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May 16, 2013

The Honorable Kevin de León  
Chair, Senate Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

***Re: UC Positions on Legislation Currently/Expected on Senate Appropriations Suspense File***

Dear Chairman de León,

On behalf of the University of California, I would like to inform you of our position on legislation that is currently or expected to be on your Committee Suspense File. We greatly appreciate your consideration of our position on the following bills:

**SB 21 (Roth) - SUPPORT.**

This bill seeks to appropriate \$15 million annually to support the operational expenses associated with the new UCR School of Medicine. The state's commitment of these funds will help support a significant increase in the number of medical student slots and resident positions that will address the healthcare needs of a substantially underserved population in the Inland Empire. The UCR School of Medicine represents a community approach that will seek to address the rapidly changing healthcare landscape in California and the promise of the federal Affordable Care Act. The funding will also leverage financial commitments that have been made by the University of California, local governments, foundations and private parties. We enthusiastically request your support for SB 21.

**SB 141 (Correa) – OPPOSE.**

This bill proposes to allow students whose parents have been deported or voluntarily departed and who lived in California immediately preceding deportation or their voluntary departure an exemption from paying non-resident tuition. The measure creates inappropriate incentives and would generate an administrative burden for both campus residence deputies and high school administrators who would need to verify enrollment. The process for collecting and verifying the documentation required to establish eligibility would present a substantial workload for UC Residence Deputies and high school administrators. The potential cost to UC is unknown because we have no idea how many students would be affected. However, for illustrative purposes, if between 10 and 50 newly admitted students were affected, the cost would be between \$1 million and \$5 million annually based on the estimate of roughly \$100,000 per student.

**SB 222 (Padilla) – OPPOSE.**

As amended on May 7, 2013, this bill attempts to expand existing privacy protections to entities and activities that are currently not covered by the myriad of state and federal privacy laws currently governing research and hospital institutions. UC is concerned that these exceptions, as currently drafted, will not address our concerns about an over-reach because the exemptions for UC researchers remain insufficient and, in some cases, may not cover certain research activities. Given the vast number of research studies and the hundreds of thousands of patients and research participants at UC, we estimate a fiscal impact of \$42.5 million. UC continues to work with the author on amendments, but have not yet settled on a satisfactory solution.

**SB 259 (Hancock) - OPPOSE.**

UC is strongly opposed to SB 259, which seeks to amend the Higher Education Employer Employee Relations Act (HEERA) to create collective bargaining rights for UC's graduate student researchers (GSRs). Unionization of these students could potentially color the GSR relationship with their academic advisors and faculty who serve as primary investigators on grants that help support the advancement of their scholarship and research. Creating such a strain in the academic relationship would impair the University's ability to excel in its mission of teaching, research and public service and undermine UC's competitiveness as a world-renowned research university. The bill poses substantial financial costs to the University and to the State associated with the implementation and ongoing administration of the bill. UC estimates that the cost to implement SB 259 would be in the range of \$10 million to \$18 million. This would come at a time when funding to support GSR work is already under significant challenge due to federal sequestration, which went into effect March 1, 2013.

**SB 495 (Yee) - OPPOSE.**

This bill would encourage UC to make student health centers a priority and to give consideration for additional compensation to the physicians who address student health care challenges. We oppose SB 495 because even a modest increase in physician salaries would produce significant costs to the University and any increases should be subject to negotiation and collective bargaining. Using compensation data for only those campus student health center physicians with a full-time "career" positions, UC estimates that the following percent increases in physician compensation would result in annual cost increases of \$343,189 for a 3% salary increase, \$571,981 for a 5% increase in salary, or \$800,774 for a 7% increase in salary.

**SB 520 (Steinberg) – OPPOSE.**

This legislation would create a platform upon which the UC, the California State University (CSU), and the California Community Colleges (CCC) would be expected to engage in partnerships with private party online course providers to deliver lower division courses in an online format for academic credit across all three segments. We believe that the premise of the bill is based on the false belief that private providers are in a position to add value beyond that which the public higher education segments are already providing through their ongoing and future efforts to serve their students with quality online courses. If UC is expected to deliver on its proportionate share of the goal of 50 courses identified in the bill (17 courses), we estimate that UC's initial development costs associated with SB 520 is \$8,000,000, with our annual operational costs that would range from \$3.7 million to \$5.6 million, depending on the mix of quarter and semester online classes and assuming that 500 students are enrolled in each course. The annual operational costs would rise to the extent any of the courses were offered on multiple occasions during the academic year. To the extent the activities suggested in the bill fall outside of UC's intention to initially focus on UC's matriculating students as the primary audience for UC's future online course development, costs associated with SB 520 would need to be supported by funds beyond the \$10 million proposed in the Governor's January budget.

**SB 547 (Block) - SUPPORT IF AMENDED.**

This measure would direct the academic senates of UC, the California State University (CSU), and the California Community Colleges (CCC) to begin developing online courses that satisfy the requirements of the Intersegmental General Education and Transfer Curriculum (IGETC). We believe SB 547 would better serve the Legislature's and the University's mutual interest in expanding the availability of online courses if the bill were amended to provide funds for needed infrastructure and technical support that would advance the development of online courses across the UC system. Assuming UC adopts online courses in each of the 11 areas covered by IGETC, we estimate that UC's initial development costs associated with SB 547 is \$6,500,000, with our annual operational costs in the range from \$2.4 million to \$3.6 million, depending on the mix of quarter and semester online classes. The annual operational costs would rise to the extent any of the courses were offered on multiple occasions during the academic year. To the extent the activities suggested in the bill fall outside of UC's intended approach to initially focus on UC's matriculating students as part of its future online course development, costs associated with SB 547 would need to be supported by funds beyond the \$10 million proposed in the Governor's January budget.

If you have any questions regarding our position on any of these bills please contact me 916-445-9924.

Regards,



Steve Juarez  
Associate Vice President and Director  
State Governmental Relations

cc: Vice Chair and Members of the Senate Appropriations Committee  
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