



## *2015 Year-End Briefing*

UC Office of State Governmental Relations

October 21, 2015

### ***Annual Year-End Briefing*** recaps UC's legislative year

This 2015 edition of the UC Office of State Governmental Relations (SGR) *Year-End Briefing* wraps up legislation that posed a “significant impact” to the University during the past year.

The University reviewed over 2600 new bill introductions and about 2400 subsequently amended bills this year. SGR tracked approximately 310 “significant impact” bills in 2015 and UC took positions on over 70 measures that directly affected academic affairs, business operations, and health sciences and services of the University. UC staff testified over 40 times in 17 different policy and fiscal committees.

Among the most significant legislation this year were bills sponsored by the University, including: AB 819 (Irwin), which removes the sunset on UC Alumni Center affinity programs, and AB 1150 (Levine), which provides for an expansion of UC's strategic energy partnership programs. Governor Brown signed both UC sponsored measures. The University also actively opposed and ultimately sought a gubernatorial veto on only one bill, SB 376 (Lara), which sought to significantly alter the manner in which UC contracts for outside services. The Governor responded to the University's request and vetoed the bill on October 9, 2015.

Significant bills in 2015 included AB 42 (Kim), calling for a tuition freeze; AB 147 (Dababneh), defining new rules for research animal adoption; AB 340 (Weber), requiring the creation of campus climate reports; AB 837 (Hernandez), seeking to place caps on executive compensation; AB 967 (Williams), creating a uniform sexual assault sanction process; AB 968 (Williams) placing enrollment sanctions on student transcripts; AB 1307 (McCarty), reaffirming the need for student consultation on tuition increase proposals; AB 1317 (Salas), linking executive compensation to tuition increases; SB 36 (Hernandez), renewing the Medi-Cal Waiver; SB 42 (Liu), creating a new office to ensure higher education accountability and coordination; SB 574 (Pan), requiring disclosure of certain alternative investments by UC; SB 323 (Hernandez), creating a new scope of practice for Nurse Practitioners; SB 352 (Gaines), restricting nonresident enrollment; SCA 1 (Lara), removing UC's constitutional autonomy; and SCA 4 (Nguyen), calling for a five-year tuition freeze and nonresident enrollment cap. These bills are discussed in greater detail in the following sections.

### ***UC's 2015 Legislative Portfolio***

**AB 819 (Irwin)** removes the sunset on the University's authority to continue offering affinity programs to our alumni. The bill was signed by the Governor and chaptered on July 16, 2015.

**AB 1150 (Levine)** allows the University to expand its successful statewide institutional partnership with Investor Owned Utilities and Publicly Owned Utilities, creating an integrated and flexible energy efficiency program across all UC facilities and reduce the University's

emission of greenhouse gases. The bill was signed by the Governor and chaptered on October 8, 2015.

### ***Major Legislation Focused on the University of California***

**AB 42 (Kim)** would prohibit increases mandatory systemwide fees or tuition for five years (until fiscal year 2018-19) as well as a student success fee at a campus unless that fee is approved by a majority vote of those students voting at an election of the student body held at that campus within the preceding 48 months. The University **opposed** the bill, and it was held in the Assembly Higher Education Committee.

**AB 147 (Dababneh)** would require UC and other postsecondary educational institutions to offer dogs or cats to a not-for-profit animal adoption organization or animal rescue organization after the completion of testing or research, provided that an animal's destruction is not required and the institution's existing procedures for adopting the animal have not resulted in an adoption. In light of amendments that were adopted in the Senate Education Committee that addressed many of UC's concerns, including specifying that only bona fide organizations could receive research animals for adoption, UC removed its **opposition**. The Governor signed the bill on October 7, 2015.

**AB 340 (Weber)** would have encouraged UC and requires CSU to each generate a report once every biennium of the legislative session that includes specified information related to the segment's campus climate, post the report on its Web site, and submit the report to specified state bodies. The University took a **Support** position on the bill. Ultimately, the Governor vetoed the bill on October 11, 2015.

**AB 352 (Gaines)** would require UC, as a condition for receiving state funding, to ensure that no more than 10% of the students enrolled at any UC campus be nonresidents. The bill also prohibited nonresidents from constituting more than 3% of the students enrolled at any CSU campus in any academic year. The University had an **oppose** position on the bill. The author left the bill in the Assembly Higher Education Committee in the face of strong opposition.

**AB 837 (Hernandez)** states that as a condition of the receipt of state funding in the annual Budget Act, UC shall not pay any of its employees or officers a salary that exceeds \$500,000 in any fiscal year. The University **opposed** the bill. The measure was held in the Assembly Appropriations Committee.

**AB 967 (Williams)** would have required, in order to receive state funds for student financial assistance, UC, CSU, CCC, and independent postsecondary institutions to adopt and carry out a uniform process, applicable to each of its campuses, for disciplinary proceedings relating to claims of sexual assault as defined by the institution's adopted sexual assault policies; and to have reported on the institution's website in a manner easily accessible to students specified data on cases of alleged sexual assault, domestic violence, dating violence, and stalking. UC **supported** the bill, but it was vetoed by the Governor on October 11, 2015.

**AB 968 (Williams)** would have required California public institutions of higher education, including UC, to indicate when a student is ineligible to re-enroll at the University due to suspension or expulsion on the student's transcript for the period of time the student is ineligible

to re-enroll. The University **supported** the bill, but the Governor vetoed the bill on October 9, 2015.

**AB 1307 (McCarty)** initially would have prohibited UC from increasing statewide resident tuition, except as authorized in the annual Budget Act. The bill also would have required policies related to consultation with students on mandatory systemwide student fees, as specified, and to mandate a redirection of fees into financial aid programs. UC worked with the author to remove and/or modify these provisions and to exclude graduate students from the bill, and consequently, UC removed its **opposition**. The version that was sent to the Governor requests UC focus its financial aid on resident students and reaffirmed the need to consult students on tuition proposals. The bill was signed the Governor on October 8, 2015.

**AB 1317 (Salas)** requests UC not give salary increases from General Funds to specified UC Senior Managers, including the President, Vice Presidents, and Chancellors, if tuition has increased in any of the two prior years. UC **opposed** the bill, and with the measure facing a likely defeat in the Senate Education Committee, the author pulled the bill from the hearing agenda.

**SB 36 (Hernandez)** authorizes Department of Health Care Services to request one or more temporary extensions until the approved effective date of the subsequent demonstration project (Section 1115 waiver renewal), and to extend and apply existing payment methodologies and allocations, as prescribed. The University **supported** the bill and requested the Governor's signature on the bill, which he signed the bill on October 10, 2015.

**SB 42 (Liu)** would have established the Office of Higher Education Performance Accountability and authorized it to require institutions of public postsecondary education to submit specified data and to administer a study on UC/CSU admissions policies to determine the number of freshman/transfer students eligible for admission. It also would have required a report to the Legislature summarizing the study methodology and findings. The higher education segments expressed **concern** about the lack of segmental representation. The Governor vetoed the bill on October 7, 2015.

**SB 376 (Lara)** would have required bidders for UC contracts to pay select contract employees assigned to the University a total compensation package (salary and benefits) that is substantially similar to the compensation earned by University employees performing comparable work. The compensation provisions would have applied to employees in such areas of groundskeeping, building maintenance, custodial, security services, foodservice, patient care services, and others. SB 376 would have also precluded UC from engaging in any extensions or renewals of existing contracts. The University pegged the costs of SB 376 at \$36 million annually for additional benefit expenses, and between \$12 million and \$24 million annually for additional salary expenses – for a total cost impact to the University of \$48 million to \$60 million annually. UC **opposed** this measure at every step of the legislative process and requested a veto from the Governor. UC activated OP leadership, key stakeholders, campus Chancellors, and numerous other advocates in support of this request, and the Governor vetoed this measure on October 9, 2015.

**SB 574 (Pan)** requires that the University obtain certain detailed information, as described in the California Public Records Act), about alternative investments. The University **opposed** the bill, which was held in the Assembly Appropriations Committee.

**SCA 1 (Lara)** repeals the constitutional provisions relating to UC and the Regents and requires UC and the Regents to be continued in existence subject to legislative control. UC did not take a formal position but closely watched the measure and was prepared to quickly **oppose** if the measure was set for hearing. The bill was never set for hearing and remains in the Senate Education Committee.

**SCA 4 (Nguyen)** freezes systemwide tuition/fees at the 2016-17 level for 5 years and caps UC nonresident enrollment at 10% of an incoming undergraduate class, and not more than 10% of total undergraduate enrollment at each UC campus, beginning in the 2017-18 academic year. The University **opposed** the bill, which was held in the Senate Education Committee.

**Education Bond Legislation.** The University supported several bills this year that would provide additional funding for capital projects, but none of the bills passed out of the Legislature this year. **AB 581 (Gomez)** enacts the State Facilities Renewal Bond Act of 2016. If adopted by voters in the June 2016 statewide election, the bill would have authorized the issuance of bonds in the amount of \$2 billion to finance deferred maintenance on state-owned property. The bill was held in the Assembly Accountability and Administrative Review Committee. **AB 1088 (O'Donnell)** would authorize an unspecified amount of state general obligation bonds to provide aid to school districts, county superintendents of schools, county boards of education, charter schools, the CCC, CSU, UC, the Hastings College of the Law, and the CSU to construct and modernize education facilities. The bill remains in the Assembly Appropriations Committee. **AB 1433 (Gray)** enacts the Recommitment to Higher Education Bond Act of 2016 to authorize an unspecified amount of state general obligation bonds to provide aid to CCC, CSU, UC and Hastings College of the Law to construct and modernize education facilities. The bill was held in the Assembly Appropriations Committee.

### *Other Key Bills Followed Closely by UC*

- Academic Affairs

**AB 176 (Bonta)** would have requested UC to report admissions and enrollment data for Asian and Pacific Islander students according to categories used by the United States Census Bureau. The Assembly Appropriations Committee removed the costly reporting on graduate students and completion. Although the University requested the Governor's signature on the bill, the Governor vetoed the bill on October 7, 2015.

**AB 200 (Alejo)** requires that a total of 50,000 Competitive Cal Grant A/B awards be granted for each of the 2015-16 and 2016-17 academic years, and that 60,000 be granted for the 2017-18 academic year and each academic year thereafter. The University did not take a position on the bill. The bill remains in the Senate Education Committee.

**SB 634 (Block)** authorizes California to enter into an interstate reciprocity agreement for purposes of oversight of postsecondary educational institutions offering postsecondary education

in states in which they maintain no physical presence. The University supported the bill, which remains in the Senate Education Committee.

**AB 801 (Bloom)** enacts the Success for Homeless Youth in Higher Education Act to grant priority enrollment to homeless youth. The University has a Support position on the bill, which was held in the Senate.

**AB 1228 (Gipson)** requests CCC and requires CSU and UC to (1) provide housing in housing facilities that are open for uninterrupted year-round occupation to current and former homeless youth and current and former foster youth at no extra cost during academic or campus breaks, and (2) develop a plan to ensure that current and former homeless youth and current and former foster youth can access housing resources during and between academic terms, including during academic and campus breaks. The University did not take a position on the bill. The Governor signed the bill on October 7, 2015.

**AB 1349 (Weber)** establishes the California First Act, requiring CSU and requests UC to guarantee undergraduate admission at a campus, though not necessarily at a campus or in a major of the applicant's choice, to all eligible California residents who submit timely applications for undergraduate admission and to report to the Legislature as specified. UC did not take a position on the bill, which was held in the Assembly Appropriations Committee.

**AB 1366 (Lopez)** requires CCC and CSU and requests UC to create Dream Resource Centers on each campus to assist certain students by streamlining access to all available financial aid and academic opportunities for those students. The University did not take a position on the bill, which was held in the Senate.

**AB 1370 (Medina)** requires that, 1) on or before the 2018-19 academic year, and each academic year thereafter, not less than 50% of the revenues in excess of the marginal cost of instruction generated from undergraduate nonresident enrollment be directed to fund increased enrollment for undergraduate resident students at all campuses of the university with undergraduate students, 2) prohibits the total number of undergraduate nonresident students enrolled at all of the campuses of the University of California from exceeding the total number of undergraduate nonresident students enrolled in the 2015-16 academic year, 3) requires UC to annually publish a report including specified data about the revenues generated by undergraduate nonresident enrollment. UC has a **concern** position and worked with policy staff to leave the bill in the Senate pending a state audit of these issues that is due in spring 2016.

- Business Operations

**AB 3 (Williams)** creates the Isla Vista Community Services District (CSD) within specified County property located adjacent to the UC Santa Barbara (UCSB) campus. Prior versions of the bill had included UCSB within the boundaries of the CSD, but UCSB territory was removed in late August at UC's request. The Governor signed the bill on October 7, 2015.

**SB 359 (Mitchell)** enacts the California Mathematics Placement Act of 2015. Under the bill, governing boards of local educational agencies that serve pupils entering grade 9 and that have not adopted a fair, objective, and transparent mathematics placement policy as specified in the

bill shall do so before the beginning of the 2016–17 school year. The University requested the Governor’s signature on the bill, and the Governor signed the bill on October 5, 2015.

**AB 552 (O’Donnell)** provides that a public works contract entered into on or after 1/1/16 that contains a clause expressly requiring a contractor to be responsible for consequential damages is not enforceable unless the delay damages have been liquidated to a set amount and identified in the public works contract. UC was able to work with author’s staff to secure amendments to AB 552 that addressed concerns raised by UC Capital Facilities and the Office of General Counsel. The Governor signed the bill on October 2, 2015.

**AB 1260 (Thurmond)** authorizes UC and the City of Richmond to enter into a joint powers agreement for the purpose of financing infrastructure and other improvements for the proposed Berkeley Global Campus at Richmond Bay, specifying specific “community benefit” provisions (such as a project labor agreement and a housing fund) that should be in the agreement. SGR worked closely with the Berkeley campus in opposition, and the author agreed to make AB 1260 a two-year bill, pending further conversations with the Berkeley campus.

**SB 8 (Hertzberg)** states legislative findings for the Upward Mobility Act, to impose a tax on specified services and use the revenue to increase funding for specified programs, including \$2 billion for UC and CSU. It would have expanded the Sales and Use Tax Law to impose a tax on the gross receipts from the sale in this state of, or the receipt of the benefit in this state of services at a rate of a percentage to be determined. The bill remains in the Senate Governance and Finance Committee.

**SB 286 (Hertzberg)** implements a 2nd phase-in period to expand the direct access program to allow 8,000 GWh over a period of three years. The University supported the bill, but it was held in the Assembly Appropriations committee.

**SB 424 (Pan)** provides college and university police with explicit authority to utilize body cameras and initiate pre-text phone calls in any criminal investigation related to sexual assault or other sexual offense. The University had a Watch position on the bill, which was signed by the Governor on August 10, 2015.

**SB 665 (Block)** requires CCC, CSU, UC, and the governing board of each independent postsecondary educational institution to enter into a contract with a local rape crisis center in order to designate an advocate, who is independent from the campus or university, to assist student victims following incidents of rape or sexual assault. The University did not take a position on the bill, which was held in the Senate Appropriations Committee.

**SB 668 (Leyva)** modifies the definition of "sexual assault counselor" for purposes of the sexual assault counselor-victim privilege regarding disclosure of confidential communication. The University did not take a position on the bill but would have opposed the measure had it moved forward, since it excluded UC personnel. The bill remains in the Senate Public Safety Committee.

**SB 686 (Pan)** would have provided that the general provisions of the Higher Education Employer-Employee Relations Act apply, instead of the specified rights, provisions, and definitions for supervisory employees, to supervisory employees who are employed as sworn

peace officers by UC or the Hastings College of the Law. The University had a Cost position on the bill, which the Governor vetoed on October 10, 2015.

**SB 707 (Wolk)** seeks to curtail the prevalence of firearms on California's K-12 school and university campuses by removing the exemption in current law that allows concealed weapons permit holders to carry firearms on University grounds. The University requested the Governor's signature on the bill, which he signed the bill on October 10, 2015.

- Health Sciences and Services

**AB 174 (Gray)** appropriates \$1.855M for UC San Joaquin Valley PRIME and \$1 million to support a 2-year planning effort geared toward the establishment of a separate traditional medical school at UC Merced, as specified expansion. The \$1 million appropriation for the 2-year planning effort was amended out of the bill. Instead, the State Budget Act of 2015 included an appropriation of \$1M to UC for support of a 2-year planning effort geared toward the establishment of a separate traditional medical school at UC Merced. The remaining appropriation in the bill for the UC SJV PRIME program was reduced to \$1.255 million and the bill was held in the Senate Appropriations Committee.

**SB 131 (Cannella)**, nearly identical to AB 174, appropriates \$1.855M for UC San Joaquin Valley PRIME expansion. The bill was held in the Senate Appropriations Committee.

**AB 170 (Gatto)** makes various changes to the Department of Public Health's program for testing the blood sample of a newborn child and authorization to store, retain, or use the sample for medical research, including making the program inapplicable to a parent/guardian who objects. Initially, the UC had concerns with this bill and provided expert testimony in committee on the potentially harmful impact unintended consequences to the University research activities. The author amended many of the offending provisions from the bill. Ultimately, the bill was held in the Senate Health Committee.

**AB 187 (Bonta)** extends the termination of the prohibition against California Children's Services program covered services being incorporated into a Medi-Cal managed care contract entered into after 8/1/94, until 1/1/17. The University requested the Governor's signature, and the bill was signed September 4, 2015.

**AB 258 (Levine)** prohibits a hospital, physician and surgeon, procurement organization, or other person from determining the ultimate recipient of an anatomical gift based solely upon a potential recipient's status as a qualified patient or based solely on a positive test for the use of medical marijuana by a potential recipient who is a qualified patient. The University did not take a position on the bill, which the Governor signed on July 6, 2015.

**AB 850 (Ridley-Thomas)** requires healthcare workers to wear hazmat suits when providing care to a person with an infectious disease or risk factors for an infectious disease. This bill would have directly impacted the UC hospitals' policies for treating patients suspected of having Ebola, HIV and infectious diseases. UC and many hospital stakeholders expressed opposition to the concepts contained in the bill and ultimately convinced the author to drop the bill. The author did not set the bill in the Assembly Health Committee as a result of stiff opposition.

**AB 880 (Ridley-Thomas)** allows a final year dental student to practice dentistry unlicensed and without compensation under the supervision of a faculty-appointed licensed dentist at a sponsored event. The University requested the Governor's signature on the bill, and the Governor signed the bill on October 2, 2015.

**SB 323 (Hernandez)** authorizes a nurse practitioner who holds a national certification to practice without physician supervision in specified settings. This bill passed out of the Senate but was stalled in the Assembly Business and Professions Committee. The Chair of the committee insisted that the Senator accept an amendment, including a bar on the corporate practice of medicine. Accepting this amendment would have caused many supporters to either oppose the bill or remove their support. The Senator did not accept the amendment, and the bill failed in committee. The Senator sought a vote of reconsideration, the motion was granted and now this is a two-year bill. UC fully supported this bill.

**SB 672 (Hernandez)** provides legal protections for pharmacists that participate in medical peer review programs in a hospital or clinical setting, consistent with the peer review protections provided to other healthcare professionals. The University requested the Governor's signature on the bill, and the Governor signed the bill on September 4, 2015.

### **Special Session on Health**

On June 16, 2015, the Governor called a special session to consider and act upon legislation to enact permanent and sustainable funding from a restructured Managed Care Organization (MCO) tax and/or alternative fund sources to achieve a number of goals. These include:

1. Providing at least \$1.1 billion annually to stabilize General Fund Medi-Cal costs, similar in amount to what has been provided by the current MCO tax that sunset at the end of 2015-16. (The existing structure of the MCO tax has been found inconsistent with federal Medicaid law and regulations and would thus need to be restructured for the state to continue to draw down federal funds after 2015-16.)
2. Providing sufficient funding to continue the 7 percent restoration of In-Home Supportive Services service hours beyond 2015-16 (the 2015-16 budget package provides one-time funding from the General Fund for this restoration).
3. Providing sufficient funding for additional rate increases for providers of Medi-Cal and developmental disability services.

**SBX2 14 (Hernandez)** increases the current tobacco tax by \$2.00 per package of cigarettes and dedicates the resulting revenues to support the Medi-Cal program, Cancer Research Programs and other purposes as specified, as well as \$40 million annually for UC to administer to fund graduate medical education (GME) programs. In addition, this bill would have revised and extended the current MCO tax and dedicate the resulting revenues, as specified. By close of session, proponents of this bill did not have the requisite 2/3<sup>rd</sup> vote to pass the Legislature. However, since special session bills are not subject to the same Legislative deadlines as regular session bills, negotiations on these topics will continue throughout the interim. In the meantime, a ballot initiative on the tobacco tax, Medi-Cal funding and GME funding was filed on October 7, 2015. Although the UC does not have an official position on the bill or ballot initiative, the University is working with stakeholders to provide technical expertise.



**ABX2 12 (Patterson)** prevents the purchase or sell of embryonic or cadaveric fetal tissue for research purposes. This bill was introduced in response to the federal Congressional inquiry into the practices of Planned Parenthood and abortion and medical research activities. Because of the far reaching implications of this legislation and federal focus, a UC workgroup was established to coordinate these issues. The bill remains in the Assembly Rules Committee awaiting referral to a policy committee. This is a significant federal issue, and SGR will continue to follow as a priority.

**ABX2 15 (Eggman)** enacts the End of Life Option Act, authorizing an adult who meets certain qualifications and who has been determined by his or her attending physician to be suffering from a terminal disease, as defined, to make a request for a drug prescribed pursuant to these provisions for the purpose of ending his or her life. UC did not take a position on this bill. However, now that the bill has been signed, UC will play a role implementing this new law.