

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 8:00 a.m., Wednesday, January 29, 2014
Glenn S. Dumke Auditorium

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

Consent Items

Approval of Minutes of Meeting of November 5, 2013

Discussion Items

1. Board of Trustees Legislative Program, 2014, *Action*
2. California State University 2014 Federal Agenda, *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 5, 2013

Members Present

Steven M. Glazer, Chair
Douglas Faigin, Vice Chair
Debra Farar
Lupe C. Garcia
Bob Linscheid, Chair of the Board
J. Lawrence Norton
Cipriano Vargas
Timothy P. White, Chancellor

Trustee Glazer called the meeting to order.

Approval of Minutes

The minutes of September 25, 2013, were approved as submitted.

Legislative Update

Garrett Ashley, vice chancellor for university relations and advancement, provided highlights from the legislative report. The legislative calendar was completed on October 13, 2013, when the governor took final action on remaining measures. More than 2,500 measures were introduced in the beginning of the year; of those, around 800 made it to the legislature and the governor vetoed 96.

Bills signed into law affect higher education and the California State University (CSU) in a variety of ways, including public accountability, student representation on the board of trustees, transfer pathways and online education.

Veteran's Legislative Update

Karen Y. Zamarripa, assistant vice chancellor for advocacy and state relations, provided an advocacy update. The goal of the advocacy plan is to educate and inform policymakers, develop and strengthen relationships, expand the base of support and leverage third-party advocates at the local and state level.

An advocacy strategy was developed around CSU efforts to serve student veterans and their families. A series of activities have been planned at the campuses and systemwide:

- Campuses were asked to invite state and local officials to their veterans' celebrations and communicate the CSU's commitment to those who served and those who continue to serve in the military.
- Nine posters will be displayed at the capitol outside the governor's office to celebrate the contributions and accomplishments of veterans in the CSU community.
- A capitol briefing will be held on November 13, 2013, for staff to learn more about the CSU student veteran programs, resources and policies.

Dr. Leslie E. Wong, president of San Francisco State University, and Dr. Donald J. Para, interim president of California State University, Long Beach, gave an overview of events on their respective campuses during the weeks surrounding Veterans Day as well as year-round programs that promote awareness and support veterans.

Taylor Herren, president of the Associated Students at California State University, Chico, shared the veterans' programs on campus and encouraged the trustees to support initiatives that promote student veteran success.

Chair Linscheid asked what programs are available to former service members that assist them with the transition to civilian life before they arrive on campus. Carolina Cardenas, director of outreach and early assessment, noted that there are transition programs both before and after arrival on campus, including special courses, orientations and integration with families. San Diego State University works with Camp Pendleton to assist with transitions. California State University, San Bernardino has a special orientation program and integrates veterans with ROTC officers to build a sense of belonging on campus.

Trustee Glazer adjourned the meeting.

COMMITTEE ON GOVERNMENTAL RELATIONS

Board of Trustees Legislative Program, 2014

Presentation By

Garrett Ashley
Vice Chancellor
University Relations and Advancement

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy & State Relations

Summary

This item contains the proposed Board of Trustees Legislative Program for 2014.

Background

In August 2013, the chancellor requested that campus presidents and system administration submit proposals for the 2014 legislative session. Staff analyzed all proposals within the context of the state's fiscal condition, the political and policy environment, and overall relationship to California State University (CSU) initiatives and priorities.

After review and consultation with various constituencies, it is our recommendation that the Board of Trustees pursue two legislative proposals this year. The first makes modest modifications to three mandatory reports dealing with Early Start, gifts and donations, and our Doctorate of Nursing Practice (DNP) programs. The second responds to a request by the Academic Senate to ensure that our board benefits from an active faculty trustee at all times.

Modification of Existing CSU Reporting Requirements

This first proposal is a technical cleanup measure that would modify the submissions of three reports that the CSU provides to the legislature and the executive branch.

Legislation enacted in 2012 (Assembly Bill 2497, Assembly Member Jose Solorio) required the CSU to work with the Legislative Analyst's Office (LAO) on the completion of an ongoing series of reports showing the impact of the CSU's Early Start Program on students needing remediation. Currently, the law requires a report be submitted on January 1, 2014 and then every subsequent two years. Because of the nature of the review required to complete the report, the

CSU and the LAO are requesting the deadline be moved forward by six months, starting in 2016. Moving this deadline would ensure a thorough and complete analysis of the CSU's Early Start Program, including how the CSU has been successful in increasing student success.

The second deadline requiring modification concerns the annual report on gifts and donations to our system. This report is due to the legislature and executive branch annually on the fifth of January. The CSU has been consistently late in reporting this information. This tardiness is due to the required Board of Trustees approval needed prior to the report being released. The board does not meet at the end of December and the first meeting of the New Year takes place at the end of January, thus causing the report deadline to be missed. Moving the due date for this report to the spring would ensure the CSU submits it on time.

The last report that needs modification is the report related to the DNP degree authority given to the CSU in 2010 with the passage of Assembly Bill 867 by Assembly Member Pedro Nava. The final legislation required a report by the CSU in collaboration with the LAO and the Department of Finance (DOF) due January 1, 2017. The compromise on this authority came together in the last hours of session and the reporting language was essentially taken from prior legislation dealing with the Doctor of Education degree. As a result, the DNP report language requires specific consultation with K-12 schools that is unrelated to nursing. In order to ensure that the evaluation and subsequent report addresses the appropriate policy issues, the CSU requests modification of the language to eliminate the K-12 consultation requirement.

Faculty-Trustee Holdover Appointment

This proposal allows the current faculty trustee to serve beyond their two-year term until a successor has been appointed by the Governor. This proposal was brought forward by the statewide Academic Senate and ensures that this trustee position is not left vacant for long periods of time. The faculty trustee speaks on behalf of the faculty on academic policies and curricular issues that come before the board. This voice is significantly reduced when this appointment remains vacant.

This trustee is appointed by the Governor from a list of faculty provided by the Academic Senate and serves a two-year term. The trustee is a regular member of the 25-member board with the exception that they may not serve on a committee dealing with collective bargaining issues.

The following resolution is recommended for approval:

RESOLVED, by the Board of Trustees of The California State University, that the legislative proposals described in this item are adopted as the Board of Trustees Legislative Program for 2014.

COMMITTEE ON GOVERNMENTAL RELATIONS

California State University Federal Agenda for 2014

Presentation By

Garrett P. Ashley
Vice Chancellor
University Relations and Advancement

James M. Gelb
Assistant Vice Chancellor
Federal Relations

Summary

This item contains a presentation of recommendations for the 2014 CSU Federal Agenda.

Background

In January 2013, the Board of Trustees adopted the 2013 CSU Federal Agenda, a legislative program for the system that included policy and fiscal priorities for the first session of the 113th Congress. CSU priorities encompassed a broad range of initiatives geared toward: ensuring access through aid to students; preparing students for college; fostering success for California's diverse population; training students for tomorrow's workforce; solving societal problems through applied research; and promoting state and private support for public universities. Over the past year, the CSU's Office of Federal Relations (OFR) and system leaders worked to advance those priorities. While the 2013 Congressional session was noted for dysfunction (including the sixteen-day government shutdown in October and flirting with default on the national debt) and lack of legislative output, the CSU had some preliminary success in key areas, and made important progress introducing CSU federal priorities to many new members and staff in the California congressional delegation.

With regard to fiscal year 2014 (FY 14), which began on October 1, 2013, the CSU fought in an austere environment to defend priority programs and promote targeted investments in higher education. Thus, the CSU advocated robust funding for priority programs housed in the Education Department, including aid programs like the Pell Grant, the Supplemental Educational Opportunity Grant (SEOG), and Work-Study. Among pipeline programs, CSU promoted Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and TRIO programs (e.g., Upward Bound). Aid for institutional development programs geared toward

minority-serving institutions, such as those for Hispanic-serving institutions, were also high priorities.

The system also supported FY 14 resources for a number of applied research and workforce training priorities outside of the Education Department. For example, in the US Department of Agriculture (USDA) spending bill, CSU sought funding for competitive capacity building grants for non land-grant colleges of agriculture (NLGCA), Hispanic-serving agricultural colleges and universities (HSACU), and the USDA's Hispanic-Serving Institutions Education Grants Program, which has benefited many CSU students over the years. In the National Science Foundation (NSF) budget, the CSU promoted support for several programs that help train students in science, technology, engineering and mathematics (STEM) fields, particularly to work in underserved communities, including the Robert Noyce Scholarship Program and the Louis Stokes Alliance for Minority Participation (LSAMP) program.

More broadly, the CSU worked individually and as part of several coalitions to demonstrate the importance of investing in these education-related priorities and urged Congress to undo significant across-the-board cuts to many research and education programs, including most of those mentioned above. These automatic cuts (called "sequestration") were passed in 2011 as part of the Budget Control Act (BCA). Designed to reduce federal debt by \$1.2 trillion over ten years (through 2021), the legislation made some immediate cuts (e.g., ending year-round Pell). Additionally, the intent was to force complex and difficult compromises about both entitlement reform and tax policy by putting into place strict annual spending caps and enacting a threat of additional automatic across-the-board cuts each year to discretionary defense and domestic spending if significant savings weren't negotiated elsewhere. Thus far, no grand compromise has emerged. Democrats have fiercely resisted any entitlement changes, while Republicans have similarly resisted increased tax revenues – accordingly, blunt cuts occurred in FY 12 and FY 13, primarily hurting discretionary spending. For example, FY 13 appropriations included cuts to TRIO, GEAR UP, minority-serving programs, and NSF programs. Pell Grants escaped further cuts through sequestration but remain vulnerable as long as the spending caps set by the BCA remain in place.

Partisan differences on how to proceed in FY 14 between the House, whose draft budget called for severe cuts to education programs, and the Senate, whose draft budget called for higher spending and the elimination of sequester cuts, all coupled with fights over health care reform, led to October's government shutdown. Finally, in December 2013, Congress reached a compromise budget agreement to remove the threat of additional automatic cuts in FY 14 and in FY 15, and to restore some of the sequester cuts made in the past. While the compromise set a new top line for FY 14 spending, final numbers for individual programs have not been settled upon. Nonetheless, the new higher overall budget totals for FY 14 and FY 15 represent a significant, albeit limited, victory for the CSU and other education funding advocates. Priority

programs cut in recent years are likely to see partial restoration to earlier levels; it appears likely that the maximum Pell Grant will increase this fall.

The CSU also worked productively with House and Senate offices on both sides of the aisle to advance language in a reauthorization of the Farm Bill that would better enable CSU institutions to compete for funds in key USDA programs. The reauthorization was ultimately postponed for action in 2014, but good ground work has been laid for CSU priorities. Similarly, the CSU continued to promote teacher preparation priorities in connection with the still unfinished revision of the Elementary and Secondary Education Act (ESEA), including improved clinical teacher preparation designs, targeted resources to high-need schools and shortage fields, and funded data-driven accountability measures.

Also during 2013, the new Congress and administration began taking a serious look at updating the Higher Education Act (HEA), which governs a vast array of student aid, pipeline, capacity building, and other priority programs. HEA programs like the Pell Grant, student loans and programs that benefit minority-serving institutions are coming under renewed scrutiny. Last spring, the House Committee on Education and the Workforce solicited input on HEA reauthorization. Particular focus was on ways to empower students as consumers; simplify and improve aid and loan programs; increase accessibility, affordability and completion; encourage institutions to reduce costs; promote innovation to improve access and delivery of higher education; and reduce the burden on institutions of federal requirements. In August, the CSU submitted extensive comments and suggestions in response to the solicitation. In addition, Chancellor White met with both the chair and the ranking member of the House committee to discuss HEA priorities. The Senate joined the House in beginning to hold a series of informational hearings on HEA reauthorization issues this past fall.

President Obama also set forth some broad ideas this summer that are at least in part relevant to HEA reauthorization. A key component is a new federal system that would rate colleges and universities on factors including access, affordability and student outcomes. His plan would make more federal student aid – such as Pell grants and student loans – available to students attending highly rated schools, and provide greater federal resources to institutions serving large numbers of students with need. It also would encourage state investment in public institutions and promote innovations in areas such as online learning. Chancellor White also met with top Education Department officials in September to discuss CSU efforts and ideas in these areas. The Education Department has begun working on the new ratings scheme and held its first public forum on the subject at CSU Dominguez Hills. However, most of his proposals, including those related to student aid, would require Congressional action and be incorporated into HEA.

One significant piece of higher education legislation did get enacted this year: The Student Loan Affordability Act of 2013. In recent years, student loan interest rates had been set at fixed rates by Congress. A series of declines was followed by an automatic permanent increase in 2013 to

6.8%. The newly enacted legislation moved all student loan interest rates (except for Perkins loans) to a market-based rate, with caps ranging from 8.25 percent to 10.5 percent. Interest rates for new loans issued in any given year will change annually, but remain fixed until the loan is repaid. While rates will fluctuate over time, in the short run, rates will be lower. For the current year, the interest rate for undergraduates is 3.86 percent (down from the prior rate of 6.8 percent), for graduate students the new rate is 5.41 percent (down from 6.8 percent), and for parents the new rate is 6.41 percent (down from 7.9 percent). Though it had considerable bi-partisan support, the bill was not entirely popular with some student groups and Democrats, who were concerned about the potential for higher rates down the road. But it did settle what had become a perennial issue in a way that did not require finding resources from elsewhere in the education budget.

Recommendations for the 2014 Federal Agenda

In September 2013, Chancellor White sent a memo to all 23 CSU presidents and senior system leaders soliciting recommendations and outlining criteria for the system's 2014 Federal Agenda. 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.

Outlined below is a summary of the proposed CSU Federal Agenda for 2014. 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 (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; they also include bulleted illustrations of proactive priorities that are ripe for advocacy in 2014.

Overall, the agenda hews closely to the system's 2013 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. Because the Pell program will come under significant scrutiny due to its cost and the austere fiscal environment that generally prevails, 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 following priority areas should be the subject of proactive pursuit:

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*

180,000 who rely upon need-based Pell Grants. More than 30,000 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
- 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 on the cutting edge of partnering with P-12 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-serving and other minority-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: *96,000 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

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 and, wherever applicable, state “maintenance of effort” provisions
- Advocate policies that promote philanthropy and a positive climate for university advancement

Because of the inherently shifting nature of campus, state and national priorities, 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 legislative program described in the Agenda Item 2 of the Committee on Governmental Relations on January 28-29, 2014 is adopted as the 2014 CSU Federal Agenda.