

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 11:15 a.m., Wednesday, November 12, 2014
Glenn S. Dumke Auditorium

Douglas Faigin, Chair
Steven M. Glazer, Vice Chair
Talar Alexanian
Adam Day
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Lillian Kimbell
J. Lawrence Norton
Steven G. Stepanek

Consent Items

Approval of Minutes of Meeting of September 9, 2014

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**

September 9, 2014

Members Present

Douglas Faigin, Chair
Talar Alexanian
Adam Day
Debra S. Farar
Margaret Fortune
Lupe C. Garcia
Steven M. Glazer
Lillian Kimbell
Lou Monville, Chair of the Board
Steven G. Stepanek
Timothy P. White, Chancellor

Trustee Faigin called the meeting to order.

Approval of Minutes

The minutes of July 22, 2014, were approved as submitted.

Legislative Update

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

Mr. Ashley reported that the legislature returned from summer recess in August and focused on finalizing several complex issues prior to the end of the session. The most pressing topic was the future of the state's water infrastructure, which resulted in a \$7.3 billion water bond for the November ballot. The legislative session ended on August 29, and several bills of interest to the California State University (CSU) were sent to the governor.

Ms. Zamarripa provided an overview of the legislative items that could have a significant impact on the CSU:

- AB 1476 (Atkins), which proposes to amend the 2014 Budget Act to include \$50 million in one-time funding for University of California (UC) and CSU respectively, is now before the governor.
- The CSU-sponsored legislation on the faculty trustee holdover appointment (AB 2324) and reporting requirement modifications (AB 2736) were approved by the legislature and are awaiting action by the governor. AB 2736 has been amended to clarify the board's authority to adopt a systemwide voluntary fee for the California State Student Association.
- AB 1989, a priority bill dealing with students in winemaking and brewery programs, has been signed by the governor. SB 1210, a priority bill on a state-supported loan program for AB 540 (2001) students, is pending action by the governor.
- The CSU is supporting SB 850, which allows up to 15 community college districts to pilot baccalaureate degree programs that are not offered by the CSU or the UC.
- AB 2610, which responds to the Bureau of State Audit (BSA) recommendation that the CSU define "supplant" for extended education programs, is being held by the legislature. The CSU will continue to work with CFA in order to come to an agreement on the definition of supplant.
- The CSU is opposing AB 46, which requires unfunded, mandatory reporting on services used by students in online courses.
- AB 2721 (Pan), which is a CSUEU-sponsored measure that would add a staff trustee to the Board of Trustees, has been approved by the legislature and is awaiting action by the governor.

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 the final actions of key issues and legislative measures of interest to the California State University.

Background

The Legislature returned to complete their session on August 30. At which point, the Governor had 30 days to work through the bills that made it to his desk. Per the Governor's office, 1,074 made it to his desk in 2014, with 930 signed into law and 143 vetoed.

Board of Trustees Sponsored Legislation

AB 2324 (Williams) Faculty-Trustee Holdover Appointment: This proposal allowed a current faculty trustee a holdover period pending reappointment or new appointment by the Governor, so that there is no interruption in faculty representation on the board.

STATUS: The bill was signed into law by the Governor. Chapter 340, Statutes of 2014.

AB 2736 (Committee on Higher Education) Postsecondary Education: California State University: This bill was amended to authorize the Board of Trustees to implement a statewide voluntary fee for the California State Students Association. The other three provisions dealt with minor reporting changes for the system.

STATUS: The bill was signed into law by the Governor. Chapter 511, Statutes of 2014.

Priority Bills

AB 1989 (Chesbro) Underage Drinkers: Students in Winemaking and Brewery Science Programs: This measure was co-sponsored with the University of California and created a narrow exception to the current Alcoholic Beverage Control Act related to the consumption of alcohol by underage persons. The bill allowed CSU and UC students, who are at least 18 years of age and enrolled in an enology degree granting program, such as at Cal Poly SLO and Fresno State, to taste, but not consume, wine and beer for educational purposes.

CSU POSITION: SUPPORT/SPONSOR
STATUS: The bill was signed into law by the Governor. Chapter 162, Statutes of 2014.

AB 2610 (Williams) California State University: Special Sessions: The bill proposed a definition of “supplant” to guide our extended education and special session programs and courses, as recommended by the Bureau of State Audits earlier this year.

CSU POSITION: SUPPORT IF AMENDED
STATUS: The bill passed in the Senate Education Committee without any “no” votes and was placed on the Appropriations Committee suspense file pending further amendments. A resolution on the final amendments was not successful, so the bill died.

SB 1210 (Lara) Postsecondary Education: California Student Education Access Loan Program: This bill was co-sponsored with UC and established the Dream Loan Program to serve students who meet the AB 540/130/131 eligibility criteria, but lack access to federal student loans. Students will qualify for up to \$4,000 in loans per academic year under an equal financial partnership between the state and participating institutions.

CSU POSITION: SUPPORT/SPONSOR
STATUS: The bill was signed into law by the Governor. Chapter 754, Statutes of 2014.

Other Legislation of Interest

AB 46 (Pan) California State University: Online Education: This proposal required extensive data collection regarding educational programming specific to online programs and courses, including information available on the use of campus resources for those students taking advantage of such offerings. It was sponsored by the California Faculty Association (CFA) in response to their concerns about San José State University and their Udacity partnership.

CSU POSITION: OPPOSE UNLESS AMENDED
STATUS: The bill was vetoed by the Governor.

Veto Message: “I am returning Assembly Bill 46 without my signature. This bill would require the Trustees of the California State University to provide to the Cal State Academic Senate and campus academic senates, upon request, specific data on students who take any online course offered by Cal State or its contracting entity. The Academic Senate passed a resolution calling the bill unnecessary and citing student privacy and cost issues, among other concerns. I agree. I am aware of the deep concerns that the sponsor of the bill has expressed regarding online courses. These courses, however, could play an important role in helping to reduce the bottleneck that too often prevents students from graduating on time. This is one of the reasons I believe that we should not unduly limit the introduction of online courses in the Cal State system. Sincerely, Edmund G. Brown Jr.”

AB 938 (Weber) Public Postsecondary Education: Fees: This measure required campuses to use State University Grants (SUG), the system’s financial aid resources, to cover Student Success Fees (SSF) of low income students, which would require a new approach for packaging financial aid for said students. Currently, SSFs are covered by the total financial aid package for needy students, including Pell and Cal Grants as well as SUG.

CSU POSITION: PENDING
STATUS: The bill was dropped by the author.

AB 1348 (J. Perez) Postsecondary Education: California Higher Education Authority: This proposal created a new higher education coordinating body to oversee all public and private colleges and universities in California. The governing body would consist of nine public members appointed by the Governor, Assembly Speaker and the Senate Rules Committee as well as a student representative from each segment. The bill excludes segmental representatives from the board, unlike the California Postsecondary Education Commission which was closed after the Governor deleted all funding several years ago.

CSU POSITION: CONCERNS
STATUS: The bill was held in the Senate Appropriations Committee in August and is dead.

AB 1433 (Gatto) Student Safety: This measure required any sexual or violent crime reported to campus police be immediately disclosed to a local public law enforcement agency that has a Memorandum of Understanding with the campus, if the victim agrees to the release of such information. Campuses will continue to serve as the lead agency for investigation of the crime. It also required that any sexual assault or hate crime that takes place on or near a campus be

reported to the campus law enforcement by the campus security authority, consistent with the Clery Act.

CSU POSITION: SUPPORT

STATUS: The bill was signed into law by the Governor. Chapter 798, Statutes of 2014.

AB 1451 (Holden) Concurrent Enrollment in Secondary School and Community College:

This bill expanded opportunities for high school students to dual enroll at local community colleges. We supported the bill as a partner to the CCC, as well as to give students another way to progress to their degree. The CSU believed that concurrent enrollment supports students on their pathway from high school to community colleges and ultimately the CSU – all of which have a positive impact on college affordability, access and completion.

CSU POSITION: SUPPORT

STATUS: The bill was held in the Senate Appropriations Committee in August and is dead.

AB 1476 (Committee on Budget and Fiscal Review) Budget Act of 2014: This measure, with the three principal co-authors of Muratsuchi, Skinner and Williams, provided \$100 million of one-time funds split evenly between the UC and the CSU for investments in deferred maintenance consistent with the final budget enacted in July.

CSU POSITION: SUPPORT

STATUS: The bill was signed into law by the Governor. Chapter 798, Statutes of 2014. *However, the Governor used his blue pencil authority to veto a funding increase to CSU and UC.*

Veto Message: “To the Members of the California State Assembly: I am signing Assembly Bill 1476 with the following reductions. I am reducing the \$50,000,000 General Fund augmentation for deferred maintenance at the University of California. I am also reducing the \$50,000,000 General Fund augmentation for deferred maintenance at the California State University. This year's budget would have provided \$200 million for critical deferred maintenance at University of California, California State University and other state facilities if property tax revenues exceeded budget estimates at the time of the second principal apportionment in July. Unfortunately, property tax revenues were below budget estimates and the additional \$200 million was not available for deferred maintenance this year. Making investments to maintain the state's aging infrastructure continues to be a major priority for my administration, as is paying down the state's debts

and reducing other long-term liabilities. However, we are nearly one quarter into the fiscal year now and we should not commit additional General Fund monies of this magnitude when we are facing unanticipated costs such as fighting the state's extreme wildfires. Sincerely, Edmund G. Brown Jr.”

AB 1549 (Rendon) Postsecondary Education: Equity in Higher Education Act: The measure was rewritten the second week of August to require the Bureau of State Audits to conduct six campus-based audits (two UC campuses, two CCC and two CSU campuses) every three years to verify that California’s public institutions are in compliance with the federal Title IX regulations. Should a campus be found not in compliance, then the campus would be required to redirect state general fund support to address the issues raised by the audit.

CSU POSITION: WATCH
STATUS: The bill was held in the Senate Appropriations Committee in August and is dead.

AB 1927 (Frazier) Student Financial Aid: Debit Cards: This bill proposed that all California universities and colleges who offer financial aid disbursement via a third-party debit card establish best practices and protect students from what some would call predatory practices by vendors.

CSU POSITION: NO OFFICIAL POSITION
STATUS: The bill was vetoed by the Governor.

Veto Message: “I am returning Assembly Bill 1927 without my signature. Earlier this year, I signed SB 845 (Correa), requiring California's higher education institutions to consult with stakeholders and adopt a model contract that can be used to disburse financial aid or refunds to students on payment cards. Any additional changes to this area of the law are premature. Sincerely, Edmund G. Brown Jr.”

AB 1953 (Skinner) Higher Education Energy Efficiency Act: Grants: This proposal established financial assistance via no-interest, low-interest loans and loan loss reserves, and directed the California Energy Commission, in coordination with the CSU chancellor and UC president, to provide building retrofits that reduce energy demand on our campuses. The author was negotiating with leadership and the administration regarding the funding mechanism for this measure, given that both segments had not been given access to Proposition 39 dollars for this purpose.

CSU POSITION: SUPPORT

STATUS: The bill passed out of the Senate Energy, Utilities and Communications Committee, was placed on the suspense file in the Senate Appropriations Committee, and is dead.

AB 1969 (Levine) Postsecondary Education: Intersegmental Coordination in Governance: The proposal required the CSU and the CCCs, and requested the UC, to coordinate the procuring of large systemwide information technology and software that will enhance student achievement and have demonstrable cost benefit to the partners.

CSU POSITION: NO OFFICIAL POSITION
STATUS: The bill was vetoed by the Governor.

Veto Message: “I am returning Assembly Bill 1969 without my signature. When viable, the University of California, California State University and California Community Colleges have coordinated on major information technology projects. I prefer to maintain the current flexibility that allows the segments to identify and pursue opportunities for joint projects when it makes programmatic and fiscal sense. Sincerely, Edmund G. Brown Jr.”

AB 2099 (Frazier) Postsecondary Education: Title 38 Awards: This bill established minimum student outcome requirements for postsecondary institutions that educate student veterans and are utilizing their federal veteran education benefits. Ultimately, the author’s goal was to steer veterans away from enrolling at for-profit colleges that have high default and low graduation rates. The graduation and default rate that institutions must meet in order to enroll veterans utilizing their veteran’s education benefits mirrors that of the Cal Grant program.

CSU POSITION: SUPPORT
STATUS: The bill was signed into law by the Governor. Chapter 676, Statutes of 2014.

AB 2153 (Gray) Postsecondary Education: Course Offering: This bill, sponsored by the CFA, proposed a very restrictive statutory definition of “supplant” for extended education courses and programs at the CSU. The definition would have had harmful consequences on extended education and would have eliminated many options for students to enroll in extended education.

CSU POSITION: OPPOSE
STATUS: This bill was held in the Senate policy and died.

AB 2235 (Buchanan) Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2014: This bill authorized a \$4.3 billion K-12 and higher education

modernization and construction General Obligation bond on the November 2014 statewide general election ballot. The measure allocated \$200 million to each segment of public higher education. The Department of Finance opposed the bond as they suggest it would create new debt obligation for the state while not shifting more responsibilities to the local level. Finance also expected the UC and CSU to self-finance their infrastructure needs for capital projects from their existing budget allocation, and if a future bond were approved, any debt service be covered within CSU resources.

CSU POSITION: PENDING

STATUS: This bill was not taken up by the Senate Floor.

AB 2721 (Pan) Trustees of the California State University: Non-faculty Employees: This bill added a staff representative as a voting member of the Board of Trustees. As introduced, the nomination of proposed appointees to the Governor by the union required the staff trustee be a member of a representative unit. The CSU offered amendments to allow all staff to be considered for this appointment and the creation of a staff council similar to the Academic Senate for nominations to the Governor. The CSUEU rejected those amendments.

CSU POSITION: PENDING

STATUS: The bill was vetoed by the Governor.

Veto Message: “I am returning Assembly Bill 2721 without my signature. This bill adds an additional member to the California State University Board of Trustees. Since the Board of Trustees was established in 1960, there have only been 4 additions to the Board. The last of these was the addition of the non-voting student member in 1999. I am not persuaded that increasing the membership of the Board beyond 25 is necessary. Sincerely, Edmund G. Brown Jr.”

SB 845 (Correa) Postsecondary Education: Electronic Disbursement of Student Financial Aid: This bill was seen as another approach to the issues raised by AB 1927 (Frazier) regarding financial aid disbursement via debit cards. Senator Correa and his staff worked closely with CSU to draft a bill that established guidelines for campus contracts with third-party vendors for this purpose. The measure was supported by CSSA.

CSU POSITION: SUPPORT

STATUS: The bill was signed into law by the Governor. Chapter 120, Statutes of 2014.

SB 850 (Block) Community College Districts: Baccalaureate Degree Pilot Program: This bill authorized a pilot program in up to 15 community college districts to offer baccalaureate degrees that are not offered by the CSU and UC. The CSU worked closely with Senator Block to

develop amendments that addressed concerns from Academic Affairs, and in turn the university was one of two supporters asked to testify in earlier committees. The university played a significant role responding to questions by committee members during the hearing, noting our strong partnership with the CCC and interest in finding ways to serve students and the state.

CSU POSITION: SUPPORT
STATUS: The bill was signed into law by the Governor. Chapter 747, Statutes of 2014.

SB 872 (Committee on Budget and Fiscal Review) Budget Act of 2014: This measure, with the three principal co-authors of Muratsuchi, Skinner and Williams, provided \$100 million of one-time funds split evenly between the UC and the CSU for investments in deferred maintenance consistent with the final budget enacted in July.

CSU POSITION: SUPPORT
STATUS: The measure was known as a “budget trailer bill” and was not moved off the Senate Floor in lieu of AB 1476 becoming the vehicle for the budget clean-up and additional funding for CSU and UC. This bill is dead.

SB 967 (DeLeon) Student Safety: Sexual Assault: This bill required the public segments as well as the independent universities and colleges to adopt policies on campus sexual violence, including an affirmative consent standard in the determination of whether consent was given by a complainant and to provide written notification to the victim about the availability of resources and services. Much of what the bill proposed to do is already required by federal regulations, but both Assembly Member Gatto and Senator de Leon have Occidental College within their districts where significant issues have been raised by students and others.

CSU POSITION: SUPPORT
STATUS: The bill was signed into law by the Governor. Chapter 748, Statutes of 2014.

SB 1022 (Huff) Public Postsecondary Education: Labor Market Outcome Information: This bill required the UC and CSU to create a website similar to what the community colleges had created, known as “Salary Surfer.” The website would show how much more income you would make with a degree in a certain field as compared to not having a degree, and would provide a statistical listing of colleges that offer degrees in that field.

CSU POSITION: SUPPORT
STATUS: The bill was signed into law by the Governor. Chapter 394, Statutes of 2014.

SB 1196 (Liu) Public Postsecondary Education: State Goals: This bill reflected the Legislature's interest in being involved in and party to the sustainability plans and accountability agreement between Governor Brown, the CSU and the UC. As amended in the Senate Education Committee, the bill created a task force to work with all the parties to develop measures of success tied to the statewide goals enacted last year through SB 195.

CSU POSITION: WATCH

STATUS: The bill was held on the Assembly Appropriations Committee's suspense file and is dead.