AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 3:35 p.m., Tuesday, September 19, 2000
Glenn S. Dumke Conference Center

Martha C. Fallgatter, Chair
Roberta Achtenberg, Vice Chair
Debra S. Farar
Bob Foster
Murray L. Galinson
William Hauck
Neel I. Murarka
Dee Dee Myers
Ralph R. Pesqueira

Consent Items

Approval of Minutes of Meeting of July 19, 2000

Discussion Items

1. 1999-2000 Legislative Report No. 11, Action
Chair Fallgatter called the meeting to order at 8:43 a.m.
Approval of Minutes

The minutes of May 9, 2000 were approved.

1999-2000 Legislative Report No. 10

Chair Fallgatter asked Ms. Karen Yelverton-Zamarripa to present the item.

Ms. Yelverton-Zamarripa provided the committee with an update on current and upcoming legislative activities.

The legislature is presently in summer recess and will return on August 7th. At that time they will complete work on the current two-year legislative session ending on August 31st, and then return to Sacramento for the subsequent session on the first week in December. During that brief time frame, hundreds of bills are expected to be considered in policy and fiscal committees as well as both houses of the legislature in the hope of moving them to the Governor’s Desk for his action.

All of CSU’s sponsored bills have either been resolved through the budget or are well on their way to Governor Davis for his action no later than the end of October.

Carry-Over Legislation

AB 108 (Mazzoni) – Statewide Subject Matter Projects
The primary issue of funding for Subject Matter Projects was addressed in the final budget; thus AB 108 requires no further action.

AB 252 (Scott) – Financial Aid: Year Round Attendance
The measure has been amended to have the California Student Aid Commission (CSAC), CPEC and the higher education segments study financial aid policies with regard to year round attendance.

Other Bills of Note

The CSU-sponsored measures dealing with various statutory changes in areas such as closed sessions in auxiliary organization meetings and system procurement authority (AB 2384) and exemption from non-resident tuition for out-of-state students enrolled in the CalState Teach program (AB 632) have been through their second policy committees and will go to the fiscal committee on August 9th. It is anticipated they will move to the Senate floor shortly thereafter.

The consolidated debt program (SB 1779) has been approved in the policy committee in each house and is scheduled for the fiscal committee on August 8th with the anticipation that it will move to the floor and then to the governor for his consideration.

Ms. Yelverton-Zamarripa reported there are only two CSU sponsored bills that remain with unresolved issues.
SB 303 (Johnston). This bill would allow K-12 schools to build using state general obligation bond monies on leased property, including public property held by the CSU. The bill relates to a number of CSU efforts with K-12, including the high schools located on our campuses as well as future collaborations between the CSU Stanislaus and Channel Island campuses and local school districts. The issue of whether bond proceeds can be used for operating costs such as the property lease itself has complicated the issue. Advanced by Los Angeles Unified School District given their land costs, this issue will need to be resolved between the author of SB 303, the authors of two similar proposals on the subject (Assembly Members Marco Firebaugh and Tony Cardenas), and the Governor’s Office before the end of August if this matter is to be settled this session.

SB 1547 (Costa). This bill would allow CSU to manage its property and assets relating to the sale, exchange, and purchase of property with state revenues. The Department of Finance (DOF) remains opposed to the proposal. CSU is working closely with several members of the legislature and hopes to engage Speaker Hertzberg in our efforts to obtain a favorable outcome.

Ms. Yelverton-Zamarripa updated the committee on other bills of interest.

Two bills directly related to CSU interests were signed into law.

SB 1666 (Alarcon) creates the Governor’s Teaching Fellowship Program. The program is to be intersegmentally managed by CSU and K-12 institutions.

AB 2882 (Reyes) enacts the professional development technology program that will be administered by CSU. The bill will assist K-12 teachers in becoming more effective in the use of technology in the classroom.

SB 1688 (Polanco), containing the governor’s Merit Scholar Proposal has been linked with another bill that would provide over $100 million in new money for the Cal Grant Program (SB 1644). These two bills have stirred a great deal of discussion relating to the long-term fiscal implications to the financial aid proposal as well as first-ever statutory grade point average (GPA) requirements for recipients. Governor Davis requested the Senate hold the bill pending further analysis, discussions and potential modifications.

AB 2323 (Ducheny) – CSU is working with Assembly Member Moreno Ducheny on this bill regarding the Otay Mesa project. In his budget action message to the legislature, the Governor has requested the CSU, its two local campuses, the local community college district and the Chancellor’s Office of the Community Colleges to prepare a needs assessment as the next phase of this proposed branch/off-campus center.

Ms. Yelverton also briefly updated the committee on the following points of interest:

SB 1767 (Bowen), that would prohibit the use of Social Security numbers by state and local agencies. The bill could directly affect CSU in several important areas such as both state and federal financial aid programs and student identification cards. CSU is working with K-12 and higher education colleagues to resolve this issue with Senator Bowen.
Senate Concurrent Resolution 83 (Polanco) - Higher Education Capital Outlay Funding.
While a resolution, not a statutory change, this proposal would declare the legislature’s intent that future bond monies be split in a different manner between the three public segments. At present, the CSU, community colleges, and the UC receive an equal 1/3 allocation of bond proceeds. The proposal would change that to be based on each segment’s share of the projected undergraduate enrollment increases. Ms. Yelverton-Zamarripa alerted the campus presidents that they may be contacted within the next few weeks urging them to contact their local legislators on this important issue.

The committee recommended approval of the proposed resolution (RGR 07-05-00).

The meeting adjourned at 8:52 a.m.
BRIEF

Action Item

Agenda Item 1
September 19-20, 2000

COMMITTEE ON GOVERNMENTAL RELATIONS

1999-00 LEGISLATIVE REPORT NO. 11

Presentation By
Karen Yelverton Zamarripa, Assistant Vice Chancellor
Governmental Affairs

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.
2
Agenda Item 1
September 19-20, 2000

COMMITTEE ON GOVERNMENTAL RELATIONS

1999-2000 Legislative Report No. 11

Date: 8/29/00

1. 1999-00 Legislative Program Status Report

<table>
<thead>
<tr>
<th>BILL</th>
<th>AUTHOR-SUBJECT</th>
<th>INTRODUCED</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; POLICY COMMITTEE</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; POLICY COMMITTEE</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; FISCAL COMMITTEE</th>
<th>FLOOR ACTION</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 108</td>
<td>(Mazzoni) Statewide Subject Matter Projects</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Pending consideration by Senate Appropriations Committee.</td>
</tr>
<tr>
<td>AB 252</td>
<td>(Scott) Cal Grant Awards: Summer College Attendance</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Amended to provide for a study of the need for financial aid incentives to encourage students to attend higher education institutions in the summer. Pending Governor’s action.</td>
</tr>
<tr>
<td>AB 632</td>
<td>(Romero, Lowenthal) Exemption from Non-Resident Tuition: Emergency Permit holders</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Pending Governor’s action.</td>
</tr>
</tbody>
</table>

**Items Approved in 2000**

<table>
<thead>
<tr>
<th>BILL</th>
<th>AUTHOR-SUBJECT</th>
<th>INTRODUCED</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; POLICY COMMITTEE</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; POLICY COMMITTEE</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; FISCAL COMMITTEE</th>
<th>FLOOR ACTION</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 172</td>
<td>(Firebaugh) California-Mexico Students Program</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Assembly Floor, pending concurrence in Senate amendments.</td>
</tr>
<tr>
<td>AB 2384</td>
<td>Omnibus Bill: Authority of Auxiliary Organizations to Meet in Closed Session: CSU Procurement Authority</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Pending Governor’s action.</td>
</tr>
<tr>
<td>SB 303</td>
<td>(Johnston) Use of State School Bonds for Construction on Property Not Owned by a School District</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Pending consideration by Assembly Appropriations Committee. Issue to be addressed in separate legislation (AB 2408).</td>
</tr>
<tr>
<td>SB 1547</td>
<td>(Costa) Authority to Dispose of Non-Gifted Real Property</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Pending Assembly Floor Action.</td>
</tr>
<tr>
<td>SB 1779</td>
<td>(Johnston) Campus Enterprise Debt Program</td>
<td>X</td>
<td>X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td>Pending Governor’s Action.</td>
</tr>
</tbody>
</table>

**Policy** - That committee which evaluates policy implications of bills (e.g., Education, Judiciary, Retirement)

X - Indicates Action Taken
H - Indicates Held in Committee
Status of Priority Legislation

Regular Session Legislation Carried Over From 1999

Assembly Bill 1197 (Firebaugh) Public Postsecondary Education: Residency

Assembly Bill 1197 would qualify specified long-term California residents, regardless of citizenship status, for the lower resident fee payments at the CSU and California Community Colleges. To qualify, the student must have graduated from a California high school after having attended for at least 3 years, and must continue his or her education at a California institution of higher education, within one year of high school graduation. The student must also show proof of having submitted an application or petition for lawful immigration status.

STATUS: Assembly Floor; Pending Concurrence in Senate Amendments

SB 338 (Wright) Intercollegiate Athletics: Discontinuation

As recently amended, this bill would require public institutions of higher education in California to honor the scholarships made to athletes of an athletic program in the event the program is eliminated at one of their respective campuses. The bill would also require the chief executive of each university to make every attempt to place these athletes in the same athletic program located at another university. Finally, the bill requires public universities to make every effort to provide reasonable notification of a termination and states the Legislature’s intent that this bill does not place the status of athletic programs above that of academic programs.

STATUS: Pending Governor’s Action

SB 860 (Hughes) Labor Relations

SB 860 would amend the Higher Education Employee Relations Act (HEERA) to provide for penalties for repeated unfair labor practices by either an employer or a certified labor organization.

STATUS: Pending Governor’s Action

SB 1132 (Costa) Capital Facilities Fees

This bill would have allowed 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
Agenda Item 1
September 19-20, 2000

agencies and those public agencies which are dependent upon them for water and wastewater service.

STATUS: Assembly Appropriations Committee (dead for the session)

Legislation Introduced in 2000

Governor’s Education Initiatives

Senate Bill 1666 (Alarcon) Teachers: Recruitment and Incentives

Among other provisions, Senate Bill 1666 establishes the Governor’s Teaching Fellowship Program (to be administered by the California State University), under which graduate teaching fellowships will be awarded to graduate students who agree to teach at a low-performing school for 4 years. $3.5 million was in the CSU section of the 2000-01 Budget Act for this program.

STATUS: Approved by Governor; Chapter 70, Statutes of 2000

Senate Bill 1688 (Polanco) Education

This bill establishes the following programs:

1) The Governor’s Scholars 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.

2) The Governor’s Distinguished Mathematics and Science Scholars Program, for students who demonstrate high achievement on the Advanced Placement examinations in calculus and physical science.

3) Intensive Algebra Academies to provide summer school instruction in pre-algebra and algebra to seventh and eighth grade students.

4) Intensive Algebra Instruction Academies to train teachers in methods of Algebra instruction for seventh and eighth grade students.

STATUS: Pending Governor’s Action (to be enacted in conjunction with Cal Grant legislation)

Senate Bill 1689 (Escutia) Advanced Placement Program
Senate Bill 1689 establishes the Advanced Placement Challenge Grant Program to assist high schools in providing college-level courses to interested and prepared students.

**STATUS:** Approved by Governor; Chapter 73, Statutes of 2000

**Assembly Bill 2881 (Wright) Teachers: Professional Development Institutes**

This bill expands existing teacher professional development institutes in reading and English language development which are currently administered jointly by the University of California and the California State University, and creates four new institutes in the areas of high school English, high school mathematics, high school algebra, and elementary school mathematics.

**STATUS:** Approved by Governor; Chapter 77, Statutes of 2000

**Assembly Bill 2882 (Reyes) Education Technology Grant Program (former AB 1942)**

Assembly Bill 2882 establishes the Education Technology Professional Development Program, to be administered by the CSU, to provide teachers with professional development training on how best to integrate the use of technology into the classroom and curriculum. In administering the program, CSU is to collaborate with the California Technology Assistance Project, county offices of education and other appropriate public and private organizations. $6.5 million is included in the budget for the first year of the program.

**STATUS:** Approved by Governor; Chapter 78, Statutes of 2000

**Assembly Bill 2883 (Villaraigosa) University of California: Institutes for Science and Innovation (former AB 1943)**

This bill authorizes the University of California to establish 3 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:** Approved by Governor; Chapter 79, Statutes of 2000

**Cal Grant Expansion Legislation**

**Senate Bill 1644 (Ortiz, Poochigian et al.) Student Financial Aid**

Senate Bill 1644 would enact the Cal Grant Entitlement Program to guarantee a Cal Grant award to every student who is financially and academically eligible to receive one. Under this expansion of the program, students would be required to maintain a 3.0 grade point average to
receive a Cal Grant A award, and a 2.0 grade point average to receive a Cal Grant B. Community college transfer students would have to earn at least a 2.4 grade point average (and be eligible to transfer to a four-year institution) to be entitled to an award.

**STATUS:** Pending Governor’s Action

**Additional Legislation**

**Assembly Bill 1773 (Romero) Unauthorized Recording of Academic Presentations**

Assembly Bill 1773 would require the CSU to develop, in consultation with faculty, policies to prohibit the unauthorized recording, dissemination, and publication of academic presentations for commercial purposes. The bill includes a statement that nothing in the legislation is intended to change existing law as it pertains to the ownership of academic presentations.

**STATUS:** Senate Floor; Pending Action

**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 is sponsored by the California State Student Association, and would 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:** Pending Governor’s Action

**Assembly Bill 1935 (Wildman) Higher Education Labor Relations**

As introduced, AB 1935 would have authorized employees of most CSU auxiliary organizations to collectively bargain under the Higher Education Employer-Employee Relations Act (HEERA). After Senator Dede Alpert, Education Committee Chair, expressed her intention not to move the bill in that form, it was amended to require CSU to provide the Legislature with a variety of public information and data on auxiliary organization employees.

**Status:** Senate Floor

**Assembly Bill 2007 (Runner) Joint Use Education Facilities**

This bill would exempt a joint use instructional facility at Antelope Valley College in Lancaster from Field Act requirements, thus allowing for CSU-owned facilities on the community college-
owned campus to be used for community college purposes. The bill would also appropriate $1 million from the General Fund to the Chancellor of the California Community Colleges for allocation to the San Mateo Community College District for implementation of cooperatively developed baccalaureate degree programs by Canada College and San Francisco State University.

**Status**: Senate Floor

**Assembly Bill 2323 (Ducheny) Center for International Education Synergy**

This bill states the intent of the Legislature that the Center for International Education Synergy be established through a joint powers agreement between the Sweetwater Union High School District, the Southwestern Community College District and San Diego State University. The bill states that the Otay Mesa Off-Campus Center acquired through funding appropriated to the CSU in the Budget Act of 2000, shall be known as the Center for International Education Synergy, and declares that these funds shall be deemed supplemental to any existing or future capital outlay funding for the CSU.

**Status**: Senate Floor

**Assembly Bill 2408 (Firebaugh) School Facilities**

This bill would allow K-12 school districts to expend bond funds to construct or modernize facilities that are located on property owned by public entities and leased to other public entities, including school districts. This is one of several bills introduced on this general subject (including SB 303, sponsored by the Board of Trustees), and has become the vehicle to address this issue, thereby allowing K-12 facility projects located on other public property, such as the California Academy of Mathematics and Science and the CSU, Stanislaus Stockton Center to be funded by General Obligation bond money.

**Status**: Senate Floor

**Assembly Bill 2409 (Migden and Runner) Public Postsecondary Education: Year-Round Operations**

Assembly Bill 2409 would prohibit summer session fees at the California State University and University of California from exceeding the fees charged for any other academic term, if the state provides funding to offset any revenue losses. The bill would provide that CSU and UC retain the flexibility to implement year-round operations differently on individual campuses.

**Status**: Assembly Floor, Pending Concurrence in Senate amendments
Assembly Concurrent Resolution 179 (Torlakson) California State University

This resolution would request the CSU to conduct a thorough and comprehensive study of the educational needs of Alameda and Contra Costa counties, including consideration of the expansion of programs and services at the Contra Costa campus of California State University Hayward; and the need for establishing a separate, independent university at this site.

Status: Assembly Floor

Senate Bill 1330 (Alpert) Assumption Program of Loans for Education

This bill consolidates and streamlines duplicative provisions related to the Assumption Program of Loans for Education (APLE), and adds a bonus incentive to persuade APLE recipients to teach in the lowest performing schools or in specific subject areas. The bill would also allow students enrolled in teacher preparation programs on a half-time basis to be eligible to participate in the APLE program.

Status: Assembly Floor

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

This bill would have increased the membership of the CSU Board of Trustees by requiring the Governor to appoint a non-faculty employee of the university for a 2-year term.

STATUS: Returned to Senate (no action to be taken by Governor)

Senate Bill 1721 (Hayden) California State University

Senate Bill 1721 would authorize the CSU to establish three institutes/centers with nonpublic funds or with other funds that the specific campuses are authorized to expend:

- The Central American Studies Institute at CSU, Northridge.
- The African American Political Studies Institute at CSU, Northridge.
- The Center on Portuguese Studies at CSU, Stanislaus.

The bill does not make an appropriation for these entities, but states that the CSU may expend an amount not to exceed $250,000 for each institute.

Status: Assembly Floor
Senate Bill 1898 (Solis) Student financial Aid: Student Opportunity and Access Program.

This bill would expand the California Student Opportunity and Access Program (Cal-SOAP) and requires the California Student Aid Commission to establish a pilot program (known as "Transfer: Making it Happen") to encourage community college students to transfer to a four-year institution and assist them by providing academic guidance and information on financial aid.

**Status:** Senate Floor

**Senate Concurrent Resolution 83 (Polanco) Higher Education Capital Outlay Funding**

As introduced, this resolution would have expressed the intent of the Legislature to replace the current 1/3 bond split for the 3 public segments of higher education with an allocation of bond proceeds based on each segment’s share of the projected undergraduate enrollment increases in higher education over the next 10 years.

As amended on August 25, the resolution calls upon the Senate and Assembly to appoint a legislator to convene meetings with the public institutions of higher education (and other higher education constituencies) to reach a consensus regarding the principles used to guide the allocation of future bond funds. The resolution also expresses the intent of the Legislature to reserve for community college facilities, funds from the next state general obligation bond measure, the amount necessary to increase the community college share of higher education proceeds from the 1998 bond to one-third.

**Status:** Approved by Senate; Pending Action in Assembly

Adoption of the following resolution is recommended:

**RESOLVED,** By the Board of Trustees of The California State University, that the 1999-00 Legislative Report No. 11 is adopted.
COMMITTEE ON GOVERNMENTAL RELATIONS

Proposition 38: School Vouchers. State-Funded Private and Religious Education. Public School Funding. Initiative Constitutional Amendment

Presentation By
Karen Yelverton Zamarripa, Assistant Vice Chancellor
Governmental Affairs

Summary
From time to time, the Committee on Governmental Relations reviews statewide ballot measures for their implications on the California State University. This item contains a description of Proposition 38, which would require the state to offer vouchers to the parents of every school-age child in California, to be used to pay tuition and fees at private schools.

Recommended Action
The trustees should determine if they wish to adopt a formal position on this initiative.
Agenda Item 2
September 19-20, 2000

COMMITTEE ON GOVERNMENTAL RELATIONS

Proposition 38: School Vouchers. State-Funded Private and Religious Education. Public School Funding. Initiative Constitutional Amendment

Purpose

Proposition 38 would require the state to offer annual scholarships, or vouchers, to the parents of every school-age child in California. These vouchers, which would initially be in the amount of $4,000 per child per year, could be cashed to pay tuition and fees at private schools. The initiative would also create an alternative minimum funding level for the state’s public K-12 schools based on a national average of per-pupil funding of public schools.

This item provides the trustees an opportunity to determine whether they wish to adopt a formal position on this initiative.

Background: K-12 Education Funding and Reform Efforts

Currently, six million students attend public K-12 schools in California, and 650,000 students are enrolled in various private schools. Generally, the state and local school districts do not provide funding for pupils attending private K-12 schools, which operate under laws and regulations that are significantly less restrictive than those applied to public schools.

Proposition 98, adopted by the voters in 1988, establishes a minimum funding level for public schools and community colleges (K-14 education). This minimum funding level increases each year with changes in public school attendance and growth in the state’s economy. The current minimum funding level for K-14 education is $42 billion.

Governor Gray Davis has made the strengthening of the state’s public K-12 system the cornerstone of his Administration. In 1999 the governor called a special legislative session to enact K-12 education reforms, and he has continued to focus on school and student accountability during his term. Education initiatives in this year’s Budget Act included incentives for attracting and retaining quality teachers, enhanced professional development for teachers, and programs to support student achievement and school improvement.

The California State University has been an active partner in the effort to improve all levels of the state’s public education system. Responding to the goals of the Davis Administration and the direction of the Board of Trustees, the CSU has developed closer ties to the K-12 community,
and has worked with local school districts on school reforms. These include establishing high goals for academic achievement in K-12, and enforcing college admission requirements that support these standards. CSU has also new teacher preparation its highest academic priority, and participated in school partnerships to serve the needs of low-income, at risk students.

**Initiative**

Proposition 38 would require the state to offer an annual voucher to every school age child in California. Checks for these grants of aid would be made out to parents, but sent to private schools selected by the parents. The checks could only be cashed to pay tuition and other educational fees at schools which have chosen to become “scholarship-redeeming” schools.

The proposition would also impose significant new restrictions on the ability of state and local government to adopt new laws and regulations affecting private schools. Any new state laws would require a three-fourths vote of the Legislature. Local governments could impose new health, safety, or land use regulations on private schools only upon a two-thirds vote by the local governing body and a majority vote in an election held in the affected area.

Finally, the proposition would create an alternative minimum funding level for California’s public K-12 schools that would be based on a national average of per-pupil funding. In the first year that per-pupil funding in California equaled or exceeded the national average, the alternative guarantee would permanently replace the Proposition 98 guarantee. The national average funding guarantee would not include funds for community colleges, adult education, or most child care programs, which would have to compete for funding with state programs generally, rather than against K-12 programs.

**Fiscal Impact**

In their non-partisan analysis of Proposition 38, the Legislative Analyst’s Office (LAO) concludes that the proposition would have major fiscal impacts on the state and local school districts, but that the size of those impacts would depend on legal interpretations of the proposition and such factors as how people respond to the availability of vouchers, and what actions the Legislature and local school districts take in response to the proposition. The LAO estimates that there are likely to be net costs to the state for the first several years, as high as $1.1 billion annually. Over the long term, the net impact would depend on the number of public school students who shift to private schools, a number LAO concedes is impossible to predict. Under a 5 percent shift, there would be net costs to the state of $2 billion annually. However, under a 25 percent shift, the state would realize net savings of over $3 billion annually.

Arguments in Opposition to Proposition 38/Rationale for CSU Opposition
As the primary source of teachers for California’s public schools, the CSU is expected to play a central role in supporting improvements to the state’s K-12 schools. Demonstrating CSU’s support for K-12 schools will reinforce the view that public education in California should be viewed as a seamless K-university system. Many of the initiatives contained within Cornerstones cannot succeed unless K-12 schools are able to function at a level that will allow their students to succeed. Given the extent of current reform efforts, Proposition 38, though well intended, could result in an abandonment rather than an improvement of the public K-12 education system.

Arguments presented by opponents of the initiative include:

- Proposition 38 provides billions in taxpayer funds to unaccountable private schools that currently do not have room for more than a few thousand new students.

- The initiative would take money from local public schools, making it harder to reduce class sizes and to hire and train qualified teachers. The state would have no means by which to hold these schools accountable, given that they would not require teacher credentials, academic standards or financial audits.

- Nothing in the Proposition guarantees that funding for public schools would reach the national average, and this new system would remove the voter approved constitutional funding guarantees for community colleges, childcare programs provided by public schools, and state schools for the deaf and blind.

Governor Gray Davis has spoken out against the initiative and is featured in the opposition’s television advertisements, which are currently airing throughout the state. Organizations opposing Proposition 38 include the California Business Roundtable, Association of California School Administrators (ACSA), California Association of School Business Officials (CASBO), California Federation of Teachers (CFT), California School Boards Association (CSBA), California School Employees Association (CSEA), California State PTA, California Teachers Association (CTA) and Service Employees International Union (SEIU), among others.

Arguments in Support of Proposition 38

The official Internet site for Proposition 38 does not identify any organizations that have endorsed the initiative. The following arguments in support are presented:

- The initiative will strengthen public education by reducing class sizes and raising the amount of money spent per student, leading to smaller, safer, more disciplined schools.
Proposition 38 will save taxpayers billions of dollars, provide new career opportunities for teachers where they will have the tools to ensure the best interest of students, and ensure financial and educational accountability.

Generally, supporters of vouchers point to findings from a number of New York City and Milwaukee private schools which suggest that low-income children who remain in voucher programs over a few years show consistent improvement across grade levels in all subjects, raising voucher students’ achievement by a few percentile points on average.

**Recommended Action**

Should the Trustees determine that they wish to take a position in opposition to the initiative, the following resolution is recommended:

**RESOLVED,** By the Board of Trustees of The California State University, that the board opposes Proposition 38, the “School Vouchers. State-Funded Private and Religious Education. Public School Funding.” Constitutional Amendment Initiative that will appear on the November 2000 General Election ballot.