A State & System In Peril: The Crazy Year Ahead

CSU Business Conference
March 2012
Overview

- Setting the Stage
- Elections & Initiatives
- Issues & Bills
- Advocacy Efforts
Setting the Stage

- **Final Year of 2-Year Session**
  - Approximately 1965 New Bills Introduced
  - Legislature has until late April to move bills out of original house
  - All bills must be heard in both house and to the Governor by August 31
  - All remaining bills in committees/floor are dead after August
Setting the Stage

- Democratic majorities in both houses
  - Majority vote on budget, 2/3 for revenues

- Jerry Brown – Third Term Legacy
  - Drafts budget proposal
  - “Blue Pencil” to reduce expenditures
  - Veto Authority
Setting the Stage

- Complex and Controversial Issues
  - Pension Reform
  - Proposition 98 (K-12 Entitlement)
  - Federal, Court Mandates

- Polarized Politics
  - Voters
  - Elected Officials
  - Election Politics
Elections and Initiatives

- Legislative Races
  - Few “Competitive” Seats
  - Assembly Members: 50% New in December
  - Senate Races: All about the 2/3

- Initiatives
  - June and November Ballots
2013-14 Assembly: 42 Freshmen

- Open Seats Per Term Limits (22)
- Incumbents Running Elsewhere (15)
- Same Party Primary Opponents (5)
Shifts in Assembly: Stays at 52-28? Or do Republicans pick up a seat or two?
Four Potential Assembly Races

- AD 8 Open Seat (Sacramento area)  
  - 40% Dem - Rep 38%
- AD 32 Open Seat (Bakersfield)  
  - 47% Dem –34% Rep
- AD 61 Open Seat (Riverside)  
  - 43% Dem –35% Rep
- AD 66 Open Seat (Palos Verdes)  
  - 39% Dem –35% Rep
Senate Elections: Getting to Two Thirds or Not

- Republicans (11)
- Democrats (25)
- Up for Grabs (4)
Critical Senate Races

- Four Potential Battles
  - SD 5 (San Joaquin) Galgiani (D) Vs Berryhill (R)
  - SD 27 (Ventura/San Fernando) Pavley (D) Vs Zinks (R)
  - SD 31 (Riverside) Richard Roth (D) or Clute (D) Vs Miller (R)
  - SD 39 (San Diego) Block (D) Vs Plescia (R)
Impact for Higher Education

- New Committee Leaders
  - Assembly Policy:
    - Marty Block, Ricardo Lara to Senate
    - Kristen Olsen, Vice Chair, former CSU
  - Senate Policy:
    - Alan Lowenthal to Congress
    - Curren Price, Carol Liu or New member next chair?
Other Noteworthy Changes

Assembly:
- Termed out and running for other office: Galgiani, Portantino

Senate:
- Other Office: Vargas
Initiatives and Referendum

- June Ballot Items:
  - Term limits
    - Shortens overall length from 14 to 12 years
    - Allows that all 12 years could be served in one house
    - Does not apply to sitting members
  - Cigarette Tax – June ballot
    - $1 a pack additional tax
    - Generates about $900 million for cancer research
November Only – New Initiatives

- SB 202 (Hancock) placed all initiatives and referendums to November ballot
  - November higher voter turnout
  - Increases chances of labor/democrats to prevail
Lots of Action for 2012 November Ballot

75 Potential Proposals

- Qualified for Ballot (4)
- Cleared for Signatures (67)
- Being Prepared for Signature (4)
Potential Ballot Issues

- Restricting Labor’s ability to influence campaigns
  - Has qualified for the ballot
- California Forward to overhaul legislature, government operations
  - Is currently being circulated for signatures
- Various tax reform proposals
  - Oil Severance
    - Is currently being circulated for signatures
Oil Severance

- Imposes 12.5% tax on value of oil and natural gas in CA
- Allocates 1/3 of revenues to higher education; 2/3 to General Fund
  - ½ to CSU, ¼ to UC and ¼ to CCC
- 10% of funds to student grants and portion to CSU nursing programs
- Approximately $3 billion annually initially in new revenue
- Currently in circulation with deadline of July 12, 2012
Tax Proposals

- Governor/Millionaire’s Tax Proposal
  - The newly merged Governor’s plan with the CA Federation of Teacher’s Millionaires proposal includes:
    - 2% income tax rate increase to joint filers making over $600,000
    - Increase state sales tax by ¼ cent to 7.50%
    - Income tax increase in affect until 2018 and sales tax increase in affect until 2016
  - Projected to raise $6.8 - $9 billion in 2012-13
  - Proposal is currently in circulation with a deadline of August 13th
Tax Proposals

- **Revised Munger K-12/Preschool Proposal**
  - Tax increase earmarked exclusively for K-12 schools/preschool programs
  - Sliding scale income tax hike
  - Raises $10 billion
  - **First 4 years, $ 3 billion bond debt, $7 billion to schools**
  - Remaining 8 years:$8.5 billion for K-12; $1.5 billion for preschool
  - Expires after 12 years
  - Long term Prop. 98 obligation
  - Proposal is currently in circulation; deadline for signature gathering is June 28th
Issues and Bills

- Issues
  - Budget will continue to drive agenda
    - CSU Budget
      - Lowest Funding since 1995
      - “Trigger” Cuts Mid Year
    - Cal Grant Program Funding
      - Affect almost 8,000 students in 1st year
CSU Bills

- CSU Sponsored Legislation
  - AB 2126 (Block) – BOT Regulatory Authority
    - Continue to give CSU authority to adopt own regulation
    - Would eliminate sunset
  - AB 633 (Olsen) – Vehicle Purchasing
    - Two-year bill being carried over from last year
    - Authority to purchase own vehicles directly
Bills Trends

- Executive Comp
  - AB 1561 (Hernandez) – Decrease comp for new executive hires
  - SB 952 (Alquist) – No increase over 10%
  - SB 967 (Yee) – No increase within 2 years of student fee increase
Bills Trends

- **Student Tuition/Fees**
  - AB 970 (Fong) – 11 month notice on tuition fee increases
  - AB 1500 & 1501 (Perez) – Middle Class Scholarship Program
  - AB 2427 (Butler) – Prohibit Self-Support Summer Programs
  - SB 960 (Rubio) – No campus fee adjustment without student approval
  - SB 1461 (Negrete-McLeod) – No fee increase for 1st four years
Bill Trends

- Academic Programs
  - AB 2427 (Butler) - CSU Summer Fees
  - AB 2497 (Solorio) - Early Start

- Veteran’s
  - AB 1832 (Silva) – Credit for Military Training
  - AB 1969 (Gaines) – Nonresident Tuition
Bill Trends

- Textbooks
  - AB 2471 (Lara) – Restriction of e-Textbooks
  - SB 1052 (Steinberg) – CA Open Education Resources Council
  - SB 1053 (Steinberg) – CA Open Source Digital Library

- Governance
  - AB 1965 (Pan) – Ex Officio Alternates
  - SB 1515 (Yee) – BOT Membership
Bill Trends

- Pension Reform
  - AB 340 (Furutani) – Jt. Conference Committee Proposal Placeholder
  - ACA 22 (Smyth) & SCA 18 (Huff) – Implements Brown’s proposal
  - SB 827 (Simitian) – Senate version of AB 340
  - SB 1176 (Huff) – Purchase of service time
Challenges for CSU

- Budget cuts have created competition to be heard in Capitol
- Impact of legislative races
- Initiatives pivotal for now and future
CSU Advocacy Efforts

- Systemwide Advocacy Plan
  - Focused on local advocacy
  - Identifying strong local voices (community & campus)
  - Getting involved with elections and campaigns
  - Creating champions of the CSU to speak out on higher education’s importance
CSU Advocacy Efforts

- Joint CSSA-CSU Advocacy Effort
  - Plan that partners both students and administration
  - Focus on budget impact and upcoming elections/candidates
  - Joint activities to get message out
    - Editorial board meetings
    - Joint eAdvocacy messages
    - Partnering to engage legislators
CSU Advocacy Efforts

- **eAdvocacy**
  - Currently reaches 397,000 individuals across 23 campus and the CO
  
  - Monthly messages that address key CSU issues
    - Educate & Take Action
CSU Advocacy Efforts

- Parent Advocacy
  - A new, but impactful voice
  - All campuses have a plan to engage parents as advocates for their students and the campus
  - Working at statewide level to identify parents to increase outreach
Making The Case

- Get Involved – Join the CSU eAdvocacy Network
  - Email Derek Aitken to join (derek.aitken@csueastbay.edu)
- Connect With Your Campus Legislative Liaisons on a Regular Basis
- Campaigns
  - Identify key local candidates
  - Attend their town halls, ask questions
  - Push them to include higher education in their platform
Summary

- Session will move quickly; budget will continue to be on forefront
- Elections will bring the higher number of new faces to Sacramento
  - Getting to know the new players will be critical
- Much rides on November Election
- All Hands on Deck; Now is the Time to Get Involved