

Date of Hearing: April 25, 2017

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 813 (Eggman) – As Amended March 21, 2017

SUBJECT: Postsecondary education: California State University: campuses.

SUMMARY: Adds a Stockton campus to the list of institutions of higher learning that are included in the California State University (CSU); and, adds reporting requirements to any CSU campus that operates a satellite campus. Specifically, **this bill:**

- 1) Adds a Stockton campus to the list of CSU sites and specifies that construction of a campus in Stockton shall take place only upon resolution of the CSU Trustees and approval by the California Postsecondary Education Commission (CPEC).
- 2) Requires a campus of the CSU that operates a satellite campus to annually provide the Legislature with a satellite campus report that includes, but is not necessarily limited to, all of the following:
 - a) An updated sustainability plan for the satellite campus;
 - b) Financial data that include, but are not necessarily limited to, detailed accounts of spending for the satellite campus; and,
 - c) Pertinent historical data and enrollment projections for the satellite campus.
- 3) Stipulates that an individual campus of the CSU that operates a satellite campus cannot disproportionately cut funding from the satellite campus in order to support the main campus.

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 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 (EC) Sections 66900 and 66904).
- 2) Specifies that the CSU includes the institutions for higher education whose locations or designations are as follows: a) San José; b) San Francisco; c) Chico; d) Humboldt; e) San Diego; f) Fresno; g) California Polytechnic State University (Cal Poly), San Luis Obispo; h) Cal Poly, Pomona; i) Long Beach; j) Los Angeles; k) Sacramento; l) Hayward; m) San Fernando Valley; n) Fullerton; o) Stanislaus; p) Sonoma; q) San Bernardino; r) Dominguez Hills; s) Contra Costa; t) Kern; u) Redwood City; v) Ventura; w) San Marcos; x) The California Maritime Academy, a specialized institution; and, y) Monterey County. Specifies that the authorized campuses of Contra Costa, Redwood City, and Ventura shall commence construction only upon resolution of the CSU Trustees and approved by CPEC (EC Sections 89001 and 89002).

- 3) 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.

Legislative Analyst's Office (LAO). The LAO released its report, "Assessing University of California (UC) and CSU Enrollment and Capacity" in January of this year. The report found, in part, the following: 1) a new CSU campus is not warranted; 2) projected little enrollment growth at both the UC and CSU; and, 3) every CSU region could grow on existing campus sites.

According to the report, CSU has 17 undergraduate centers (otherwise known as satellite campuses) and formally recognizes seven sites as off-campus centers for undergraduate instruction; Stockton, being one such location. The seven centers enroll undergraduate students whose instruction is supported with state funding and systemwide student tuition. Additionally, CSU provides undergraduate extension courses at 10 other sites. Centers enroll 4,100 state-funded students and course offerings vary based on distance from the main campus. To note, as of 2015-16, the Stockton center had 189 full-time equivalent students (FTES) enrolled. Committee staff understands that the 2016-17 FTES number of enrolled students at the Stockton center is approximately 192.

Purpose of this bill. According to the author, "In times of recession and/or budget cuts, off-campus centers are subject to disproportionate funding cuts in order to maintain services and enrollment at the main campus."

The author contends that, "The consequence of disproportionate funding cuts is that students whose only public higher education option is an off-campus center do not see that option as a viable one. Funding cuts lead to reductions in course options and thus force potential students to explore other higher education options or not pursue a post baccalaureate degree."

The author argues that enactment of this bill will ensure that, "off-campus centers are treated equitably to an institution's main campus by ensuring that an off-campus center does not face deeper budget cuts compared to the main campus."

This measure requires any campus of the CSU that operates a satellite campus to: 1) annually provide the Legislature with a satellite campus report; and, 2) not disproportionately cut funding from the satellite campus in order to support the main campus.

Policy considerations. As presently drafted, it appears as though this bill is based on an assumption that if enrollment at the main CSU campus is up, there will be a decrease in the enrollment at the satellite campus. To note, CSU does not control enrollment numbers; there could be several other factors as to why enrollment numbers fluctuate at satellite campuses.

Additionally, Committee staff understands that course offerings at satellite campuses increase based on the needs for services; in other words, the satellite campuses are at a regional level to meet unique needs and change as demands arise.

Furthermore, in the absence of CPEC, and per the LAO demonstrating that no new campuses are needed, it is not prudent policy to add additional locations to the list of CSU sites.

Committee staff recommends the following amendment: Delete Section 1 (a) (26) of the bill.

Lastly, Committee staff understands that in some cases, residents of areas with CSU satellite campuses may not be aware that such a campus is present.

Moving forward, if the author's intent is to increase the course offerings and capacity of the CSU Stanislaus Stockton Satellite Campus, the author may wish to, instead of requiring various reporting, work with the CSU in order to secure funding so that outreach and awareness campaigns take place for residents of Stockton and other cities about the satellite campuses in their vicinity.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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