

AMENDED IN ASSEMBLY JANUARY 6, 2014

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1271**

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**Introduced by Assembly Member Bonta**

February 22, 2013

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An act to ~~add Article 3 (commencing with Section 14030) to Chapter 3 of Division 7 of the Unemployment Insurance Code, relating to workforce development. amend Section 84810.5 of the Education Code, relating to community colleges.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1271, as amended, Bonta. ~~Workforce development. Community colleges: inmate education programs: computation of apportionments.~~

*(1) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as a segment of public postsecondary education in the state.*

*Existing law, notwithstanding open course provisions in statute or regulations of the board of governors, authorizes the governing board of a community college district that provides classes for inmates of certain facilities, including a federal correctional facility, to include the units of full-time equivalent students generated in those classes for purposes of state apportionments.*

*This bill would instead require the open course provisions in statute or regulations of the board of governors to be waived for a governing board of a community college district that provides those classes for inmates, including inmates of state correctional facilities, and would*

*authorize the board of governors to include the units of full-time equivalent students generated in those classes for purposes of state apportionments.*

*(2) Existing law provides for the method of computing apportionments for purposes of these inmate education programs.*

*This bill would make revisions to that method of computation.*

*The bill would prohibit a community college district from claiming, under the bill, for purposes of apportionments, a class for which a district receives full compensation for its direct education costs for the conduct of the class from a public or private agency, individual, or group of individuals, and a class offered pursuant to a contract or instructional agreement entered into between the district and a public or private agency, individual, or group of individuals that has received from another source full compensation for the costs the district incurs under that contract or instructional agreement, as prescribed.*

~~The California Workforce Investment Board (board) is the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires that local workforce investment boards be established in each local workforce investment area of the state to assist the local chief elected official in planning, oversight, and evaluation of local workforce investment.~~

~~This bill would establish the Economically Impacted Area Loan Repayment Program, to be administered by the board and to provide for the repayment of business school loans of participants who satisfy its requirements. The bill would require that a person agree in writing prior to completing an accredited business school based in the United States to establish a qualifying small business and employ residents of an economically impacted area in order to be eligible to participate in the program. The bill would establish that the maximum allowable amount of loan repayment is \$105,000. The bill would require the board to recover the funds awarded plus interest if a program participant does not complete his or her contractual service obligation. The bill would establish the Economically Impacted Area Loan Repayment Program Fund to consist of private moneys donated to the program for deposit into the fund and any interest that accrues on those moneys. The bill would require that the fund would be used, upon appropriation by the Legislature, for the purposes of the program and would limit the funds that may be used for administrative costs, as specified. The bill would provide that these provisions are to be implemented only to the extent~~

that the fund contains sufficient moneys to effectuate the purposes of the article as determined by the board.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 84810.5 of the Education Code is amended  
2 to read:

3     84810.5. (a) ~~Notwithstanding open~~ (1) Open course  
4 provisions in statute or regulations of the board of ~~governors, the~~  
5 ~~governors shall be waived for a~~ governing board of a community  
6 college district that provides classes for inmates of ~~any a~~ city,  
7 county, or city and county jail, road camp, farm for adults, or *state*  
8 ~~or federal correctional facility may include the units of full-time~~  
9 ~~equivalent student (FTES) generated in those classes for purposes~~  
10 ~~of state apportionment. The attendance hours generated by credit~~  
11 ~~or noncredit shall be added and counted for apportionment purposes~~  
12 ~~as noncredit attendance hours.~~ *facility. This section shall not be*  
13 *construed to authorize the waiver of open course provisions in any*  
14 *context or situation other than those that are specifically authorized*  
15 *by this section. Subject to limitations set forth in subdivision (b),*  
16 *the board of governors may include the units of full-time equivalent*  
17 *students (FTES) generated in those classes for purposes of state*  
18 *apportionments.*

19     (2) *The attendance hours generated by credit courses shall be*  
20 *funded at the marginal credit rate determined pursuant to*  
21 *paragraph (2) of subdivision (d) of Section 84750.5. The*  
22 *attendance hours generated by noncredit courses shall be funded*  
23 *at the noncredit rate pursuant to paragraph (3) of subdivision (d)*  
24 *of Section 84750.5. The attendance hours generated by instruction*  
25 *in career development and college preparation shall be funded at*  
26 *the rate determined pursuant to paragraph (4) of subdivision (d)*  
27 *of Section 84750.5.*

28     (b) (1) *A community college district shall not claim, for*  
29 *purposes of state apportionments under this section, a class for*  
30 *which either of the following applies:*

31     (A) *The district receives full compensation for its direct*  
32 *education costs for the conduct of the class from a public or private*  
33 *agency, individual, or group of individuals.*

1 (B) The district has a contract or instructional agreement, or  
2 both, for the conduct of the class with a public or private agency,  
3 individual, or group of individuals that has received from another  
4 source full compensation for the costs the district incurs under  
5 that contract or instructional agreement.

6 (2) In reporting a claim for apportionment to the Chancellor  
7 of the California Community Colleges under this section, the  
8 district shall report any partial compensation it receives from the  
9 sources described in subparagraphs (A) and (B) of paragraph (1)  
10 during the period for which the claim is made. The chancellor  
11 shall subtract the amount of any partial compensation received  
12 from the total apportionment to be paid.

13 (c) This section shall not be construed as providing a source of  
14 funds to shift, supplant, or reduce the costs incurred by the  
15 Department of Corrections and Rehabilitation in providing inmate  
16 education programs.

17 ~~(b) Notwithstanding any other provision of law, no funds for  
18 inmate education programs provided pursuant to this section shall  
19 be considered as part of the base revenues for community college  
20 districts in computing apportionments as prescribed in regulations  
21 of the board of governors. When computing apportionments for  
22 districts that provided inmate education programs in the 1994-95  
23 fiscal year, the student workload measures generated and revenues  
24 received for that year shall be added to their noncredit base revenue  
25 and noncredit base workload measures for the following year.~~

26 SECTION 1. ~~Article 3 (commencing with Section 14030) is  
27 added to Chapter 3 of Division 7 of the Unemployment Insurance  
28 Code, to read:~~

29  
30 ~~Article 3. Economically Impacted Area Loan Repayment  
31 Program~~

32  
33 ~~14030. This article shall be known as the Economically  
34 Impacted Area Loan Repayment Program. It shall be administered  
35 by the board and shall provide for the repayment of business school  
36 loans of participants who satisfy its requirements.~~

37 ~~14032. For purposes of this article:~~

38 ~~(a) "Economically impacted area" means a local workforce  
39 investment area that, as established by the board, has a monthly  
40 nonseasonally adjusted unemployment rate that is at least two~~

1 percentage points higher than the state average for 12 consecutive  
2 months:

3 (b) ~~“Fund” means the Economically Impacted Area Loan~~  
4 ~~Repayment Program Fund.~~

5 (c) ~~“Program” means the Economically Impacted Area Loan~~  
6 ~~Repayment Program established pursuant to this article.~~

7 (d) ~~“Qualifying small business” means a business to be founded~~  
8 ~~by the recipient of the program within an economically impacted~~  
9 ~~area that will employ residents of the economically impacted area~~  
10 ~~and meet other requirements as established by the board.~~

11 (e) ~~“Selection committee” shall be determined by the board.~~

12 14034. (a) ~~To be eligible to participate in the program, a person~~  
13 ~~shall agree in writing prior to completing an accredited business~~  
14 ~~school based in the United States to establish a qualifying small~~  
15 ~~business and employ residents of an economically impacted area.~~

16 (b) ~~Leaves of absence during service obligation established~~  
17 ~~pursuant to subdivision (a) shall be permitted for serious illness,~~  
18 ~~pregnancy, or other natural causes. The selection committee shall~~  
19 ~~develop a process for determining the maximum permissible length~~  
20 ~~of an absence, the maximum permissible leaves of absences and~~  
21 ~~the process for reinstatement.~~

22 (c) ~~The maximum allowable amount of loan repayment shall~~  
23 ~~be one hundred five thousand dollars (\$105,000). These moneys~~  
24 ~~shall be distributed over the course of three years following the~~  
25 ~~founding of the qualified small business. The distribution of funds~~  
26 ~~shall increase over the course of operating the business and shall~~  
27 ~~be structured to ensure that at least 45 percent of the total~~  
28 ~~repayment award is distributed upon completion of the third year.~~

29 (d) ~~If a program participant does not complete the service~~  
30 ~~obligation pursuant to the contractual agreement between the board~~  
31 ~~and the participant, the board shall recover the funds awarded plus~~  
32 ~~interest.~~

33 (e) ~~The selection committee shall develop guidelines to select~~  
34 ~~loan repayment recipients only upon receipt of donations sufficient~~  
35 ~~to cover the costs of developing the guidelines.~~

36 (f) ~~The board, in consultation with the selection committee,~~  
37 ~~shall develop a process for outreach to potentially eligible~~  
38 ~~participants.~~

39 14036. ~~The Economically Impacted Area Loan Repayment~~  
40 ~~Program Fund is hereby established. The fund shall consist of~~

1 private moneys donated to the program for deposit into the fund  
2 and any interest that accrues on those moneys.

3 (b) Moneys in the fund shall be used to fund loan repayment  
4 pursuant to agreements made with recipients and as follows:

5 (1) Repayment shall not exceed one hundred five thousand  
6 dollars (\$105,000) per recipient.

7 (2) Repayment shall not exceed the amount of the educational  
8 expenses incurred by the recipient.

9 (c) Moneys in the fund, upon appropriation by the Legislature,  
10 shall be used for the purposes of this article.

11 (d) Moneys in the fund shall be used to pay for the cost of  
12 administering the program and for any other purpose authorized  
13 by this article. The cost of administering the program shall not  
14 exceed 10 percent of the total appropriation for the program.

15 14038. This article shall be implemented only to the extent  
16 that the fund contains sufficient moneys to effectuate the purposes  
17 of the article as determined by the board.