

Date of Hearing: April 28, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1483 (Gatto) – As Introduced February 27, 2015

SUBJECT: University of California: Science, Technology, Engineering, Arts, and Mathematics Campus

SUMMARY: Requires the Legislative Analyst's Office (LAO) to conduct a study of, and report to the Legislature on, the feasibility of establishing a campus of the University of California (UC) devoted to science, technology, engineer, arts, and mathematics (STEAM); and, allocates \$50,000,000 from the General Fund (GF) to the UC Regents for the establishment of, and acquisition of land for UC STEAM campus. Specifically, **this bill:**

- 1) Requires the LAO to conduct a study of the feasibility of establishing a campus of the UC devoted to STEAM.
- 2) Requires the LAO, on or before January 1, 2017, to report the findings of the feasibility study, to the Legislature, as specified.
- 3) Appropriates \$50,000,000, from the GF, without regard to fiscal years, to the Controller for allocation to the UC Regents for the establishment of, and acquisition of land for, the UC STEAM campus.
- 4) Specifies that the Controller shall not allocate the funds, as appropriated in this measure, to the UC Regents until the Controller determines that the Regents have approved the establishment of, and decided on the location of, the UC STEAM campus.

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) Declares the intent of the Legislature that sites for new institutions or branches of the CSU shall 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 (Education Code Sections 66900 and 66904).

FISCAL EFFECT: \$50,000,000 from the GF.

COMMENTS: *Need for this measure.* According to the author, "This bill seeks to address the rising demand for workers trained in science, technology, engineering, and math (STEM) as well as the growing inaccessibility of the University of California system."

The author contends, "In California, the growing demand for STEM graduates and workers has been coupled with the increasing inaccessibility of the state's premier public university system. For years, the demand for UCs has outpaced the capacity of UC campuses. The number of applications to UC campuses has increased for 11 straight years and in 2015, 193,873 students applied for at least one campus (a 5.8% increase from 2014). In 2014 UC accepted less than 90,000 of its 183,272 applicants and matriculated less than 45,000. "

California Postsecondary Education Commission (CPEC). There is currently no coordinating entity for higher education in California. Existing law establishes CPEC to be responsible for coordinating public, independent, and private postsecondary education in California and to provide independent policy analyses and recommendations to the Legislature and the Governor on postsecondary education issues. However, over time, CPEC's budget was reduced, resulting in its inability to perform all of its responsibilities, casting doubt on its effectiveness and triggering calls for its restructuring. As part of his 2011-12 Budget, Governor Brown proposed eliminating CPEC. Both Houses rejected this proposal, but the Governor exercised his line item veto to remove all General Fund support for CPEC, describing the commission as "ineffective." In his veto message, however, the Governor acknowledged the need for coordinating and guiding state higher education policy and requested that stakeholders explore alternative ways these functions could be fulfilled. CPEC shut down in Fall 2011, transferring its federal Teacher Quality Improvement grant program to the California Department of Education and extensive data resources to the CCC Chancellor's Office.

Review process for new campus. California Postsecondary Education Commission's review process for a potential new campus of the UC, CSU, and/or CCC was very layered and structured, including the need for the asking segment to submit a preliminary notice at the beginning of the segment's planning process for a new campus or off-site center. The preliminary notice had to include information on the proposed institution's general location, type of operations, time frame for development, projected enrollment, and near-term capital outlay plan.

The next step in CPEC's process was for the asking segment to submit a letter of intent when they were within five years (two for a CCC) of requesting state funds for capital outlay. To note, the letter of intent had to contain similar information as the preliminary notice but with greater specificity. CPEC then responded to the letter of intent within 60 days and would include any concerns with the proposal and opined as to if the segment should proceed with development plans.

The last step in the review process was for the asking segment to submit to CPEC a study that provided a justification for the campus or center on the site identified. The needs study included 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. CPEC responded to the needs study within one year for the new campus and within six months for a new center; their response included a formal recommendation to the Governor and the Legislature as to if a new campus and/or center should be created.

Committee considerations. 1) *Appropriate entity to fill the role of CPEC?* With the state no longer having a coordinating body for higher education, how is the state going to fulfill the former CPEC

functions? This measure tasks the LAO, to conduct a feasibility study as to the need for the creation of a STEAM UC campus; is the LAO the correct entity to conduct the study?

The Committee may want to consider whether or not it tasks various entities with fulfilling the work of the former CPEC 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.

2) *Era of constrained resources.* During a time when the Legislature is asking the Governor for increased funding in order to allow for the UC to be able to admit more qualified students, and when the UC is looking for revenues in order to successfully grow its newest campus, Merced, is this an appropriate time to appropriate funds for a purpose that may not be well suited at this time?

The UC is the number one producer of STEM degrees in the state. According to the UC, California's universities produced nearly 50,000 STEM degrees in 2012-2013, with 23,000 of the STEM degrees being conferred by the UC. Additionally, since 2000, UC's continued focus on education in the STEM fields has led to an increase in its share of STEM degrees produced in California and the nation. The UC has increased its share of California STEM degrees by three percentage points since 2000, and raised its share of all STEM degrees produced in the nation almost a percentage point. Is there an actual need for the creation of a STEAM or STEM specific UC campus?

3) *Author's intent for STEAM or STEM?* The author states that this bill is to address the need for more STEM graduates, but the measure as drafted references "arts" as one of the emphasis that the new UC campus would house. *The author may wish to delete "arts" out of the bill if the intent is solely for the emphasis to be in STEM subjects.*

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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