



UC Davis State Government Relations Update January 31, 2013

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2013-14 Legislative Session

New Legislators

On December 3, 2012, the State Legislature was convened for the beginning of the 2013-2014 Session. 38 new Assembly Members were sworn in and 9 new Senators came on board. Of the new Assembly Members, 3 are in UC Davis' service area. Assemblyman Brian Dahle (R, AD 01-Redding), Assembly Member Ken Cooley (D, AD 08-Rancho Cordova) and Assemblyman Jim Frazier (D, AD 11-Vacaville & Fairfield). In the Senate, none of the new members were from UC Davis' service area. However, it is important to note that Jim Nielsen moved up from the Assembly to the Senate, getting elected to SD 04, which was vacated by Congressman Doug LaMalfa. This will be Senator Nielsen's second stint in the State Senate.

It is also important to note that the Democrats have supermajorities (i.e. 2/3rds or more) in both the Senate and Assembly.

Legislation

In addition to the swearing-in ceremony held on December 3rd, legislators also began introducing legislation at that time. There are currently 23 bills of interest for UC. These bills include legislation on implementing Proposition 39 (energy efficiency funding for schools), funding for the UCR Medical School, veterans affairs, a 2014 Facilities Bond, piloting a \$10,000 baccalaureate degree, tuition freezes, executive compensation and energy efficiency/conservation. A complete listing is below:

Bills of Interest Introduced December through January for the 2013-14 Legislative Session

- **AB 13 (Chavez, R) Nonresident Tuition Exemption: Veterans** – This bill eliminates the requirement that students be stationed in this state to receive that nonresident tuition exemption, requires students to be discharged within the immediate prior year in order to receive the exemption.
- **AB 27 (Medina, D) UC Riverside Medical School: Funding** – Appropriates \$15M from the GF to UC for allocation to the School of Medicine at the UC Riverside. (SB 21)
- **AB 29 (Williams, D) Proposition 39: Implementation** – Legislative intent: Enact legislation that would use a portion of funds available in the Clean Energy Job Creation Fund to create 3 revolving loan funds for the UC, CSU and CCC for energy efficiency retrofit projects, clean energy installations, and other energy system improvements to reduce costs and achieve energy savings and environmental benefits. (Proposition 39 Implementation)
- **AB 39 (Skinner, D) Proposition 39: Implementation** – Proposition 39 implementation.
- **AB 41 (Buchanan, D) Kindergarten-University Public Education Facilities Act** – Legislative Intent: Kindergarten-University Public Education Facilities Bond Act of 2014. (AB 331 '11)
- **AB 51 (Logue, R) Public Postsecondary Education: Degree Pilot Program** – Establishes a pilot program between K-12, CCC, and CSU that will allow students to earn a baccalaureate degree for a total cost not exceeding \$10k including textbooks.
- **AB 67 (Gorell, R) Public Postsecondary Education: Funding** – Prohibits mandatory systemwide fees/tuition charged to UC,CSU, and CCC students from exceeding the 2011-12 level, from 2013-14 through 2018-19 fiscal years, pursuant to Prop 30. (SB 58)
- **AB 71 (Perez V, D) Salton Sea Restoration** – Requires the Secretary of the Natural Resources Agency to lead Salton Sea restoration efforts. Requires the secretary to form a technical advisory group to provide guidance about evaluating, developing, or proposing future restoration or economic development activities. (AB 642 '11, AB 1410 '11)
- **AB 73 (Blumenfield, D) Budget Act of 2013** – Budget Act of 2013. (SB 65)
- **AB 114 (Salas, D) Proposition 39: Implementation**
- **AB 138 (Olsen, R) Public Postsecondary Education: Tuition and Fees** – Adds to the Donahoe Higher Education Act that UC and CSU shall determine the amounts of undergraduate tuition and mandatory systemwide fees for CA residents in each incoming first-year class in their respective segments, and the tuition and mandatory systemwide fees set for CA residents in each incoming first-year class shall not be increased until that incoming first-year class has completed at least four academic years.
- **AB 159 (Chavez, R) Postsecondary Education** – Requests UC and requires CSU to determine the amounts of undergraduate tuition and mandatory systemwide fees for each incoming first-year class, requires that the tuition and mandatory systemwide fees set for an incoming first-year class under the bill not be increased for that class for at least 6 academic years, except as adjusted for inflation, as specified.
- **ACR 1 (Medina, D) UC Riverside School of Medicine** – States that the UC Riverside School of Medicine serves an important role in the State of California by training a diverse workforce of physicians and providing health care to an underserved region.
- **SB 8 (Yee, D) Public Postsecondary Education: Executive Compensation** – Requests UC to refrain from and prohibits CSU from increasing compensation of, or approving bonuses for, executives within 2 years of a fiscal year in which mandatory systemwide university fees increased from the immediately preceding fiscal year. (SB 967 '12, SB 86 '09)

- **SB 21 (Roth, D) UC Riverside Medical School: Funding** – Appropriates \$15M from the GF to UC for allocation to the School of Medicine at the UC Riverside. (AB 27)
- **SB 32 (Price, D) Public Postsecondary Education: Student Costs** – Requests UC and requires CSU to explore innovative ways to offer a bachelor's degree at a cost of no more than \$10K, requires these costs to include only systemwide fees and textbooks.
- **SB 35 (Pavley, D) Higher Education: Energy Conservation** – Requests UC and requires CSU and CCC to each develop and administer a Systemwide Energy Solutions Action Plan concerning energy savings projects, establishes the Higher Education Energy Solutions Fund for the development and implementation of the plans, requires each segment that receives funding to submit a report to the Legislature regarding receipt and expenditure of the funds.
- **SB 39 (De Leon, D) Energy: School Facilities: Energy Efficiency Projects** – Enacts the Clean Energy Employment and Student Advancement Act of 2013. (Proposition 39 implementation)
- **SB 45 (Corbett, D) Leroy F. Greene School Facilities Act of 1998** – Enacts legislation to create the Kindergarten-University Public Education Facilities Bond Act of 2014 (Similar to AB 41 '12, AB 331 '11, AB 220 '09)
- **SB 58 (Cannella, R) Public Postsecondary Education: Funding** – Prohibits mandatory systemwide UC, CSU, and CCC student fees/tuition from exceeding the 2011-12 level during the 2013-14 through 2018-19 fiscal years, pursuant to Prop 30. (AB 67)
- **SB 64 (Corbett, D) Proposition 39: Implementation** – Installs clean energy at public schools, universities, colleges, and other public buildings and facilities consistent with the California Clean Energy Jobs Act. (Proposition 39 Implementation)
- **SB 65 (Leno, D) Budget Act of 2013** – (AB 73)
- **SCA 5 (Hernandez E, D) Public Postsecondary Education: Student Recruitment** – Provides that institutions of higher education may implement student recruitment and selection programs pursuant to the equal protection clause of the 14th Amendment. (UC Named)

Key Committee Chairs and Leadership Positions

Assembly

On January 3, 2012 Assembly Speaker John Pérez (D – Los Angeles) announced committee assignments for the Assembly. A list of key committees, their Chairs and Vice Chairs, along with UC Davis representatives, is listed below:

Appropriations – Assembly Member Mike Gatto (D – Burbank) is the Chair and Assembly Member Diane L. Harkey (R – Laguna Niguel) serves as the Vice Chair. Assembly Member Richard Pan, M.D. (D – Sacramento) is also on this committee.

Budget – Assembly Member Bob Blumenfield (D – Van Nuys) is the Chair and Assembly Member Jeff Gorell (R – Camarillo), a UC Davis undergraduate alumni, serves as the Vice Chair. Also on the Assembly Budget Committee are Assembly Members Wesley Chesbro (D – Eureka), Roger Dickinson (D – Sacramento) and Dan Logue (R – Chico).

- **Subcommittee No. 2 on Education Finance** – Assembly Member Susan A. Bonilla (D – Concord) is the Chair and Assemblyman Gorell is the Republican alternate.

Higher Education – Assembly Member Das Williams (D – Santa Barbara) is the Chair and Assembly Member Rocky Chávez (R – Oceanside) serves as the Vice Chair.

As for leadership positions, the Honorable Nora Campos (D – San Jose) was named Speaker pro Tempore, Assemblyman Kevin Mullin (D – Burlingame) is Assistant Speaker pro Tempore, Assembly Member Toni G. Atkins (D – San Diego) is Majority Floor Leader and Assemblywoman Connie Conway (R – Visalia) retained her position as Minority Floor Leader.

Senate

Similarly, on January 7th the President pro Tempore, Senator Darrell Steinberg (D – Sacramento), announced the committee assignments for the Senate. A list of key committees, their Chairs and Vice Chairs, along with UC Davis representatives, is listed below:

Appropriations – Senator Kevin de León (D – Los Angeles) is the Chair and Senator Mimi Walters (R – Laguna Niguel) serves as the Vice Chair. Senator Ted Gaines (R – Roseville) and Senator Steinberg are also on this committee.

Budget and Fiscal Review – Senator Mark Leno (D – San Francisco) is the Chair and Senator Bill Emerson (R – Riverside) serves as the Vice Chair.

- **Subcommittee No. 1 on Education** – Senator Marty Block (D – San Diego) is the Chair.

Education – Senator Carol Liu is the Chair and Senator Mark Wyland (R – Escondido) serves as the Vice Chair.

For the 2013 – 14 Regular Session Senator Ellen M. Corbett (D – San Leandro) will retain her position of Majority Floor Leader and Senator Bob Huff (R – Diamond Bar) will continue as Minority Floor Leader. Also important to note is that Senator Jim Nielsen (R – Chico) will serve as Republican Caucus Whip.

2013-14 State Budget

Governor Brown’s Proposal for UC

Governor Jerry Brown released the state budget on January 10th. It was clear that the passage of Proposition 30 in November allowed the Governor to begin to reinvest in higher education and that education was his highest priority for the 2013-14 budget, as virtually no other area received increased funding. Below are the highlights of the UC budget.

For the 2013-14 fiscal year there is a \$256.5 million increase in UC’s support budget from the State General Fund. The increase is broken out as follows;

1. \$125 million for the buy-out of a tuition increase for 2012-13;
2. \$125.1 million representing a 5 percent increase in the UC base budget; and
3. \$6.4 million for annuitant health benefits.

This brings State General Fund support for operating budget purposes to \$2.644 billion, representing a 10.8 percent increase over the 2012-13 UC support budget.

Other noteworthy pieces to take away from the UC budget include:

- \$10.2 million specifically designated for lease purchase revenue bond debt services.
- The Governor also proposes an accounting shift of \$201.7 million to transfer both General Obligation bonds and the funding the state would otherwise use to pay on the bonds to the UC base budget, bringing total State General Funds for UC to \$2.846 billion. UC welcomes this proposal since it expects that it can refinance the debt at lower interest rates, thereby saving money that be redirected to other priorities such as covering increases in fixed cost expenses.
- Additionally, the Governor's budget assumes no tuition increase in 2013-14 and for the following 4 fiscal years.
- There is no State funding for capital facility projects. However, the Administration is proposing a new financing methodology for UC to meet its capital facility needs.
- An expectation that UC and the other higher education segments focus on providing high-quality instruction at lower cost, decreasing the time it takes to earn a degree and increasing graduation rates by deploying teaching resources more effectively.
- To that end, the budget calls for directing \$10 million of the State funds provided to increase the number of courses available to undergraduate students through the use of technology, targeting courses that have the highest demand and that constitute prerequisites for different degrees.
- The budget also calls for a student incentive for graduation by placing a cap on the number of units the State will fund per student as a way of curbing excess units.
- Finally, the Governor provides full funding for the Cal Grant program, which would assure the availability of Cal Grants to eligible UC undergraduates from low-income families.

Some UC Davis Impacts

President Yudof has expressed optimism that UC will be able to avoid an increase in tuition in 2013-14 depending on the outcome of the state budget process. All in all, the Governor's budget proposal is an important first step in addressing the devastating cuts of the last 5 years, which resulted in \$150 million in cuts to state support at UC Davis. These cuts drove sharp tuition increases, reductions in general fund-supported staffing, academic program cuts and administrative restructuring and efficiencies. However, even with this new investment proposed for 2013-14, UC Davis will likely have a shortfall in excess of \$40 million this upcoming fiscal year driven largely by increases in fixed costs (employee benefit cost increases, including pension contributions, collective bargaining commitments, etc.). Ultimately, regarding the Governor's expectation for higher efficiencies, UC Davis has already begun implementing a budget model that includes incentives to schools and colleges to do more teaching and graduate more students.

LAO's Analysis of Governor's Brown's Budget on UC

The nonpartisan Legislative Analyst's Office (LAO) overview of the Governor's budget can be seen here:

<http://www.lao.ca.gov/reports/2013/bud/budget-overview/budget-overview-011413.pdf>

The analysis of the Governor's proposals for higher education start on page 26 and end on page 30.

Governor Jerry Brown's State of the State Address

On January 24th Governor Brown gave his State of the State address. It was a 25 minute speech that covered multiple policy issue areas, including Education, Health Care, Jobs, Water, Climate Change and

Transportation/High Speed Rail. He began his speech by acknowledging that California has a stable budget, thanks to the legislature casting the tough votes, and secondly thanks to the citizens of California for using their inherent political power in embracing new taxes and passing Proposition 30 by a healthy margin of 55% to 44%. He went on to thank unions, business leaders, teachers, students and college presidents for the Prop 30 victory.

Governor Brown reiterated that the passage of Prop 30 means that we have a promise to keep to voters, which is to “guard jealously the money temporarily made available.” He reinforced that what that means is living within our means and not spending what we don’t have. We should thus use the 7 years of additional taxes to keep our budgets balanced, pay down our debts and store up reserves for the leaner years that are surely to come.

Governor Brown’s speech had a historical perspective as well, talking about how California began and citing numerous of the state’s early accomplishments. He specifically cited the time of the Civil War under President Lincoln and the coming of Land Grant Colleges, followed by the founding of the University of California.

With respect to Higher Education, Governor Brown noted that cost pressures are relentless and that many college students cannot get the classes they need. As such, graduating in four years is the exception not the rule. He noted that the 3 segments of higher education are working on this, and that the key is thoughtful change that emanates from college stakeholders working together. He ended his piece on higher education by noting that tuition increases are not the answer and that he will “not let the students become the default financiers of our colleges and universities.”

State Assembly Speaker John Pérez Visits Campus

On January 15th Speaker Pérez visited the UC Davis campus, along with staff. He spoke at the United States – Australian Dialogue on Carbon Pricing, providing welcoming remarks. Shortly after his comments he met with Chancellor Katehi where the two discussed campus climate, diversity issues, enrollment figures and student success metrics.

UC Davis Faculty at the Capitol

Dr. Garen Wintemute has been meeting with state legislators who have introduced or are considering introducing legislation on firearms to offer his expertise and research. Dr. Wintemute practices emergency medicine at the UC Davis Medical Center and is professor of emergency medicine at the UC Davis School of Medicine. His research focuses on the nature and prevention of violence, particularly as that violence involves firearms, and on the development of effective violence prevention measures. On January 17th Dr. Wintemute and UC Davis State Government Relations Director, Adrian Lopez met with Senator Yee’s office regarding SB 47, a bill that would close the bullet button loophole, and SB 108, a bill that would require gun owners to lock up their weapons when they are not home. Also on the 17th they met with Senator De Leon’s Chief of Staff to discuss SB 53, a bill that would require securing a permit prior to being able to purchase ammunition. Finally, on the 18th they met with Craig Reynolds in Senator Wolk’s Office to discuss some of Dr. Wintemute’s recommendations as presented at a Gun Policy Summit at John Hopkins University earlier that week. Topics that came up included restricting individuals with multiple drug and/or alcohol convictions from purchasing firearms for a 10 year period

and taxing firearm sales for research, medical services, etc. Meetings are scheduled for the week of the 28th, including a Senate Public Safety Committee Hearing on the 29th where Dr. Wintemute is scheduled to testify.

Upcoming State Government Relations Events

- February 7th – Chancellor Katehi’s Meetings at the Capitol
- February 27th – UC Sacramento Center Legislative Reception for New Members
- February 28th – UC systemwide and campus government relations meeting
- March 4th – University of California Student Association Advocacy Day
- March 6th – Sacramento Metro Chamber of Commerce State Legislative Summit and Reception
- March 19th – UC Day in Sacramento
- April 17th – Graduate Research Advocacy Day
- April 23rd – Joint Higher Education Advocacy Day
- May TBD – UC Regents’ Advocacy Day

Questions or Need Assistance?

If you have any questions regarding the aforementioned items or would like assistance in connecting with state legislators and/or their staff, please do not hesitate to contact Adrian Lopez, Director, State Government Relations. He can be reached at adnlopez@ucdavis.edu or by phone at (530) 752-9795.