

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 10:45 a.m., Tuesday, July 23, 2013
Glenn S. Dumke Auditorium

Steven M. Glazer, Chair
Douglas Faigin, Vice Chair
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Henry Mendoza
Peter G. Mehas
J. Lawrence Norton
Cipriano Vargas

Consent Items

Approval of Minutes of Meeting of May 21, 2013

Discussion Items

1. Legislative Update, *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 21, 2013

Members Present

Steven M. Glazer, Chair
Bernadette Cheyne
Rebecca D. Eisen
Douglas Faigin
Debra S. Farar
Lupe C. Garcia
William Hauck
Peter G. Mehas
Lou Monville, Acting Chair of the Board
J. Lawrence Norton
Ian J. Ruddell
Timothy P. White, Chancellor

Approval of Minutes

The minutes of March 19, 2013 were approved as submitted.

Legislative Update

Garrett P. Ashley, vice chancellor for university relations and advancement, introduced the legislative update. He reported on the completion of the first round of policy committee hearings and the upcoming fiscal committee deadline. Mr. Ashley also reported on the CSU Agricultural Advocacy Day, CSU Budget Advocacy Day and CSU Chancellor Timothy P. White's meetings in the state capitol with the Legislative Latino Caucus and Legislative Black Caucus.

Karen Y. Zamarripa, assistant vice chancellor, advocacy and state relations, reported on the CSU's direct and indirect advocacy efforts. For example, the Academic Senate, California State Students Association, California Faculty Association, and the Californian State University Employees Union are jointly advocating for \$54 million in state funding for additional enrollment growth.

Ms. Zamarripa also provided updates on the following bills:

- Assembly Bill 1287 (Quirk-Silva) Student Financial Aid: Cal Grant Eligibility

- Assembly Bill 46 (Pan) California State University: Trustees
- Assembly Bill 39 (Skinner) and Senate Bill 39 (De Leon) regarding energy efficiency
Assembly Bill 386 (Levine) Public Postsecondary Education: Cross-Enrollment: Online Education at California State University
- Assembly Bill 387 (Levine) Public Postsecondary Education: California State University: Online Education:
- Assembly Bill 895 (Rendon) Postsecondary Education
- Senate Bill 547 (Block) Public Postsecondary Education: Online Courses
- Senate Bill 520 (Steinberg) California Virtual Campus: Leadership Stakeholder Meetings: Representatives
- Senate Bill 440 (Padilla) Public Postsecondary Education: Student Transfer Achievement Reform Act
- Senate Bill 241 (Evans) Oil Severance Tax Law

Trustee Monville raised concerns about previous versions of Senate Bill 241, specifically whether the new legislative proposal provides for maintenance of effort. Ms. Zamarripa replied that, though the bill is in the fiscal committee suspense file, the CSU has communicated its concerns with the author.

Trustee Bernadette Cheyne inquired about *Senate Bill 495 (Yee) Postsecondary Education Employees: Physicians*. Ms. Zamarripa replied that the bill is sponsored by American Federation of State, County and Municipal Employees (AFSCME), the union that represents many of the staff at the University of California (UC). The bill is in the fiscal committee suspense file.

Trustee Rebecca D. Eisen inquired if a plan was in place where the CSU could take advantage of the energy efficiency opportunities provided in specific bills. Ms. Zamarripa replied that the CSU and UC created a utilization and measurement plan if the funding became available. The two segments remain active in deliberations on the bills.

Trustee Cipriano Vargas inquired about *Assembly Bill 13 (Chavez) Nonresident Tuition Exemption: Veterans*. Ms. Zamarripa replied that the CSU could support tuition exemption and fee waiver proposals if the state reimburses the CSU for lost revenue.

Trustee Glazer adjourned the committee.

COMMITTEE ON GOVERNMENTAL RELATIONS

Legislative Update

Presentation By

Garrett Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and State Relations

Summary

This item contains an update on bills of interest to the California State University (CSU) tracked during the first year of the 2013-14 legislative session. The status of each bill is shown as of June 21, 2013. More recent updates will be provided during the board meeting.

Background

The Legislature and Governor Brown provided critical reinvestment for the CSU system in the budget adopted for the new fiscal year. This follows a period of budget decline, with a loss of nearly \$1 billion in state support since 2007-2008. CSU students, staff, faculty, leadership and advocates collaborated to demonstrate the university's value to the state and its economy. The CSU continues to address the gap between projected workforce requirements and preparation with lawmakers.

The budget process paralleled the work of policy and fiscal committees on thousands of measures introduced this year. May 31, 2013, was the deadline to move proposals out of their house of origin. Hundreds of bills were dropped, defeated or stalled until next year due to fiscal impact. Advancing bills now go to second-house policy committees.

For the first time in decades, both houses have different second-house policy deadlines. Depending on the measure, some bills won't have their first second-house policy hearing until August with a deadline to be approved no later than August 16, 2013. This leaves little time for negotiations on critical measures in a public hearing setting. All measures have to be approved

by both houses of the Legislature on or before September 13, 2013, when session recesses for the year.

Accountability

SB 195 (Liu) California Postsecondary Education: State Goals: This measure creates a process to develop statewide goals for California's higher education systems and associated metrics to help make future policy and budget decisions.

CSU Position: SUPPORT
Status: Senator Liu reintroduced the measure as a clear signal that the Legislature and other stakeholders should be a part of any effort related to accountability. With the inclusion of goals for the three public segments in the budget act, SB 195 could play a role in the setting of targets, metrics and budgetary consequences for the CSU, University of California (UC), and the California Community Colleges (CCCs). The bill passed out of the Senate and will be heard in the Assembly in the near future.

Compensation

SB 8 (Yee) Public Postsecondary Education: Executive Officer Compensation: This measure would prohibit the CSU and discourage the UC from increasing compensation for executive officers within two years after the mandatory systemwide fee has been increased, or in a year when the system receives the same or less revenue from the state. It would also prohibit a newly hired executive (including system leaders, campus presidents and vice presidents) from earning more than 105 percent of their predecessor's pay. All of these provisions would apply to an employee hired between 2014 and 2024.

CSU Position: OPPOSE
Status: The measure was set to be heard by the Senate Education Committee but the author pulled it from the calendar. The measure is now a two-year bill. CSU and UC oppose this measure, which is sponsored by the California Faculty Association (CFA).

SB 495 (Yee) Postsecondary Education Employees: Physicians: The measure as amended encourages the CSU and the UC to increase funding for their campus health centers and, as part of that effort, increase funding for their doctors.

CSU Position: OPPOSE
Status: The measure was passed out of the Senate and will be heard in the Assembly this summer.

Financial Aid Disclosure

AB 534 (Wieckowski) Postsecondary Education: Institutional and Financial Assistance Information for Students: This bill would require most institutions of higher learning, including for-profits, to provide entrance and exit counseling for any student receiving institutional or state-funded loans offered or recommended to the student by the institution or segment.

CSU Position: NO OFFICIAL POSITION
Status: While the measure passed out of the Assembly Higher Education Committee, the Assembly Appropriations Committee decided to hold the measure due to costs.

Governance

AB 46 (Pan) California State University: Trustees: This measure has been reintroduced on behalf of the CFA and would allow ex-officio members of the Board of Trustees to designate an alternate to attend board meetings and vote in their absence. It also includes the one provision sought by our students last year – to allow the student designee to vote should the current student Board of Trustee member be unable to attend a meeting.

CSU Position: OPPOSE UNLESS AMENDED
Status: The measure passed out of the Assembly on a partisan vote. The measure was then made a two-year bill in the Senate Education Committee when the author apparently determined that the fate of the measure would be the same. The author was asked to consider amendments deleting reference to ex-officio surrogates and only move forward with the provisions that allow CSU students to have a full vote even when the voting trustee has to be absent. The CSSA and the CSU both support the student trustee provisions and hope that Assembly Member Pan and CFA will work with our students to get this provision enacted this year.

AB 736 (Fox) California State University: Antelope Valley Campus: This measure would require the CSU to conduct a feasibility study for a campus in the Antelope Valley using non-state funds.

CSU Position: NO OFFICIAL POSITION
Status: The CSU has discouraged the author from pursuing this measure given the fiscal constraints of the system and state. The measure passed out of the Assembly but will face more scrutiny in the Senate Education Committee this summer.

AB 1348 (Pérez) Postsecondary Education: California Higher Education Authority: This measure would establish a 13-member panel called the California Higher Education Authority to replace the California Postsecondary Education Commission (CPEC), which has not been funded by the state in the last two years. This entity would be responsible for developing, presenting and monitoring postsecondary education goals for the state. Unlike CPEC, this new entity would not include segmental representatives which can be important to the coordination and collaboration between segments and the Authority.

CSU Position: NO OFFICIAL POSITION

Status: The CSU has not taken an active position on this measure yet but has joined with UC in our concern that K-12 schools, public and private higher education segments would not be represented on the new body. The measure passed out of the Assembly and will be heard next in the Senate Education Committee. Given the deletion of all funding for CPEC by Governor Brown in the last two years it is unclear whether the administration supports the creation of a new commission.

SB 325 (Block) Trustees of the California State University: Student Members: This measure allows students who are sophomores in good standing, instead of the now required junior year, to seek appointment through the California State Students Association (CSSA) and the Governor to the Board of Trustees. The bill also waives systemwide mandatory tuition fees for student trustees so they can focus on their academic studies and work as a board member and student representative.

CSU Position: SUPPORT

Status: The measure is sponsored by CSSA. It was approved by the Senate with bipartisan support and is on a similar track in the Assembly, having just passed out of the Assembly Higher Education Committee on consent. The measure will be heard in the Appropriations Committee after the summer recess.

Proposition 39/ Energy Efficiency

AB 39 (Skinner) Proposition 39: Implementation: This bill would require the Energy Commission to administer grants, loans, or other financial assistance to an eligible institution, defined as a K-12 public school or a community college, in order to reduce energy demand and consumption at eligible institutions and to create jobs in California. At this point, the CSU and the UC are not specifically mentioned in the measure.

CSU Position: SUPPORT

Status: The measure passed out of the Assembly and is now in the Senate, assigned to both the Education and the Energy, Utilities and Communication's policy committees. The CSU is actively supporting this and two other Proposition 39 measures to make sure that ultimately the CSU is included in a final measure giving campuses access to these funds. Current action taken by the Governor and the Legislature during this year's budget negotiations directed the bulk of immediate Proposition 39 dollars to K-12 education and CCCs. The CSU and UC are still working together to advocate for a long-term plan that allows both systems to use these dollars to reduce energy costs, expand use of renewable energy sources and create jobs.

SB 39 (de León) Energy: School Facilities: Energy Efficiency Upgrade Projects: This measure directs the Energy Commission to allocate grants to school districts for energy efficiency upgrade projects. The proposal would also require the development of a financing program to fund energy efficiency programs at K-12 schools and community colleges using matching funds, low interest loans or other financing methods.

CSU Position: SUPPORT

Status: The measure passed out of the Senate and is now in the Assembly awaiting referral. CSU is actively supporting this and the two other Proposition 39 measures to make sure that ultimately the university has access to these dollars as intended.

SB 267 (Pavley) Proposition 39 Implementation: Higher Education Projects: This measure requires the Energy Resources Conservation and Development Commission to develop and administer a financial assistance program to assist the CCCs, the CSU and the UC with energy efficiency and clean energy onsite generation projects.

CSU Position: SUPPORT

Status: The measure was amended earlier this month as the budget conference committee developed their plan for K-12 and CCCs and is expected to be the vehicle to include CSU and UC in this important effort. SB 267 passed out of the Senate and is now in the Assembly ready to be assigned to a policy committee.

Tuition Fees/Affordability

AB 67 (Olsen) Public Postsecondary Education: Funding: This measure would prohibit the CSU and UC from increasing mandatory systemwide tuition fees until 2017 as long as the state abides by the Governor's multi-year funding proposal.

CSU Position: CONCERNS
Status: The measure passed out of the Assembly Higher Education Committee with bipartisan support and was then held on the Assembly Appropriation Committee's suspense file due to cost pressures associated with the proposal.

SB 58 (Cannella) Public Postsecondary Education: Funding: This measure is almost identical to AB 67, as introduced by Assembly Member Olsen. Just as AB 67 states, this measure would prohibit tuition fee increases for the CSU, UC, and CCC systems until 2018-19, when the taxes associated with Proposition 30 expire and states their intent to maintain funding levels for the systems.

CSU Position: CONCERNS (see AB 67)
Status: Senate Education Committee was set to hear this measure, but the author cancelled the hearing and has yet to reset the measure making it a two-year bill.

Financial Aid

AB 1241 (Weber) Student Financial Aid: Cal Grant Program: The measure extends the Cal Grant Entitlement program period of eligibility from one to two years, effective January 1, 2015. This will allow an applicant for Cal Grant A and B Entitlement Awards to submit a complete financial aid application no later than March 2 of the third academic year after his or her high school graduation.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Assembly and will be heard in the Senate Education Committee on June 26th. The CSU has not taken an active position on most of these measures given their fiscal impact in the context of budget deliberations. The \$305 million investment by the state for the Middle Income Scholarship Program may also give us an opportunity to focus more on access.

AB 1285 (Fong) Student Financial Aid: Cal Grant Program: Current law allows only two percent of Cal Grant B recipients to receive their full aid package in the first year of college. This measure increases the grant up to 25 percent and phases in the increase over the next three years thus expanding the amount of aid available to all students.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Assembly and will be heard in the Senate Education Committee on June 26th.

AB 1287 (Quirk-Silva) Student Financial Aid: Cal Grant Eligibility: This measure would remove statutory provisions requiring renewing Cal Grant recipients to meet annual income and asset criteria to maintain eligibility, which in many cases forces students out of one Cal Grant program but then restricts access to others they may be eligible for. This requirement was enacted as part of the 2011 budget and it has been estimated that as many as 19,000 students lost eligibility due to this change, many of which were CSU students.

CSU Position: SUPPORT
Status: The measure passed out of the Assembly and will be heard in the Senate Education Committee on June 26th.

AB 1318 (Bonilla) Student Financial Aid: Cal Grant Program: This measure establishes a formula for determining the maximum Cal Grant award for students attending nonpublic postsecondary educational institutions that provide a threshold amount of institutional financial aid.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Assembly and will be heard in the Senate Education Committee on June 26th.

AB 1364 (Ting) Student Financial Aid: Cal Grant Program: This proposal creates a statutory formula to adjust the maximum Cal Grant B awards by the percentage increase, if any, in California per capita personal income.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Assembly and will be heard in the Senate Education Committee on June 26th.

SB 285 (De León) Student Financial Aid: Cal Grant Program: This proposal would increase the Cal Grant award size from \$1,551 per student to almost \$5,000 per student per year using funds established in a companion measure, SB 284, by the same author.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Senate and has now been referred to the Assembly Higher Education Committee.

Online Learning/Alternative Pathways

AB 386 (Levine) Public Postsecondary Education: Cross-enrollment: Online Education at California State University: This measure will require the CSU to create a convenient means by

which students can find and enroll (including cross enrollment within the system) in online courses that assist them in completing their academic objectives.

CSU Position: SUPPORT
Status: The measure was approved by the Assembly on a 77 to 0 vote earlier this month and is now scheduled in the Senate Education Committee on July 3rd.

AB 895 (Rendon) Postsecondary Education: Online Education Task Force: This measure would establish the California Postsecondary Online Education Task Force, consisting of 11 members to examine online education programs in other states and analyze methods to implement online education programs in California postsecondary institutions.

CSU Position: NO OFFICIAL POSITION
Status: The measure was placed onto the Assembly Appropriation Committee's suspense file and was held due to costs.

AB 944 (Nestande) Distance Learning: This measure would require the CSU and CCC, and request the UC, to report to the Legislature by 2016, and every two years thereafter, on workload and key performance data on distance learning courses.

CSU Position: NO OFFICIAL POSITION
Status: The measure was placed onto the Assembly Appropriation Committee's suspense file and was held due to costs.

SB 520 (Steinberg) California Virtual Campus: Leadership Stakeholder Meetings: Representatives: This measure creates an incentive grant program to encourage CSU, UC and CCC faculty to develop online and hybrid courses that could be made available to students between segments.

CSU Position: PENDING
Status: The measure passed out of the Senate Appropriations Committee with substantial amendments which are being reviewed by CSU experts for further revisions to make this incentive program practical and workable. The measure does not yet include funding for the incentive grants but could be a focus for the Senate Pro Tempore after June when state revenues are confirmed. The bill will be heard in the Assembly policy committee in late summer.

SB 547 (Block) Public Postsecondary Education: Online Courses: This bill would require the Academic Senates of the three public segments to jointly identify and develop online courses that

would be made available to all students by the fall of 2014, focusing on high demand transferable lower division courses under the Intersegmental General Education Transfer Curriculum (IGETC). The bill would also require the CCC to create an internet portal through the California Virtual Campus that facilitates enrollment in the online courses.

CSU Position: SUPPORT

Status: The measure was held by the Senate Appropriations Committee due to costs.

Revenues

SB 241 (Evans) Oil Severance Tax Law: This proposal would establish an oil severance tax of 9.9 percent. Of the revenues raised by this tax, seven percent would be directed towards California's state parks, while the remaining 93 percent would be divided up between the CSU, UC and CCC equally.

CSU Position: SUPPORT

Status: The measure was held by the Senate Appropriations Committee due to costs.

SB 284 (De León) Income Tax: Contribution to Education Fund: This proposal would allow an individual taxpayer or corporate donor to contribute a tax credit towards the College Access Tax Credit Fund, with a total annual cap of \$500 million. These funds would then, per SB 285, be tied to increased Cal Grant B awards.

CSU Position: NO OFFICIAL POSITION

Status: The measure passed out of the Senate and is now in the Assembly ready to be assigned to a policy committee.

Transfer

SB 440 (Padilla) Public Postsecondary Education: Student Transfer Achievement Reform Act: This measure was introduced by Senator Padilla, the author of the CSU and CCC sponsored transfer reform act enacted three years ago. At present, the measure would require: (1) the CCC to create transfer degrees for specific majors; (2) the CSU to develop admission redirection policies, and; (3) require the two systems to develop a marketing strategy to ensure students can take advantage of this streamlined pathway. The measure also would require that *any such associate transfer degrees apply to all options within a degree program at a significant cost to the system.*

CSU Position: PENDING

Status: The measure passed out of the Senate and has yet to be referred to a committee in the Assembly. The CSU has been working with the author to address concerns with bill language that would jeopardize the work accomplished to date for students. Both the CSU and CCC have proposed amendments to the measure that will hopefully be taken up in the policy committee hearing later this summer. If such changes are not adopted, the CSU will be forced to oppose the measure as it would represent a significant cost to the system without providing any real value to the state or the students.

Veterans Services

AB 13 (Chavez) Nonresident Tuition Exemption: Veterans: This measure would allow any member of the military who was discharged or released from active duty in California, but is not a California resident, to receive a waiver for the non-resident fee in undergraduate programs regardless of whether they were stationed in the state or not. Current law only provides this waiver for members of the military who were stationed in California while on active duty.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Assembly and was heard in the Senate Education Committee on June 19th. The CSU has consistently deferred to the Legislature and Governor to determine whether new or expanded veterans' benefits are appropriate and that any loss of revenue is backfilled by the state General Fund. The CSU reports over \$30 million in lost revenue associated with current tuition fee waivers for veterans.

AB 409 (Quirk-Silva) Student Veteran: Services: This measure would encourage the CSU, CCC, and the UC to convene a taskforce which would develop a report related to student veteran transitions, including a look at some of the best practices for meeting the needs of this population.

CSU Position: NO OFFICIAL POSITION
Status: The measure passed out of the Assembly and is in the possession of the Senate Rules Committee, which often holds study bills.

SB 290 (Knight) Nonresident Tuition Exemption: Veterans: This proposal would allow all members of the military who were discharged honorably from paying the non-resident fee if they enroll at a California public institution two years after completing their service. Current law offers this benefit to those members of the military who were stationed here in California.

CSU Position: NO OFFICIAL POSITION

Status: The measure passed out of the Senate and is now in the Assembly ready to be assigned to a policy committee.