



UC Davis State Government Relations Update February 28, 2014

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Assembly Democrats Hold Caucus Retreat on Campus

The Assembly Democrats held their Policy Summit at the UC Davis Alumni Center on February 4th and the 5th. Chancellor Katehi provided welcoming remarks to the group on February 5th, discussing the impact the passage of Prop 30 has had on higher education funding, lauding the Speaker on the creation of the Middle Class Scholarship and reaffirming her support for the Assembly Democrat's Blueprint for a Responsible Budget, which proposes providing additional funding to UC on top of the 5% augmentation proposed by the Governor in January. Topics of discussion for the summit included the economy, prison overcrowding, budget subcommittee actions, the water bond/drought, high speed rail and the utilization of social media to better communicate with constituents.

Assembly Select Committee on Biotechnology Hearing Features Dr. Kjelstrom

On February 12th the Assembly Select Committee on Biotechnology held an informational hearing entitled "*Research & Development, Manufacturing and the Marketplace in California*" at the State Capitol. On the Research and Development panel, Judith A. Kjelstrom, Ph.D., Director, UC Davis Biotechnology and Advanced Degree Programs, testified on the long-term economic impact of sequestration on research and development and incentives for investment in education by public and private entities. The full hearing can be seen here;

http://calchannel.granicus.com/MediaPlayer.php?view_id=7&clip_id=1809

LAO Reports

LAO's report on Higher Education Budget

Also on February 12th, the Legislative Analyst's Office (LAO) released a report on "The 2014-15 Budget: Analysis of the Higher Education Budget." In the report, the LAO states the following

"We continue to have serious concerns with the Governor's approach to funding the universities, particularly as it significantly diminishes the Legislature's role in key budget decisions and allows the universities to pursue segmental over state interests. We recommend the Legislature take an alternative approach that: (1) designates funding for specific purposes (including enrollment at the California State University and debt-service payments), (2) shares cost increases among the state and students, and (3) monitors the universities' performance in specific areas (such as student success)."

Specifically, the LAO's report recommends augmenting UC's budget by \$186M compared to the Governor's \$142M proposal. However, the LAO proposes that \$108M come from the General Fund and \$78M from increasing tuition, which reflects their belief that a freeze would likely have near-term and long-term consequences.

The LAO recommendations help frame the agenda for legislative budget committee deliberations on the Governor's budget. Chancellor Katehi will be working with President Napolitano UC leadership to advocate for additional investments to address enrollment growth and strategic reinvestments in the academic quality of the University of California.

The full report is available at;

<http://lao.ca.gov/Publications/Detail/2914>

LAO's report on State Budgetary Practices for UC and CSU

On February 11th, The Legislative Analyst's Office (LAO) released a report on "A Review of State Budgetary Practices for UC and CSU." In it the LAO states;

"Over the last six years, the state has moved away from its traditional budgetary approach for the University of California (UC) and the California State University (CSU). Notably, the state no longer (1) funds enrollment or inflation, (2) designates as much funding for specific purposes, or (3) reviews UC's capital projects as part of the regular budget process. Instead, the state has been providing the universities with unallocated funding increases and allowing the universities to make funding decisions previously made by the state. Another recent change to the state's budgetary approach is its inclusion of performance measures (though the state has not yet determined how to factor these measures into its budget decisions). Despite these changes to the traditional budgetary approach, one aspect that has not changed in recent years is the state's ad-hoc approach to student tuition."

"We recommend the Legislature return to using its traditional approach to funding the universities but make some refinements. Specifically, we recommend the Legislature resume funding enrollment but set enrollment expectations for different types of students and for a longer time horizon. We also recommend the Legislature fund a new freshman eligibility study. Further, we recommend the Legislature resume funding inflation and assume students and the state share in cost increases. To address concerns about the traditional budgetary approach's lack of emphasis on efficiency, we

recommend the Legislature use its recently adopted performance measure relating to spending per degree to monitor the universities' productivity. We also recommend the Legislature review capital projects for the universities through the regular budget process.”

The LAO recommendations serve to begin a conversation with legislative policy and budget committees and higher education stakeholders. UC Davis State Government Relations will provide updates as these deliberations evolve.

The full report is available here;

<http://lao.ca.gov/Publications/Detail/2913>

CAAA Meets with Assemblyman Muratsuchi

On Friday February 14th two members of the Cal Aggie Alumni Association (CAAA) Board of Directors, along with UC Davis' State Government Relations Director, met with Assemblyman Al Muratsuchi and his District Director. Topics of discussion included the state budget, national and international rankings, executive compensation, pensions, enrollment growth and UC Davis' 2020 Initiative, including enrollment of national and international students.

Assembly Member Muratsuchi cited our discussion of national and international student enrollment during the February 19th hearing of the Budget Subcommittee # 2 on Education Finance, entitled “Overview of the Governor’s 2014-15 Higher Education Funding Proposal.” The reference can be found at the 01:41:21 mark on the link below;

http://calchannel.granicus.com/MediaPlayer.php?view_id=7&clip_id=1828

UC Sponsored Legislation

AB 1838 (Bonilla), Licensing Physicians who Graduate from Accelerated Medical Degree Programs – This bill is co-sponsored with the Medical Board of California, and it makes a pathway to licensure for accelerated medical education programs, the first one of which is at the UC Davis School of Medicine.

AB 1989 (Chesbro), Underage Tasting in University Enology & Brew Master Programs – This bill would allow a qualified student, who is between the ages of 18 and 20, and who is in a winemaking or brewery science degree granting program, to taste, but not consume, an alcoholic beverage and would exempt the student and the public institution from liability. This bill idea came from the UC Davis Viticulture & Enology program and has gotten some recent media attention, both print and television, as can be seen in the links below:

<https://www.cabinetreport.com/politics-education/underage-winemakers-seek-alcohol-exception>

<http://www.nbcbayarea.com/news/local/Reality-Check-Bill-Calls-for-Underage-Tasting-on-College-Campuses-247706671.html>

AB 2776 (Daly), University of California: Real Property Sales – This is a spot bill that currently would require the LAO to report to the Legislature, by June 30, 2015, on the feasibility of allowing the Regents to consider factors other than price and monetary terms in selecting a bid for the sale of real property.

It is expected that the bill will be amended to raise the ceiling on the value of properties that UC can sell using conventional real estate transactions rather than closed bid.

SB 502 (Block), University of California: Bidding Requirements – This bill would streamline the RFP process for minor campus projects. That bill is currently pending action by the Assembly Committee on Accountability & Administrative Review. This is a two year bill that was introduced in 2013 and which UC is still seeking approval for.

SB 1210 (Lara), Postsecondary Educational Loan Program – This bill expresses the intent of the Legislature to enact legislation later in the 2013-14 Regular Session to establish a postsecondary educational loan program for students at the University of California and the California State University who are exempt from nonresident tuition and not eligible to participate in federal loan programs.

SB 1330 (Hueso), State Yellow Ribbon Program for Non-Resident Veterans – This bill establishes the California Yellow Ribbon Matching Fund to pay a portion of UC, CSU and CCC enrolled students' nonresident tuition.

For other bills of interest to UC and UC Davis, please go to the following link, or contact Adrian Lopez (adnlopez@ucdavis.edu)

<http://www.ucop.edu/state/legislation/search.php?results=1&q=&t=all&s=&p=5&l=5>

Upcoming State Government Relations Events and Key Dates

- March 10: Bay Area Council's Annual Sacramento Day
- March 12: UC Grad Research Day
- March 12: Sac Metro Chamber's State Legislative Summit
- March 19: Capitol Ag Day
- March 26: UC Legislative Roundtable
- April 5-7: UCSA Day(s)
- April 25: UC Drought Summit
- April 29: Joint Higher Education Advocacy Day (JHEAD)
- May 13: Student Leadership Forum
- May 13-15: Regents'-UCSA Advocacy Days

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.