AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 3:15 p.m., Tuesday, July 10, 2001
Glenn S. Dumke Conference Center

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

Consent Items
   Approval of Minutes of Meeting of May 15, 2001

Discussion Items
   1. 2001-2002 Legislative Report No. 4, Action
Chair Fallgatter called the meeting to order at 3:22 p.m.
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Approval of Minutes

The minutes of March 21, 2001 were approved.

2001-2001 Legislative Report No. 3

Chair Fallgatter asked Mr. Richard P. West, Executive Vice Chancellor and Chief Financial Officer to present the report.

Mr. West explained he was presenting the report due to Ms. Yelverton-Zamarripa’s participation in budget hearings being held concurrently in Sacramento.

Mr. West briefly reviewed the report noting the following:

At this stage, most CSU priority bills are going through the respective appropriations committees and either being held on suspense, (if they contain significant costs) or are being approved. If approved, they then move on to a floor vote.

Mr. West then discussed the status of the Trustees’ Legislative Program:

Senate Bill 277 (Chesbro), which deals with health care for employees in rural areas, was placed on the Appropriations suspense file. The committee plans to consider bills referred to the suspense file during the last week of May.

Senate Bill 323 (O’Connell) and Senate Bill 593 (Alarcon), the property exchange bills for CSU, Channel Islands and CSU, Northridge, respectively. The Channel Islands bill was approved by the Appropriations Committee and sent to the Senate floor for approval. The bill is an important component for completion of the campus’ master plan. No opposition is expected.

The Northridge bill has been placed on the suspense file; however, there has been some indication the committee will approve the bill when it takes up the suspense file.

Senate Bill 713 (Alpert). The Ed.D (Education Doctorate Degree) continues to be an important ongoing activity. There is a great deal of support and a significant number of co-sponsors. An interim hearing on the bill is scheduled for June 12, and staff members are in the process of preparing testimony for the hearing. Chancellor Reed stressed the importance of the June 12th hearing, noting it was the beginning of a long and important process in seeking the education doctorate for the CSU.

Assembly Bill 1689 (Assembly Jobs and Economic Development Committee) is set to be heard on the Assembly floor by the end of May. The bill is enjoying strong support at this stage and if approved, would continue CSU’s authority to pay our vendors directly rather than through the State Controller’s Office. Mr. West indicated approval by consent is expected.
Assembly Bill 1719 (the CSU’s Omnibus proposal) was approved by the Appropriations Committee in early May, and is expected to be placed on the Assembly consent calendar.

Mr. West presented the information on the status of the higher education bond issue. There currently are several bills in the legislature that address higher education bond funding. He explained this activity that would lead to a bond measure to fund the next round of capital projects. He also emphasized that the current year is the final year for which we have funding for capital projects.

The higher education segments (UC, CSU, and the Community Colleges) have agreed to propose a $4.8 billion bond for higher education, as part of a proposal that would also incorporate K-12 schools. It is hoped that a bond bill will be approved by the legislature before the end of the session in September.

Mr. West acknowledged the fact there is much competition for budget dollars. The uncertainty surrounding the bond environment depends upon the economic environment. CSU is left with few options other than pursuing a bond measure with the legislature for appearance on either the March or November 2002 ballots. He emphasized the critical nature and timing of the measure since it involves funding that would be required for capital projects to commence in July of 2002.

Mr. West concluded by acknowledging that the unsettling circumstances connected to the state’s energy crisis and the general economy make it difficult to predict how CSU will be affected in the short and long-term.

The committee recommended approval of the proposed resolution (RGR 05-01-04).

The meeting adjourned at 3:30 p.m.
COMMITTEE ON GOVERNMENTAL RELATIONS

2001-2002 Legislative Report No. 4

Presentation By

Karen Yelverton Zamarripa
Assistant Vice Chancellor
Governmental Affairs

Summary

This item contains a status report on the Trustees’ Legislative Program for 2001, and priority legislation introduced this year.

Background

The following bills comprise the Trustees’ Legislative Program for 2001 (status of bills is indicated as of 6/19/01):

**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.

**Status:** Approved by Senate; Referred to Assembly Public Employees, Retirement and Social Security Committee.

**Senate Bill 323 (O’Connell) California State University: Real Property Exchange.** Senate Bill 323 would authorize the CSU to acquire approximately 75 acres of farmland adjacent to the main campus at CSU, Channel Islands, in order to develop a primary access road and athletic fields, in exchange for a portion of a 262-acre site, located eight miles northwest of the main campus. The CSU obtained this 262-acre site, which is comprised of a 196-acre lemon orchard and 66 acres of row crops, in 1995.

**Status:** Approved by Senate; Pending Referral to Assembly Committee.
**Senate Bill 593 (Alarcon) California State University: Real Property Exchange.** This bill would authorize the CSU to exchange a 5-acre parcel of land at CSU, Northridge (CSUN), known as Zelzah Court, for the approximately 8.5-acre Prairie Street school site, which is owned by the Los Angeles Unified School District (LAUSD). CSUN will partner with LAUSD to build a small, specialized “academy” high school on the Zelzah Court site that would accommodate 800 students. Construction and operation of the new high school would be the sole financial obligation and responsibility of the school district. In return, the school district would transfer to the university full ownership of the 8.5-acre former Prairie Street School site. Acquiring this property would help round out the perimeter of the campus core, and provide land for hundreds of much-needed new parking spaces for students and others.

**Status:** Approved by the Senate: Pending Referral to Assembly Committee.

**Senate Bill 713 (Alpert) Doctorate of Education Degree.** As introduced, SB 713 requires the state to ensure that a sufficient number of affordable, high-quality opportunities to obtain the doctoral degree in education (Ed.D.) are made available to interested candidates. It is anticipated that the bill will be amended at some point to grant CSU the authority to offer the Ed.D.

**Status:** The Senate Education Committee’s Subcommittee on Higher Education held an informational hearing on SB 713 on June 12. The Senate Education Committee will hear the bill in January, 2002.

**Assembly Bill 1689 (Assembly Jobs and Economic Development Committee) California State University Direct Vendor Pay.** In 1996 the Legislature approved AB 2613 (Aguiar; Chapter 934/Statutes of 1996), which allowed all CSU campuses to pay vendors directly until January 1, 2002. Audits of the Direct Vendor Pay Program by the State Controller’s Office and the Bureau of State Audits indicate that the process has been successful in processing timely payments, without causing material weaknesses in the system of checks and balances over disbursements.

This proposal would permanently authorize the CSU Direct Vendor Pay Program.

**Status:** Approved by the Assembly; Set for Hearing in the Senate Education Committee, June 20.

**Assembly Bill 1719 (Assembly Higher Education Committee) California State University Omnibus Proposals.** This omnibus bill includes several items pertaining to the CSU, including clarification of CSU’s procurement and contracting authority by providing a central location for procurement policies applicable only to the CSU. The bill has been amended to add a provision clarifying existing law governing the use of the name “California State University.” In addition, the bill includes other technical, non-controversial items.
Status: Approved by the Assembly; Approved by the Senate Education Committee. Bill Now Advances to the Senate Appropriations Committee.

**Higher Education Bond Act.** The Board has included as part of the Trustees’ Legislative Program a proposal to place a higher education bond act on the March 2002 Primary Election Ballot. The three public segments (CSU, University of California, and the California Community Colleges) have reached an agreement on the parameters of the higher education portion of the proposed education bond. Together, the segments will advocate for $4.8 billion, $4 billion of which would be split evenly with each segment receiving $1.333 billion (or $333 million annually) over the four-year period of the bond. The remaining portion would be devoted to joint facilities projects ($200 million), new campuses and centers ($200 million), community college modernization ($200 million), and a set aside for a reserve and multi-purpose use ($200 million).

Three potential vehicles for an Education Bond Act were introduced this session: Assembly Bill 16 (Hertzberg), Assembly Bill 1299 (Leonard), and Senate Bill 844 (Chesbro).

**Status:**

**AB 16:** Set for Hearing in the Senate Education Committee, June 27.

**AB 1299:** Amended on May 31 to state legislative intent that California continue to provide funding for the construction and modernization of K-12 schools, and to enact a funding distribution formula that addresses the needs of California institutions providing public higher education. Approved by the Senate; referred to Senate Education Committee.

**SB 844:** Amended on June 4 to state that it is the intent of the Legislature to provide bond funds for public education facilities. Approved by the Senate; pending referral to Assembly Committee.

**Priority Legislation (Status as of 6/19/01)**

The following bills have been classified as priority legislation because their impact on the CSU would be particularly significant. One bill has been added to the list: Assembly Bill 978 (Steinberg), pertaining to the repatriation of Native American remains and artifacts.

**Assembly Bill 75 (Steinberg) Principal Training Program.** This bill would create the Principal Training Program to provide training for 5,000 school principals and vice principals per year,
until all 15,000 school site administrators are trained. The bill would require the Superintendent of Public Instruction, with the approval of the State Board of Education, to administer the program.

**Status:** Approved by Assembly; referred to Senate Education Committee.

**Assembly Bill 195 (Alquist) Student Charges.** Assembly Bill 195 would place in statute state policies regarding undergraduate student fees at public higher education institutions. Among those would be a policy that increases in student fees should be moderate and predictable so that students and their families can prepare for the costs of college attendance.

**Status:** Approved by the Assembly; Set for Hearing in the Senate Education Committee, July 11.

**Assembly Bill 307 (Pavley) Trustees of the California State University.** This bill would increase the membership of the Board of Trustees by requiring the Governor to appoint a nonfaculty employee of the university for a two-year term. AB 307 is a reintroduction of Senate Bill 1604 (O'Connell), which was returned to the Legislature last year after Governor Davis indicated that he would not sign the bill.

**Status:** Approved by the Assembly; Set for Hearing in the Senate Education Committee, July 11.

**Assembly Bill 338 (Correa) Postsecondary Education: Orange County Project.** Assembly Bill 338 would create a demonstration project to address the nursing shortage in Orange County as a public/private partnership. The bill would allocate funds to California State University, Fullerton as one of the public partners in the program.

**Status:** Approved by the Assembly; Set for Hearing in the Senate Education Committee, July 11.

**Assembly Bill 622 (Runner) California State University: Offsite Campus Centers.** This bill would require the CSU to adopt a standard system of eligibility for facilities to be defined as permanent, state-supported offsite campus centers, offering educational programs in the upper-
division undergraduate and graduate divisions. Those standards would include demonstrable need for expanded higher education opportunities in the region of the proposed offsite campus center.

**Status:** The author has dropped this bill.

**Assembly Bill 662 (Vargas) Minimum Wage: State University Student Assistants.** Assembly Bill 662 provides that minimum wage orders of the Industrial Welfare Commission apply to student assistants of the CSU and the University of California.

**Status:** This bill has been amended and no longer pertains to the original subject matter.

**Assembly Bill 689 (Steinberg) California State University.** This bill would enact the Quality of California State University Services through Contractor Accountability Act of 2001. The bill would prohibit the CSU from entering into a privatization contract, unless the university and the contractor comply with prescribed procedures, including the submission of a written statement of services proposed to be the subject of the contract and the solicitation of sealed bids for the contract.

**Status:** Set but not heard in the Assembly Higher Education Committee. The author has made this a two-year bill.

**Assembly Bill 707 (Negrete McLeod) Higher Education Labor Relations.** As amended on April 24, AB 707 would authorize employees of CSU auxiliary organizations to collectively bargain with their employer under the Meyers-Milias-Brown Act (MMBA). The bill would exclude from its provisions a) student body organizations and student union organizations, b) persons employed in a unit responsible for fundraising, grants and contract administration; and c) confidential, managerial, and supervisory employees.

**Status:** The author has made this a two-year bill.

**Assembly Bill 792 (Kehoe) Public Postsecondary Education: Systemwide Fees.** This bill would provide that systemwide undergraduate and graduate fees at the CSU and University of California be reduced to the level charged for the 1991-92 fiscal year, as adjusted by the Department of Finance by an amount reflecting the increases in the California Consumer Price Index occurring during the intervening years.
Assembly Bill 820 (Shelley) California State University Housing Finance Pilot Program. As amended on April 16, AB 820 would enact the California State University Housing Finance Pilot Program, which would be administered by the California Housing Finance Agency to provide home loan assistance for the CSU system to recruit and retain newly hired professors and faculty at CSU campuses.

Status: The author has made this a two-year bill.

Assembly Bill 877 (Cedillo) State University Chancellor and Campus Presidents. Assembly Bill 877 would prescribe the selection process for Chancellor and campus presidents of the CSU by requiring the field of candidates to be narrowed by a search committee to 3 finalists or, if only one or 2 qualified candidates have applied for the position, to one or 2 finalists. The bill would require that the names of all finalists be disclosed in a press release at least 30 days prior to a final recommendation of one of the finalists by the search committee to the trustees.

Status: The author has dropped the bill.

Assembly Bill 978 (Steinberg) Repatriation of Native American Remains and Artifacts. Assembly Bill 978 would establish a process for repatriation of Native American human remains and cultural items that are currently in the possession of state agencies and museums that receive state funding. The requirements in the bill would be beyond the requirements, and thus the costs, of complying with the federal Native American Graves and Repatriation Act.

Status: Approved by Assembly; Referred to Senate Governmental Organization Committee.

Assembly Bill 1063 (Aroner) Public Colleges and Universities. This bill would authorize the State Public Works Board to finance the acquisition of sites and the construction, renovation, and equipping of student, faculty, and staff housing facilities on those sites for use by public colleges and universities.

Status: Held in the Assembly Appropriations Committee.
Assembly Bill 1081 (Nation) California State University Faculty. Assembly Bill 1081 would provide that temporary faculty of the California State University who work 40% of full-time or more, shall not be excluded from membership in the Public Employees' Retirement System if so provided in a collective bargaining agreement or by the Trustees with respect to excluded employees.

Status: Approved by the Assembly; Referred to Senate Public Employment and Retirement Committee.

Assembly Bill 1342 (Alquist) Professional Services Certificate Program. This bill would require the California State University and the University of California to develop a Professional Services Certificate Program, consistent with the standards of the National Board of Professional Teaching Standards, to produce specially trained teachers to provide California with a cadre of experienced high quality teachers to serve as mentors, supervisors and support providers to novice professionals, especially at low-performing schools.

Status: Approved by the Assembly; Set for Hearing in the Senate Education Committee, July 11.

Assembly Bill 1611 (Keeley) Affordable Student Housing Program. As amended on May 22, this bill would authorize the California Educational Facilities Authority (a division of the State Treasurer’s Office) to enter into agreements with nonprofit entities to finance the cost of constructing student and faculty housing near the campuses of the University of California, the California State University, and the California Community Colleges.

Status: Approved by the Assembly; Set for Hearing in the Senate Education Committee, July 11.

Senate Bill 317 (Ortiz) Nursing Education. Senate Bill 317 would create two programs to increase the number of competent registered nurses who are graduated by California colleges and universities, to provide health care services to people in underserved areas in California: the Registered Nursing Enhancement Grant Program, and the Registered Nursing Loan Forgiveness Program.

Status: Held in the Senate Appropriations Committee.
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**Senate Bill 327 (Scott) California State University: Biotechnology.** This bill would express legislative intent to provide additional state funding to the California State University for development of a bioscience center that would integrate research and innovation, applied workforce training, and incubation of new bioscience enterprises.

**Status:** Approved by the Senate; Approved by the Assembly Higher Education Committee, June 19. The bill now advances to the Assembly Appropriations Committee.

**Senate Bill 457 (Scott) Public Postsecondary Education: Nursing Programs.** Senate Bill 457 would require the California Community Colleges and the California State University to standardize all nursing program prerequisites on a statewide basis between the 2 systems, enter into transfer agreements between all of the universities of the State University and all community colleges statewide, and create and implement a statewide nursing program vacancy information system.

**Status:** The author has made this a two-year bill.

**Senate Bill 494 (Karnette) California State University.** This bill would require that, when a campus of the California State University operates on a year-round schedule, the employment standards of each academic employee at that campus who is employed during the extended academic year is to be maintained at the level applied to academic employees in the academic year prior to the commencement of year-round operation.

**Status:** The author has made this a two-year bill.

**Senate Bill 517 (Torlakson) California Postsecondary Education Commission.** Senate Bill 517 would require the California Postsecondary Education Commission to consider the development of facilities to be used by more than one segment of public higher education, and to recommend to the Legislature criteria and processes for different segments to utilize bond funds for joint-use facilities.

**Status:** Approved by the Senate; Approved by the Assembly Higher Education Committee, June 19. The bill now advances to the Assembly Appropriations Committee.
Senate Bill 632 (Perata) Mental Health Training. As introduced, Senate Bill 632 would have required the California State University, in conjunction with the State Department of Mental Health, the State Department of Social Services, county welfare directors and county mental health directors, and the California Council of Community Mental Health Agencies, to develop programs to expand the number of master’s degree positions offered in social work, including internships at publicly funded mental health, child welfare, and child protective services programs that utilize social workers.

As amended on June 4, all provisions pertaining to the CSU have been removed from the bill.

Status: The bill no longer pertains to the CSU.

Senate Bill 1070 (Ortiz) Postsecondary Education: Student Aid Commission. This bill, sponsored by Lt. Governor Cruz Bustamante, would establish the College Opportunity Corps Program under the administration of the Student Aid. The mission of the College Opportunity Corps would be to work with California high schools to educate high school seniors about the new Cal Grant program and to help high school pupils fill out the necessary application forms for that program. The bill would authorize the commission to select no more than 3,000 students for membership in the corps.

Status: Held in the Senate Appropriations Committee.

Senate Bill 1212 (Romero) Higher Education Labor Relations. Senate Bill 1212 would amend the Higher Education Employer-Employee Relations Act (HEERA) to provide that the grievance and disciplinary action procedure established in statute for CSU academic employees may be superseded by a memorandum of understanding (MOU) only if the procedure developed through the collective bargaining process provides a greater level of benefits or rights.

Status: Approved by the Senate; Pending referral to Assembly Committee.

Senate Bill 1214 (Romero) California State University: Auxiliary Organizations. As amended on May 2, this bill would require that, if a majority of the funding of an auxiliary organization is received from student fees, at least a majority of the board of directors of that auxiliary organization shall consist of students. This provision would only be applicable if the trustees determine that there is no legal or contractual barrier to changing the governing structure of that
organization. The bill would also require the CSU to study the fiscal impact on auxiliary organizations of the policy relating to the reimbursement to the university of certain costs attributed to those organizations.

**Status:** Approved by the Senate; Set for Hearing in the Assembly Higher Education Committee, July 3.

**Action**

The following resolution is presented for approval:

**RESOLVED,** By the Board of Trustees of the California State University, that the 2001-02 Legislative Report No. 4 is adopted.