

AGENDA

COMMITTEE ON GOVERNMENTAL RELATIONS

Meeting: 2:45 p.m. Tuesday, November 13, 2007
Glenn S. Dumke Auditorium

Melinda Guzman, Chair
Debra S. Farar, Vice Chair
Jeffrey L. Bleich
Carol R. Chandler
A. Robert Linscheid
Peter G. Mehas
Lou Monville
Jennifer Reimer
Craig R. Smith

Consent Items

Approval of Minutes of Meeting of September 18, 2007

Discussion Items

1. 2007-2008 Legislative Report No. 6, *Action*
2. February 2008 Ballot Items, *Action*

**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 18, 2007

Members Present

Debra S. Farar, Vice Chair
Roberta C. Achtenberg, Chair of the Board
Jeffrey L. Bleich
Carol R. Chandler
A. Robert Linscheid
Peter G. Mehas
Lou Monville
Charles B. Reed, Chancellor
Jennifer Reimer
Craig R. Smith

Approval of Minutes

The minutes of July 10, 2007 were approved.

2007-2008 Legislative Report No. 5

Trustee Farar introduced Ms. Karen Zamarripa, assistant vice chancellor, advocacy and institutional relations, and announced that she would present the report.

Ms. Zamarripa noted the written agenda report contained a detailed breakdown of the priority bills that her office has been following on behalf of the CSU. She then took a moment to highlight some of the bills she felt were of particular interest, and to give a sense of where things are legislatively in Sacramento at the moment. She added the governor has until October 14, to take action on bills that were sent to him by the legislature.

Ms. Zamarripa also noted there is the possibility the governor will call for special sessions during the recess to discuss the issues of health care reform and water infrastructure in California however, there are no specific details on this yet.

With regard to CSU sponsored legislation, Ms. Zamarripa said she was excited to report that three out of four sponsored bills this year have gone to the governor for his signature. Those bills are:

AB 262 (Coto) Public Postsecondary Education:

This bill deals with improvements in the Department of General Services (DGS) and restoring the CSU exemption from DGS for the purpose of purchasing vehicles, and extends the Board of Trustees' authority to issue Title V regulations. The bill has gone to the governor and we are asking him to sign the measure.

AB 950 (Salas) Public Postsecondary Education: Student Residency Requirements: Active Duty Military:

The bill addresses veterans' benefits, and establishes a consistent policy regarding non-resident fee waivers for members of our armed forces, stationed in California, who are not residents of California and are graduate students at the CSU. The measure provides them an additional year at the lower in-state rate for a total of two years.

SB 855 (Ridley-Thomas) California State University: State University Revenue Bond Act of 1947:

This measure will provide increased flexibility to the CSU's Systemwide Revenue Bonds (SRB) program by strengthening its systemwide fiscal management approach and authorizing the use of the most advantageous interest rates available in the market resulting in lower interest costs for projects; particularly for student housing, parking facilities, and student union projects.

Ms. Zamarripa congratulated the trustees and those involved in getting the bills through the process and to their final destination. She noted that one bill did not move forward; *AB 302 (De La Torre) Cal Grant B Entitlement Awards: Award Amount*. This measure became a two-year bill while on the Suspense File in the Assembly Appropriations Committee.

Ms. Zamarripa then briefly reviewed the contents of the written agenda report. She noted there were two bills CSU had hoped would go forward to the governor's desk but did not:

SB 890 (Scott) – Pupils: Early Commitment to College Program. The bill would establish the Early Commitment to College Program. This measure was held by the Assembly Appropriations Committee's Suspense File and is now dead for the year.

SB 946 (Scott) – Community College Early Assessment Pilot Program – This measure would establish a Community College Early Assessment Pilot Program for the purpose of providing high school pupils with assistance in determining an indicator of their readiness for transfer-level English and mathematics at the end of grade 11 and allowing high schools to work with pupils in grade 12 to elevate those skills to a level commensurate with transfer-level English and mathematics.

Ms. Zamarripa informed the committee there were a few measures CSU will be seeking vetos on AB 35 (Ruskin) and AB 888 (Liu). Both bills address sustainability issues. CSU initially supported both bills with recommended amendments to the authors. The amendments were subsequently rejected by both authors resulting in CSU's position of "Oppose Unless Amended"

Trustee Smith inquired about the status of AB 1413 (Portantino). Ms. Zamarripa replied the bill has gone to the governor and was amended to delete the voting rights for the staff designee who would be sent on behalf of the ex-officio officers. It is our belief that the language is not clear and could be subject to some question in litigation potentially about its interpretation. It does, at a minimum, allow for staff designees to join the trustees at the dais and participate in board meetings without a vote. The measure was passed out of the Senate Appropriations Committee on a 9 – 3 vote (5 abstentions).

Ms. Zamarripa stated her office is currently in the process of developing the 2008 legislative program. She noted solicitations have been sent to the presidents and system executives requesting proposals that she will bring to the board in January. Conversations have also begun to prepare for bond discussions and for working with the various segments to seek voter approval on a bond measure for our capital outlay program.

The committee recommended approval of the proposed resolution (RGR 09-07-07).

February Ballot Item: Community College Governance Initiative

Ms. Zamarripa explained the initiative is sponsored by the California Community Colleges, the California Federation of Teachers, the faculty of the California Community Colleges, and others, that would put an initiative on the February ballot that would change the governance and the financing structure of the Community Colleges, and alter the state's budget structure, with regard to community college funding.

Ms. Zamarripa noted there was an in-depth explanation of the act in the written agenda item and provided comments and insights regarding the potential impact of the initiative should it pass. She said that overall, there are several components of this initiative that make the state's budget process more complicated and that voters will be asked to decide in February.

Ms. Zamarripa said it was important to make the board and the presidents aware and informed now about what the choices are and what the issues will be, not only for the CSU, but for the rest of state government and the state budgeting process.

Trustee Hauck cautioned there is a lot in this initiative not to like. The most important for CSU being the significant impact on the state's general fund that would result from the passage of this measure.

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Trustee Monville commented he had served on the Community College Board of Governors while this concept was in development and that he opposed it then and opposes it now. He said he was not sure their board understands the ramifications this poor piece of public policy would place at their feet.

A motion was made and seconded to bring the issue back to the board for action at the November meeting to take a formal position on the measure.

COMMITTEE ON GOVERNMENTAL RELATIONS

2007-2008 Legislative Report No. 6

Presentation By

Karen Y. Zamarripa
Assistant Vice Chancellor
Advocacy and Institutional Relations

Summary

This item contains a status report on the Trustees' 2007 Legislative Program and pertinent legislative measures introduced for this session.

Trustees' 2007 Legislative Program

The following proposals comprise the Trustees' legislative program for 2007.

AB 262 (Coto) Public Postsecondary Education: This measure requires the CSU to disclose all exclusive arrangements, excluding proprietary information, for credit card companies or banks that have table marketing activities on campus. The measure has also been amended to exempt the CSU from Department of General Services (DGS) for the purposes of purchasing vehicles with a five year "sunset", and extends the Board of Trustees authority to issue Title 5 regulations for five more years (scheduled to sunset in January 2008), as well.

Status: This measure was signed by the Governor; Chapter 679, Statutes of 2007.

AB 302 (De La Torre) Cal Grant B Entitlement Awards: Award Amount: This Board of Trustee-sponsored measure would provide Cal Grant B recipients with fees/tuition in their first academic year targeting greater aid to lower income students who need assistance to pursue their college objectives.

Status: This bill was made a two-year measure while placed on the Assembly Appropriations Suspense File.

AB 950 (Salas) Public Postsecondary Education: Student Residency Requirements: Active Duty Military: This measure establishes a consistent policy regarding non-resident fee waivers for members of our armed forces, stationed in California, who are not state residents seeking graduate study by providing them an additional one year at the in-state fee rate.

Status: This measure was signed by the Governor; Chapter Number 362, Statutes of 2007.

SB 855 (Ridley-Thomas) California State University: State University Revenue Bond Act of 1947: This measure will provide increased flexibility to the CSU's Systemwide Revenue Bond (SRB) program by strengthening its systemwide fiscal management approach and authorizing the use of the most advantageous interest rates available in the market resulting in lower interest costs for projects, particularly for student housing, parking facilities, and student union projects.

Status: This measure was signed by the Governor; Chapter Number 352, Statutes of 2007.

Priority Bills

AB 35 (Ruskin) Environment: State Buildings: Sustainable Building Standards: This measure would have created the Sustainable Building Act of 2007 and required any state buildings constructed or renovated after July 1, 2010 be built, designed and operated using sustainable building standards, or green technology, of at least the "Gold" energy standard.

CSU Position: OPPOSE UNLESS AMENDED
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Assembly Bill 35 without my signature. I support the development of green building standards and share the goals of this bill. However, if implemented provisions in this bill would create a bias for certain building materials over others without a clear benefit. For instance, the use of California wood building construction materials is highly discouraged in favor of foreign grown bamboo and wheatgrass. Additionally, building standards should not be statutory. The Building Standards Commission was created to ensure an open public adoption process allowing experts to develop standards and periodic updates to the building codes. Allowing private entities, such as proposed in this bill, to dictate California's building standards usurps the state's authority to develop and adopt those standards and could compromise the health and safety of Californians. I encourage state agencies to review all nationally recognized programs and glean from those programs, standards that promote greener construction, energy and water conservation, and reduce Green House Emissions. It is imperative to expedite the greening of California's building standards. As such, I am directing the California Building Standards Commission to work with specified state agencies on the adoption of green building standards for residential, commercial, and public building construction for the 2010 code adoption process."

AB 100 (Mullin) Education Facilities: Kindergarten-University Public Education Facilities Bond Act of 2008: This measure proposes a K-12 and higher education facility General Obligation Bond for November 2008 ballot approval. Of the total amount of the bond (\$9 billion), \$690,000,000 would be allotted to the CSU, consistent with proposition 1-D (2006). CSU is interested in increasing this amount by nearly twice this amount given our systems estimated annual need.

CSU Position: NO OFFICIAL POSITION
Status: This measure is a two-year bill. The final amount and timing of this bond will be addressed when the legislature reconvenes in January. CSU will work with UC and CCC through Californians for Higher Education to coordinate our efforts.

AB 145 (Coto) San Jose State University-National Hispanic University Collaboration: This measure was amended to create a five-year pilot between the California State University, San Jose State University and the National Hispanic University to enter into a collaboration agreement to improve participation in higher education.

CSU Position: SUPPORT
Status: This measure was held on the Suspense File in the Assembly Appropriations Committee. SB 65 was amended at the end of the legislative year to strip its contents out and to replace it with language similar to AB 145.

AB 152 (Beall) Postsecondary Education: Golden State Scholarshare Trust: California Prepaid Tuition Program: This bill establishes the California Pre-Paid Tuition Program under the authority of the Scholarshare Investment Board. Recent Commission policy supports tuition guarantee models that lock in four years of level tuition for entering freshmen.

CSU Position: NO OFFICIAL POSITION
Status: This bill was made a two-year measure while in the possession of the Senate Education Committee.

AB 175 (Price) Cal Grant B Awards: Access Costs: This measure, which is sponsored by the University of California Students Association (UCSA) would increase funding for the Cal Grant B Entitlement Awards to \$1,551 in 2008-09 and by at least an additional 5% per year thereafter until it has increased by 20% of the measured access costs. While this bill is helpful to students, CSU believes that funding tuition/fees in the first year would have a greater impact, thus AB 302 is our priority for the 2007-08 session.

CSU Position: NO OFFICIAL POSITION

Status: This measure was made a two-year bill while on the Suspense File in the Assembly Appropriations Committee.

AB 178 (Coto) High Schools: Curriculum and Enrollment: College Readiness and Equity Pilot Program: This measure would have established as a pilot the College Readiness and Equity Program to provide grants to high schools that enroll and support pupils in a college preparation curriculum. The measure proposed a total grant of \$150,000 to fund this pilot.

CSU Position: SUPPORT
Status: This measure was held by the Senate Education Committee.

AB 286 (Cook) Public Postsecondary Education: Exemption from Nonresident Tuition: This measure seeks to repeal the existing exemption from nonresident tuition for undocumented students who have filed an affidavit, but who don't have lawful immigration status, established by AB 540 by the late former Assembly Member Marco Firebaugh. Senator Gil Cedillo has sought to expand on this measure with his SB 160 allowing these students to apply for financial aid which the CSU support.

CSU Position: OPPOSE
Status: This bill failed to advance and is now a two-year measure.

AB 365 (Portantino) Postsecondary Education: Task Force on State Workforce Needs: California Community Colleges Economic and Workforce Development Program: This measure, which was sponsored by the California Postsecondary Education Commission (CPEC), called for the Commission to convene a taskforce by March 1, 2008, in cooperation with the Labor and Workforce Development agency, and including the Department of Finance, the Legislative Analyst's Office, the University of California, the California State University, the California Community Colleges, private and independent California colleges and universities, and stakeholders from labor and business to answer four questions related to future workforce needs and postsecondary education programs.

CSU Position: NO OFFICIAL POSITION
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Assembly Bill 365 without my signature. I am supportive of efforts to align state workforce needs with program development at postsecondary education institutions. However, statutory authority is not necessary for the California Postsecondary Education Commission to meet the objective of convening meetings with the relevant entities, and developing recommendations. Therefore, this bill is unnecessary. For this and other reasons, I am unable to sign this bill."

AB 400 (Nunez) Public School Accountability: This measure would, starting in the 2009-10 fiscal year, require the Superintendent of Public Instruction to incorporate into the Academic Performance Index (API), certain rates including high school graduation rates, rates by which pupils are offered and actually complete a A-G course, and rates by which pupils are offered and actually complete a career technical course.

CSU Position: SUPPORT
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Assembly Bill 400 without my signature. While I agree with the author that what the state measures in its accountability system sends a powerful message to schools and to the public about the outcomes we value, this bill still needs refinement. I respect the intention to provide schools the incentive to expand access to A-G college admission required courses, and expand course offering in Career Technical Education program. I am open to opportunities to accomplish that goal. However, I must maintain that the Academic Performance Index (API) should continue to be based on objective, reliable, valid and consistent statistical measurements. Currently, a school's API is based solely on its students' performance on academic achievement tests. This bill, however, would require that, by no later than June 30, 2014, the weight given such tests be reduced to 50 percent with the remaining 50 percent based on high school graduation rates, the percentage of students fulfilling the requirements for admission to public postsecondary institutions, and the percentage of students who graduate prepared for entry-level employment in business or industry. For these reasons, at this time I am unable to sign this measure."

AB 519 (Portantino) Private Postsecondary Education: This measure, which was originally a measure dealing with API data and student dropouts, was stripped of that language and amended by Assembly Member Portantino to extend state oversight of private postsecondary schools from February 1, 2008 to July 1, 2008.

CSU Position: NO OFFICIAL POSITION
Status: This measure, as amended on September 7, was sent to the inactive file, making it a two-year bill.

AB 767 (Walters) Student Financial Aid: Veterans and Dependents: This measure would create the Golden State GI Bill of Rights for Higher Education and would provide a waiver of resident tuition at the CSU, the University of California (UC), and the California Community Colleges (CCC) for California residents who have been honorably discharged from the military and

exhausted their federal benefits under the federal GI Bill for a time equal to the length of time they received federal aid.

CSU Position: OPPOSE UNLESS AMENDED
Status: AB 767 was made a two-year bill at the request of the author. The CSU was requesting that the measure provide a reimbursement from the State for these students. The CSU estimated a conservative cost at \$10 million to pay for these waivers.

AB 888 (Lieu) Green Building Standards: This measure would have required new commercial buildings built in California to meet the "Gold" green building standard by January 1, 2013.

CSU Position: OPPOSE UNLESS AMENDED
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Assembly Bill 888 without my signature. I support the development of green building standards and share the goals of this bill. However, if implemented provisions in this bill would create a bias for certain building materials over others without a clear benefit. For instance, the use of California wood building construction materials is highly discouraged in favor of foreign grown bamboo and wheatgrass. Additionally, building standards should not be statutory. The Building Standards Commission was created to ensure an open public adoption process allowing experts to develop standards and periodic updates to the building codes. Allowing private entities, such as proposed in this bill, to dictate California's building standards usurps the state's authority to develop and adopt those standards and could compromise the health and safety of Californians. I encourage state agencies to review all nationally recognized programs and glean from those programs, standards that promote greener construction, energy and water conservation, and reduce Green House Emissions. It is imperative to expedite the greening of California's building standards. As such, I am directing the California Building Standards Commission to work with specified state agencies on the adoption of green building standards for residential, commercial, and public building construction for the 2010 code adoption process."

AB 1038 (Feuer) Postsecondary Education: Student Fees: This measure sets the student fee at a fixed percentage of the CSU budget, using the fee structure for 2007-08 as an on-going guide. AB 1038 would also not allow student fees to be increased by more than 7% for any year. Finally, this measure does not contain a statutory commitment by the State to ensure continued funding for the CSU.

CSU Position: OPPOSE
Status: This measure was held on the Suspense File in the Assembly Appropriations Committee.

AB 1168 (Jones) Social Security Numbers: This measure would require the Office of Privacy Protection to establish a taskforce, with CSU as a member, to conduct a review of the use of SSN's by all colleges and universities in order to recommend practices to minimize the collection, use, storage, and retention of SSN's.

CSU Position: NO OFFICIAL POSITION
Status: This measure was signed by the Governor; Chapter 627, Statutes of 2007.

AB 1343 (Mendoza) Public Postsecondary Education: Faculty and College Excellence Act: This measure enacts the Faculty and College Excellence Act, which express the intent of the Legislature that at least 75% of the full-time equivalent faculty of the CSU and the California Community Colleges be tenured or on the tenure-track.

CSU Position: OPPOSE
Status: This measure was held on the Suspense File in the Assembly Appropriations Committee.

AB 1413 (Portantino) Public Postsecondary Education: California State University: Trustees: This measure (sponsored by California Faculty Association) would have allowed the ex-officio members of the Board of Trustees (and not the University of California's Board of Regents) to send a designee to Board meetings in their place. The measure also proposed placing restrictions on employment contracts for the California State University (CSU) executive officers and would have required that any contract and its terms be adopted by resolution at a board meeting of the CSU Trustees, which is essentially current law.

CSU Position: OPPOSE
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Assembly Bill 1413 without my signature. California State University (CSU) Board of Trustees' meetings are already open to the public and therefore, it is unnecessary to statutorily authorize a staff person to attend in a member's absence. Executive compensation contracts are currently approved in open meetings and last year CSU adopted changes to their transition pay program that are addressed in this bill. I do not believe that we should be micromanaging the hiring practices at University of California or the California State University system, in ways that may hamper their ability to hire quality instructors and administrators. However, when appropriate, I do believe that there

should be transparency in our educational systems so that the public has confidence in our institutions, which is why I am signing Senate Bill 190 that provides some additional openness and accessibility for the public on matters of executive compensation. For these reasons, I cannot sign this measure.”

AB 1415 (Brownley) Teacher Credentialing: Services Credential: Programs of Professional Preparation: This bill requires the Commission on Teacher Credentialing to create an accountability system to assess the effectiveness of professional preparation programs in education administration. The CSU is concerned that our credential program would be linked to “student learning” outcomes, since our programs are only one part of the equation for student success in California.

CSU Position: NO OFFICIAL POSITION
Status: This measure was held by the Senate Appropriations Committee due to costs.

AB 1540 (Bass) Student Financial Aid: Cash for College Program: This bill establishes the existing, privately-funded Cash for College financial aid information outreach efforts as a State program administered under the California Student Aid Commission (CSAC), relying on donations received for the purposes of this program.

CSU Position: NO OFFICIAL POSITION
Status: This measure was signed by the Governor; Chapter 741, Statutes of 2007.

AB 1548 (Solorio) Public Postsecondary Education: College Textbook Transparency Act: This measure establishes the College Textbook Transparency Act, which would require publishers to disclose on the new edition of a book a summary of the substantive differences between the new edition and the prior edition; requires campus bookstores in any postsecondary education institution to post their mark-up policies for textbooks in the store or on its website; and prohibits an employee of a university from being paid for adopting specific course materials.

CSU Position: NO OFFICIAL POSITION
Status: This measure was signed by the Governor; Chapter 574, Statutes of 2007.

AB 1578 (Leno) Foster Youth Higher Education Preparation and Support Act of 2007: California Competitive Grant Program: This bill states legislative intent to establish and provide services and financial support to help foster youth achieve their educational goals and establishes the California Competitive Grant Program to provide comprehensive support in postsecondary institutions to students who are former foster youth.

CSU Position: NO OFFICIAL POSITION

Status: This measure was held by the Senate Appropriations Committee due to costs.

AB 1586 (DeSaulnier) University of California and California State University: Minimum Admissions Requirements: This bill requires the Trustees of the CSU and urges the UC Regents to set minimum admission requirements for specified subjects at their respective institutions for first-year undergraduate students. The subject areas are to include history- social science, English, mathematics, laboratory science, language other than English, visual and performing arts, applied arts, and college-preparatory electives.

CSU Position: NO OFFICIAL POSITION
Status: AB 1586 is a two-year bill.

SB 1 (Cedillo) Student Financial Aid: Eligibility: California Dream Act: This measure was amended to remove the original language replace it with the contents of SB 160, which proposed to provide a student who is eligible for a non-resident fee waiver under current law, to also be eligible to participate in all state institutional financial aid programs, to the extent allowed by state and federal law.

CSU Position: SUPPORT
Status: This measure was vetoed by the Governor.

Governor's message: "I am returning Senate Bill 1 without my signature. At a time when segments of California public higher education, the University of California and the California State University, are raising fees on all students attending college in order to maintain the quality of education provided, it would not be prudent to place additional strain on the General Fund to accord the new benefit of providing state subsidized financial aid to students without lawful immigration status. Under existing law, undocumented students, who meet the required criteria, already qualify for the lower in-state tuition rate while attending California public colleges and universities. Therefore, I cannot sign this bill."

SB 43 (Torlakson) Teacher Credentialing: This measure proposes to create a pilot program of 5 years (2013-2017) known as the Preliminary Recruitment of Experienced Professional (PREP) credential to allow individuals who are interested in either changing careers or teaching after retiring to become teachers.

CSU Position: NO OFFICIAL POSITION
Status: This bill failed to advance and is now a two-year measure.

SB 44 (Torlakson) Teacher Development: This bill would have established the California Teacher Cadet Program operated by the California Center on Teaching Careers. It also would have required the CSU to convene an advisory group to develop hands-on curriculum and criteria and standards for a request-for-proposal. This measure was stripped of its appropriation, as well.

CSU Position: SUPPORT
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Senate Bill 44 without my signature. While I believe that California should do more to develop quality teachers in the state, I vetoed a bill similar to this one last year because it was essentially duplicative of currently funded programs that assist with the recruitment and retention of teachers. Furthermore, the 2007 Budget Act does not include funding for these particular purposes, but this bill creates ongoing cost pressures estimated in the millions of dollars in order to implement. For these reasons, I am unable to sign this bill."

SB 52 (Scott) Teacher Credentialing: Designated Subjects: Career Technical Education: This Administration-sponsored proposal on career technical education, would streamline the multiple vocational education teaching credentials to the career technical education teaching credential. In addition this measure requires the Commission on Teacher Credentialing to offer preliminary career technical education teaching credentials based on the 15 industry sectors identified in the California career technical education model curriculum standards adopted by the State Board.

CSU Position: NO OFFICIAL POSITION
Status: This measure was signed by the Governor; Chapter Number 520, Statutes of 2007.

SB 65 (Cedillo) Public Postsecondary Education: San José State University-National Hispanic University Collaboration: This measure, which briefly contained language creating the California Dream Act, was amended to instead create the San José State University-National Hispanic University collaboration and appropriates \$3 million from the General Fund for this purpose.

CSU Position: SUPPORT
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Senate Bill 65 without my signature. I certainly support the sponsor's stated goal of the bill – to increase the number of students who graduate from colleges and universities with science, technology, engineering, and math (STEM) degrees. It is vital not only for our economy, but also for our communities, to have populations of STEM discipline students and

teachers which are more reflective of California's diversity. However, this bill requires \$3 million from the General Fund – dollars that were not allocated as part of the Budget Act of 2007. Therefore, it would not be prudent to approve this measure at this time. I look forward to a discussion next year with interested parties to see how we can more appropriately accomplish our shared goal of ensuring that our STEM students and teachers better reflect the great diversity of our state. For these reasons, I am unable to sign this bill.”

SB 139 (Scott) Nursing Education: SB 139 makes various clarifications to the State Nursing Assumption Program of Loans for Education (SNAPLE) program, requires that the statutory expansion of enrollment nursing programs administered by CSU and the University of California (UC) be funded within the general enrollment growth funding provided for in the annual budget process, and prohibits CSU or CCC campuses from requiring nursing students to complete general education coursework if they have already earned a baccalaureate degree.

CSU Position: SUPPORT IF AMENDED
Status: This measure was signed by the Governor; Chapter Number 522, Statutes of 2007. The provisions on serving the 340 FTE in nursing within our 2.5% enrollment funding has not been deleted from the measure but we have assurances to clarify this issue in budget trailer bill or other means next year.

SB 160 (Cedillo) Student Financial Aid: Eligibility: California Dream Act: This measure would provide students who are eligible for a non-resident fee waiver under current law, to also be eligible to participate in state institutional financial aid programs, to the extent allowed by state and federal law.

CSU Position: SUPPORT
Status: This measure failed to advance out of the Senate Appropriations Committee’s Suspense File and is now a two-year bill.

SB 190 (Yee) Public Postsecondary Education: California State University: University of California: Open Meetings: Higher Education Governance Accountability Act: This bill would restate that all meetings of the California State University be conducted in open session.

CSU Position: NO OFFICIAL POSITION
Status: This measure was signed by the Governor; Chapter Number 523, Statutes of 2007.

SB 232 (Ducheny) Instructional Strategies: Subject Matter Projects: This bill extends the sunset of the Subject Matter Projects (SMPs) by five years, to June 30, 2012.

CSU Position: SUPPORT
Status: This measure was signed by the Governor; Chapter Number 292, Statutes of 2007.

SB 235 (Negrete McLeod) Vision Care: Annuitants: California State University: This measure would allow annuitants of the CSU system to participate in the Vision Care Program for State Annuitants, but requires the CSU to administer it. The costs of this benefit will be borne by the annuitants.

CSU Position: NO OFFICIAL POSITION
Status: This measure was signed by the Governor; Chapter Number 344, Statutes of 2007.

SB 259 (Negrete McLeod) Public Employees' Retirement: Service Credit: California State University Academic Employees: This measure would have permitted a faculty member of the CSU who is granted a reduced pay leave sabbatical to receive the full service credit if the member elects to contribute to the retirement fund the amount that would have been contributed by the member and employer.

CSU Position: NO OFFICIAL POSITION
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Senate Bill 259 without my signature. This bill is similar to legislation I vetoed last year. As I said at that time, I believe that the sabbatical leave system encourages faculty of the California State University to strive for professional growth and academic excellence. However, I maintain my position that determining what benefits an employee receives during a sabbatical is a matter for collective bargaining, not legislation. For this reason I am returning this bill without my signature."

SB 268 (McClintock) Public Postsecondary Education: Nonresident Tuition Criteria: Immigrants: This bill deletes the provision for a person, who meets specified criteria and who is without lawful immigration status, to be eligible for non-resident tuition at the CSU and the California Community Colleges.

CSU Position: OPPOSE
Status: This bill failed to advance and is now a two-year measure.

SB 309 (Scott) Career Technical Education: Subject Requirements for Admission to the University of California: This measure would require the superintendent of education to create a standards-based core career and technical education course curricula for at least 5 industry

sectors, other than agriculture, that have been identified as high-growth, high-need areas. This measure seeks to have the UC work as a partner to ensure that as many courses as possible qualify for college preparatory coursework.

CSU Position: SUPPORT IF AMENDED
Status: This bill failed to advance out of the Senate Appropriations Committee's Suspend File and is now a two-year measure.

SB 325 (Scott) Postsecondary Education: Educational and Economic Goals for California Higher Education: This measure calls for the creation of an accountability framework to measure California's progress on higher education and would use six key questions to gauge the State's success.

CSU Position: SUPPORT
Status: Senator Scott has made this a two-year bill.

SB 347 (Cogdill) Public Postsecondary Education: Reimbursement of Community College Enrollment Fees: This measure would establish the Community College Fee Enrollment Program and does not clearly state that the CSU is not required to reimburse its graduates for the amount that they paid for enrollment fees at community colleges.

CSU Position: OPPOSE
Status: This bill failed to advance and is now a two-year measure.

SB 405 (Steinberg) Schools: Curriculum: Opportunities for Pupils: This measure, which would have created the Fair Competition for College and Career Pilot Program, was amended to instead now require a school district participating in the Middle and High School Supplemental Counseling (MHSSC) program to develop a list of coursework for those 10-12 grade students who are not on track to attend a UC or CSU campus, and to also provide students from the 7th grade on information on eligibility for admission to a university or college.

CSU Position: SUPPORT
Status: This measure was signed by the Governor; Chapter Number 732, Statutes of 2007.

SB 441 (Torlakson) State Property: Vending Machines: This measure would require each vendor that operates or maintains vending machines on designated state property to eventually phase in a requirement that at least 25% of the food and beverages offered in the vending machine meet accepted nutritional guidelines.

CSU Position: NO OFFICIAL POSITION
Status: This bill failed to advance and is now a two-year measure.

SB 766 (Alquist) Public Postsecondary Education: Health Insurance Coverage for Students: This bill would require the CSU, UC, and the CCCs to provide, as part of their respective health care services programs, health insurance coverage for each full-time student if they are not otherwise covered by a private health insurance plan or by publicly financed health care coverage.

CSU Position: NO OFFICIAL POSITION
Status: This bill failed earlier this year to advance and is now a two-year measure.

SB 832 (Corbett) Postsecondary Education: Textbooks: This measure would have created the College Textbook Affordability Act and would have required each publisher to provide a complete list of all of the products offered for sale by each publisher and any price changes prior to a sales transaction with an institution of higher learning.

CSU Position: NO OFFICIAL POSITION
Status: This measure was vetoed by the Governor.

Governor's Message: "I am returning Senate Bill 832 without my signature. I am supportive of efforts to address the cost of college textbooks and share the concern that these education costs have an impact on the affordability of college for many students. However, this bill focuses strictly on textbook publisher policies and fails to recognize that the affordability of textbooks is a shared responsibility among publishers, college bookstores, and faculty members. Therefore, instead of this bill, I am signing Assembly Bill 1548. Many of the same concepts in SB 832 are included in AB 1548, but AB 1548 recognizes the shared responsibility and attempts to address the issue in a more comprehensive manner. For these reasons, I am unable to sign this bill."

SB 890 (Scott) Pupils: Early Commitment to College Program: This measure establishes the Early College Commitment Program and would require the superintendent of Education to declare 30% of school districts with the highest low-income population to be "College Opportunity Zones". It would direct the Superintendent to provide materials, along with school districts on how to get to college and would encourage California's institutes of higher learning to participate and provide support services for this program.

CSU Position: SUPPORT
Status: This measure made a two-year measure while in the possession of Assembly Appropriations.

SB 946 (Scott) Community College Early Assessment Pilot Program: This measure states the intent of the legislature to establish a Community College Early Assessment Pilot Program for the purpose of providing high school pupils with an indicator of their readiness for transfer-level English and mathematics at the end of grade 11 and allowing high schools to work with pupils in grade 12 to elevate the skills of these pupils to a level commensurate with transfer-level English and mathematics.

CSU Position: SUPPORT

Status: This measure was sent to the Assembly's Inactive file making it a two-year measure.

Adoption of the following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the 2007-08 Legislative Report No. 6 is adopted.

COMMITTEE ON GOVERNMENTAL RELATIONS

February 2008 Ballot Items

Presentation By

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Assistant Vice Chancellor
Advocacy and Institutional Relations

Summary

Several initiatives have qualified for the February Presidential Primary Ballot. Following are overviews of three of those initiatives. The Trustees are being asked to take a position on the Community Colleges proposition.

Proposition 91 – Transportation Funding.

This measure, sponsored by the California Alliance for Jobs, would limit to no more than one year the length of time that Article XIX and Proposition 42 transportation funds could be loaned to the General Fund, and would delete the authority to make loans to the General Fund from the Public Transportation Account. In addition, the initiative would eliminate the legislature and governor's ability to suspend Proposition 42 as of the 2007-08 fiscal year.

This measure qualified for the ballot after an agreement was reached on Proposition 1A from 2006 election and has been essentially dropped. There will not likely be an active campaign on its behalf.

Proposition 93 – Modification of Term Limits.

This measure, sponsored by the Assembly Speaker and Senate President Pro Tem, would shorten the time someone can serve in the State Legislature by reducing the maximum length of time served from the current 14 years (a maximum of six in the Assembly and eight in the Senate) to 12 years (which could be served in one house or a combination of both). Because of the way term limits operate, members who are currently termed out will be able to run for at least one more term, which provides an advantage to incumbents.

This proposal enjoys the support of many organizations including labor groups, like the California Teacher's Association, the International Brotherhood of Electrical Workers, and environmental groups, like Sierra Club, and the Planning and Conversation League, and it also has received the support of some business groups as well. This includes the California Dental Association, the California Medical Association, Blue Cross of California and the

California Business Roundtable. There is also an organized opposition campaign, which is being directed by the California Term Limits Defense Fund. The proposal has also received opposition from the Howard Jarvis Taxpayers Association and the Valley Industry & Commerce Association.

Proposition 92 -- Community College Governance Initiative

Touted as a way to guarantee both independence from politics and a minimum source of funding for growth, the Californians for Community Colleges coalition, which is comprised of the Community College League of California (League), California Federation of Teachers (CFT), Faculty Association of California Community Colleges (FACCC), Los Angeles College Faculty Guild (Guild), and various student organizations has qualified a ballot initiative known as the Community College Governance, Funding Stabilization, and Student Fee Reduction Act, for the February 5, 2008 Presidential Primary Election. If adopted by the voters the initiative would amend the State Constitution as well as the State Education Code.

The Community College Governance initiative would do the following:

- Establish an independent, locally governed community college system in the State Constitution.
- Establish a new Proposition 98 enrollment growth funding mechanism to provide the community colleges with a separate guarantee of Proposition 98 funds.
- Require a state General Fund backfill guarantee for any community college district that experiences a property tax revenue shortfall.
- Increase the membership of the Board of Governors (BOG) from 16 to 19 voting members by adding three new members and changing one current “non-voting” student position to a voting member.
- Exempt Executive Officers of the BOG from Civil Service status and allow the Chancellor to choose up to six appointments, these appointments have currently been made by the Governor.
- Reduce student fees from \$20 per unit (previously \$26 per unit) to \$15 per unit, effective for the Fall 2008 semester. It would also require a 2/3 vote threshold to increase this fee in the future.

The proponents of this initiative have noted that because of Proposition 13’s passage in 1978, California’s Master Plan was altered as funding decisions were shifted from local colleges to the state. They also point out that the Master Plan was designed to have low fees at public universities and that community colleges were intended to be free to residents. They suggest that because of repeated funding deficits, the legislature has shifted portions of Proposition 98 monies that should have been earmarked for community colleges to K-12 schools instead, thus creating a \$5 billion shortfall for community colleges. Further, they note that the driver for Proposition 98

growth is currently K-12 pupil growth, which will be declining in the near term, and will thus create an even greater “squeeze” on the available Proposition 98 funding.

The Legislative Analyst’s fiscal estimate released October 23, 2007, indicates that over the next three years, nearly \$1 billion will be redirected from the portion of the budget that is “discretionary” to the community colleges. Generally, this portion of the budget is believed to be about 8% of the total, or about \$8 billion, which includes all of higher education. Clearly, higher education could not sustain what would amount to a 12.5% reduction or more without severe consequences.

Constitution

The first provision of this initiative would recognize in the state Constitution the 72 locally governed community college districts that oversee 2.5 million students at 109 community college campuses. This would not change the current governance or oversight by the Board of Governors or the Chancellor’s Office over locally governed community college districts but would make any further governance changes to improve governance, student achievement, etc. nearly impossible, due to the vote requirements to change a voter-enacted initiative.

The measure also amends the Constitution to state that the Legislature shall provide through the annual budget act sufficient funding for the State operations of the community colleges and places the Board of Governors membership into the Constitution as well.

The California Chamber of Commerce, in its press release announcing opposition to this initiative, raised concerns with this new language being placed in the Constitution guaranteeing “community college funding levels without adding any accountability structure”.

Guaranteed State Revenue Stream

The initiative also will establish a new Proposition 98 enrollment growth mechanism to provide the community colleges with a separate guarantee. Currently, the CCC receives a share of Proposition 98 funding after decisions have been made on K-12 budget priorities. The funding share has ranged from a high of 10.89 percent to a low of 9.67 percent, a difference that represents tens of millions of dollars for the CCC. This initiative would establish a Proposition 98 base of no less than 10.46 percent in the 2007-08 fiscal year and calculate CCC enrollment funding above this base amount on the following three factors:

Whichever is greater of:

- Change in population of California residents between ages 17 and 21, or
- Change in population of California residents between the ages of 22 and 25

Plus,

- an additional 1 percent enrollment growth above the separate Proposition 98 calculations for every 1 percent above California's unemployment rate of 5 percent, and
- A maximum enrollment growth based on these factors capped at 5 percent in any given fiscal year

The California Federation of Teachers noted in its press release when this proposal qualified for the ballot that "by creating a separate funding stream tied to community college enrollment within the existing Proposition 98 formula, the initiative will assure that local community colleges have predictable and stable funding necessary to allow for realistic planning by the colleges," and that this would "finally establish community colleges as a full-fledged partner in public education."

Based on fiscal impacts made by the Legislative Analyst's Office (LAO) and the Department of Finance (DOF) this initiative could increase the Proposition 98 funding for California's Community Colleges by an average of \$300 million over the next three years.

The California Teacher's Association (CTA) also raises concerns about passing a "poorly crafted and fatally flawed" and "fiscally irresponsible measure" that could lead to cuts in other programs, those that are not guaranteed a piece of the budget. California Taxpayers Association (Cal Tax) in its analysis questions whether the CCC would no longer work to justify its expenses and may simply lead to a wasting of limited monies.

Finally, questions have been raised about the state being locked into a spending formula that may be flawed. The Cal Tax analysis suggests that different inputs be used in formulating a guarantee such as, enrollment in the CSU and UC, as well as the health of the state economy, instead of age and unemployment when deciding CCC's share of Proposition 98.

Guaranteed State Backfill

This initiative also requires a state General Fund backfill guarantee for any community college district's property tax shortfall. This provision is currently in place for all K-12 districts, however despite legislative attempts over the past 15 years, the CCC has been unable to get such a statute enacted. In the early 1990's this represented a cost of over \$100 million to community college districts with lost revenue due to the recession and the loss of property tax revenue.

The initiative does not include any revenue source (e.g. ½ per cent increase in sales tax, property tax or personal income tax) to pay for the additional funding to the CCC. Since the initiative does not provide for any additional tax revenue to the state General Fund the assumption is that

the increased funding to the CCC will come from the current 8% discretionary portion of the state budget.

The Sacramento Bee's columnist Peter Schrag suggested in his July 18, 2007, column that if this initiative is passed, "it would join the parade of other unfunded initiatives that have helped create the chronic budget mess that California continues to live with."

Board Membership

The number of voting members on the State Board of Governors (BOG) would be increased by adding four new voting members (from 16 to 19 total members, one current "non-voting" student position would be changed to a voting member.) The Governor would appoint these positions only from an approved list of candidates from interested parties rather than the general public. This is a significant restriction to the Governor's appointing authority.

This initiative would change the board make-up in the following ways:

- 12 public members with three of these members being former or current elected members of local community college boards (existing law requires two members). The Governor must appoint from a list of at least three recommendations submitted from the league for these three appointments.
- Two community college students to serve one-year terms. (Existing law requires one voting student member and one non-voting.)
- Three current or former community college faculty members, to serve three-year terms. (Existing law requires two.) The Governor must appoint from a list of at least three recommendations submitted from the Academic Senate.
- Two current or former community college employees to serve three-year terms. (Existing law requires one.) The Governor must appoint from a list of at least three recommendations submitted from Labor.

Concerns have been raised that BOG would shift to one of "community college insiders" rather than laypersons. The board would be changed from "six community college insiders and ten other members, to one composed of 10 community college insiders and nine other members, tipping the scales of governance. Cal Tax also noted that the BOG will be responsible for compensation, college budgets and organizational decisions and may no longer be accountable to the State. BOG would now be referenced in State Code (Education Code 71000) and the State Constitution (Section 19 of Article IX).

Exempt Executive Officers

This initiative gives the Board of Governors and the Community College Chancellor the authority to make executive staff appointments that are currently appointments of the Governor. However, this does not provide any additional funding to the Chancellor's Office to support these positions. The Chancellor's Office currently has General Fund support that is less (\$12.3 million) than funding provided in the 1989-90 fiscal year (\$15.1 million).

The Faculty Association of the California Community Colleges (FACCC) believes that this proposal is necessary as it will ensure that the governance of the community colleges is independent. "While UC and CSU both have the ability to make largely autonomous day-to-day decisions, the Chancellor of the California Community Colleges is required to take a lead from the Governor's Office, which appoints the senior level staff and proposes the annual staffing and administrative expenditure levels of the System Office."

Fee Reduction

The California Postsecondary Education Commission (CPEC) estimates that California's community colleges are not serving as many students as it could due to budget cuts made over the last five years. CPEC maintains that the CCC could have served almost 100,000 more students than the current enrollment. Most Californians are supportive of everyone, especially young adults, having the opportunity to earn a college degree.

This initiative would reduce student fees for CCC's from \$20 per unit (previously \$26 per unit) to \$15 per unit, effective for the Fall 2008 semester. Further it restricts a fee increase to be either: no more than ten percent a year or a formula based on the increase of personal income per capita, whichever is lower. CTA also suggests that by lowering this per-unit fee that California students would "be ineligible for financial aid under the Federal Pell Grant Program. Each student would lose more than \$4,000."

The California Federation of Teachers see this initiative as way to "help restore California's promise to all of its citizens for open access to an affordable quality postsecondary education by reducing the community college student fee to \$15 per credit unit while also restricting future fee increases." While the Californians for Community Colleges note that as prices go up, enrollment goes down and point to an analysis that shows enrollment demand declines 0.7% for every 1.0% increase in student fees. They also suggest that this proposal would ensure fee revenues would stay with community colleges and not be redirected to other state programs.

The Legislature could raise student fees with a 2/3 vote, in "exclusive" legislation pertaining only to CCC fees. A student fee reduction would only require a simple majority vote of the legislature. This measure would require a stand alone measure to enact the fee increase, and

would not allow a fee increase to take place as a part of a budget deal. The initiative does not include any provisions for the loss of student fee revenue, although the fee revenue losses are presumably offset by the significant General Fund increases required by the initiative. The LAO estimates that the CCC will see a loss of \$71 million in 2007-08 with unknown impacts on-going.

While the measure will likely be marketed to voters as a way to reduce student fees for community college students, it also will change its governance structure as well as provide an increased funding guarantee for the colleges under Proposition 98. FACC states that January 2005 polling showed that 62% of voters were likely to vote “yes,” with that level rising to 69% after hearing pro and con arguments. They also state that this initiative was carefully crafted, like holding K-12 harmless for example, theoretically making it difficult for groups with resources to oppose the proposal. Nonetheless, the California Teacher’s Association is opposed to this measure.

Article 2, section 10 (c) of the State Constitution states: “the Legislature may amend or repeal an initiative statute by another statute that becomes effective only when approved by the electors unless the initiative statute permits amendment or repeal without their approval.” This measure does allow the legislature to modify most of the Education statute changes it proposes with a 4/5 vote of the legislature and signature of the Governor. The CTA raised this as one of the reasons why it is opposed to this initiative, stating that “this threshold is nearly impossible to meet” and it would “be very difficult to make any changes.”

Support

Oppose

Californians for Community Colleges
California Federation of Teachers
Community College League of California
The Los Angeles College Faculty Guild
The Faculty Association of California
Community Colleges

California Chamber of Commerce
California Taxpayers Association
California Teachers Association
California League of Women Voters
Small Business Action Committee
California Business Roundtable
California Faculty Association

The following resolution regarding the Community College Governance, Funding Stabilization, and Student Fee Reduction Act is presented for Board action:

WHEREAS, Proposition 92 would enact the Community College Governance, Funding Stabilization, and Student Fee Reduction Act,

WHEREAS, during the past decade state support for higher education has decreased significantly, reducing the University of California's percentage of the state budget from 7.5% to less than 3%, while at the same time reducing CSU's budget by \$522 million, and failing to fund CSU's excess enrollment in 2006-07, which equates to a further reduction of more than \$80 million, and

WHEREAS, this initiative would leave the California State University, the University of California, Health and Human Services, and Corrections as the only areas of the budget where the state is able to make reductions, and

WHEREAS, this initiative would require reductions of nearly \$1 billion dollars over the next three years, and

WHEREAS, the existing available discretionary part of the state budget, which is now 8% of the budget would be reduced by at least 12.5 percent, and

WHEREAS, this initiative would set an unprecedented and nearly unreachable legislative vote requirement to make changes to most of this proposed law, making modifications almost impossible, now therefore be it

RESOLVED, By the Board of Trustees of the California State University that the Board opposes the Community College Initiative, Proposition 92, that will appear on the February 2008 Presidential primary ballot.