

Date of Hearing: April 7, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Medina, Chair

AB 38 (Eggman) – As Amended March 23, 2015

SUBJECT: California State University: Legislative Analyst's Office: initial analysis to assess need for new campus

SUMMARY: Requires the Legislative Analyst's Office (LAO) to conduct an initial analysis to assess the need for a new campus of the California State University (CSU). Specifically, **this bill:**

- 1) Declares the following findings of the Legislature:
 - a) The Master Plan for Higher Education in California established the following criteria for determining the need for a new public university campus: i) the relative numbers of high school graduates, the location of existing institutions in the various areas of the state, and the relation between their capacities and the estimate enrollment in the area served by each institution; and, ii) the relative numbers of potential students within reasonable commuting distance of each of the proposed sites;
 - b) The need to accommodate students in excess of the physical capacities of existing California Community Colleges (CCC), CSU and University of California (UC) campuses; and,
 - c) The Master Plan designates CSU to draw its freshman class from the top third of the state's public high school graduates and admit transfer-prepared applicants with a minimum grade point average of 2.0.
- 2) Requires the LAO to conduct an initial analysis to assess the need for a new CSU campus, specifying the analysis shall consist of the following elements:
 - a) An analysis of the need within certain regions for a CSU campus, which shall include all of the following to the extent applicable data is available:
 - i) Consideration of enrollment demand based on relative demographic levels and eligible students for each county, including all of the following: (1) five to 10 year projections of the college-age population and public high school graduates, and (2) data for the most recent year available on college preparedness, including the number and share of high school graduates completing the "A-G" admissions requirements and the number and share of transfer-prepared community college students,
 - ii) For each county, data on CSU applicants, admissions, and enrollment for the most recent year available to estimate college-going rates to CSU, and,
 - iii) Data on adult educational attainment by county for the most recent year available.

- b) An analysis of the physical capacities of existing CSU campuses, as outlined in their master plans, relative to current enrollment; specifying which CSU campuses are already at maximum capacity and those with remaining physical capacity; and, identifying which CSU campuses no longer provide enrollment priority for local applicants.
- 3) Requires the CSU to provide whatever data is needed in order to meet the requirements, as specified, to the LAO upon the LAO's request.
- 4) Requires the LAO with submitting a report containing their analysis to the Legislature and the Department of Finance on or before January 1, 2017.

EXISTING LAW:

- 1) 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).
- 2) Establishes the CSU administered by the Board of Trustees, and provides that the Trustees shall have the full power over the construction and development of any CSU campus and any buildings or other facilities or improvements (EC Section 89030, et seq.).

FISCAL EFFECT: Unknown

COMMENTS: *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.

Purpose of this bill. According to the author, "There is currently no coordinating body that assesses the needs for a new CSU or UC campuses. Instead, we have almost *ad hoc* expansion that results in an unequal distribution of infrastructure and educational services statewide. For example, Stockton, California, is the only city with 300,000 or more people in California without a public university in its proximity." To note, the nearest CSU campuses – Sacramento State, CSU Stanislaus, and CSU East Bay – are at least 45 miles away from Stockton, without public transportation linkages for students who do not own a vehicle. The author contends that this is an example of a regional inequality of services and infrastructure that contributes to poor educational attainment and unemployment.

The author contends this measure is a necessary first step in establishing an objective process for evaluating California's needs for a new public university campus – through a statewide study that examines various factors in determining what areas are the best locations for the establishment of a new CSU campus.

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. *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, in conjunction with the CSU to conduct a detailed analysis as to the need for an additional CSU campus; is the LAO the correct entity to conduct the analysis?

This 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.

Previous legislation. AB 736 (Fox, 2013), which died in the Senate Appropriations Committee, required the CSU to conduct a study, as specified, regarding the feasibility of a CSU satellite program, and ultimately, an independent CSU campus in the Antelope Valley. AB 24 (Block, 2009), which was vetoed by Governor Schwarzenegger, proposed a study regarding the feasibility of establishing a CSU satellite program and campus at Chula Vista. AB 500 (Conway, 2009), which died in the Higher Education Committee, was virtually identical to this measure except it called for a CSU campus in the high desert. SCR 92 (Peace), Resolution Chapter 104, Statutes of 1998, resolved that the Legislature endorse a proposed City site for possible future use as a UC campus.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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