

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 9:15 a.m., Wednesday, March 13, 2002
CSU, Sacramento - University Union Ballroom

Martha C. Fallgatter, Chair
Roberta Achtenberg, Vice Chair
Daniel N. Cartwright
Debra S. Farar
Bob Foster
Murray L. Galinson
William Hauck
Ricardo F. Icaza
Dee Dee Myers
Ralph R. Pesqueira
Kyriakos Tsakopoulos

Consent Items

Approval of Minutes of Meeting of January 30, 2002

Discussion Items

1. 2001/2002 Legislative Report No. 7, *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**

January 30, 2002

Members Present

Roberta Achtenberg, Vice Chair
Daniel N. Cartwright
Debra S. Farar
Bob Foster
Murray L. Galinson
Laurence K. Gould, Jr., Chair of the Board
William Hauck
Dee Dee Myers
Ralph R. Pesqueira
Charles B. Reed, Chancellor
Kyriakos Tsakopoulos

Members Absent

Martha C. Fallgatter, Chair
Ricardo F. Icaza

Other Trustees Present

William D. Campbell
Harold Goldwhite
Frederick W. Pierce, IV
Erene S. Thomas
Charles B. Reed, Chancellor
Stanley T. Wang

Chancellor's Office Staff

David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Richard P. West, Executive Vice Chancellor and Chief Financial Officer
Louis Caldera, Vice Chancellor, University Advancement
Christine Helwick, General Counsel
Jackie R. McClain, Vice Chancellor, Human Resources
Karen Y. Zamarripa, Assistant Vice Chancellor, Governmental Affairs

Vice Chair Achtenberg called the meeting to order at 8:24 a.m.

Approval of Minutes

The minutes of November 13, 2001 were approved.

Vice Chair Achtenberg announced the item contained both the status report on carry-over bills from the 2001 Trustees' legislative program along with two new proposals for inclusion in the 2002 program to be considered for adoption at this meeting.

Ms. Karen Zamarripa, assistant vice chancellor, governmental affairs, began her report noting this was the second year of the legislative session. It is expected to be an extremely busy and eventful time due to the additional factors of the legislative campaigns, the March primary, and November elections. The Legislature also faces the deadline for bill introduction of February 22, and it must approve all two-year bills in their original house of origin within a month. Moreover, Ms. Zamarripa indicated the new Assembly Speaker, Herb Wesson, has begun making the first of what is expected to be many leadership and committee chair changes.

In light of the extraordinary level of activity, the Governmental Affairs office is working with the Chancellor and the campus presidents in an attempt to keep CSU's advocacy efforts for the year focused on two primary issues: budget, and bonds.

Ms. Zamarripa noted the current year reductions discussed during the Committee on Finance, had already been acted upon by the committees in an attempt to expedite getting them to the Governor.

The bond conference committee has begun work on pulling together a package for November 2002. She reported there seems to be a general consensus that higher education (CSU, UC and the Community Colleges) will require \$300 to \$330 million a year in whatever multi-year bond agreement is put together. In any event, there are several issues that must be sorted out before a bond deal can be presented. To add further complication, word has been received from the Department of Finance stating the administration's position is that the state cannot carry more than \$15 billion in new debt during this election cycle. At any rate, alerts have been sent to the campus presidents and liaisons requesting their assistance in conveying the needs of their respective campuses so we may continue to keep higher education on the radar screen as negotiations continue.

Ms. Zamarripa reviewed the two carry-over issues from CSU's 2001/2002 legislative program. One issue concerns SB 277, the bill dealing with health care coverage for CSU employees who live in counties where there is no accessible HMO. The estimated cost to cover the subsidy is \$2 million. CSU will be working with Senator Chesbro and others to get the funds allocated for this

new cost given there are no resources in the Governor's budget for this purpose.

The other issue involves the ongoing effort with the University of California and Senators Alpert and Scott on joint education doctorate programs. A resolution is to be introduced commemorating the agreement between Chancellor Reed and President Atkinson, as well as pursuing language in the Master Plan report to codify our work and commitment to K-12 schools and community college leaders.

As it relates to additions to the CSU program for 2002, there are only two proposals being submitted for consideration. The first concerns granting permanent authority to CSU to promulgate regulations. CSU has had this authority temporarily since Assembly Bill 3132 was approved in 1996. That authority was scheduled to sunset last year, but was extended for one year. The proposal for 2002 would grant this authority on a permanent basis.

The second proposal corrects an inadvertent error in a statutory code cleanup bill in 1996 that helps resolve conflicts between FERPA, the federal law concerning privacy issues and California's version known as the Information Practices Act (IPA). The amendment would clean up the reference to FERPA, making it clear that FERPA would prevail over IPA. It has been recommended that a clarifying amendment be added to IPA to confirm that such is the case.

Ms. Zamarripa concluded by saying that if the board concurs with the two additional proposals, Assembly Member Alquist and the Higher Education committee have agreed to pursue them as an omnibus/committee bill and will begin moving forward as soon as possible.

The committee recommended approval of the proposed resolution (RGR 01-02-01).

The meeting adjourned at 8:35 a.m.

COMMITTEE ON GOVERNMENTAL RELATIONS

2001/2002 Legislative Report No. 7

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Governmental Affairs

Summary

This item contains a status report on the Trustees' Legislative Program, and priority legislation introduced this year.

Background

The following bills comprise the Trustees' Legislative Program for 2002. The status of each bill, as of February 15, 2002, is indicated.

Senate Bill 277 (Chesbro) Public Employee Health Care Benefits: Rural Areas: State University Employees. This bill would make employees of the California State University eligible to access the Rural Health Care Equity Trust Fund, which provides subsidies and reimbursements for health care costs incurred by state employees and annuitants who live in rural areas where there is no available health maintenance organization (HMO) plan that has been approved by the Public Employees' Retirement System (PERS) Board of Administration. CSU has co-sponsored SB 277 with CSEA and will seek the funds necessary to support this benefit through the bill.

Status: Assembly Appropriations Committee

Assembly Bill 16 (Hertzberg) Education Bond. Along with several other measures that remain under consideration by the Education Facilities Bond Conference Committee, AB 16 would place a K-University Public Education Bond Act on the ballot in November 2002.

Status: The conference committee continues to meet and has to date spent much of their time discussing K-12 allocation issues, including set-asides for overcrowded schools, new construction, and projects "in the pipeline" for funding. Senator Alpert presented a proposal to her fellow conferees on February 14th that included

a November 2002 bond for a total of \$13 billion, and a March 2004 bond for an additional \$12 billion. Within these amounts the share for higher education had been reduced from levels agreed to last September, while the total bond amount for the next four fiscal years grew from the Governor's proposal of \$20 billion to \$25 billion. As a result, the higher education coalition took the position that colleges and universities need *at least* \$2.3 billion in each of the election cycles, giving higher education about 18% of the total bond amount being discussed to help meet a portion of its growing needs. CSU and the other segments will be working together to convince members of the conference committee that \$4.6 billion is a fair share for CSU, UC and the community colleges out of a total bond of \$25.3 billion over four years (\$13.3 billion bond for 2002, followed by a \$12 billion bond in 2004). Based on a bond of at least \$2.3 billion, the CSU would have \$345 million a year for capital outlay investments, approximately half of our estimated annual need.

Assembly Bill 1863 (Higher Education Committee) California State University. This bill contains the CSU's omnibus legislation for 2002. It includes the following items:

Permanent Authority to Adopt, Amend, Repeal CSU Regulations. This section of the bill would permanently authorize the Trustees to adopt, amend, and repeal CSU regulations. In 1996, the Legislature approved and the governor signed Assembly Bill 3132 (Firestone), which enacted the "California State University Management Efficiency Act of 1996." Among other provisions, AB 3132 allowed the Trustees, for a period of five years, to notice rulemaking activity on its own (by posting on the CSU web site and by letter to the mailing list for the Trustees agenda) and to immediately submit adopted regulations to the Secretary of State, thereby resulting in an earlier effective date. In 2001, the Legislature approved and the governor signed Assembly Bill 1718 (Committee on Higher Education), which extended Trustee authority on rulemaking for one year.

Information Practices Act/FERPA Reconciliation. This section of AB 1863 corrects an obsolete reference in the Civil Code to ensure clarity between state and federal law governing student records. Legislation approved in 1996 to "clean up" the Education Code by deleting obsolete portions of the code deleted a section pertaining to student records, because it was duplicative of federal law. AB 1863 corrects a reference in the Civil Code to that section, which no longer exists, and replaces it with the appropriate section of federal law.

Status: Referred to Assembly Higher Education Committee

Priority Bills

The following bills have been designated as a priority for the 2002 Legislative session.

Assembly Bill 1747 (Briggs) California State University: Location of Campus. This bill would designate Tulare County as the site of a future California State University campus.

Status: Referred to Assembly Higher Education Committee

Assembly Bill 1756 (Bogh) Higher Education: Reporting of Visa Students. This bill would require institutions of higher education in California to report to the United State Immigration and Naturalization Service the name of any student-visa holder who fails to enroll or participate in classes by the 30th day following registration for the current academic term.

Status: Referred to Assembly Higher Education Committee

Assembly Bill 1894 (Bogh) Mandatory Undergraduate Student Fees. This bill would establish state policies in statute with regard to mandatory systemwide undergraduate student fees at the CSU and the University of California. Among the policies included in the bill are the following:

- The state shall bear primary responsibility for the cost of providing public postsecondary education.
- Students, their families, and society shall share in the responsibility for the cost of providing public postsecondary education.
- The state shall provide grants to be made available to financially needy students to offset any increase in undergraduate student fees and to ensure that educational opportunities are available to all students.

Status: Referred to Assembly Higher Education Committee

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the 2001-02 Legislative Report No. 2 is adopted.