

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: **9:45 a.m., Wednesday, January 27, 2016**
 Glenn S. Dumke Auditorium

Douglas Faigin, Chair
Kelsey M. Brewer, Vice Chair
Silas H. Abrego
Adam Day
Debra S. Farar
Lupe C. Garcia
J. Lawrence Norton
Steven G. Stepanek

Consent Item

Approval of Minutes of the Meeting of November 17, 2015

Discussion Items

1. Federal Agenda for 2016, *Action*
2. Sponsored State Legislative Program for 2016, *Action*

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

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

November 17, 2015

Members Present

Douglas Faigin, Chair
Kelsey Brewer, Vice Chair
Silas H. Abrego
Debra S. Farar
Lupe C. Garcia
Lou Monville, Chair of the Board
J. Lawrence Norton
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of September 8, 2015, were approved on consent.

Legislative Update

Mr. Garrett Ashley, vice chancellor for university relations and advancement, and Ms. Karen Y. Zamarripa, assistant vice chancellor for advocacy and state relations, presented this item.

Mr. Ashley shared that the CSU can celebrate many successes, including the final budget and passage of two Board of Trustees' sponsored bills.

Ms. Zamarripa reported on the final outcome of the sponsored bills, other items of interest to the CSU and budget advocacy preparations for 2016.

The CSU was successful with two of the four sponsored bills during this legislative session. AB 819, which deals with alumni affinity programs, and SB 462, which allows Sonoma State to expand support for the Green Music Center, were signed into law. The two remaining CSU efforts dealing with distance education and investment authority will be pursued in 2016.

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Other bills of interest to the CSU include those dealing with sexual violence prevention and reporting, concealed weapons, extended education, homeless students, student success fees and tax revenue.

The CSU is working with the California State Student Association and Academic Senate on the 2016 Stand with the CSU campaign, which will focus on students and their stories.

Trustee Faigin adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

Federal Agenda for 2016

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

James M. Gelb
Assistant Vice Chancellor
Federal Relations

Summary

This item contains the proposed Federal Agenda for 2016.

Background

Last January, the Board of Trustees adopted the Federal Agenda for 2015, a legislative program for the system that included policy and fiscal priorities for the first session of the 114th Congress. The California State University priorities encompassed initiatives geared toward: improving access through aid to students; preparing students for college; fostering degree completion for California's diverse population; educating students for tomorrow's workforce; solving societal problems through applied research; enhancing campus infrastructure, health and safety; and promoting state and private support for public universities.

Focusing on these priority areas served the system well in 2015. The CSU fought successfully alongside many in the education community to raise the austere spending caps that were in place for FY 2016. Higher overall levels for FY 2016 and FY 2017 were agreed upon in late October via the Bipartisan Budget Act of 2015. This led to an omnibus spending bill, which contained generally positive news for CSU priority programs.

Within the Education Department, the maximum Pell Grant will be adjusted upward for inflation, from its current \$5,775 per year to a projected \$5,845 in the 2016-17 school year. The omnibus also kept this year's projected Pell surplus in the program. The CSU strongly argued that Pell resources should either be saved for future years or used to support restoration of a year-round Pell program. The omnibus also provided healthy increases for capacity-building programs benefiting Hispanic-serving institutions and Asian American and Native American Pacific Islander-serving institutions. Additionally, TRIO will see a 7.1 percent increase, while

GEAR UP will receive an additional 7 percent over last year. Work-Study and SEOG will receive stable funding. The Teacher Quality Partnership Grant program will grow by \$2.5 million. And Title I grants to school districts and special education grants to states will see large increases, while pre-K programs will receive relatively robust funding.

Outside of the Education Department, some important plus ups to research funding were made, most notably an additional \$2 billion for the National Institutes of Health and an additional \$119 million for the National Science Foundation. USDA programs benefiting non-land-grant colleges of agriculture and Hispanic-serving institutions that the CSU lobbied for will see stable or increased funding, and the omnibus supports CSU STEM priorities like the Louis Stokes Alliance for Minority Participation and the Robert Noyce Scholarship program. Investments were also made in the Justice Department's Campus Violence Program and Economic Development Assistance Programs that target infrastructure investments, both CSU priorities.

House and Senate education committees held hearings on subjects ranging from reforming student aid to campus sexual assault while starting to draft pieces of comprehensive Higher Education Act (HEA) legislation. The CSU continued to advocate for priorities related to expanding and increasing the flexibility of the Pell Grant program, including for part-time and year-round students, reforming the campus-based aid programs to provide institutions with a fairer share of SEOG and Work-Study resources, bolstering support for minority-serving institutions, and strengthening links among universities, K-12 schools, state governments and the private sector. Congressional leaders have shown particular interest in deregulation and simplification (including proposals to move to a "one grant, one loan and one work-study program"), along with advancing the notion that when it comes to participation in federal aid programs, universities should have some form of financial stake ("skin in the game") in their students' success. There is also a keen interest in campus safety legislation.

As part of the HEA process, the "Minority-Serving Institution Fairness Act," was introduced recently in both houses with significant CSU input and support. The bills would make Minority-Serving Institutions (MSI) such as Hispanic-serving Institutions (HSI) and Asian American and Native American Pacific Islander-serving Institutions (AANAPISI) eligible to compete for, and receive, multiple federal grants for the purpose of serving a wider range of minority students. CSU is also supporting efforts to revive the in-school interest subsidy for graduate student loans. Eventually, these bills will be considered alongside broader HEA reauthorization efforts.

One longstanding HEA program, the Federal Perkins Loan Program, was kept alive in restricted fashion for two more years. Limits were placed on graduate student participation and new recipients must exhaust unsubsidized Stafford loans before receiving Perkins. CSU campuses will continue to have this option for students as Congress more thoroughly considers all student aid programs through the HEA reauthorization process.

The long overdue re-write of the Elementary and Secondary Education Act (ESEA) was passed and signed into law this year. Broadly speaking, this bi-partisan update of what was previously

known as “No Child Left Behind” replaces the system of accountability waivers put in place by the Obama administration and devolves much federal authority to the states. CSU interest in this legislation related primarily to supporting programs that enhance teacher preparation in California, particularly with respect to underserved rural and urban areas. The Every Student Succeeds Act (ESSA) is broadly consistent with this goal. ESSA eliminates the requirement that states use student outcomes to evaluate teacher preparation programs and does away with former “highly qualified teacher” language, restoring a more streamlined educational path for prospective elementary school teachers. It also retains the Teacher Quality Partnership program, a big source of funds for CSU.

The Congress also passed tax legislation to extend or make permanent fifty recently expired tax breaks. Among those made permanent is a longstanding priority of CSU advancement professionals, the “IRA rollover” provision, which provides for the tax-free treatment of charitable donations by persons over the age of 70 from Individual Retirement Accounts. The American Opportunity Tax Credit (AOTC), which reimburses middle-class families for up to \$2,500 per student of college expenses, was also made permanent.

CSU priorities also came into play in 2015 in connection with Obama administration regulatory efforts. Back in June, the Education Department announced it was dropping plans to create a new college ratings or grading system, and would instead offer a broader array of customizable data to consumers and policy makers that would enhance their ability to evaluate institutions. CSU leaders provided constructive criticism of some of the ideas the administration had been considering, which proved effective in bringing about changes. The CSU is among many public institutions that continue to encourage the Department to utilize the Student Achievement Measure (SAM) on the still evolving transparency tool. SAM would allow institutions to detail the progress and completion of full-time, part-time, and transfer students, as well as those who enroll in multiple institutions. This would provide a more comprehensive measure of student progress and graduation.

The CSU also played a significant role in providing comments on the Education Department’s draft regulations regarding eligibility for federal teacher preparation programs under ESEA and HEA. The CSU transmitted detailed comments on the proposal, largely focused on unworkable or cost-prohibitive provisions, while recommending further study on provisions that might ultimately prove workable if modified or improved. The CSU also communicated cost projections about 10 times higher than Department assumptions. The Department has taken this input seriously and delayed finalizing the regulations, promising changes. Now that ESSA is law, the Department may have further reason to revisit the current draft regulations.

Finally, Chancellor White was among a select group of 30 higher education experts asked to testify before the U.S. Commission on Civil Rights to provide input that will be used to recommend improvements to federal financial aid programs. The briefings in Washington, D.C. focused on whether the distribution formulas and funding levels for the campus-based aid

programs, such as Work-Study and Supplemental Educational Opportunity Grants, may negatively affect college enrollment, persistence and completion rates of students of color. The chancellor provided input on how these need-based federal financial aid programs impact the CSU's student enrollment and how outdated formulas direct existing dollars disproportionately to fewer students at higher-costs institutions with lower minority enrollments. He also discussed how federally-supported TRIO and GEAR UP pipeline programs, as well as the CSU's Early Start programs, prepare and support students of color for college success.

Development of Recommendations

In September 2015, Chancellor White sent a memo to all 23 CSU presidents and senior system leaders soliciting recommendations and outlining criteria for the system's Federal Agenda for 2016. The solicitation emphasized that the federal agenda must be consistent with the CSU system's core objectives that contribute to system goals of preserving access, providing quality instruction and preparing students for the workforce.

This agenda is based on recent priorities, input received from campuses, review by the Council of Presidents and Chancellor's Office executives, and the CSU Office of Federal Relations' assessment of the current political and fiscal landscape in Washington. The core principles outlined below (in bold lettering) are designed to provide a broad umbrella under which the CSU can react to the wide range of policy ideas that typically surface throughout a year; also included are bulleted illustrations of proactive priorities that are ripe for advocacy in 2016.

Overall, the agenda hews closely to the system's 2015 approach. The CSU can and should continue to promote federal investments in its students and institutions as efficient, productive targets of resources that will strengthen the American economy. Given significant scrutiny due to cost and a generally austere fiscal environment, the CSU should continue to place Pell at the top of its priority list. While the CSU will frequently be called upon to respond to proposals made by others, such as members of Congress and the U.S. Department of Education, the federal agenda identifies priority areas that should be the subjects of proactive pursuit.

Federal Agenda for 2016

The California State University consistently provides an outstanding return on federal investments in its students, institutions and research. With 23 campuses and nearly 460,000 students, the CSU is the largest bachelor and graduate degree university in the world, providing access – and success – for unprecedented numbers of low-income students. Each year, 100,000 new CSU graduates enter the workforce across all economic sectors.

Improve College Access through Aid to Students: The CSU remains one of the nation's best bargains. Significant state and institutional grant aid helps our neediest students. Federal

financial aid programs remain critical to CSU students from low-income families, including over 201,000 who rely upon need-based Pell Grants. More than 40,000 Pell recipients receive CSU bachelor's degrees each year.

- Support cost of living increases in the maximum Pell grant, and retain any program surplus for future years; retain eligibility for part-time students and restore year-round program
- Invest in Supplemental Education Opportunity Grant (SEOG) and Work-Study with focus on need
- Prioritize federal resources for institutions serving the greatest number of students with need

Prepare Students for College: The CSU is an innovative collaborator working to improve student readiness and to measure the performance of CSU-trained teachers. The federal government is a vital partner.

- Provide robust funding for effective pipeline programs like GEAR UP and TRIO and expand pre-K investments
- Maintain strong federal partnership with colleges and universities to transform the preparation of America's teachers and school leaders

Foster Degree Completion for California's Diverse Population: The CSU provides more than half of all undergraduate degrees granted to California's Latino, African American and Native American students, and is a leader in transitioning veterans to the civilian workforce. Federal capacity building programs and targeted grants help bridge the completion gap.

- Maintain strong support for Hispanic and Asian American and Native American Pacific Islander-serving institutions
- Support the needs of America's veterans on campus and smooth their transition to the civilian workforce

Educate Students for Tomorrow's Workforce: 100,000 annual graduates drive California's economy in the information technology, life sciences, agriculture, business, education, public administration, entertainment and multimedia industries.

- Support science, technology, engineering and mathematics (STEM) fields, including funding for NSF's Louis Stokes Alliances for Minority Participation and Robert Noyce Teacher Scholarship programs
- Invest in USDA Hispanic-serving Institutions National Program

Solve Societal Problems through Applied Research: In laboratories, at field sites and through programs at the CSU, students, faculty and collaborating scientists advance California's capacity to address key issues of significance to our state and nation.

- Maximize opportunities for comprehensive universities to compete for federal resources, including in STEM programs included in the America COMPETES Act
- Maintain strong NSF, NIH, Department of Energy and NIST funding
- Invest in Hispanic-serving agricultural colleges and universities (HSACU) and non-land-grant colleges of agriculture (NLGCA) programs

Enhance Campus Infrastructure, Health and Safety: State-of-the-art facilities and innovative programs help make campuses safe and secure for all.

- Fund Justice Department programs that provide grants to assist campuses with addressing sexual violence
- Support investments in US Economic Development Administration infrastructure programs that provide campuses opportunities to partner with their communities, improve facilities and promote strategic economic growth

Promote State and Private Support for Public Universities: State funding for public institutions of higher education is critical to keeping tuition affordable. Federal incentives can help boost state and private support for and partnerships with public universities.

- Encourage state investment in public higher education through funding incentives
- Advocate policies that promote philanthropy and a positive climate for university advancement

The CSU federal agenda process recognizes that priorities may evolve over time. The OFR will continue to work with the campuses and system leaders to refine and develop proposals, and to assist all in working productively with their representatives in Congress and with federal agencies in the year ahead.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of the California State University, that the Federal Agenda for 2016 be adopted.

COMMITTEE ON GOVERNMENTAL RELATIONS

Sponsored State Legislative Program for 2016

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Nichole Muñoz-Murillo
Interim Director
Advocacy and State Relations

Summary

This item contains an update on two Board of Trustees sponsored measures introduced in 2015, as well as two 2016 proposals for consideration and possible action.

Update on 2015 Legislative Proposals

In 2015, the Board approved four sponsored legislative proposals, two of which have been enacted into law: 1) the CSU's permanent Affinity Program authority; and 2) Sonoma State Green Music Center's permission to partner with their neighboring wine and beer companies. The following provides an update on the two remaining 2015 Board of Trustees sponsored measures:

State Authorization Reciprocity Agreement (SARA)

Senator Marty Block introduced Senate Bill 634 last year, which would enter California into a national consortia overseeing online programs or distance education. Since the bill was introduced, Advocacy & State Relations (ASR) staff have been working with the University of California (UC), California Community Colleges (CCC), legislative staff and other stakeholders on this matter. Due to discussions at the state and federal level, the author has made a decision to not move this bill forward this legislative session. ASR staff will monitor these discussions and examine the issue for the 2017-2018 legislative session.

CSU Investment Authority

Last session, the CSU worked with the Department of Finance and State Treasurer's Office to resolve various technical as well as indirect policy issues with the goal of increasing our investment earnings by broadening the system's investment authority. Currently, CSU is limited to a list of

high-quality, low-risk fixed income securities that have historically generated lower returns compared to the returns of other potential investment opportunities.

After months of negotiations, two budget trailer bills were amended and heard in the legislature (AB 130 and SB 104) at the end of August. While AB 130 was successfully passed out of the Assembly, the last-minute nature of the proposal caused the Senate Budget Committee members to raise multiple questions, and ultimately led them to request the measure be put over until 2016. Since that time, staff from the Chancellor's Office and local campuses have been meeting with members to discuss the proposal, why it is important to CSU, and address concerns so that the proposal can move forward this year.

2016 Legislative Proposals

Last fall, Chancellor Timothy P. White requested proposals from system and campus leaders to be considered for possible inclusion into the Board of Trustees sponsored bills for the 2016 legislative year. Proposals were analyzed by staff with consideration given to whether there was a clear need for each proposal, its programmatic and fiscal implications, and overall relationship to system initiatives and priorities. Campus presidents and vice presidents – as well as the chancellor's leadership team – have reviewed all of these proposals and concur with the following recommendations for two new proposals:

One-Stop Financial Aid

This proposal would allow the CSU, UC, CCC and the Association of Independent California Colleges and Universities (AICCU) to package Cal Grant entitlement awards for students at the campus level, rather than the California Student Aid Commission (CSAC). It would provide CSU students with a true 'one-stop' delivery approach, where they could receive state and federal awards at the same time at their campus. For years, the CSU has advocated to simplify the financial aid process for students and their families. The CSU would pursue this proposal in cooperation with our partners from California's higher education segments. Given the complexity of executing this proposal, it should be seen as a multi-year effort that may be resolved with the CSAC and/or legislation.

Lottery Fund Payments

This proposal would remove burdensome and unnecessary administrative processes associated with the lottery. Today, the CSU is the only segment that has to go through this bureaucratic process to utilize these funds. The CSU is proposing technical changes to the law to create the same process used by UC, CCC and K-12 school districts.

Adoption of the following resolution is recommended:

RESOLVED, by the Board of Trustees of the California State University, that the legislative proposals described in this item are adopted as the 2016 Board of Trustees' Legislative Program.