

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 10:45 a.m., Tuesday, September 20, 2011
Glenn S. Dumke Auditorium

Peter G. Mehas, Chair
Carol R. Chandler, Vice Chair
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 July 12, 2011

Discussion Items

1. 2011-2012 Legislative Report No. 5, *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**

July 12, 2011

Members Present

Peter G. Mehas, Chair
Carol Chandler, Vice Chair
Herbert L. Carter, Chair of the Board
Steven Dixon
Debra S. Farar
Steven M. Glazer
Melinda Guzman
William Hauck
Linda A. Lang
Bob Linscheid
Henry Mendoza
Lou Monville
Charles B. Reed, Chancellor

Trustee Mehas called the meeting to order.

Approval of Minutes

The minutes of May 10, 2011, were approved by consent as submitted.

2011-12 Legislative Report No. 4

Mr. Garrett Ashley, vice chancellor for university relations and advancement, provided a brief introduction followed by a detailed report by Karen Y. Zamarripa, assistant vice chancellor for advocacy and state relations.

Ms. Zamarripa provided an overview of the current and pending legislative measures that are of interest to the California State University (CSU), and an update on existing and upcoming advocacy efforts. Ms. Zamarripa reported that all CSU-sponsored bills moved through their policy committees, getting to the governor's desk for final action. She provided a detailed report on the status of several sponsored bills. AB 633 (Olsen) permanently grants the CSU the

authority to purchase vehicles without the Department of General Services (DGS). The bill has moved through the second policy committee and is now pending in the appropriations committee. Given the bill actually saves the CSU and the state money, the measure is expected to move to the full senate. Second, she discussed SB 736 (Cannella), which would eliminate duplicative campus audits, resulting in a reduction in administrative time and costs. The provisions of this bill were inserted in a budget trailer bill AB 114, which was signed by the governor.

Ms. Zamarripa reviewed three measures dealing with labor relations and collective bargaining. SB 931 (Vargas) prohibits public agencies like the CSU from using outside legal advisors and consultants to assist them in the collective bargaining process while retaining the authority of labor unions to use such expertise. SB 857 (Lieu) eliminates the authority of the Public Employees Relations Board (PERB) in recovering costs associated with an unlawful strike. She explained how this bill is related to a case at the University of California where they were granted damages regarding a strike at one of their medical facilities. And lastly, she explained the impact AB 1102 would have on the CSU, which, as recently amended, would expand the state's whistle-blower act, making it a more common practice and substantially increasing the claims.

Ms Zamarripa provided an update on the status of the California Citizens Commission, which was charged by voters to develop new maps for Senate, Assembly, Congressional and Board of Equalization districts for the 2012 election. The commission is expected to adopt final maps by August 15. It is expected that while little change will occur overall in the makeup of the legislature from a party perspective, there will be many incumbents of the same party that will either face-off next year or seek other offices.

Ms. Zamarripa informed the group that funding for the California Postsecondary Education Commission (CPEC) has been eliminated effective July 1. There are several issues that need to be addressed between now and the end of the session to ensure that federal funding for teacher improvement grants and the student databases built by the segments with CPEC will be continued.

Ms. Zamarripa concluded her presentation on legislative matters by bringing attention to the various bills contained in her written report relating to pension reform. She stated that several bills are moving, and are anticipated to be further discussed in 2012. The advocacy and state relations office will be keeping a close eye on the ramifications of these proposals.

The committee recommended approval of the proposed resolution (RGR 07-11-06) adopting the 2011-2012 Legislative Report No. 4.

The meeting was adjourned.

COMMITTEE ON GOVERNMENTAL RELATIONS

2011-2012 Legislative Report No. 5

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy & State Relations

Summary

The Legislature will adjourn the 2011 session on September 9 at which time Governor Brown will have 30 days to take final action on what will likely be hundreds of new proposed statutes. This item contains an update on the Board of Trustees 2011 Legislative Program and bills of interest for the CSU as of the last week of August. The verbal report will provide the final disposition of these matters as well as other noteworthy actions.

Board of Trustees Sponsored Measures

AB 633 (Olsen) 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 as well.

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 the university is responsible for through its foundations.

Status: The measure was passed out of the legislature and is now awaiting presentation to the Governor.

SB 292 (Padilla) Public Postsecondary Education: Community Colleges: Transfer: This measure is a possible clean-up vehicle for last year's transfer agreement measure SB 1440 (Padilla). The measure currently contains language that encourages community colleges to accept units from other community colleges.

Status: The measure is pending action on the Assembly Floor.

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

Status: This measure passed out of the Senate with bipartisan support. Similar language to this bill was placed into a budget trailer bill by the Department of Finance as part of the May Revise, and eventually placed in AB 114, which was enacted (Chapter #43, Statutes of 2011).

SB 940 (Committee on Education) Public Postsecondary Education: Students: This proposal will clarify that the priority enrollment provided to veterans under current law would not be altered by the recently enacted SB 1440, the community college transfer measure of 2010.

Status: This measure passed out of the Legislature with unanimous support and is now headed to the Governor.

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 bill requires all public retirement systems in California to apply the IRS \$245,000 limit on compensation for the purpose of calculating a defined benefit pensions for an employee hired after 2012. While employees hired before 1996 are exempt from the \$245,000 limit, the University of California (UC) had in previous years sought an exemption from the IRS limit for its employees hired since then.

CSU Position: NO OFFICIAL POSITION

Status: This measure passed out of the Assembly on a vote of 75-0 and is set to be heard on the Senate floor.

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 non-state funded scholarships, if financially needy.

CSU Position: SUPPORT

Status: This measure was signed into law by Governor Brown. 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: This measure was approved by the Senate on August 31st and will soon be before the Governor for action.

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

CSU Position: SUPPORT

Status: The measure was passed out of the Senate and is awaiting concurrence in amendments by the Assembly. The measure will then be headed to the Governor for action.

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

CSU Position: OPPOSE

Status: This measure was passed out of the Senate on a partisan vote and now needs the Assembly to concur in Senate amendments before it heads to the Governor. CSU does not disagree with the premise that future contracts should include such provisions but objects to a new mandate in law.

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 provide a refund of up to 100% 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: This measure is with the Governor, awaiting his final action.

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.

AB 670 (Block) California State University: Admission: This measure stipulates that each CSU campus have an admission appeal process for 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: This measure was passed out of the Senate and is awaiting concurrence in amendment in the Assembly. The measure will then be headed to the Governor for action.

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 in a student government to receive appropriate compensation.

CSU Position: NO OFFICIAL POSITION

Status: This measure passed out of the Senate and is now awaiting action in the Assembly to concur on amendments taken in the Senate. The author is attempting to address circumstances like that involving Fresno State's ASI President; however given federal law with regard to employment, the measure does not rectify situations where ASI officers are *employed* by their association.

AB 851 (Nestande) Distance Learning: This measure establishes a common definition of "distance learning course" and requires data gathering and reporting on such courses offered by the state public postsecondary institutions. It also requires the Legislative Analyst's Office (LAO) to convene a task force to identify steps needed to establish a virtual Western Governors University (WGU), California.

CSU Position: NO OFFICIAL POSITION

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

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 policies, 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 CSU. It was then made a two-year bill while on the floor of the Assembly. The CSSA and UCSA are sponsors of the bill.

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 passed out of the Senate and is awaiting concurrence in amendments by the Assembly. The measure will then be headed to the Governor for action.

AB 1326 (Furutani) California Higher Education Endowment Corporation: Oil and Gas Severance Tax: This measure would impose a 12.5% oil severance fee that would be allocated to a newly created California Higher Education Fund Endowment entity for distribution and to 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. 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.

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 they increase their tuition fees. It also would place a cap of \$300,000 on the salary for a campus president and executives. UC is urged to follow the law if enacted.

CSU Position: OPPOSE

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

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 passed out of the Legislature and was presented to the Governor on August 23rd.

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. It is anticipated that the Governor will propose his own pension reform proposal this fall, and the legislature has decided to wait until then to move pension reform measures.

SB 46 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 will now be heard in the Assembly, it is currently at the Assembly Desk. CSU estimates millions of dollars in new costs given the data that would have to be collected and provided for over 4,400 employees who would be subject to this new reporting.

SB 185 (Hernandez) Public Postsecondary Education: This measure allows 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 passed out of the Senate Appropriations Committee on a bipartisan vote and is now headed to the floor of the Senate. Existing CSU practice is consistent with the bill.

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.

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 curricula 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 passed out of the Senate Appropriations Committee and is now headed to the floor of the Senate.

SB 612 (Steinberg) Postsecondary Education: Instructional Strategies: This measure extends the sunset date on existing California Subject Matter Projects (CSMPs) and adds in 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 passed out of the Senate Appropriations Committee and is now headed to the floor of the Senate.

SB 813 (Committee on Veterans Affairs) Public Postsecondary Education: Veterans' Enrollment: This measure would grant priority enrollment 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 passed out of the legislature and is now headed to the Governor's desk.

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 passed out of the Assembly on a partisan vote of 51 to 27 and now moves to the Senate for concurrence in amendments.

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.

CSU Position: OPPOSE UNLESS AMENDED

Status: This measure was placed on the inactive file while on the Assembly floor and is a two-year bill.

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% 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 more than 10% more than his/her predecessor.

CSU Position: OPPOSE

Status: This measure has yet to be set for a hearing and is one of the four bills introduced in mid-August.

SBX1 26 (Lieu) California State University: Compensation: This measure prohibits a CSU president from receiving compensation that exceeds 150% of what the Chief Justice of California makes unless approved by the Governor. Compensation is defined to include salary, bonuses, living allowance, 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 CSU to consider applicants from a CSU campus, or a resident of California before looking anywhere elsewhere for executive leadership.

CSU Position: OPPOSE

Status: One of the four measures introduced on this topic, the bill was never heard before adjournment.

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, general counsel of the university, the trustees' secretary, and the presidents of our 23 campuses. The measure is a mandate on the CSU and a request for the UC.

CSU Position: OPPOSE

Status: This bill like the others was never moved before session adjourned.

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of The California State University, that
2011-2012 Legislative Report Number 5 is adopted.