

Date of Hearing: April 28, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1260 (Thurmond) – As Amended March 26, 2015

SUBJECT: Joint Exercise of Powers Act

SUMMARY: Allows the University of California (UC) and the City of Richmond, and any other public agency, to enter into a joint powers agreement (JPA) focusing on the development of a Berkeley Global Campus. Specifically, **this bill:**

- 1) Allows, notwithstanding any other law, the UC and the City of Richmond, and any other public agency, to enter into a JPA for the purpose of collaboration on the development of a Berkeley Global Campus at Richmond Bay, located within the City of Richmond, to be a new research and action hub with a focus on global issues, culture, and collaboration.
- 2) Requires the agreement between the UC and the City of Richmond, and any other public agency pursuant to 1), above, to state the purpose of the agreement or the power to be exercised, and may include any of the following:
 - a) A voluntary local-hire goal, to be based on the University of California, San Francisco, local-hire model, for all construction and infrastructure improvements, taking into consideration local-hire practices within the City of Richmond;
 - b) Development of strategies that assist all small businesses, including, but not limited to, small businesses with a high-level of participation by women, minorities, and veterans, to respond more effectively to available contract opportunities for the development of the proposed Berkeley Global Campus at Richmond Bay;
 - c) A requirement for third-party developers to pay prevailing wages for construction contracts and meet the local-hire goals of the UC at Berkeley (UCB), on buildings that will be substantially occupied by UCB;
 - d) Development of best practices for proactive outreach and marketing of procurement and employment opportunities for the residents of the City of Richmond at the proposed Berkeley Global Campus at Richmond Bay;
 - e) Development of strategies to work with community organizations, small business development programs, and workforce training programs to assist the residents of the City of Richmond to respond effectively to opportunities at University of California campuses and at the proposed Berkeley Global Campus at Richmond Bay; and,
 - f) Collaboration with the Department of Employment and Training of the City of Richmond to access contact and work-readiness information for qualified trades workers and apprentices located within the City of Richmond.
- 3) Provides that the Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the

California Constitution because of the unique circumstances of developing the Berkeley Global Campus at Richmond Bay, located within the City of Richmond.

EXISTING LAW:

- 1) Establishes UC as a public trust and confers the full powers of the UC upon the UC Regents. The Constitution establishes that the UC is subject to legislative control only to the degree necessary to ensure the security of its funds and compliance with the terms of its endowments. Judicial decisions have held that there are three additional areas in which there may be limited legislative intrusion into university operations: authority over the appropriation of state moneys; exercise of the general police power to provide for the public health, safety and welfare; and, legislation on matters of general statewide concern not involving internal university affairs (Constitution of California, Article IX, Section 9).
- 2) Authorizes, under the Joint Exercise of Powers Act, two or more public agencies (i.e. federal government, any state, any state department or agency, county, county board of education, county superintendent of schools, city, public corporation, public district, and regional transportation commission in any state) to enter into a JPA to jointly exercise any power common to the contracting parties, as specified, if authorized by their legislative or other governing bodies (Government Code Section 6502).

FISCAL EFFECT: Unknown

COMMENTS: *This measure was heard and approved by a vote of 6-2 in the Assembly Local Government Committee relating to issues within its jurisdiction on April 22, 2015.*

To note – Committee staff understands that there are continued discussions with the author and the Assembly Local Government Committee regarding potential amendments within the jurisdiction of the Local Government Committee. *This measure will be heard today based on the March 26, 2015 version.*

Background. JPAs have existed in the state for almost 100 years, and were originally created to allow multiple local governments in a region to pool resources to meet common needs. The Joint Exercise Powers Act authorizes state and local agencies to create and use a joint powers agreement, which is a legal document that allows the contracting parties to exercise powers that are common to all of the contracting parties. A JPA can be administered by one of the contracting agencies, or it can be carried out by a new, separate public entity. Joint powers agreements are an attractive tool for local governments because they facilitate more efficient service provision through collaboration, and they allow local entities to issue bonds without voter ratification.

Purpose of this measure. According to the author, the intent of this measure is to facilitate a partnership between the City of Richmond and UCB with regards to the creation of a UCB Global Campus in Richmond Bay. The author states, "The current version of the bill speaks to the unique situation of the Global Campus in terms of the needs of the City and the ability of the UC to partner with the City on infrastructure and financing. The bill is working toward providing an efficient public financing mechanism to fund the shared, critical infrastructure

required for development of the University of California at Berkeley Global Campus and the complimentary City of Richmond South Shoreline Specific Plan Area."

Structure for the creation of new campuses or centers for the public postsecondary institutions of higher learning. Current law declares legislative intent that sites for new institutions or branches of the UC not be authorized or acquired unless recommended by the California Postsecondary Education Commission (CPEC) and that CPEC should advise the Legislature and the Governor regarding the need for, and location of, new institutions and campuses of public higher education. After several years of declining budgets and then elimination of all funding by the Governor in 2011-12, however, CPEC ceased operations in Fall 2011.

CPEC's review process for a potential new campus or center of the UC (or for the California State University or the community colleges) involved several stages. The last step in the review process required the segment to submit to CPEC a study providing a justification for the campus or center on the site identified. This needs study encompassed nine different areas (enrollment, alternatives, academic planning, student services, costs, accessibility, effects on other institutions, environmental impact, and economic efficiency) according to which the proposal was evaluated.

Committee consideration. With the state no longer having a coordinating body for higher education, how is the state going to fulfill the former CPEC functions? Authorizing the City of Richmond and the UC to enter into a JPA with the intent of creating the UCB Global Campus appears to create an entirely new process that is not aligned with the CPEC process, but absent a coordinating body, what is the best method in determining how, when, where, and why a new campus or center should be established?

The Committee may want to consider whether or not it tasks various entities with fulfilling the work of the former CPEC and/or authorizing an entirely new process for the determination of the establishment of a new campus or center, or halting all projects that would otherwise be under the jurisdiction of the former CPEC until the state creates a new higher education coordinating body.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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