms. Zamarripa explained this measure would require any CSU, UC or California Community College (CCC) to provide priority registration for former foster youth until 2017. Two bills written by Senate Pro Tempore Darrell Steinberg—SB 611 (Steinberg) Public Postsecondary Education: The University of California and SB 612 (Steinberg) Postsecondary Education: Instructional Strategies—were highlighted. Both of these measures deal with subject matter projects that provide curriculum and professional development for K-12 teachers. The CSU supports both measures and has urged Governor Brown to sign them.

Lastly, Ms. Zamarripa focused attention on the measures that the CSU has urged the governor to veto, including SB 857 Public Employment: Unlawful Strike Damages.

The committee recommended approval of the proposed resolution (RGR 09-11-07) adopting the 2011-2012 Legislative Report No. 5.

The meeting was adjourned.

## COMMITTEE ON GOVERNMENTAL RELATIONS

### 2011/2012 Legislative Report No. 6

#### Presentation By

Garrett P. Ashley  
Vice Chancellor  
University Relations and Advancement

Karen Y. Zamarripa  
Assistant Vice Chancellor  
Advocacy & State Relations

#### Summary

The legislature adjourned the 2011 session on September 9, at which time Governor Brown had 30 days to take final action on legislative proposals. This item contains the final actions taken by the legislature and the governor on the California State University Board of Trustees 2011 Legislative Program and bills of interest for the CSU.

#### Board of Trustees Sponsored Measures

*AB 633 (Olsen) The California State University: Acquisition or Replacement of Motor Vehicle:* This measure gives CSU permanent authority to purchase vehicles without the Department of General Services (DGS). This authorization is set to expire on July 1, 2012.

Status: This measure was placed on the Senate Floor's inactive file at the request of the author, making this measure a two-year bill, after questions were raised by DGS and the Department of Finance (DOF). The CSU hopes to work with both agencies to address any concerns and move the bill to the governor prior to the sunset date next June.

*AB 822 (Block) Public Postsecondary Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2012:* This legislation would place a four-year K-12/Higher Education bond measure on the ballot for voter approval.

Status: Given the state's ongoing fiscal crisis, the author decided to make this measure a two-year bill. Two other measures AB 331 (Brownley) and SB 781 (Lowenthal), were also deferred for further action. Action in 2012 for any bond measure seems highly unlikely.

*AB 997 (Wagner) Professional Fiduciaries:* This measure will remove an unnecessary regulatory burden and clarify existing law by providing a very narrow exemption as it pertains to the administration of charitable trusts, including those administered by CSU foundations.

Status: The measure was signed by the governor. Chapter # 323, Statutes of 2011.

*SB 292 (Padilla) CEQA Los Angeles Stadium:* This measure was initially a clean-up vehicle for last year's transfer agreement measure SB 1440 (Padilla). The measure now deals with building a professional sports stadium in Los Angeles.

Status: The measure was signed by the governor. Chapter # 353, Statutes of 2011.

*SB 736 (Cannella) California State University: Trustees:* This proposal would eliminate independent campus audits that are duplicative of CSU systemwide audits, thereby reducing administrative costs of up to \$2 million a year.

Status: This measure passed out of the Senate with bipartisan support but was not moved further after similar language was placed into a budget trailer bill by the Department of Finance as part of the May Revise. This measure, AB 114, was enacted (Chapter #43, Statutes of 2011).

*SB 940 (Committee on Education) Public Postsecondary Education: Students:* This proposal will clarify that new transfer reform statute does not change the priority enrollment provided to veterans.

Status: The measure was signed by the governor. Chapter # 349, Statutes of 2011.

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

*AB 2 (Portantino) Educational and Economic Goals for California Higher Education:* This bill proposes a statewide accountability framework to assess all California higher education systems in meeting specified educational and economic goals for the state.

CSU Position: SUPPORT

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

*AB 7 (Portantino) State Employment: Salary Freeze:* This was the third attempt to restrict salary increases for state employees who earn more than \$150,000 a year and are not covered by a collective bargaining agreement.

CSU Position: OPPOSE

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

*AB 89 (Hill) Retirement: Public Employees:* This measure at one point required all public retirement systems in California to apply the IRS \$245,000 limit on compensation that can be used to calculate defined benefit pensions. This language was stricken from the bill during the last week of session. It now deals only with county employees and their retirement.

CSU Position: NO OFFICIAL POSITION

Status: The measure was signed by the governor. Chapter # 390, Statutes of 2011.

*AB 130 (Cedillo) Student Financial Aid: Eligibility: California Dream Act of 2011:* This measure allows students who attended for three years and graduated from a California high school and thus paying only in-state tuition fees (i.e., AB 540 students), to also receive nonstate funded scholarships if financially needy.

CSU Position: SUPPORT

Status: The measure was signed by the governor. Chapter #93, Statutes of 2011.

*AB 131 (Cedillo) Student Financial Aid:* This measure would allow financially needy AB 540 students, as described under AB 130, to receive state and institutional financial aid, such as Cal Grants, starting in 2013.

CSU Position: SUPPORT

Status: The measure was signed by the governor. Chapter #604, Statutes of 2011.

*AB 194 (Beall) Public Postsecondary Education: Priority Enrollment: Foster Youth:* This measure would require any CSU, University of California (UC) or California Community College (CCC) to provide priority registration for former foster youth until 2017.

CSU Position: SUPPORT

Status: The measure was signed by the governor. Chapter # 458, Statutes of 2011.

*AB 450 (Wieckowski) California State University: Audits:* This bill would require any new or renewed food services contract to include a clause that any rebates that the vendor receives must be returned to the CSU.

CSU Position: OPPOSE

Status: This measure was vetoed by the governor.

Veto Message: *"I am returning Assembly Bill 450 without my signature. This bill targets a narrow set of contracts between the California State University campuses and their food*

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*vendors. It aims to correct a problem that may or may not exist by requiring those vendors to disclose supplier discounts and pass them on to the campuses. Since they can already do this on their own, this measure is not necessary. Sincerely, Edmund G. Brown Jr. “*

*AB 635 (Knight) Veterans' Benefits: Public Postsecondary Education: Mandatory Educational Fees:* This measure aligns California law with the recently enacted federal benefits for veterans by changing “fee” to "tuition."

CSU Position: NO OFFICIAL POSITION  
Status: AB 635 is a two-year bill.

*AB 636 (Knight) Military Service: Benefits:* Current law allows a student who is called into active duty by a certain date to receive a credit toward a future academic term. This proposal would delete the cutoff date and provides that a refund of up to 100 percent of fees paid by the student should be refunded regardless of when the student is called up for duty, if an accommodation could not be reached.

CSU Position: NO OFFICIAL POSITION  
Status: The measure was signed by the governor. Chapter #293, Statutes of 2011.

*AB 661 (Block) Public Postsecondary Education: San Diego Community College District: Baccalaureate Degree Pilot Program:* This measure would provide the Grossmont-Cuyamaca and the San Mateo County Community College Districts the authority to offer certain bachelor's degrees as a pilot program for eight years.

CSU Position: WATCH  
Status: This measure was placed on the inactive file for the year. It will need to move out of the Assembly by January 31, 2012, in order for it to continue its progression for the remainder of the session.

*AB 670 (Block) California State University: Admission:* This measure stipulates that each CSU campus have an appeal process for admission denials and notify students of said process.

CSU Position: SUPPORT  
Status: This measure was signed into law by Governor Brown on August 3, 2011. Chapter #163, Statutes of 2011.

*AB 795 (Block) Smoke-Free Campuses:* This measure allows the CSU to adopt and enforce smoking and tobacco control policies and authorizes campuses to "cite and collect revenue" to enforce these policies.

CSU Position: NO OFFICIAL POSITION

Status: The measure was signed by the governor. Chapter #617, Statutes of 2011.

*AB 844 (Lara) Student Government: Students Qualifying for Exemption from Nonresident Tuition:* This measure would provide that any student who is eligible to receive the benefit for tuition/fees established by AB 540 and who serves on a student government receives appropriate compensation.

CSU Position: NO OFFICIAL POSITION

Status: The measure was signed by the governor. Chapter #619, Statutes of 2011.

*AB 970 (Fong) Systemwide Student Fees: Student Financial Aid Report:* This measure requires a year's notice for all tuition fee increases, codifies financial aid set-aside polices, and prohibits the use of the term "tuition" with regard to student charges.

CSU Position: OPPOSE

Status: The measure was amended at the end of May and rushed through the Assembly Higher Education and Appropriations Committees with many members expressing reservations about the ramifications the measure would have on the UC and the CSU. It was then made a two-year bill while on the floor of the Assembly and the measure must advance out of the Assembly by January 31 to be eligible for consideration in the Senate in 2012.

*AB 1184 (Gatto) Public Employees' Retirement Benefits:* The IRS has a maximum pension benefit limit of \$195,000 for those retiring at age 65 who began their state service prior to 1990 but allows supplemental retirement coverage of up to \$245,000 for those employees hired after 1996 and more than \$245,000 for those hired between 1990 and 1996. This measure would in essence eliminate the PERS Replacement Benefit Program (RBP) that is used to provide a gap in coverage of retirement.

CSU Position: NO OFFICIAL POSITION

Status: The measure was placed on the Assembly's inactive file on September 9 and is now a two-year bill.

*AB 1326 (Furutani) California Higher Education Endowment Corporation: Oil and Gas Severance Tax:* This measure would impose a 12.5 percent oil severance fee that would be allocated to a newly created California Higher Education Fund Endowment entity for distribution and to the CSU, University of California (UC) and California Community Colleges (CCC).

CSU Position: SUPPORT IF AMENDED

Status: This measure was held by the Assembly Revenue and Taxation Committee this spring. The CSU sought amendments that strengthened the supplement and supplant language, provided

greater discretion on the use of these dollars, and eliminated the new bureaucracy created to disperse the funds. To date, the author and sponsors have not responded to CSU proposed amendments.

*ABX1 39 (R. Hernandez) California State University and University of California: compensation:* This measure prohibits the CSU from increasing salaries for administrators in a year when it receives less funding from the state, or when it increases tuition fees. It also would place a cap of \$300,000 on the salary for a campus president. UC is urged to follow the law if enacted.

CSU Position: OPPOSE

Status: This measure was introduced on August 18 and is one of four bills that were introduced when the legislature returned from summer recess. All four bills were not moved before adjournment. The measure is now dead.

*SB 8 (Yee) Public Records: Auxiliary Organizations:* This measure creates a Public Records Act-like statute in the Education Code for CSU auxiliaries while protecting donor's privacy and proprietary information.

CSU Position: SUPPORT

Status: This measure was signed into law by the governor. Chapter #24, Statutes of 2011.

*SB 27 (Simitian) Public Retirement: Final Compensation: Computation: Retirees:* This measure is similar to a bill that was vetoed last year, and addresses the issue of "spiking" for public pensions and restricts the ability of a retired annuitant to return to work prior to 180 days after their initial separation date.

CSU Position: NO OFFICIAL POSITION

Status: This measure was made a two-year bill while in the possession of the Assembly Appropriations Committee. Governor Brown has recently announced his proposed pension reforms, and a legislative committee has begun work on the same subject in preparation for the the session in 2012.

*SB 46 (Correa) Public officials: Compensation Disclosure:* This measure requires a public employee of the state who files a statement of economic interests and conflict of interest statements to also file a compensation disclosure form to be posted on agency websites.

CSU Position: NO OFFICIAL POSITION

Status: This measure was passed out of the Senate and was held at the Assembly Desk. The CSU estimates millions of dollars in new costs, given the data that it would have to collect and provide for over 4,400 employees who would be subject to this new reporting.

*SB 185 (Hernandez) Public Postsecondary Education:* This measure allows the CSU and UC to look at a student's geographic origin and household income in considering admissions. Further, the segments would be allowed to consider race, gender, ethnicity, and national origin to the extent allowable under the 14th Amendment of the U.S. Constitution and any relevant case law.

CSU Position: WATCH

Status: This measure was vetoed by the governor.

*Veto Message: "I am returning Senate Bill 185 without my signature. I wholeheartedly agree with the goal of this legislation. Proposition 209 should be interpreted to allow UC and CSU to consider race and other relevant factors in their admissions policies to the extent permitted under the Fourteenth Amendment of the United States Constitution. In fact, I have submitted briefs in my capacities as both Governor and Attorney General strongly urging the courts to adopt such an interpretation. But while I agree with the goal of this legislation, I must return the bill without my signature. Our constitutional system of separation of powers requires that the courts -- not the Legislature -- determine the limits of Proposition 209. Indeed, there is already a court case pending in the 9th Circuit against the State and the UC on the same issues addressed in this bill. Signing this bill is unlikely to impact how Proposition 209 is ultimately interpreted by the courts; it will just encourage the 209 advocates to file more costly and confusing lawsuits. Sincerely, Edmund G. Brown Jr."*

*SB 483 (Calderon) The University of California and the California State University: Summer Session Fee:* This measure prohibits summer session fees at the UC and CSU campuses from exceeding the fees charged per credit unit for any other academic term.

CSU Position: OPPOSE

Status: The bill, which is sponsored by the California Faculty Association (CFA), was made a two-year bill. It must advance out of the Senate by January 31, 2012, in order to be eligible for consideration by the Assembly.

*SB 611 (Steinberg) Public Postsecondary Education: The University of California:* This measure requests UC to maintain and expand the UC Curriculum Integration Institute (UCCII), which is intended to bring together high school teachers and curriculum experts to develop model courses that provide students with rigorous academic content linked to real-world applications, improving both college and career readiness in K-12.

CSU Position: SUPPORT

Status: The measure was signed by the governor. Chapter # 631, Statutes of 2011.

*SB 612 (Steinberg) Postsecondary Education: Instructional Strategies:* This measure extends the sunset date on existing California Subject Matter Projects (CSMPs) and adds Arts, Physical Education, and World Language projects if funding is made available in the annual budget act or from federal funding.

CSU Position: SUPPORT

Status: The measure was signed by the governor. Chapter # 632, Statutes of 2011.

*SB 813 (Committee on Veterans Affairs) Public Postsecondary Education: Veterans' Enrollment:* This measure would grant priority enrollment for coursework to members or former members of the Armed Forces of the United States within four years of leaving active duty.

CSU Position: SUPPORT

Status: The measure was signed by the governor. Chapter # 375, Statutes of 2011.

*SB 857 Public Employment: Unlawful Strike Damages:* This measure would prevent the Public Employment Relations Board (PERB) from ordering reimbursement of expenses associated with illegal strikes.

CSU Position: OPPOSE

Status: The measure was signed by the governor. Chapter # 539, Statutes of 2011.

*Governor's Message: "To the Members of the California State Senate: I am signing Senate Bill 857. This measure corrects a recent decision by PERB that it has the authority to award damages in response to a threatened strike. The PERB decision was not faithful to current law and could not have reasonably been anticipated by the parties in the underlying dispute. For the future, I however, would favor legislation authorizing PERB to award damages to a public employer in the event of an unlawful strike or strike threat that necessitates expenditures by the employer to preserve the health and safety of the public. The employer should be required to prove that the claimed expenses were reasonable, were necessary to preserve the public health and safety, and that the employer had no alternative to respond to the emergency without incurring the claimed expenses. Sincerely, Edmund G. Brown Jr. "*

*SB 931 (Vargas) Public Employee Organizations:* This bill prohibits public agencies from using public funds to pay outside consultants or legal advisors for the purpose of counseling the public employer in matters such as collective bargaining. The measure was subsequently gutted of its contents and now deals with payroll cards.

CSU Position: NONE

Status: This measure, now authored by Noreen Evans, deals with payroll cards and is unrelated to the CSU. The measure was vetoed by the governor.

*Veto Message: "I am returning Senate Bill 931 without my signature. Pay cards provide workers without bank accounts a way of avoiding high check cashing fees. They are now used by thousands of California employees and employers. This bill seeks to contain costs for workers who choose to accept pay cards, a goal with which I agree. Unfortunately, this bill goes too far. It would impose numerous and costly new requirements on pay card providers. A likely result of these mandates is that banks and employers may simply stop offering this service, injuring the very workers this bill aims to protect. I strongly believe that reasonable protections are needed for those who use pay cards. I will work with the bill's proponents and the financial institutions to forge a better solution that I can sign into law.  
Sincerely, Edmund G. Brown Jr."*

*SBX1 25 (Alquist) California State University: Compensation:* This measure prohibits the CSU from renewing or entering a new contract with a nonrepresented employee if it provides for a 10 percent compensation increase when there has been a tuition or fee increase in the fiscal year. The measure does not define who is an administrator and is not only directed at current employees but also new hires that would not be able to receive 10 percent more than his/her predecessor.

CSU Position: OPPOSE

Status: The special session has been adjourned, and the measure is now dead.

*SBX1 26 (Lieu) California State University: Compensation:* This measure prohibits a CSU president from receiving compensation that exceeds 150 percent of what the Chief Justice of California makes, unless approved by the governor. Compensation is defined to include salary, bonuses, living allowances and money from campus foundations or auxiliaries. It also prohibits the trustees from approving any increase for a president if an increase in tuition is scheduled to take effect in that fiscal year or has taken effect in the two prior fiscal years. Finally, it requires the CSU to consider applicants from a CSU campus, or a resident of California before looking elsewhere for executive leadership.

CSU Position: OPPOSE

Status: The special session has been adjourned and the measure is now dead.

*SBX1 27 (Yee) Public Postsecondary Education: Executive Officer Compensation:* Similar to prior bills by Senator Yee, SBX1 27 would prohibit an increase in salary or a bonus for an executive officer whenever the CSU received less or equal funding from the state's General Fund in the previous fiscal year. An executive is defined as the chancellor, vice chancellors, executive vice chancellors, and the general counsel of the university, the trustees' secretary, and the presidents of the CSU's 23 campuses. The measure is a mandate on the CSU and a request for the UC.

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CSU Position: OPPOSE

Status: This bill like the others is now dead.

Adoption of the following resolution is recommended:

**RESOLVED**, By the Board of Trustees of The California State University, that  
2011-12 Legislative Report Number 6 is adopted.