

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 8:45 a.m. Wednesday, July 20, 2005
Glenn S. Dumke Auditorium

Jeffrey L. Bleich, Chair
Melinda Guzman Moore, Vice Chair
Roberta Achtenberg
Larry L. Adamson
Herbert L. Carter
Carol R. Chandler
Moctesuma Esparza
Debra S. Farar
William Hauck
Ricardo F. Icaza
Corey Jackson

Consent Items

Approval of Minutes of Meeting of May 11, 2005

Discussion Items

1. 2005/2006 Legislative Report No. 4, *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**

May 11, 2005

Members Present

Debra S. Farar, Chair
Roberta Achtenberg, Vice Chair
Larry L. Adamson
Jeffrey L. Bleich
Herbert L. Carter
Carol R. Chandler
Moctesuma Esparza
Robert G. Foster
Murray L. Galinson, Chair of the Board
George G. Gowgani
Melinda Guzman Moore
Eric Guerra
Charles B. Reed, Chancellor

Approval of Minutes

The minutes of March 15, 2005 were approved.

2005/2006 Legislative Report No. 3

Chair Farar announced due to the absence of assistant vice chancellor, Karen Zamarripa, Mr. Richard P. West, executive vice chancellor and chief financial officer, would present the report.

Mr. West presented the following update on the status of the Trustees' legislative program for 2005 and priority legislation to date.

Senate Bill 569 (Torlakson): Affinity Cards – Information Practices Act

On April 26, the bill passed 5 – 0 in the Senate Judiciary Committee with amendments to require that we provide an opt-out opportunity similar to the standards established in SB 1 and the California Financial Information Privacy Act. The bill is currently in Senate Appropriations with no set hearing date.

Assembly Bill 706 (Parra): Whistleblower Protection

The California State University Employees Union (CSUEU) is seeking an amendment to allow the CSU to share with employee organizations, disclosed information from the whistleblower

complaint. We have rejected this amendment. It is anticipated CSUEU will register opposition to the bill, thereby possibly, removing it from the consent calendar on the Assembly Floor and slowing down the legislative process as it moves through the Senate.

The bill is currently on the Assembly Floor Consent Calendar.

Senate Bill 724 (Scott): Independent Authority for Professional Doctorates

Mr. West reported there is some debate about potential costs associated with the bill and it is currently on the Senate Appropriations Committee Suspense file.

Assembly Bill 961 (Committee on Higher Education): Omnibus Bill

The annual omnibus bill contains several non-controversial and/or technical changes to the various codes and contains four proposals: 1) Protection of Subcontractors in Design-Build Contracting; 2) Auxiliary Board Meeting Changes; 3) Sale of CSU Channel Islands Property; and 4) Self-Certification of Disability Compliance Documents.

The bill is currently in the Senate Rules Committee in anticipation of assignment to the Senate Education Committee and a hearing in early June.

Trustee Guzman Moore inquired if there was any report at the federal level on related issues and if there was any comment on the credit card issue raised by Senator Bowen at the trustees' confirmation hearing in Sacramento.

Mr. West explained the question raised by Senator Bowen who is carrying a bill on credit card fees. The focus of the bill is that public agencies should not charge clients a fee for the use of credit cards. Mr. West acknowledged the substantial use by CSU students of credit cards for payment of state university fees, and the application of a convenience fee associated with those transactions. He indicated if the bill is implemented, the impact to CSU could result in an additional \$7 million reduction to our budget.

Trustee Guzman Moore stated it was important for the committee to continue to monitor activity on the bill, particularly given the level of flexibility the use of credit cards provides for students and families.

Dr. Charles B. Reed, chancellor, reported on the status of education related legislative activity at the federal level. He indicated CSU has received favorable response to its requested earmarks on various project and updated the committee regarding ongoing discussions surrounding the Reauthorization of the Higher Education Act. The chancellor mentioned he has been invited to participate in a round-table discussion to talk about the importance of the reauthorization and its potential affects.

Trustee Jackson asked for information on SB 337 (Maldonado) that pertains to the issue of student discipline on campuses. Mr. West explained the contents of the bill were very broad and it was not well received in its first committee hearing. He said the author was attempting to look

at amendments to the bill however, we have not yet seen them. He assured the trustee an update would be provided once the bill is amended.

Chancellor Reed added that a draft CSU policy on student behavior has been developed. He informed the committee that a meeting was held with campus vice presidents for student affairs, and an advisory group was being formed to facilitate further discussion of the draft policy and in preparation for presentation to the campus presidents in June. The chancellor observed if CSU can demonstrate its intention to implement a stronger policy, perhaps the Maldonado bill would expire.

The committee recommended approval of the proposed resolution (RGR 05-05-05).

Trustee Farar adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

2005/2006 Legislative Report No. 4

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and Institutional Relations

Summary

This item contains a status report on the Trustees' legislative program and priority legislation identified to date.

Trustees' Legislative Program

The following proposals comprise the Trustees' legislative program for 2005.

AB 706 (Parra) Whistleblower Protection: This proposal seeks to ensure the CSU can maintain the confidentiality of whistleblowers and related information consistent with protections afforded state employees.

Status: *Assembly Bill 706* passed the Assembly on a 72-0 vote. It was heard in Senate Education Committee on June 22 and passed out on a 9-0 vote with amendments to remove the CSUEU's concerns. It is double referred to the Senate Judiciary Committee and will be heard on July 5. *AB 706* should go before the Senate Appropriations Committee after summer recess in late August.

SB 569 (Torlakson) Affinity Cards – Information Practices Act: CSU and UC are joint sponsors of the bill to allow the trustees, campus alumni associations (and with pending amendments, auxiliaries) to offer benefits and services to members through affinity programs such as those offered by California nonprofit organizations and private colleges and universities.

Status: *Senate Bill 569* passed the Senate on a 36-4 vote. It was heard in Assembly Higher Education on June 21 and passed out on 7-0 vote. It is double referred to the Assembly Judiciary Committee and will be heard on June 28. *SB 569* should go before the Assembly Appropriations Committee after summer recess in late August.

SB 724 (Scott) Independent Authority for Professional Doctorates: This legislation would authorize CSU to offer independent professional and clinical doctorate degrees, consistent with its graduate education and applied research mission, faculty expertise, resources, state workforce needs and accreditation and licensure requirements.

Status: *SB 724* passed the Senate on a 34-3 vote with Senators Alquist, Campbell and McClintock voting “no”. *SB 724* has been referred to the Assembly Higher Education Committee and is set to be heard on July 5. The Committee Chair, Assembly Member Liu, opposes the measure and is working along with committee consultants to prevent its passage. The *SB 724* coalition made up of K-12 and community colleges, audiology and physical therapy providers, CSU leaders as well as faculty, staff and students continue to work together to move this bill to the Governor.

Assembly Bill 961 (Committee on Higher Education) Omnibus Bill: The annual "omnibus" legislation contains several non-controversial and/or technical changes to the various codes. Four proposals are included in this year's omnibus bill: (1) Protection of Subcontractors in Design-Build Contracting; (2) Auxiliary Board Meeting Changes; (3) Sale of CSU Channel Islands Property; and, (4) Self-Certification of Disability Access Compliance Documents.

Status: *Assembly Bill 961* passed out of the Senate Education Committee with a 12-0 vote and will be heard in Senate Appropriations Committee on June 27. *AB 961* has been amended to clarify that the Channel Islands property is not “surplus property” and as such proceeds from the sale of the parcel do not go towards retiring Prop 57 debt reduction bonds per Prop 60A. The provision dealing with DSA compliance language was deleted from the bill.

Priority Bills

CSU has been tracking a number of bills through their house of origin. At this point, many of these measures have either failed passage, or have become 2-year bills. What follows are these bill lists reflecting the status of measures of interest to the system. The first is a list of legislation that is still active, the second is a list of legislation that has become 2-year bills that we will revisit in January 2006, and the third is legislation that has failed passage.

Priority Bills that are Still Active

AB 76 (Frommer) Office of Pharmaceutical Purchasing: The bill would charge the California Health and Human Services Agency, Office of Pharmaceutical Purchasing with serving as the purchasing agent for prescription drugs for state agencies, including the CSU. The CSU has requested that the author amend the bill to exempt the University from the bill. Without this change, the CSU will continue to oppose this measure.

CSU Position: Oppose Unless Amended
Status: Passed off the Assembly floor with a 42-34 vote on June 2. *AB 76* was double referred to the Senate Health Committee and to the Senate Government Modernization, Efficiency and Accountability Committee. It will first be heard in the Senate Health Committee on June 29.

AB 196 (Liu) Postsecondary Education: Accountability: This bill would charge the California Postsecondary Education Commission with developing and administering an accountability structure for the state's system of postsecondary education.

CSU Position: Support if Amended
Status: Passed off the Assembly floor with a 52-26 vote on June 1. *AB 196* was heard in Senate Education Committee on June 22 and passed out on a 9-2 vote.

AB 358 (Liu) Student Financial Aid: Cal Grant: Revises existing policy that determines the maximum Cal Grant A and B awards for students attending independent colleges and universities, provides a phase-in period for the new policy, and forms a workgroup related to issues in Cal Grant B.

CSU Position: None
Status: Passed off the Assembly floor with a 53-24 vote on May 31. The bill is set to be heard in the Senate Education Committee on June 29.

AB 529 (Goldberg) California State University Employees: Sponsored by CSUEU, this bill would allow CSU employees to make appeals regarding disability retirement to the State Personnel Board (SPB). The bill would also authorize the SPB to render a decision to determine whether the trustees have complied with the pertinent requirements in that instance.

CSU Position: Oppose
Status: Passed the Assembly with 46-28 vote on May 31. *AB 529* passed out of the Senate Education Committee on June 22 with 7-3 vote. It has been double referred to the Senate Judiciary Committee and will be heard on July 5.

AB 593 (Frommer) State Property: California Hope Endowment and California Hope Public Trust: This bill would establish the California Hope Public Trust to build an endowment for higher education using state real property investments and management. Recent amendments deleted CSU and its properties from use by the endowment.

CSU Position: No Official Position

Status: Passed the Assembly on a 46-31 vote on June 2. *AB 593* was heard in Senate Education Committee on June 22 and passed out on a 7-3 vote. It has been double referred to the Senate Government Modernization, Efficiency and Accountability Committee.

AB 708 (Karnette) California State University Whistleblower Protection: Existing law authorizes a California State University employee to file a written complaint with his or her supervisor or manager, or with any other designated university officer, alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or similar improper acts for having made a protected disclosure under the Whistleblower Protection Act. This bill would authorize the California State University to employ an independent investigator for complaints.

CSU Position: Pending Review of Amendments

Status: Passed the Assembly on June 1 with a vote of 44-34. *AB 708* passed out of the Senate Education Committee, with amendments, on June 22 with a 8-2 vote. The amendments allow the CSU to hire an independent investigator to do whistleblower investigations. *AB 708* has been double referred to Senate Judiciary Committee and will be heard on July 5.

AB 992 (Spitzer) Law Enforcement Surveillance: This bill would give UC and CSU campus police chiefs the same authority to use wiretaps and other investigative tools currently employed by local law enforcement officials.

CSU Position: Support

Status: Passed the Assembly on a 65-3 vote on May 19. It was referred to the Senate Public Safety Committee where it failed passage, but was granted reconsideration. The scope of the bill has been narrowed to investigating sexual assault crimes and will be heard on June 28.

AB 1088 (Oropeza) Public Postsecondary Education Mandatory Orientation for Incoming Students: This bill would express the intent of the Legislature to, among other things, establish a mandatory prevention and education program about violence against women for all incoming students of the California Community Colleges, the California State University, and the University of California, working in collaboration with campus and community-based victim advocacy organizations.

CSU Position: No Official Position

Status: Passed off the Assembly floor with a 48-30 vote on June 1. *AB 1088* was heard in Senate Education Committee on June 22 and passed on a 9-2 vote. It has been referred to Senate Appropriations Committee for a hearing after summer recess in late August.

Two-Year Bills

AB 58 (Nunez) Kindergarten – University Public Education Facilities Bond Act of 2006: This bill would place an unspecified amount of general obligation bonds for K-12 and higher education facilities on the November 2006 ballot.

CSU Position: Support

Status: Referred to Assembly Education Committee - two-year bill.

AB 511 (Richman) Public Employees' Retirement: This bill requires all employees hired on or after July 1, 2007 to participate in a defined contribution plan rather than the state's current defined benefit program. *AB 511* also caps employer contributions to six percent of an employee's base salary, except for sworn police officers and full-time firefighters, whose employer contribution would be nine percent. The bill would permit a public agency to contribute up to an additional three percent of base salary for employees who are not covered by social security.

CSU Position: Pending

Status: The hearing was cancelled by a request of the author and remains in the Assembly Public Employees, Retirement and Social Security Committee.

AB 700 (Jerome Horton) Student Financial Aid: Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Program: This bill would eliminate the requirements that Cal Grant entitlement recipients enter college within a year of graduating from high school and that students seeking competitive grants be under 24 years of age.

CSU Position: Support

Status: This bill was held under submission by the Assembly Appropriations Committee.

AB 701 (Nava) State Buildings: Energy and Design Criteria: This bill would, notwithstanding any other provision of law, require that all state buildings, on which construction or renovation is begun on or after January 1, 2006, attain a LEED Platinum rating, as defined, no later than January 1, 2015.

CSU Position: Pending

Status: This bill was held without recommendation in the Assembly Business and Professions Committee on April 26.

AB 786 (Ruskin) Identity Theft - California State University Employees: Sponsored by CSUEU, this bill would require CSU to provide an employee, upon request, with four hours of time off with pay following a disclosure by the university that there is, or could have been, a breach of security of employee personal information data, as specified.

CSU Position: Pending
Status: This bill was held under submission in the Assembly Appropriations Committee.

AB 828 (Cohn) Public Postsecondary Education - Tuition and Fee Waiver for Military Veterans: This bill would provide that any person who is honorably serving in, or has been honorably discharged from, the armed forces of the United States, would not be subject to tuition or fees at any campus of the University of California, the California State University, or the California Community Colleges if he or she is a California resident, as defined.

CSU Position: Support If Amended
Status: The hearing for this legislation was cancelled at the request of the author in the Assembly Higher Education Committee. The CSU has requested amendments to ensure that the system is reimbursed for revenue losses due to the proposed waivers.

AB 870 (Bermudez) Public Postsecondary Education - Limitations on Tuition and Mandatory Systemwide Fee Increases: This bill limits annual student fee increases at the state's three public higher education systems, beginning in 2005-06, to two percent unless at least one-third of the revenue from the fee increase is used to fund student financial aid programs at the respective segments.

CSU Position: Oppose Unless Amended
Status: This bill was held under submission in the Assembly Appropriations Committee. The CSU objects to any statutory fee policy inconsistent with the Board of Trustees policy and the Governor's Compact on Suspense File.

AB 933 (Emmerson) Public Postsecondary Education - Statewide Student Fee Policy: This bill would enact a statutory fee policy based on an unspecified percentage of cost of education at the CSU and UC.

CSU Position: Oppose Unless Amended
Status: The hearing for this legislation was cancelled at the request of the author in the Assembly Higher Education Committee. The CSU objects to any statutory fee policy inconsistent with the Board of Trustees policy and the Governor's Compact.

AB 1072 (Liu) Postsecondary Education - Office of the Secretary for Higher Education: This bill would establish the California Commission on Higher Education as the successor to CPEC as of July 1, 2006.

CSU Position: Pending

Status: Held in the Assembly Higher Education Committee. The author intends to make this a 2-year bill

AB 1350 (Cogdill) Public Postsecondary Education - Dual Admissions Program: This bill would require that any student who participates in a dual admission program have his or her community college fees waived for up to two academic years, irrespective of financial need.

CSU Position: Pending

Status: The hearing for this piece of legislation was cancelled at the request of the author in the Assembly Higher Education Committee.

ACA 5 (Richman) Public Retirement Systems: This measure would provide that any new public employee, including employees of the UC and CSU, be enrolled in a defined contribution plan of a public pension system or retirement system. The measure would also set employer and employee contribution limits.

CSU Position: Pending

Status: This measure remains in the Assembly Public Employee, Retirement, and Social Security Committee.

SB 5 (Morrow) Public Postsecondary Education Standard - Student Bill of Rights: This bill would request the Regents of the University of California, and direct the Trustees of the California State University and the Board of Governors of the California Community Colleges, to develop guidelines and implement specified principles, relating to academic freedom, of a Student Bill of Rights. Proponents of a Student Bill of Rights believe that American colleges and universities should guarantee intellectual diversity by legislating fair and balanced practices of grading, curriculum development, selection of invited speakers, allocation of university funds, hiring, firing, promotion and tenure review.

CSU Position: Pending

Status: Failed passage with a 4-6 vote in the Senate Education Committee. Reconsideration granted. This is a 2-year bill.

SB 96 (Murray) Peer-to-Peer Networks - File Sharing Software: This bill would impose a fine of up to \$2,500 and/or imprisonment in a county jail for up to one year for an entity that sells,

advertises, or distributes peer-to-peer file sharing software that enables the user to electronically disseminate recordings or audiovisual works over the Internet, which fails to incorporate filtering technology that would prevent this same software from being used in a way that would depict a minor in an obscene manor, to those that might distribute or use in advertisements.

CSU Position: No Official Position
Status: Remains in the Senate Public Safety and Committee.

SB 337 (Maldonado) Public postsecondary students - dismissal: This bill requires the local governing board of a community college district and the Trustees of the California State University (CSU), and requests the University of California Regents (Regents), to immediately dismiss any student convicted, pleading guilty to, or being adjudicated a delinquent minor with respect to specified rioting provisions of the Penal Code. The bill also prohibits campuses of the CCCs or the CSU from admitting these students for one year, declares legislative intent that the Regents adopt the same or a more stringent admissions policy, and restricts these students' Cal Grant eligibility.

CSU Position: No Official Position
Status: Remains in the Senate Education Committee

SB 860 (Bowen) Credit Card Processing Fees: Prohibits the California State University, the University of California, and the community colleges, or an agent of one of these entities that accepts a credit or debit card from imposing any processing fee or charge for the use of a credit card or debit card if that fee or charge is not also imposed upon persons who pay for the same service or obligation by cash or check.

CSU Position: Oppose
Status: The hearing was cancelled at request of the author after much opposition from the higher education community and the banking industry.

SB 871 (Scott) Postsecondary Education Accountability - California Postsecondary Education Accountability Act of 2005: This bill proposes a statewide California Postsecondary Education Accountability (CPSEA) structure that would annually provide an assessment of the progress made by the state's system of postsecondary education in meeting the educational needs of Californians consistent with *SB 1331 (Alpert)*, which was vetoed last year.

CSU Position: Support
Status: The hearing was cancelled at the request of the author.

SB 882 (Ashburn) Public Employees' Retirement - Final Compensation: This bill would define "final compensation" for state members and school members of the Public Employees' Retirement System who retire or die on or after January 1, 2006, as the highest annual compensation earnable by the member during a consecutive 36-month period immediately preceding the effective date of his or her retirement.

CSU Position: Pending

Status: This bill was held under submission in the Senate Public Employment and Retirement Committee

Bills that have Failed Passage

AB 214 (Richman) Public Employees' Retirement - Final Compensation: This bill would define "final compensation" for any member of the Public Employees' Retirement System who retires or dies on and after January 1, 2006, as the average compensation earnable by the member during the final three years of employment rather than the highest compensation during a designated twelve-month period.

CSU Position: Pending

Status: Referred to the Assembly Public Employees, Retirement and Social Security Committee. *AB 214* and many other retirement reform proposals have yet to be considered in light of initiative proposals and budget deliberations.
UPDATE: Failed passage 2-4 in Assembly PERS.

AB 222 (Bogh) Public Works - Prevailing Wage Labor Compliance: This bill repeals existing law that requires the initiation and enforcement of a labor compliance program for all public works projects, and instead, requires an awarding body to post a notice, as specified, advising workers that do not receive the prevailing rate of per diem wages for work performed on a public works project to contact the Division of Labor Standards Enforcement.

CSU Position: Pending

Status: Failed passage 2-6 in Assembly Labor

AB 589 (Emmerson) Public Postsecondary Education - Nonresident Admissions Criteria: This bill would require a person without lawful immigration status to pay nonresident tuition at the California Community Colleges and the California State University.

CSU Position: Pending

Status: Held in the Assembly Higher Education Committee. Failed passage 0-6 in Assembly Higher Education Committee.

SB 349 (McClintock) Public Postsecondary Education - Nonresident Admissions Criteria:
This bill would require a person without lawful immigration status to pay nonresident tuition at the California Community Colleges and the California State University.

CSU Position: No Official Position

Status: Failed passage in the Senate Education Committee on April 6 by a vote of 2-8

SB 445 (Ducheny) Commission on Statewide Postsecondary Education Policy and Planning:
This bill would replace the California Postsecondary Education Commission with a new agency, the California Commission on Statewide Postsecondary Education Policy and Planning.

CSU Position: Pending

Status: Failed passage 5-4 and placed on the Senate Education Committee Suspense File.

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of The California State University, that the 2005/2006 Legislative Report No. 4 is adopted.