Governor’s Actions Cap Very Successful 2012 Legislative Session

Governor Brown’s final action on measures emanating from the 2012 legislative session concluded a highly successful year for the University of California and its many stakeholders. The 2012 edition of the UC Office of State Governmental Relations (SGR) Year-End Briefing provides a summary of all legislation affecting the University in the past year, including “significant impact” legislation where UC staff was actively involved in negotiating or advocating for the outcome of these measures.

The University tracked approximately 500 “significant impact” bills this year and took positions on over 90 measures. Among the most important matters considered by the Legislature this year were the bills sponsored by the University, including: AB 1533 (Mitchell), creating a pilot program that will permit International Medical Graduates to engage in hands-on clinical training at UCLA’s Academic Medical Center; AB 1663 (Dickinson), relating to fee-setting for the COSMOS program, which provides summer math and science instruction for qualified high school students; ACR 168 (Speaker Perez), expressing congratulations and appreciation to the UC Education Abroad Program on its 50th anniversary of providing international education opportunities for students; SB 1028 (Senate Budget and Fiscal Review Committee), allocating capital planning funds for a new academic office building at UC Merced; and SB 1280 (Pavley), allowing UC to utilize “best value” procedures for the procurement of goods and services.

Two measures where the University actively opposed legislation and ultimately sought gubernatorial vetoes were SB 259 (Hancock), proposing to confer collective bargaining rights on UC graduate student researchers (GSRs), and AB 2132 (Lara), calling for the University to establish criteria that would allow for the inclusion of community and public service when considering tenure for faculty. The University opposed SB 259 based on the belief that the bill would, in the University’s view, impair the academic and research relationship between UC faculty and GSRs and pose a significant cost to the University. Regarding AB 2132, while public and community service are criteria considered in UC tenure decisions, UC believes very strongly that final decisions on tenure should rest with faculty committees and should not be subject to external dictum. The Governor responded to the University’s request and vetoed both measures.

Other important legislation tracked by the University included numerous executive compensation bills, cap-and-trade relief measures, academic affairs and business operations bills directly affecting the University, and a number of health-related measures. Significant bills included AB 970 (Fong), requiring student consultation and prior notification on tuition fee increases at UC and CSU; AB 1500 and AB 1501 (Speaker Perez), calling for significant tuition relief for students from middle class families, funded from creating a single sales tax factor for multinational corporations; SB 1052 and SB 1053 (President Pro Tem Steinberg), creating a Digital Open Source Library that seeks to promote on-line access to instructional materials as a
response to the high cost of textbooks; and SB 1359 (Simitian), reauthorizing the state income tax check-off for breast cancer research.

Overall, the University requested the Governor’s signature on 18 bills and the Governor signed 14 of these bills. As noted, the University requested the Governor’s veto on two bills, SB 259 and AB 2132, and the Governor vetoed both bills. The first three sections that follow describe major legislation affecting the University of California in 2012 where UC SGR staff was actively involved in determining the outcome, followed by sections that describe other bills by their subject matter areas.

**University-Sponsored Legislation Receives Approval from Legislature and Governor**

**Governor signs bills relating to International Medical Graduates. AB 1533 (Mitchell)** was co-sponsored by UC and the Medical Board of California to create a pilot program permitting International Medical Graduates to engage in hands-on clinical training in preparation for medical residency programs leading to the practice of medicine in California. The success of this bill was due to a culmination of several months of negotiations with the Medical Board and other stakeholders and key legislators before the legislation was introduced. Once introduced, legislative leadership supported the bill and the bill was able to progress quickly through the legislative process, receiving near unanimous bipartisan support. The bill was signed into law on July 13, 2012.

**COSMOS bill receives Governor’s signature. AB 1663 (Dickinson)** requested the UC Regents to set a tuition fee for the California State Summer School for Mathematics and Science (COSMOS) program up to $2,810 for the 2012 session and continue to request that the Regents not increase that fee by more than 5% annually until January 1, 2018 when the provision sunsets. The bill also increased the program’s application fee to $30 to reflect existing costs. Current Education Code language is outdated because it references the year 2000, with a tuition level of $1,000, as the base for future tuition increases. Legislation in 2005 that raised the tuition level to a base amount of $2,200 expired in 2008, thereby creating a need to establish a new base within the Education Code. The Governor signed the bill on September 21, 2012.

**UC Education Abroad Program resolution adopted ACR 168 (Speaker Perez)** expressed congratulations and appreciation to the UC Education Abroad Program (UCEAP) on its 50th Anniversary, for its historic and continued success in providing study abroad opportunities to Californians, and for advancing globalization on UC campuses and in the state. The resolution was adopted by both houses of the Legislature and became effective on August 29, 2012.

**Governor signs education trailer bill. SB 1028 (Senate Budget and Fiscal Review Committee),** as a follow-up to the state budget adopted in July, appropriated $4.75 million in unused Proposition 1D bond funds to undertake the Classroom and Academic Office Building project at UC Merced, and $5 million to support the California Digital Open Source Library established pursuant to SB 1053 (Steinberg). The UC Office of the President actively pursued a signature on this bill and the Governor signed the bill on September 26, 2012.

**“Best value” procurement bill signed by Governor. SB 1280 (Pavley)** gave UC and the California Community Colleges (CCC) the authority – on a 5-year pilot basis – to use “best-value” procurement methodology for the acquisition of goods and services like computers,
copiers and carpet cleaning. In sum, “best-value” will allow the Office of the President (OP) and UC campuses to take into account factors other than lowest price (elements such as product lifespan, freight charges, warranty, maintenance, etc) in our bidding processes. This measure will allow UC to save millions each year. The Governor signed the bill on September 28, 2012.

**Governor Responds to the Two UC Requests for Veto**

**Bill that would have directed UC faculty’s role on tenure is vetoed.** AB 2132 (Lara) would have encouraged UC and required CSU to develop criteria for tenure that would have included service, to both the campus community and the public, as a critical factor in evaluating a candidate for tenure. The University opposed the bill because it felt that it could have set a legislative precedent that would undermine the University’s long-held responsibility for establishing the determinants of tenure and other academic matters. The Governor vetoed the bill on September 30, 2012.

**Governor rejects legislation that would have overturned established HEERA safeguards by calling for unionization of GSRs.** SB 259 (Hancock) would have amended the Higher Education Employer-Employee Relations Act (HEERA) to create collective bargaining rights for new classes of working students, including UC graduate student researchers (GSRs). The University opposed this bill for a number of reasons, including the impact the bill would have on the competitiveness of UC’s research and academic endeavors and the cost to the University to implement the bill’s provisions. The University requested a veto from the Governor and the Governor vetoed the bill on September 30, 2012.

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

**Governor approves bill relating to consultation and notification on fee increases.** AB 970 (Fong) requested the Regents to adopt provisions related to advance student consultation and notification on future tuition fee increases. Some of the provisions are consistent with the University’s practices already. The bill’s primary consultation and notification provisions would be shortened significantly if the Governor and Legislature are unable to provide prescribed funding. The University sought and received substantial amendments that made the provisions workable. The University removed its opposition but remained neutral due to concerns over the tone of the legislation’s preamble. The Governor signed the bill on September 27, 2012.

**Middle Class Tuition relief bills failed.** AB 1500 and AB 1501 by Speaker Perez would have provided tuition relief to UC students from middle-class families by establishing the Middle Class Scholarship Fund, funded by switching to a single sales tax factor for corporations and appropriating a scholarship grant annually to middle-income students. UC supported both bills, which were subject to a two-thirds vote requirement. AB 1500, the bill with the single sales tax factor, failed to obtain the two-thirds vote needed on the Senate Floor. As a result, the Speaker’s companion bill, AB 1501, was not taken up. Speaker Perez has indicated that he is considering reintroducing these measures in the next session of the Legislature.

**Resolution regarding anti-Semitism on campuses passes Assembly.** HR 35 (Halderman) condemns all forms of intolerance, including anti-Semitism, on public postsecondary educational institution campuses in California and calls upon those institutions to increase their efforts to
swiftly and unequivocally condemn acts of anti-Semitism on their campuses. The University had a Support if Amended position on the bill because it believed although the University supports calls for greater tolerance on campus, that it could impose unconstitutional requirements on the University that could infringe on both free speech and academic freedom. The author declined to accept UC’s proposed amendment and consequently, the University retracted its conditional support. The resolution was adopted by the Assembly on August 28, 2012.

**Bills to create Open Source Library signed into law.** SB 1052 (Steinberg) established an Open Education Resources Council to promote strategies for production, access, and use of open source textbooks to be placed on reserve at campus libraries. The University requested amendments to clarify the selection of open source materials and remove potential costs which were accepted by the author. **SB 1053 (Steinberg)** establishes the Digital Open Source Library with web-based functioning enabling students, faculty and staff to find, adopt, utilize, or modify course materials at little or no extra cost. The University requested the Governor’s signature on both of these bills and the Governor signed the bills on September 27, 2012.

**Cancer tax check-off bill signed by Governor.** SB 1359 (Simitian) extends for five years the personal income tax voluntary contribution check-off for the California Breast Cancer Research Program (CBCRP) and the personal income tax voluntary contribution check-off for the California Cancer Research Fund (CCRF). In August, it was discovered that the Breast Cancer Tax check-off would expire by January 1, 2013 and that the cancer check-off would expire the following year. It was decided to seek renewal of both tax check-off programs. In the last three weeks of session, SGR and the OP Tobacco-Related Disease Research Program (TRDRP) developed a coalition of support to provide the technical and political leadership to have a bill introduced. The University requested the Governor’s signature on the bill and the Governor signed the bill on September 22, 2012.

**UC reaches compromise on Student Athlete Bill of Rights legislation.** SB 1525 (Padilla) requires intercollegiate athletic programs at 4-year higher education institutions to comply with prescribed requirements, including providing continued scholarship support for student-athletes who are injured as part of their athletic participation and no longer able to compete (something UC athletic programs already do). The University, along with the University of Southern California (USC) and Stanford University, initially opposed this bill, but working closely with athletic departments at UC Berkeley and UCLA, we were able to secure amendments that addressed UC concerns; accordingly, our opposition was removed and the bill was signed by the Governor on September 27, 2012.

**Medical damages enhancement and third-party liability bill fails in the Assembly.** SB 1528 (Steinberg) would have increased the amount of medical damages in a third party liability lawsuit. Working with the Office of General Counsel and members from the five academic medical centers to determine the impact of this bill, SGR estimated that this bill could increase the costs for the General, Auto and Professional Liability Self-Insurance Programs of the UC by $8.8 to $21.1 million for the 2012/2013 fiscal year. Over the next decade, the increased cost could be in the range of $80.8 to $212 million dollars. Although it was presumed that the increase in medical damages would result in new revenue to medical providers, UC medical centers indicated that new revenue would be minimal and not an appreciable offset to the fiscal impact associated with UC’s general liability. Consequently, UC participated in a broad coalition opposing this measure in the Assembly, where the bill died on the floor.
Measure seeking to limit nonresident enrollment stalls in the Senate. SCA 22 (Rubio) would have placed a 10% cap on annual enrollment of UC out-of-state freshmen, and a systemwide cap of 10% on total enrollment. The University indicated that while it shares the belief that access to UC must be preserved for the students of California’s families and we remain committed to providing an education to all qualified and eligible California students, the proposal put forth in SCA 22 would have had the opposite effect. Moreover, it has been the nearly continuous reductions in state support – not an increase in out-of-state enrollment – that has proven to be the primary obstacle toward achieving the goal of maintaining access. The University met with the author to express our concerns and opposition, and ultimately he agreed not to pursue the measure this year.

Other Key Bills Followed Closely by UC

- **Academic Affairs**

**AB 645 (Davis)** would have required the CSU, and requested the UC, commencing with the 2013–14 academic year, to require students entering the University during or after the 2013–14 academic year to complete two courses in ethnic studies prior to graduation, regardless of major. The University indicated that while we appreciated – and indeed, shared – the author’s interest in promoting awareness of ethnic and cultural diversity among our students, we believed the bill constitutes an unwarranted and unnecessary intrusion into the UC Regents’ authority for decision-making over curriculum and instruction. The University took an Oppose position and the bill failed passage in the Assembly Higher Education Committee.

**AB 1564 (Lara)** would have included volunteers of public-private organizations, including nonprofit organizations, whose duties required direct contact with and supervision of children in the list of individuals who are mandated reporters. The University did not take a position on this bill but worked closely with the author to share our concerns with the inclusion of volunteers to the list of individuals who are mandated reporters. Due to our concerns and those shared by other organizations, the bill was held in the Assembly Public Safety Committee.

**AB 1618 (Galgiani)** would have required the High-Speed Rail Authority to consult with UC, CSU and CCC to determine how the state can best meet the educational needs for the future high-speed rail operations, design, construction, and maintenance workforce. The University did not take a formal position on the bill but worked closely with the author and committee on amendments. The bill was held in the Assembly Appropriations Committee.

**AB 1899 (Mitchell)** requires students who are victims of trafficking, domestic violence, and other serious crimes to be exempt from paying nonresident tuition at the CSU and CCC, and to be eligible for all student financial aid programs and scholarships administered by a public postsecondary educational institution of the State, to the same extent as individuals who are admitted to the United States as refugees under specified federal law. The University took a Neutral position on the bill. The Regents recently approved the technical fix to UC residency policy that places the University in compliance with this bill. The Governor signed the bill on September 24, 2012.
AB 2001 (Bonilla) stated legislative intent to bring together elementary and secondary school policy leaders, CCC, CSU, UC, private colleges and universities, and postsecondary career technical and vocational programs to develop criteria and create pathways in which assessments taken by middle and high school pupils are aligned with college and career readiness and are recognized as one of a number of multiple measures for entry or placement into college and career training. The University did not take a position on this bill, but requested an amendment seeking to stress the importance of “college and career readiness. The amendment was accepted by the author, but the bill was held in the Senate Appropriations Committee.

AB 2190 (Perez J) would have established the California Higher Education Authority to develop postsecondary education state goals. The University took a Concern position. We began to work with the author to amend the bill and have University representation be added to the proposed board of directors. However, the bill was held in the Assembly Appropriations Committee.

AB 2250 (Gaines) would have required a student, or a spouse of a person, who is a former member of the Armed Forces of the United States or the State Military Reserve who served for at least 36 months and received a specified discharge, to be exempted from paying nonresident tuition for his or her first year of continuous enrollment at the CSU and CCC, and would have requested such a person to be exempted from paying nonresident tuition for his or her first year of continuous enrollment at the UC. The University did not take a position on the measure, but did express concerns to the author and committee staff about the loss of undergraduate tuition for UC. The bill was held in the Assembly Appropriations Committee.

AB 2320 (Nestande) would have requested UC, and required CSU and CCC, to report to the Legislature on workload and performance data on distance learning courses. The University took a Neutral position on a prior bill, AB 851 also by Assembly Member Nestande, after he accepted our amendments to address our concerns with the implementation of the bill. That bill was held in the Senate Appropriations Committee. AB 2320 was introduced with the same language as AB 851 but was held in the Assembly Rules Committee.

AB 2471 (Lara) would have required CSU and CCC, and urged UC and private postsecondary educational institutions that offer baccalaureate degrees to develop and adopt rules, regulations, and procedures to mandate that e-textbooks assigned as required or recommended reading comply with specified requirements, including the provision of digital rights management information and a refund policy. The University did not take a formal position on the bill, but worked closely with the author and other stakeholders to remove provisions in the bill that would limit the ability of our faculty to make decisions concerning textbooks on the basis of educational criteria and the instructional goals of their courses. The bill was held in the Assembly Appropriations Committee.

ACR 73 (Alejo) would have requested the UC Regents to implement a comprehensive approach, by the end of the 2012-13 academic year, in the respective admissions processes of the University’s various graduate programs and professional schools by including a broad variety of academic and personal qualifications. The University raised strong concerns with the resolution as introduced and worked closely with the author to encourage him to consider alternatives to a legislative solution. The author agreed and the resolution was amended to address another topic.
SB 721 (Lowenthal) would have established three broad goals for higher education: (1) improving student success; (2) better aligning degrees and credentials with state needs; and (3) ensuring effective and efficient use of resources. The University took a Support position and requested amendments to further redefine the proposed state goals for higher education. These UC-proposed amendments were accepted. The University requested the Governor’s signature, but the Governor vetoed the bill because of concerns over whether the right mechanism was in place to implement the framework outlined in the bill.

SB 760 (Alquist) specified that the California Student Aid Commission (CSAC) annual report on job placement rate and salary/wage data submitted by Cal Grant participating institutions would relate to students in Cal Grant eligible undergraduate programs, and that the report be required beginning December 1, 2013. The University worked with the author to amend the bill to clarify the type of programs from which the required data is to be gathered and change the reporting deadline for academic and student data. The bill was dropped by the author and used for other purposes.

SB 1070 (Steinberg) establishes the Career Technical Education (CTE) Pathways Program to require the CCC Chancellor and the State Superintendent of Public Instruction to assist economic and workforce regional development centers and consortia, the CCC, middle/high schools, and California Regional Occupation Centers and Programs (CAROCPs) to improve linkages to CTE pathways in the form of grants. The bill potentially provides grant funding opportunities for the UC Curriculum Integration Institutes, including professional development initiatives. The University indicated its support of reauthorizing the CTE Pathways Program, a program UC has participated in for several years now, in particular through support provided to UCCI Institutes and the “a-g” Guide Project. The University requested the Governor’s signature and the bill was signed on September 21, 2012.

SB 1138 (Liu) would have (1) required the California Department of Education (CDE), in coordination with the State Board of Education, to enter into an interagency agreement with the CCC Chancellor's Office to administer the higher education database formerly managed by the California Postsecondary Education Commission (CPEC); (2) imposed a variety of burdensome new reporting requirements upon UC and CSU concerning how we spend tuition funds and calculate total cost of education per student; (3) stated the intent of the Legislature that the public postsecondary segments refrain from implementing new programs until a CPEC successor entity is able to perform the review required by existing code; and (4) expanded access to higher education data for public policy research and evaluation purposes. The University took an Oppose position due to the proposed reporting requirements and moratorium on new academic programs included in the bill. The bill was held in the Assembly Appropriations Committee.

SB 1328 (De Leon) would have required college textbook or instructional material publishers to include both public and private postsecondary institutions/faculty to provide information about that textbook or instructional material in a specified order using standard XML or comma-delimited format. It would also have required publishers to submit this data to the CSU MERLOT program and required that this data be available for public review and use. The University took an Oppose position on the bill. Our concerns related to the proposed faculty textbook adoption tools were acknowledged by the author and he decided to drop the bill.
SB 1355 (Runner) would have required postsecondary educational institutions, pursuant to the Military Families Financial Relief Act, to credit current term tuition and fees for student military members or veterans who requested academic leave due to a disability or medical disorder caused by an injury suffered during military service, and authorized these students to bring legal action against institutions for non-compliance. The University did not take a formal position but worked closely with the author to address concerns raised by the University. After learning more about veteran students suffering from Post-Traumatic Stress Disorder (PTSD) and our existing withdrawal/refund policies, the author agreed to drop SB 1355.

SB 1390 (Wright) would have proposed to legalize professional and intercollegiate sports gambling in California. UC was concerned that legalizing sports wagering in California threatens the well-being of student-athletes and the intercollegiate athletics community and has the potential to undermine the integrity of sports contests. If gambling on intercollegiate sports is allowed, there will be increased pressure placed on student-athletes to provide information about upcoming competitions to gamblers - conduct that would violate both federal law and NCAA rules. The University worked with the author and other segments. In response to our concerns and that of others, the author amended the bill to exclude prohibited sport events. The bill was held in the Assembly Appropriations Committee.

SB 1458 (Steinberg) reforms the K-12 education Academic Performance Index (API). The bill, among other things, limits the proportion of the API designated for standardized test scores to 40% for high schools, which would allow for inclusion of other important factors, such as student preparedness for college and career. The University indicated that it is supportive of efforts to improve the state’s comprehensive educational pipeline and K-12 public school accountability system such as those described above. We believe SB 1458 represents an improvement to the current API and contains important reforms that will benefit the state’s education system. The University requested the Governor’s signature and the Governor signed the bill on September 26, 2012.

SB 1461 (Negrete McLeod) would have requested UC and required CSU to determine the amounts of undergraduate tuition and fees for each incoming first-year class and prohibited increasing the first-year tuition and fees for at least four years. The University indicated the proposed cohort-based fees would result in UC having less flexibility in responding to State budget cuts because any additional revenue needs caused by significant reductions in State support would have to be covered by tuition and fee increases imposed on only a subset of UC students—new students (or only about a third of all students). The University took an Oppose position and the bill was held in the Senate Appropriations Committee.

• Budget and Fiscal Issues

AB 2442 (Williams) would have created the California Hope Public Trust for the purpose of managing the state’s real estate portfolio in a manner that yields new revenues that can be redirected for purposes of public higher education. UC adopted a Support position on this bill and requested the Governor’s signature. However, the Governor vetoed the bill on September 30, 2012.

SB 1018 (Senate Budget and Fiscal Review Committee) provides statutory references necessary to create the Electric Program Investment Charge (EPIC) Fund. The bill also cleans
up Public Goods Charge code and creates the Greenhouse Gas Reduction Fund for receipt of Cap and Trade and auction reserves. Although not taking a formal position, the University supports implementation of the new EPIC program that will continue funding energy research programs. The bill was signed by the Governor on June 27, 2012. (See AB 1532 below for long term spending strategy on these reserves)

• Business Operations

**AB 1532 (Perez J)** requires funds in the Greenhouse Gas Reduction Fund to be used for specified purposes and allocation of those moneys to measures and programs that meet specified criteria. The University did not take an official position on the bill. The bill was signed by the Governor on September 30, 2012.

**AB 1614 (Monning)** extends the statutory sunset date for the Fort Ord Reuse Authority (FORA). UC Santa Cruz Chancellor George Blumenthal submitted a support letter on the bill. The bill was chaptered on September 29, 2012.

**AB 1723 (Fuentes)** requires the CCC, CSU, CSAC and requests UC to provide for a live video transmissions and to archive and post the video and audio transmissions of meetings on the entity’s website for at least 12 months and within 48 hours following initial transmission. The UC Regents Office indicated a willingness to comply with this request, but raised significant concerns that several committee meetings each year occur at multiple sites. SGR was able to secure amendments to the bill that would allow the regents to designate one site for video and additional sites for audio only. The bill was signed by the Governor on September 26, 2012.

**AB 1818 (Perea)** would have provided a tax credit for royalties paid by a taxpayer for licensing a UC patent. UC issued a Support position on this measure, and worked closely with the author’s office to support the bill. The bill was held in the Assembly Appropriations Committee due to cost concerns.

**AB 1844 (Campos)**, a corollary to SB 1349, related to social-media privacy, prevents employers from requiring employees to disclose social media passwords or otherwise provide account access. The University did not formally take a position (NTAP). The bill was signed by the Governor on September 27, 2012.

**AB 1917 (Dickinson)** sought to require food service contractors within the UC (such as Sodexo and Aramark) to disclose and pass-through to their respective campuses any and all discounts or allowances they had received from their food suppliers. The University took an “Oppose” position on this measure prior to its hearing in the Assembly Appropriations Committee, based on our strong belief that the measure would cost the University more as a result of increased oversight costs and lost capital infrastructure investments, than it would yield in actual rebated amounts. UC was able to remove its opposition when the Appropriations Committee narrowed the bill to apply solely to K-12 institutions. Ultimately, the bill was held in the Senate Appropriations Committee.
AB 1955 (Block) requests the UC Regents to designate an individual at each campus to serve as a liaison between campus law enforcement agencies and students exercising specified constitutionally guaranteed rights. UC took a Support position on this measure. The bill was signed by the Governor on September 26, 2012.

AB 1984 (Wagner) would have authorized UC Irvine – on a pilot basis – to install LED screens on the campus’ transit buses for the purposes of bolstering advertising opportunities. While neither the campus nor Regents took a position on this author-sponsored bill, SGR did work closely with Assembly Member Wagner to provide technical expertise related to the measure. This bill was held in the Senate Transportation Committee.

AB 2062 (Davis) allows agencies that submit statements of economic interest (SEI) to the Fair Political Practices Commission (FPPC) in accordance with the Political Reform Act to submit those forms electronically. UC has over 1600 officials that regularly file SEIs with the FPPC, as well as numerous researchers that must file in those instances where their research is funded by non-governmental sources. UC issued a Support position on this bill. The bill was signed by the Governor on September 24, 2012.

SB 863 (De Leon) was the comprehensive reform effort relative to the California Workers’ Compensation System. UC did not take a position on this measure. However, SGR worked closely with the OP’s Director of Workers’ Compensation, and UC believed that provisions of the bill generally favored University interests. The bill was signed on September 19, 2012.

SB 1002 (Yee) would have established “open format” standards for public agencies that are required to make electronic data available pursuant to the Public Records Act. As introduced, UC was concerned with the lack of clarity around the definition of “open format”, and the apparent contradictions within the bill regarding when an agency could charge requestors for data extraction and production expenses. In its final form, additional clarity was brought to the measures provisions – and the provisions relating to “open format” were removed pending a study by the state’s Chief Information Officer. The bill was vetoed by the Governor on September 28, 2012.

SB 1094 (Kehoe) sought to restore the authority for the UC to hold mitigation endowments for the protection of environmentally-sensitive lands – authority that was inadvertently removed from the State Code by reform legislation in 2011. As recast, state law would not have allowed UC Merced and UC Santa Cruz to continue holding endowment funds for mitigation activities currently taking place in and around their respective campuses. SGR was successful in achieving an amendment to SB 1094 which once again allowed UC to hold such endowments, and thereafter adopted a Support position on this measure. The bill was signed by the Governor on September 28, 2012.

SB 1349 (Yee), relative to social-media privacy sought to prevents institutions of higher education from requiring students to disclose social media passwords or otherwise provide account access. Although the University took an NTAP position on this measure, SGR worked closely with Senator Yee’s office – and representatives from CSU and USC – to ensure that the proposed measure did not overstep in a manner that would have caused limitations. The bill was signed by the Governor on September 27, 2012.
SB 1480 (Corbett) would have established a special trapping license for persons offering trapping services to the public. SGR’s involvement with this bill began after we were alerted that a letter of opposition had been sent to the Assembly policy committee from an individual at a UC campus – and that this individual persisted in contacting legislators offices in the days leading up to the hearing date on the measure. In response, SGR worked with the author’s office and the Assembly policy committee to clarify that the UC Regents did not have an official position on the bill. The bill was vetoed by the Governor on September 26, 2012.

SB 1516 (Leno) sought to allow contractors bidding for construction projects and requesting to use an "or equal" substitute to submit data substantiating its equality after a contract is awarded. UC was very concerned with the ramifications of this bill, and was joined by numerous other public agency representatives (cities, counties, special districts, CSU, community colleges) in opposition to this measure. The hearing on the bill before the Assembly Business and Professions Committee was cancelled by the author moments before it was set to begin.

• Energy & Greenhouse Gas Issues

Following nearly two years of negotiations with the California Air Resources Board (CARB) on how UC’s obligations to comply with carbon emission requirements at a cost of $14-$28 million annually, UC engaged in a two-pronged end-of-session approach to raising legislative awareness of this issue. While legislation favored by the University did not progress to the Governor’s desk, the University was able to secure a pledge late in August 2012 from CARB that indicates that UC’s request for cap-and-trade allowances will be favorably dealt with as part of CARB’s administrative dealings.

AB 1261 (Fletcher), would have provided UC with the same assistance transitioning into the cap-and-trade program as other covered entities. Assembly Member Fletcher and Senator Kehoe took the lead and raised the importance of the issue with Senate and Assembly leadership, as part of a UC-coalition that also included QualComm. Ultimately, UC decided not to pursue a legislative fix during the last week of session when the CARB Chairwoman Mary Nichols sent a letter to Assembly Member Fletcher with assurances that the issues raised by UC and QualComm would be addressed by the Board in the near future.

SB 1572 (Pavley), would have created the Higher Education Greenhouse Gas Emissions Reduction Account to receive any moneys collected by CARB from the sale of an allowance to UC or CSU and appropriate back to UC and CSU for expenditure on projects that would reduce GHG emissions subject to a five-year investment plan and additional investment by UC and CSU. This language included provisions similar to UC’s original proposal to CARB in 2011. Subsequent conversations with CARB staff indicates that the Board will likely adopt allowance provisions that mirror the language in SB 1572, which did not move off the Assembly floor.

• Executive Compensation and Retirement

In response to concerns over compensation within the higher education community, numerous bills were introduced that would have capped or curtailed UC’s ability to provide competitive executive compensation. Notwithstanding the large number of measures introduced on this issue, none of the bills were able to progress out of the Legislature.
AB 1561 (Hernandez) requested UC and prohibited the CSU from entering into or renewing a contract with a compensation increase for any administrator using state moneys or moneys from tuition in any year when the state General Fund appropriation is less than the preceding year. UC issued an Oppose position and identified meaningful costs to comply. The bill was held on the Assembly Appropriations Committee Suspense File.

AB 1639 (Hill) contained provisions aimed at restricting pensions that could be collected by high salaried public employees. Specifically the bill would have eliminated the ability of public entities to request an IRS waiver from section 401 (a) (17) of the Internal Revenue Code that caps the maximum salary that can be used to calculate pension benefits at $250,000 per year. This provision, while not binding on UC, was introduced in response to a letter from 36 UC employees who indicated that they would pursue litigation if they did not receive pensions calculated on the entirety of their salaries. SGR did not take an active role on this bill after the Assembly Public Employees, Retirement and Social Security (PER&SS) Committee staff indicated that the bill would be sent to interim study.

AB 1787 (Portantino) prohibited state employees whose base salary is $100,000 or more from taking a salary increase or bonus until January 1, 2015. UC took an Oppose position and testified in committee. The bill was sent to interim study by the Assembly PER&SS Committee.

AB 2115 (Alejo), in a previous version, included language to prohibit pension benefits of a member of a public retirement system, including the University of California Retirement System (UCRS) from exceeding $173,987 per year. This language was amended out of the bill prior to a hearing and the bill was gutted and amended to include unrelated subject matter. UC did not take a position as the bill was not heard.

ACA 22 (Smyth) & SCA 18 (Huff) would have amended the Constitution to require public retirement systems, including UCRS, to provide hybrid pension plans and would have made various other changes to retirement plans for public employees. No action was taken on these measures.

SB 755 (Lieu) would have prohibited the CSU from awarding a campus president compensation exceeding 150% of the Chief Justice, except if approved via Governor’s Executive Order, and would have prohibited increasing campus president compensation if tuition increased. The bill did not apply to UC and was never set for hearing.

SB 952 (Alquist) would have prohibited the CSU until June 30, 2014 from entering into or renewing a contract for a compensation increase for any employee earning over $200,000 annually. The bill is similar to AB 1561 (Hernandez) but does not apply to UC. SGR maintained an active Watch position on the bill. The bill was held on the Assembly Appropriations Committee Suspense File.

SB 967 (Yee) would have requested UC and prohibited the CSU from increasing compensation or providing bonuses for executive officers within two years of a consecutive annual fee/tuition increase or when the state General Fund budget appropriation is equal to or less than the immediately preceding year. UC indicated its opposition as part of testimony provided on the bill in the Senate Education Committee, and the bill was held in that committee.
SB 1141 (Walters), SB 1143 (Walters), and SB 1176 (Huff) would have imposed changes and limits on all public employers’, including UC’s, ability to provide postemployment health care benefits or to provide for the purchase of additional service credit. These issues were referred to the Conference Committee on Retirement. Ultimately the Conference Report and statutory changes had no impact on UC.

SB 1368 (Anderson) would have prohibited state and UC officers/employees annual salary from exceeding the Governor’s salary. UC took an Oppose position, SGR testified in opposition and the bill failed passage in the Senate Governmental Organization Committee.

• Health Sciences and Services

AB 808 (Skinner) would have established a legal presumption for certain hospital employees in the workers’ compensation system that any methicillin-resistant Staphylococcus aureus (MRSA) infection is related to their employment. UC actively opposed this bill in committees and worked closely with the California Hospital Association (CHA) to ensure that the bill would not make its way through the Legislature.

AB 377 (Solorio) authorizes a centralized hospital packaging pharmacy to prepare medications for more than one hospital if the hospital is within a certain geographic range. UC San Francisco (UCSF) has a centralized robotic pharmacy that serves both the Parnassus and Mission Bay hospitals. SGR, OP and UCSF provided technical expertise to the California Department of Public Health (CDPH) the Department of Finance, legislative policy committees and the CHA (sponsor) on the benefits and outcomes of the UCSF experience with its centralized pharmacy. During the end of session, CHA and CDPH had deadlocked on certain issues and it appeared that the bill could be vetoed. UC wrote to the Governor requesting a signature and provided a written analysis addressing CDPH’s concerns, leading to a break in a stalemate that allowed the Governor to comfortably sign the measure.

AB 1657 (Wieckowski) would have provided funding for the spinal cord injury research program created by the Roman Reed Spinal Cord Injury Research Act of 1999. The bill would have imposed a $1 assessment upon every conviction for a violation of any rule of the road and directed the funds, upon appropriation of the Legislature, to the UC Irvine Roman Reed Spinal Cord Injury Research Program (Roman Reed Program), located at the Reeve-Irvine Research Center. UC actively supported this bill throughout the process and met with the Governor’s office to request a signature. The Governor vetoed this bill because of his concern with the increasing costs of traffic fines. The Roman Reed Foundation has indicated that it will reintroduce the funding measure next year.

AB 2152 (Eng) establishes notification requirements on preferred provider organizations (PPO) licensed at the Department of Managed Health Care (DMHC) and the Department of Insurance (DOI). The bill would require CDI to provide notice to health plan enrollees if the contract between the health plan and the hospital is going to terminate. This bill was sponsored by the California Department of Aging and once the bill reached the Governor’s desk, Insurance Commissioner Jones personally called the CEOs of Irvine and UCLA for their support. UC felt that the legislation would be helpful for consumers to know that their provider/hospital may no longer be a part of their insurance network. For instance, recently UCLA and Blue Shield of California engaged in protracted contract negotiations. These negotiations have ended and there
is a contract in place, but there were several months of uncertainty. This bill addressed this type of situation. The University and UCLA Health System sent a letter to the Governor requesting his signature, but the Governor vetoed the bill on September 30, 2012.

**SB 1246 (Hernandez)** would have required periodic inspections at CDPH to include a review of compliance with nurse staffing ratios and patient classification systems, and eliminates a requirement that DPH promulgate regulations further defining the criteria for assessing administrative penalties, thereby allowing existing fine authority to go into effect. UC did not take a position on this bill but worked collaboratively with the CHA, providing technical input. The Governor vetoed the bill on September 30, 2012.

**SB 1267 (Padilla)** would have defined genetic information to include not only information obtained from genetic tests of the individual, but also information obtained from genetic tests of the individual’s family members, and the manifestation of a disease or disorder in family members of the individual. This bill would have prohibited an individual’s genetic information from being obtained, analyzed, retained, or disclosed without specific written authorization. A separate written authorization would be required for each separate disclosure of an individual’s genetic information. The University expressed concerns that compliance with the provisions of the bill would place UC and other research institutions in California at a disadvantage when competing nationally for public and private research grants. UC, Stanford and USC formed an alliance which helped ensure that the bill would not progress beyond the Senate Appropriations Committee.