AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 4:45 p.m., Tuesday, March 14, 2000
San Jose State University
Student Union Ballroom

Joan Otomo-Corgel, Chair
Martha C. Fallgatter, Vice Chair
Roberta Achtenberg
William D. Campbell
Bob Foster
Neel I. Murarka
Dee Dee Myers
Ralph R. Pesqueira
Michael D. Stennis

Consent Items
Approval of Minutes of Meeting of January 26, 2000

Discussion Items
1. 1999-2000 Legislative Report No. 8, Action
Chair Otomo-Corgel called the meeting to order at 8:48 am.

Approval of Minutes
The minutes of November 16, 1999, were approved.

1999-2000 Legislative Report No. 7
Chair Otomo-Corgel introduced Ms. Karen L. Yelverton, assistant vice chancellor, governmental affairs, and asked her to present the report.

Ms. Yelverton noted that we are in the second year of a two-year legislative session. She presented an overview of the current legislative session including the status of the trustees’ legislative program and information pertaining to carry-over priority legislation from 1999.

Ms. Yelverton said she anticipates an exciting and hectic year in the legislature. It will be a year of dynamic changes with the loss of several experienced legislators due to term limits, and a politically charged one, because of the upcoming primary election.
She noted there will be several issues of key interest that will have a direct impact on our discussions, including infrastructure, transportation, mental health, and tax relief. CSU’s direct relationship with K-12 schools, and our partnerships with them, will also be a major focal point.

In relationship to CSU’s agenda, Ms. Yelverton recapped the status of the three carry-over priority bills from last year.

AB 108 (Mazzoni) This bill was intended to ensure funding for subject matter projects. Since the governor’s budget will now fully fund those projects, it appears the bill is no longer necessary. Assemblymember Mazzoni has yet to decide whether to move it forward.

AB 252 (Scott) Deals with financial aid issues surrounding year-round student attendance. CSU is working with the experts to determine if there is some form of pilot program, or some specific effort with associated dollars, that could be developed to amend this bill. The bill is in its second house and no action will be taken until April.

AB 632 (Romero, Lowenthal) Previously, this bill addressed graduate student fee calculations. The bill has been amended to include an exemption from nonresident tuition for CalStateTEACH students and teacher preparation students holding an emergency permit.

Ms. Yelverton mentioned two other priority bills that are still active in the legislative process.

AB 14 (Ducheny) Was originally a statutory proposal for a partnership/compact structure for public higher education in California. Assemblymember Ducheny has since gutted the bill and refashioned it to address the role of the CSU in joint doctorates with out-of-state, and out-of-country institutions.

SB 860 (Hughes) This bill would make significant changes to HEERA, which governs collective bargaining for CSU employees. Senator Hughes has amended the bill to address only one component, which relates to increasing mandatory penalties for either party with repeated unfair labor practices. The CSU has therefore removed its opposition to the bill.

Trustee Pesqueira asked for clarification of the status of AB 360 (Davis), which requires CSU to offer proficiency exams in English and mathematics to all high school students who have completed the 10th grade. Ms. Yelverton explained the bill was not moved after it met with some early resistance. She added that the concept still has potential and there have been discussions on the matter with Education Secretary Gary Hart. It is a two-year bill and is currently being held in the Assembly Appropriations Committee.

The committee recommended approval of the proposed resolution (RGR 01-01-00).

**Consideration of Proposals for 2000 Trustees’ Legislative Program**

Ms. Yelverton presented an overview of the proposals submitted for inclusion in the trustees’ legislative program for the year 2000.

There are five items that have been submitted for consideration. However, endorsement by the board is necessary before formal introduction and action may be taken.
Student Fee Revenue Pledge for Debt Financing/Future Bond Financing Programs Using Combined Revenue for Debt Repayment

This first item relates to student fees and bond financing programs. The proposal calls for recognition of our students’ fees as revenue for the CSU, and that they be dedicated to the CSU specifically by statute. The proposal would modify the current revenue accounting system by allowing the CSU to retain fees in a CSU local trust account as well as the ability to capture the interest income from fees deposited into the account. The bill will protect the students’ investment by ensuring that those revenues are invested solely in the CSU system. Ms. Yelverton said at this point, we have proposed pursuing this issue with the Department of Finance and with Governor Davis through the partnership dialogue rather than initiating a free-standing bill. She said she will regularly update the committee as things progress.

Another component of this proposal involves a management flexibility opportunity that allows us to combine our self-support revenues for purposes of bonds and financing of projects for self-support programs. There would be no change in the current statute or process regarding fees associated with those programs. It would simply serve as a mechanism for campus presidents to get a better rate in the financial market with those revenues. Senator Patrick Johnston has agreed to carry this bill.

Authority to Dispose of Non-Gifted Real Property

Under current law, the CSU has the authority to sell any of its property received by gift, bequest, devise, or donation as well as property acquired with parking or housing revenues. In the case of real property purchased with state funds, legislative authority is required to make such a sale and retain the proceeds.

Ms. Yelverton explained that three CSU campuses have expressed an interest in selling properties that were purchased for use by the university, and to invest the proceeds in their campus programs. In the past, the CSU has obtained legislative authorization to sell properties on a case-by-case basis. This has proven to be a tedious process that can actually hinder proactive asset management. What is being proposed is to provide the board with the authority to sell property and to maintain the proceeds at the campus from which they were sold. Not surprisingly, the Department of Finance has expressed some concerns regarding this approach. The CSU has asked Senator Jim Costa and the legislative delegations from the three campuses to author legislation in an attempt to provide the CSU with statutory authority to dispose of real property systemwide without legislative approval, and to deposit the proceeds in local trust funds for campus-specific needs. Alternatively, if this does not happen, to at least obtain authority for the three specific campuses.

Trustee Pierce inquired about the specific definition of flexibility as it relates to the intent of the proposal. Ms. Yelverton replied that we of course need to be sensitive to the concerns of the Department of Finance. In its current form, the proposal allows for proceeds to be placed into the campus local trust account with the specification that they be used for capital outlay, infrastructure, and deferred maintenance requirements specific to the individual campus.

California-Mexico Students Program

This proposal came about as a result of a trip made by the governor, Chancellor Reed, and CSU leaders to Mexico last year. In an effort to encourage the exchange of educational opportunities, ideas and research, the proposal would provide an opportunity for 50 students from a Mexican university to receive a scholarship to attend our institutions for one year. A similar arrangement will be made for CSU students to attend Mexican universities.
Assemblymember Firebaugh has agreed to carry this legislation.

**Use of State School Bonds for Purchase of Property Not Owned by a School District**

The CSU is working with the Long Beach Unified School District to rectify an error in the writing of Proposition 1A which directly affected the plans for construction of a permanent facility for the California Academy of Mathematics and Science (CAMS). CAMS is a jointly administered specialized high school located on the CSU Dominguez Hills campus.

This proposal would make the appropriate statutory changes to allow K-12 bond funds to be spent on projects that are located on leased property, as in the case of the CAMS facility. The CSU would explore, in conjunction with the Long Beach Unified School District and others, the means to fund permanent facilities for such joint programs through K-12 bond funds. The language will likely be amended into SB 303 and is broadly defined to recognize all joint partnership agreements under the terms of this and future bond acts.

**CSU Omnibus Legislation**

This bill is meant to facilitate several technical legislative items which have been brought to the attention of the Chancellor’s Office. Assemblymember Ted Lempert has agreed to sponsor this proposal and will also be taking other changes that the University of California and the California Community Colleges would like to see this year.

The committee recommended approval of the proposed resolution (RGR 01-02-00).

At Chair Otomo-Corgel’s request, Ms. Yelverton presented a brief synopsis of the upcoming propositions that will be on the March ballot and which most directly relate to the CSU.

Prop. 26 modifies from a two-thirds to a majority vote the approval for local school bonds for K-12 and the community colleges.

Prop. 15 is a forensic lab bond act which would be the mechanism to fund a joint project with CSU Los Angeles, the LA County Sheriff’s office, and the Los Angeles Police Department for a teaching facility and crime lab on the CSU Los Angeles campus.

Prop. 20 deals with the state lottery. Its potential impact relates to the fact it will allocate the first 50 percent of revenues to K-12 textbook purchases. Remaining dollars will be distributed by enrollment. Passage of the proposition could result in a shift in our lottery revenue.

There are several other bond acts before the voters dealing with water, libraries, and veterans homes. All of those will have an indirect impact as they relate to future bond discussions. Other issues will deal with the repeal of the Prop. 10 tobacco tax, issues with elections, term limits, campaign contributions, and legislative salaries.

**Adjournment**

The meeting adjourned at 9:13 a.m.
Summary
This item contains a status report on the Board of Trustees’ 2000 Legislative Program, and active priority legislation in the 1999-2000 session.

Recommended Action
Adoption of the resolution.
ITEM

2
Agenda Item 1
March 14-15, 2000

COMMITTEE ON GOVERNMENTAL RELATIONS

1999-2000 Legislative Report No. 8

Date: 2/20/2000

1. 1999-2000 Legislative Program Status Report

<table>
<thead>
<tr>
<th>Bill</th>
<th>Author-Subject</th>
<th>Introduced</th>
<th>1st Policy Committee</th>
<th>1st Fiscal Committee</th>
<th>Floor Action</th>
<th>2nd Policy Committee</th>
<th>2nd Fiscal Committee</th>
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<tbody>
<tr>
<td>AB 108</td>
<td>Carry-Over Legislation (Mazzoni) Statewide Subject Matter Projects</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Pending consideration by Senate Appropriations Committee.</td>
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<td>AB 252</td>
<td>(Scott) Financial Aid: Year-Round Attendance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Pending consideration by Senate Education Committee.</td>
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<td>AB 632</td>
<td>(Romero, Lowenthal) Exemption from Nonresident Tuition: Emergency Permit Holders</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>Amended to exempt emergency permit holders from nonresident tuition; pending consideration by Senate Education Committee.</td>
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<tr>
<td>SB 1547</td>
<td>Items Approved in 2000 (Costa) Authority to Dispose of Non-Gifted Real Property</td>
<td>X</td>
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<td>Student Fee Revenue Pledge for Debt Financing/Combined Campus Enterprise Debt Program</td>
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<td>California-Mexico Students Program</td>
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<td>Use of State School Bonds for Construction on Property Not Owned by a School District</td>
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<td>Omnibus Items: Authority of Auxiliary Organizations to Meet in Closed Session; Repeal of Outdated Student Health Center Statute; CSU Procurement Authority; Financial Aid Resources in Local Trust Accounts</td>
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Policy — That committee which evaluates policy implications of bills (e.g., Education, Judiciary, Retirement, etc.).
X — Indicates Action Taken
H — Indicates Held in Committee
Status of Priority Legislation at Interim Recess

Regular Session Legislation Carried Over from 1999

AB 6 (Calderon) California Teacher Academy Program
This bill would have created the California Teacher Academy Program, to permit school districts to apply for funds in collaboration with institutions of higher education to develop programs that provide exposure to coursework and experience relevant to the teaching profession.

Status: Bill dead; was not approved in house of origin by 1/31/00

AB 14 (Ducheny) Higher Education Partnership Act of 2000
Similar to AB 1415 (1997) and AB 1966 (1998) by then-Assembly Member Bustamante, this bill would have placed in statute a long-term financing structure for public higher education in California.

Status: Bill dead; was not approved in house of origin by 1/31/00

AB 360 (Davis) Student Testing
This bill would have required the California State University to offer to all high school students who have completed the 10th grade both the English and mathematics proficiency examination which the CSU uses for entering students.

Status: Bill dead; was not approved in house of origin by 1/31/00

SB 179 (Alpert) Model Alternative Teacher Preparation Programs
As amended 1/12/00, SB 179 would require the Commission on Teacher Credentialing to ensure that any expansion of local teacher education internship programs allowed under existing law be fully integrated and cooperatively taught.

Status: Approved by Senate; pending assignment to Assembly Committee

SB 338 (Wright) Intercollegiate Athletics: Discontinuation
This bill would require a public institution of higher education to provide a one-year advance notice of any proposed discontinuation of an intercollegiate athletic team by a number of means.

Status: Pending consideration by Assembly Higher Education Committee

SB 572 (Alarcon) Assumption of Loans for Personal Computers Program
This bill would have established a loan forgiveness program to assist low-income students to purchase computers.

Status: Bill dead; was not approved in house of origin by 1/31/00
SB 860 (Hughes) Labor Relations
As amended in the Senate Education Committee, SB 860 would amend the Higher Education Employee Relations Act (HEERA) to provide for penalties for repeated unfair labor practices.

**Status:** Pending consideration by Assembly Higher Education Committee

SB 1132 (Costa) Capital Facilities Fees
This bill would allow public water agencies to unilaterally impose capital facilities fees on educational institutions such as the CSU by embedding unauthorized fees in monthly service charges, overturning a long-standing agreement negotiated in 1988 between public water agencies and those public agencies which are dependent upon them for water and wastewater service.

**Status:** Pending consideration by Assembly Appropriations Committee

SB 1211 (Monteith) Postsecondary Education Agreements
SB 1211 would require that articulation agreements made between public colleges and universities be uniform and consistent for all campuses.

**Status:** Bill dead; was not approved in house of origin by 1/31/00

**Legislation Introduced in 2000**

**Governor’s Education Initiatives**

**Senate Bill 1503 (Polanco) Merit Scholarship Program, Algebra Institutes**
Senate Bill 1503 would establish the Governor’s Merit Scholarship Program, under which a $1,000 scholarship would be awarded to each public high school pupil who demonstrates high academic achievement on the statewide achievement test. The bill would also establish the Governor’s Distinguished Mathematics and Science Scholars Program, under which a $2,500 scholarship would be awarded to high school pupils who demonstrate high academic achievement on the statewide achievement test and attain a specified score on an advanced placement calculus examination and an advanced placement examination in biology, chemistry, or physics.

**Status:** Introduced 2/15/00

**Senate Bill 1504 (Escutia) Advanced Placement Program**
This bill would establish the Advanced Placement Challenge Grant Program, under which a high school would design and implement a plan that would result in its pupils having access to at least four advanced placement courses in core curriculum areas.

**Status:** Introduced 2/15/00
Senate Bill 1505 (Alarcon) Teachers: Recruitment and Incentives
Among other provisions, Senate Bill 1505 would establish the Governor’s Teaching Fellowship Program (to be administered by the California State University), under which graduate teaching fellowships would be awarded to graduate students who agree to teach at a low-performing school for four years.

Status: Introduced 2/15/00

Assembly Bill 1941 (Wright) Teachers: Professional Development Institutes
This bill provides statutory authorization for several programs that would offer professional development for 70,000 teachers through week-long, university-based intensive training with follow-up throughout the school year: Algebra Institutes; High School Math and English Institutes; Upper Elementary Math Institutes; English Language Learner Institutes; and Subject Matter Project Expansion.

Status: Introduced 2/15/00

Assembly Bill 1942 (Reyes) Education Technology and Professional Development Grants
Assembly Bill 1942 would establish the Education Technology Grant Program to provide one-time grants to school districts to acquire computers for instructional purposes. The first priority for funds would be to ensure that high school students in schools not offering advanced placement courses have access to those courses on the Internet.

Status: Introduced 2/15/00

Assembly Bill 1943 (Villaraigosa) University of California: Institutes for Science and Innovation
This bill would authorize the University of California to establish three California Institutes for Science and Innovation for the purpose of combining technological and scientific research and training and educating future scientists and technological leaders.

Status: Introduced 2/15/00

Additional Legislation
The legislative deadline for introducing bills was February 25. A complete list of priority legislation will be provided at the next board meeting.

Assembly Bill 1773 (Romero) Intellectual Property: Ownership
Assembly Bill 1773 would provide that a faculty member of the California Community Colleges, the California State University, or the University of California has an exclusive ownership in any presentation in a classroom, laboratory, library, studio, or any other place of instruction, performance, or exhibition. The bill would prohibit any person from recording or making any use of a presentation or transferring the record of the presentation to a third person without the prior written permission
of the faculty member. In addition, the bill would require each segment to adopt regulations governing a violation of these provisions by students, along with applicable penalties for a violation of the regulations.

**Status:** Introduced 1/20/00

**Assembly Bill 1857 (Romero) Student Body Organizations: Open Meetings**

This bill would modify open meeting requirements for student body organizations to include greater flexibility and protection. The bill has been sponsored by the California State Student Association to address several issues identified as problems resulting from existing open meetings law, including the inability to conduct a meeting by teleconference and the lack of a provision to protect the rights of the public and students to address a governing board.

**Status:** Introduced 2/7/00

**Senate Bill 1450 (McPherson) Public Postsecondary Education: Student Fees**

SB 1450 would reduce student fees at the California State University (CSU) and the University of California (UC) for the 2000-01 year by 50 percent.

**Status:** Introduced 2/8/00

**Senate Bill 1604 (O'Connell) California State University Board of Trustees**

This bill would increase the membership of the CSU Board of Trustees by requiring the governor to appoint an administrative employee or a non-academic employee of the university for a two-year term.

**Status:** Introduced 2/18/00

Adoption of the following resolution is recommended:

**RESOLVED,** By the Board of Trustees of The California State University, that the 1999-2000 Legislative Report No. 8 is adopted.