

AMENDED IN SENATE JUNE 12, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1465

Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Dababneh, Daly, Dickinson, Gordon, Jones-Sawyer, Mullin, Muratsuchi, Nazarian, Rodriguez, Stone, Ting, and Weber)

January 9, 2014

An act relating to the Budget Act of 2014. An act to amend Sections 69432, 69432.7, 69433.6, 70022, 70023, 79200, 81821, 84321.6, 84750.5, 84751, 87482, 89295, 92493, 92494, 92495, 92495.5, and 92675 of, to amend the heading of Article 5 (commencing with Section 79200) of Chapter 9 of Part 48 of Division 7 of Title 3 of, to add Sections 79204, 79205, 79206, 79207, 79208, 79209, 84750.6, 84754.6, 89712, 90083, 92495.6, and 94102.1 to, to add Article 1.5 (commencing with Section 78220) to Chapter 2 of Part 48 of Division 7 of Title 3 of, to add Article 5 (commencing with Section 89770) to Chapter 6 of Part 55 of Division 8 of Title 3 of, and to add Chapter 15 (commencing with Section 92985) to Part 57 of Division 9 of Title 3 of, the Education Code, to amend Sections 17581.7 and 68926.3 of the Government Code, to amend Section 13146 of the Health and Safety Code, and to amend Sections 10726 and 10742 of the Public Contract Code, relating to postsecondary education, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 1465, as amended, Committee on Budget. ~~Budget Act of 2014.~~
Education finance: education omnibus trailer bill.

(1) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Cal Grant Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Existing law provides that a qualifying institution with a graduation rate of 30% or less for students taking 150% or less of the expected time to complete degree requirements is ineligible for initial and renewal Cal Grant awards, unless the institution has a 3-year cohort default rate that is less than 10% and a graduation rate above 20% for students taking 150% or less of the expected time to complete degree requirements. Existing law sets the maximum Cal Grant A and B awards for new recipients attending private nonprofit postsecondary education institutions at \$8,056 for the 2014–15 award year and each award year thereafter.

This bill would specify eligibility criteria that, commencing with the 2014–15 academic year, would apply to Cal Grant award recipients who were determined to be ineligible for a renewal award because they exceeded the maximum household income or asset level, or failed to meet the minimum need threshold, as specified, but who subsequently meet eligibility requirements for a Cal Grant award. The bill would also increase from 10% to 15.5% the maximum allowable 3-year cohort default rate for an institution with a 20% to 30% graduation rate for students taking no more than 150% of the expected time to complete degree requirements to be eligible for Cal Grant awards. The bill would increase the maximum Cal Grant A and B awards for new recipients attending a private nonprofit postsecondary institution, for the 2014–15 award year only, to \$9,084.

(2) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes the Middle Class Scholarship Program under the administration of the Student Aid Commission. The program provides that, subject to an available and sufficient appropriation, commencing with the 2014–15 academic year, an undergraduate student enrolled at the University of California or the California State University is eligible for a scholarship award that, combined with other publicly funded student financial aid, is up to 40%

of the amount charged to that student for mandatory systemwide tuition in that fiscal year if the student meets the following conditions: has an annual household income that does not exceed \$150,000; satisfies specified requirements for a Cal Grant award; is a resident of this state or exempt from paying nonresident tuition; files specified financial aid forms; makes timely application or applications for publicly funded student financial aid, as defined, for which he or she is eligible; and maintains at least a 2.0 grade point average.

This bill would, among other things, specify that the scholarship award under the Middle Class Scholarship Program, combined with other federal, state, and institutionally administered grants and fee waivers, would be for up to 40% of the systemwide tuition and fees. The bill would require a recipient to be enrolled at least part-time, and would require the recipient to be pursuing his or her first undergraduate baccalaureate degree, unless he or she is enrolled in a specified professional teacher preparation program. The bill would also provide that minimum scholarship amount for any full-time student who qualifies for a scholarship award of \$1 is \$90, and would prohibit discrimination against part-time students in the selection of award recipients.

(3) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law requires the governing board of each community college district to prepare and submit to the Board of Governors of the California Community Colleges a plan for capital construction for community college purposes of the district, as specified. Existing law requires a 5-year plan for capital construction to set out the estimated capital construction needs of the district with reference to specified elements, including enrollment projections for each community college district, formulated by the Department of Finance with the cooperation of each community college district.

This bill would make reference to certain of these specified elements optional, requiring reference only to elements relating to the current enrollment capacity of the district and the district office, library, and supporting facility capacities. The bill would also provide that

enrollment projections, if used, would instead be formulated with the cooperation of the Chancellor of the California Community Colleges.

(4) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations providing for the payment of apportionments to community college districts on a specified schedule that includes a first principal apportionment to be certified on or before February 20 of each year, and a 2nd principal apportionment to be certified on or before June 25 of each year. Existing law defers the drawing of those warrants, as specified. Existing law appropriates \$592,456,000 from the General Fund to the board of governors, for expenditure during the 2014–15 fiscal year, in satisfaction of specified moneys whose payment to the California Community Colleges has been deferred.

This bill would, for purposes of calculations required by the California Constitution, instead provide that \$138,602,000, \$296,354,000, and \$157,500,000 of the \$592,456,000 appropriated to the Board of Governors of the California Community Colleges for the 2014–15 fiscal year in satisfaction of deferred payments shall be deemed General Fund revenues and included in the total allocations to school districts and community college districts for the 2012–13, 2013–14, and 2014–15 fiscal years, respectively, as specified. This bill would also provide for the deferral of \$94,465,000 from June 2015 to July 2015, and would appropriate money in July 2015 to pay for that deferred amount, which would be deemed General Fund revenues and included in the total allocations to school districts and community college districts for the 2015–16 fiscal year.

(5) Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which each county provides cash assistance and other benefits to qualified low-income families and individuals. Existing law requires that, to the extent that funding is provided in the annual Budget Act, a community college shall receive funding for educational services provided to CalWORKs recipients based on the number of CalWORKs recipients that are enrolled at the community college and the scope and number of programs that the college plans to offer to assist CalWORKs recipients to obtain employment. Existing law also requires that, prior to receiving funding, a community college shall submit to the chancellor a Request for Application that contains a plan for curriculum development or redesign, including participation by the county welfare department to establish that the programs being developed or redesigned will provide

CalWORKs recipients with the training and experience necessary to secure employment. Existing law also provides that, to the extent that funding is provided in the annual Budget Act, funds received by a community college for curriculum development or redesign for CalWORKs recipients may be expended for various purposes, including the development or redesign of vocational curricula for CalWORKs recipients so that courses may be offered as part of a short-term intensive program, including Open Entry and Open Exit programs.

This bill would state that a community college district shall receive funding for providing specified additional services to current and, under certain condition, certain prior CalWORKs recipients, including job placement, coordination with county welfare offices and other local agencies, child care and workstudy, instruction, postemployment skills training and related skills training, and case management, as specified. The bill would require the Chancellor of the California Community Colleges to develop an equitable method for allocating funds under these provisions to all community college districts, and to compile a report on the program annually from specified information required to be provided by the community college districts and colleges. By requiring certain actions by community college districts, this bill would impose a state-mandated local program.

(6) Existing law provides, in calculating each community college district's revenue level each fiscal year, that the Board of Governors of the California Community Colleges shall subtract, from the total revenues owed, certain amounts, including certain amounts received by certain provisions of existing law relating to redevelopment that, for purposes of community college revenue levels, are considered to be from property tax revenues.

This bill would, notwithstanding the required reduction, provide that specified revenues received after April 15, 2014, April 15, 2015, and April 15, 2016, shall be counted as revenues received in the 2014–15, 2015–16, and 2016–17 fiscal years, respectively.

(7) Existing law requires the Board of Governors of the California Community Colleges to develop criteria and standards, in accordance with specified statewide minimum requirements, for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature, and allocating state general apportionment revenues. Those statewide minimum requirements include, among other things, a requirement that the calculations of each community college district's revenue level for each

fiscal year be based on specified criteria, with revenue adjustments being made for increases or decreases in full-time equivalent students and for other specified purposes.

This bill would require the Chancellor of the California Community Colleges to develop, and the board of governors to adopt, a revised apportionment growth formula for use commencing with the 2015–16 fiscal year. The bill would provide that the revised formula shall support the primary missions of the segment, and shall be based on certain factors, as specified, and would require the chancellor, on or before October 15, 2015, and each year thereafter, to report to the Legislature on certain matters related to the revised apportionment growth formula. The bill would, notwithstanding certain apportionment related provisions for the 2014–15 and 2015–16 fiscal years, require the board of governors to provide the San Francisco Community College District with revenues, as specified, if, on the effective date of this bill, the board of governors finds that the community college district or a campus of the community college district is in imminent jeopardy of losing its accreditation, the board of governors has exercised its authority pursuant to specified provisions, and the institution is in compliance with a regulation requiring it to be accredited by a specified agency. The bill would require the board of governors to additionally provide the San Francisco Community College District with revenues for the 2016–17 fiscal year under the same conditions applicable to the 2014–15 and 2015–16 fiscal years, but only if the Fiscal Crisis Management Assistance Team makes a finding no sooner than April 1, 2016, that the San Francisco Community College District is meeting or exceeding specified fiscal benchmarks.

This bill would, among other things, require the chancellor, in coordination with community college districts, to approve and publicly post annual segmentwide and community college district goals, and would require the chancellor, in coordination with stakeholders, specified committees of the Legislature, and the Department of Finance, to develop, and the board of governors to adopt, a framework of indicators designed to measure and assess the ongoing condition of a community college’s operational environment in specified areas. The bill would, subject to the availability of funding in the annual Budget Act, require the board of governors and the chancellor to assess the degree to which each community college district is improving, as provided.

(8) Existing law, the Seymour-Campbell Student Success Act of 2012, provides that the purpose of the act is to increase California community college student access and success by providing effective core matriculation services of orientation, assessment and placement, counseling, and other education planning services, and academic interventions. The act specifies the responsibilities of students and institutions in entering into the matriculation process, and requires the Board of Governors of the California Community Colleges to develop a formula for allocating funding for the Student Success and Support Program that would be implemented under the act.

This bill would require, as a condition for receiving Student Success and Support Program funding, that the governing board of each community college district maintain a student equity plan, as specified, and would require the chancellor to make an annual report related to those plans. By adding to the duties of community college districts, the bill would impose a state-mandated local program.

(9) Existing law establishes the California State University, under the administration of the Trustees of the California State University, and the University of California, administered by the Regents of the University of California, as 2 of the segments of public postsecondary education in the state. Existing law authorizes the California State University and the University of California to each issue revenue bonds, secured by a specified pledge of revenues. Existing law authorizes the University of California to pledge its annual General Fund support appropriation, less certain amounts, to secure the payment of its general revenue bonds or commercial paper associated with the general revenue bond program. Existing law authorizes the University of California to fund debt service for capital expenditures, as defined, from its General Fund support appropriation, as specified. Existing law also authorizes the University of California to fund pay-as-you-go capital outlay projects from its General Fund support appropriation, as specified. Existing law, for purposes of these provisions, requires the University of California to obtain approval from the Department of Finance pursuant to specified procedures.

This bill would authorize the California State University to pledge its annual General Fund support appropriation, less certain amounts, to secure the payment of its debt obligations issued by the Trustees pursuant to the State University Revenue Bond Act of 1947. The bill would authorize the California State University to fund debt service for capital expenditures, as defined, from its General Fund support

appropriation, as specified. The bill would authorize the California State University to secure bonds for capital expenditures and certain projects with revenues received in accordance with these provisions, as specified. The bill would provide that “capital expenditures” and “capital outlay projects” shall include the cost to design, construct, or equip energy conservation projects. The bill would also authorize the California State University to fund pay-as-you-go capital outlay projects from its General Fund support appropriation, as specified. The bill would, for purposes of these provisions, provide procedures for the California State University to, and would revise the procedures for the University of California to, obtain approval from the Department of Finance, as specified.

(10) Existing law requires the California State University and the University of California to report, by March 1 of each year, on specified performance measures, including various calculations of graduation rates and amounts spent per degree, for the preceding academic year.

This bill would revise those provisions to, among other things, extend the due date for the report to March 15, add a 4-year transfer graduation rate as a performance measure for the California State University, and limit transfer student performance measures to transfer students from the California Community Colleges.

(11) Notwithstanding existing law that imposes greater limits on temporary employment of faculty, existing law provides that a person serving as full-time clinical nursing faculty or as part-time clinical nursing faculty may be employed by any one district for up to 4 semesters or 6 quarters within any period of 3 consecutive academic years between July 1, 2007, to June 30, 2014, inclusive.

This bill would extend that authorization to December 31, 2015.

(12) Existing law authorizes the trustees by rule to require all persons to pay fees, rents, deposits, and charges for services, facilities, or materials provided by the trustees to those persons. Existing law prohibits specified California State University campus-based mandatory fees from being reallocated without an affirmative vote of the majority of the members of either the student body or a specified campus fee advisory committee voting on the fee reallocation, unless the vote that established the fee authorizes an alternative or automatic reallocation mechanism for that fee.

This bill would prohibit a campus or the Chancellor of the California State University from approving a student success fee, as defined, before January 1, 2016. This bill would require the chancellor to conduct a

review of the trustees' fee policy related to student success fees, submit recommended changes to the fee policy to the trustees, consider specified information in conducting that review and in preparing his or her recommended changes to the policy, and submit a report regarding those proposed changes to the Department of Finance and the appropriate fiscal and policy committees of the Legislature, on or before February 1, 2015.

(13) Existing law establishes various health research grant programs, including the Cancer Research Program, the Breast Cancer Research Program, and the Spinal Cord Injury Research Program.

This bill would enact the California Blueprint for Research to Advance Innovations in Neuroscience (Cal-BRAIN) Act of 2014, and would request the Regents of the University of California to establish the Cal-BRAIN program to leverage California's research assets and the federal BRAIN Initiative's funding opportunities to accelerate the development of brain mapping techniques, including the development of new technologies, in order to achieve certain goals. The bill would additionally request the University of California to convene certain stakeholders to develop a governing structure for the Cal-BRAIN program designed to do specified tasks, and to provide information about the program through an Internet Web site. These provisions would only be implemented to the extent that adequate funding is appropriated to the University of California, as specified.

(14) Existing law, the California Educational Facilities Authority Act, authorizes the California Educational Facilities Authority to, among other things, hold or invest in student loans, create pools of student loans, and sell bonds bearing interest on a taxable or tax-exempt basis or other interests backed by the pools of student loans. Existing law, for purposes of the act, defines "student loan" as a loan having terms and conditions acceptable to the authority that is made to finance or refinance the costs of attendance at a private college or public college and that is approved by the authority, if the loan is originated pursuant to a program that is approved by the authority. Existing law establishes the Assumption Program of Loans for Education, administered by the Student Aid Commission, under which any person enrolled in a eligible institution of postsecondary education or any person who agrees to participate in a teacher trainee or teacher internship program, is eligible to enter into an agreement for loan assumption, as specified.

This bill would, for purposes of the California Educational Facilities Authority Act, provide that “student loan” may also mean a loan assumption pursuant to the Assumption Program of Loans for Education.

(15) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district and a community college district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law makes certain funds appropriated in the annual Budget Act for reimbursement of the cost of a new program or increased level of service of an existing program mandated by statute or executive order available as a block grant to school districts, charter schools, county offices of education, and community college districts, to support specified state-mandated local programs. Existing law provides that a school district, charter school, county office of education, or community college district that submits a letter of intent to the Superintendent of Public Instruction or the Chancellor of the California Community Colleges, as appropriate, and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year for which the block grant funding is received.

This bill would revise the list of programs that are authorized for block grant funding in lieu of program-specific reimbursement.

(16) Existing law imposes a filing fee of \$605 to file a notice of appeal in a civil case. Existing law requires, until January 1, 2015, that \$65 of this fee be deposited into the California State Law Library Special Account for the support of the California State Law Library.

This bill would extend the operation of these provisions until January 1, 2020.

(17) Existing law allocates responsibility for enforcement of building standards adopted by the State Fire Marshal and published in the California Building Standards Code relating to fire and panic safety and other regulations of the State Fire Marshal, as provided. Existing law provides that the State Fire Marshal shall enforce the building standards and other regulations of the State Fire Marshal on all University of California campuses and properties administered or occupied by the University of California, and, for each university campus or property, authorizes the State Fire Marshal to delegate that responsibility to a person of his or her choice.

This bill would also require the State Fire Marshal to enforce the building standards and other regulations of the State Fire Marshal on all California State University campuses and properties administered or occupied by the California State University.

(18) Existing authorizes the Trustees of the California State University to receive bids for the construction of several public works projects at one campus of the California State University as a single project. Existing law requires, when it appears that the estimated contract price will exceed \$15,000, that public notice to bidders be given by publication, as specified.

This bill would delete the one-campus restriction on taking bids for several public works as a single project. The bill would also authorize notice by publication electronically on the California State University's Internet Web site.

(19) Item 6870-139-8080 of the Budget Act of 2013, as added by Chapter 20 of the Statutes of 2013, appropriated \$47,000,000 to the Board of Governors of the California Community Colleges for local assistance, payable from the Clean Energy Job Creation Fund.

This bill would reappropriate the balances of those amounts to the board of governors, for the same purposes, and would provide that those funds would be available for encumbrance until June 30, 2018.

(20) This bill would require amounts to be determined by the Director of Finance to be appropriated, on or before June 30, 2015, from the General Fund to the Board of Governors of the California Community Colleges in the event that specified revenues distributed to community colleges are less than estimated amounts reflected in the Budget Act of 2014.

(21) This bill would require amounts to be determined by the Director of Finance to be appropriated, on or before June 30, 2015, from the General Fund to the Board of Governors of the California Community Colleges in augmentation of a certain schedule of an item of the Budget Acts of 2012 and 2013, and would require these funds to only be available for revenues distributed to a net excess tax community college district, as determined by the Director of Finance.

(22) This bill would authorize the University of California to use General Fund appropriations made pursuant to specified sections of the Education Code for the Tolman Hall Seismic Replacement Building project at the University of California, Berkeley, campus, as described.

(23) *This bill would make conforming changes, delete obsolete provisions, correct cross-references, and make other nonsubstantive changes.*

(24) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(25) *Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.*

(26) *This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.~~

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

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

1 SECTION 1. Section 69432 of the Education Code is amended
2 to read:
3 69432. (a) Cal Grant Program awards shall be known as “Cal
4 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”
5 “California Community College Transfer Entitlement Awards,”
6 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”
7 and “Cal Grant T Awards.”
8 (b) Maximum award amounts for students at independent
9 institutions and for Cal Grant C and T awards shall be identified
10 in the annual Budget Act. Maximum award amounts for Cal Grant
11 A and B awards for students attending public institutions shall be
12 referenced in the annual Budget Act.
13 (c) (1) Notwithstanding subdivision (b), and subdivision (c) of
14 Section 66021.2, commencing with the 2013–14 award year, the
15 maximum tuition award amounts for Cal Grant A and B awards

1 for students attending private for-profit and nonprofit
2 postsecondary educational institutions shall be as follows:

3 (A) Four thousand dollars (\$4,000) for new recipients attending
4 private for-profit postsecondary educational institutions.

5 (B) For the ~~2013-14~~ 2014-15 award year, nine thousand
6 eighty-four dollars (\$9,084) for new recipients attending private
7 nonprofit postsecondary educational institutions. For the ~~2014-15~~
8 2015-16 award year and each award year thereafter, eight thousand
9 fifty-six dollars (\$8,056) for new recipients attending private
10 nonprofit postsecondary educational institutions.

11 (2) The renewal award amount for a student whose initial award
12 is subject to a maximum award amount specified in this subdivision
13 shall be calculated pursuant to paragraph (2) of subdivision (a) of
14 Section 69433.

15 (3) Notwithstanding subparagraph (A) of paragraph (1), new
16 recipients attending private for-profit postsecondary educational
17 institutions that are accredited by the Western Association of
18 Schools and Colleges as of July 1, 2012, shall have the same
19 maximum tuition award amounts as are set forth in subparagraph
20 (B) of paragraph (1).

21 *SEC. 2. Section 69432.7 of the Education Code is amended to*
22 *read:*

23 69432.7. As used in this chapter, the following terms have the
24 following meanings:

25 (a) An “academic year” is July 1 to June 30, inclusive. The
26 starting date of a session shall determine the academic year in
27 which it is included.

28 (b) “Access costs” means living expenses and expenses for
29 transportation, supplies, and books.

30 (c) “Award year” means one academic year, or the equivalent,
31 of attendance at a qualifying institution.

32 (d) “College grade point average” and “community college
33 grade point average” mean a grade point average calculated on the
34 basis of all college work completed, except for nontransferable
35 units and courses not counted in the computation for admission to
36 a California public institution of higher education that grants a
37 baccalaureate degree.

38 (e) “Commission” means the Student Aid Commission.

39 (f) “Enrollment status” means part- or full-time status.

1 (1) “Part time,” for purposes of Cal Grant eligibility, means 6
2 to 11 semester units, inclusive, or the equivalent.

3 (2) “Full time,” for purposes of Cal Grant eligibility, means 12
4 or more semester units or the equivalent.

5 (g) “Expected family contribution,” with respect to an applicant,
6 shall be determined using the federal methodology pursuant to
7 subdivision (a) of Section 69506 (as established by Title IV of the
8 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.
9 1070 et seq.)) and applicable rules and regulations adopted by the
10 commission.

11 (h) “High school grade point average” means a grade point
12 average calculated on a 4.0 scale, using all academic coursework,
13 for the sophomore year, the summer following the sophomore
14 year, the junior year, and the summer following the junior year,
15 excluding physical education, reserve officer training corps
16 (ROTC), and remedial courses, and computed pursuant to
17 regulations of the commission. However, for high school graduates
18 who apply after their senior year, “high school grade point average”
19 includes senior year coursework.

20 (i) “Instructional program of not less than one academic year”
21 means a program of study that results in the award of an associate
22 or baccalaureate degree or certificate requiring at least 24 semester
23 units or the equivalent, or that results in eligibility for transfer from
24 a community college to a baccalaureate degree program.

25 (j) “Instructional program of not less than two academic years”
26 means a program of study that results in the award of an associate
27 or baccalaureate degree requiring at least 48 semester units or the
28 equivalent, or that results in eligibility for transfer from a
29 community college to a baccalaureate degree program.

30 (k) “Maximum household income and asset levels” means the
31 applicable household income and household asset levels for
32 participants, including new applicants and renewing recipients, in
33 the Cal Grant Program, as defined and adopted in regulations by
34 the commission for the 2001–02 academic year, which shall be
35 set pursuant to the following income and asset ceiling amounts:
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37 CAL GRANT PROGRAM INCOME CEILINGS
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	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
Independent		
Single, no dependents	\$23,500	\$23,500
Married	\$26,900	\$26,900

*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

**Applies to independent students with dependents other than a spouse.

The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. The maximum household income and asset levels applicable to a renewing recipient shall be the greater of the adjusted maximum household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award. For a recipient who was initially awarded a Cal Grant for an academic year before the 2011–12 academic year, the maximum household income and asset levels shall be the

1 greater of the adjusted maximum household income and asset
 2 levels or the 2010–11 academic year maximum household income
 3 and asset levels. An applicant or renewal recipient who qualifies
 4 to be considered under the simplified needs test established by
 5 federal law for student assistance shall be presumed to meet the
 6 asset level test under this section. Prior to disbursing any Cal Grant
 7 funds, a qualifying institution shall be obligated, under the terms
 8 of its institutional participation agreement with the commission,
 9 to resolve any conflicts that may exist in the data the institution
 10 possesses relating to that individual.

11 (d) (1) “Qualifying institution” means an institution that
 12 complies with paragraphs (2) and (3) and is any of the following:

13 (A) A California private or independent postsecondary
 14 educational institution that participates in the Pell Grant Program
 15 and in at least two of the following federal campus-based student
 16 aid programs:

- 17 (i) Federal Work-Study.
- 18 (ii) Perkins Loan Program.
- 19 (iii) Supplemental Educational Opportunity Grant Program.

20 (B) A nonprofit institution headquartered and operating in
 21 California that certifies to the commission that 10 percent of the
 22 institution’s operating budget, as demonstrated in an audited
 23 financial statement, is expended for purposes of institutionally
 24 funded student financial aid in the form of grants, that demonstrates
 25 to the commission that it has the administrative capacity to
 26 administer the funds, that is accredited by the Western Association
 27 of Schools and Colleges, and that meets any other state-required
 28 criteria adopted by regulation by the commission in consultation
 29 with the Department of Finance. A regionally accredited institution
 30 that was deemed qualified by the commission to participate in the
 31 Cal Grant Program for the 2000–01 academic year shall retain its
 32 eligibility as long as it maintains its existing accreditation status.

33 (C) A California public postsecondary educational institution.

34 (2) (A) The institution shall provide information on where to
 35 access California license examination passage rates for the most
 36 recent available year from graduates of its undergraduate programs
 37 leading to employment for which passage of a California licensing
 38 examination is required, if that data is electronically available
 39 through the Internet Web site of a California licensing or regulatory
 40 agency. For purposes of this paragraph, “provide” may exclusively

1 include placement of an Internet Web site address labeled as an
2 access point for the data on the passage rates of recent program
3 graduates on the Internet Web site where enrollment information
4 is also located, on an Internet Web site that provides centralized
5 admissions information for postsecondary educational systems
6 with multiple campuses, or on applications for enrollment or other
7 program information distributed to prospective students.

8 (B) The institution shall be responsible for certifying to the
9 commission compliance with the requirements of subparagraph
10 (A).

11 (3) (A) The commission shall certify by October 1 of each year
12 the institution's latest three-year cohort default rate and graduation
13 rate as most recently reported by the United States Department of
14 Education.

15 (B) For purposes of the 2011–12 academic year, an otherwise
16 qualifying institution with a three-year cohort default rate reported
17 by the United States Department of Education that is equal to or
18 greater than 24.6 percent shall be ineligible for initial and renewal
19 Cal Grant awards at the institution, except as provided in
20 subparagraph (F).

21 (C) For purposes of the 2012–13 academic year, and every
22 academic year thereafter, an otherwise qualifying institution with
23 a three-year cohort default rate that is equal to or greater than 15.5
24 percent, as certified by the commission on October 1, 2011, and
25 every year thereafter, shall be ineligible for initial and renewal Cal
26 Grant awards at the institution, except as provided in subparagraph
27 (F).

28 (D) (i) An otherwise qualifying institution that becomes
29 ineligible under this paragraph for initial and renewal Cal Grant
30 awards shall regain its eligibility for the academic year for which
31 it satisfies the requirements established in subparagraph (B), (C),
32 or (G), as applicable.

33 (ii) If the United States Department of Education corrects or
34 revises an institution's three-year cohort default rate or graduation
35 rate that originally failed to satisfy the requirements established
36 in subparagraph (B), (C), or (G), as applicable, and the correction
37 or revision results in the institution's three-year cohort default rate
38 or graduation rate satisfying those requirements, that institution
39 shall immediately regain its eligibility for the academic year to

1 which the corrected or revised three-year cohort default rate or
2 graduation rate would have been applied.

3 (E) An otherwise qualifying institution for which no three-year
4 cohort default rate or graduation rate has been reported by the
5 United States Department of Education shall be provisionally
6 eligible to participate in the Cal Grant Program until a three-year
7 cohort default rate or graduation rate has been reported for the
8 institution by the United States Department of Education.

9 (F) (i) An institution that is ineligible for initial and renewal
10 Cal Grant awards at the institution under subparagraph (B), (C),
11 or (G) shall be eligible for renewal Cal Grant awards for recipients
12 who were enrolled in the ineligible institution during the academic
13 year before the academic year for which the institution is ineligible
14 and who choose to renew their Cal Grant awards to attend the
15 ineligible institution. Cal Grant awards subject to this subparagraph
16 shall be reduced as follows:

17 (I) The maximum Cal Grant A and B awards specified in the
18 annual Budget Act shall be reduced by 20 percent.

19 (II) The reductions specified in this subparagraph shall not
20 impact access costs as specified in subdivision (b) of Section
21 69435.

22 (ii) This subparagraph shall become inoperative on July 1, 2013.

23 (G) For purposes of the 2012–13 academic year, and every
24 academic year thereafter, an otherwise qualifying institution with
25 a graduation rate of 30 percent or less for students taking 150
26 percent or less of the expected time to complete degree
27 requirements, as reported by the United States Department of
28 Education and as certified by the commission pursuant to
29 subparagraph (A), shall be ineligible for initial and renewal Cal
30 Grant awards at the institution, except as provided for in
31 subparagraphs (F) and (I).

32 (H) Notwithstanding any other law, the requirements of this
33 paragraph shall not apply to institutions with 40 percent or less of
34 undergraduate students borrowing federal student loans, using
35 information reported to the United States Department of Education
36 for the academic year two years before the year in which the
37 commission is certifying the three-year cohort default rate or
38 graduation rate pursuant to subparagraph (A).

39 (I) Notwithstanding subparagraph (G), an otherwise qualifying
40 institution with a three-year cohort default rate that is less than 40

1 15.5 percent and a graduation rate above 20 percent for students
2 taking 150 percent or less of the expected time to complete degree
3 requirements, as certified by the commission pursuant to
4 subparagraph (A), shall ~~remain~~ *be* eligible for initial and renewal
5 Cal Grant awards at the institution through the 2016–17 academic
6 year.

7 (J) The commission shall do all of the following:

8 (i) Notify initial Cal Grant recipients seeking to attend, or
9 attending, an institution that is ineligible for initial and renewal
10 Cal Grant awards under subparagraph (C) or (G) that the institution
11 is ineligible for initial Cal Grant awards for the academic year for
12 which the student received an initial Cal Grant award.

13 (ii) Notify renewal Cal Grant recipients attending an institution
14 that is ineligible for initial and renewal Cal Grant awards at the
15 institution under subparagraph (C) or (G) that the student’s Cal
16 Grant award will be reduced by 20 percent, or eliminated, as
17 appropriate, if the student attends the ineligible institution in an
18 academic year in which the institution is ineligible.

19 (iii) Provide initial and renewal Cal Grant recipients seeking to
20 attend, or attending, an institution that is ineligible for initial and
21 renewal Cal Grant awards at the institution under subparagraph
22 (C) or (G) with a complete list of all California postsecondary
23 educational institutions at which the student would be eligible to
24 receive an unreduced Cal Grant award.

25 (K) By January 1, 2013, the Legislative Analyst shall submit
26 to the Legislature a report on the implementation of this paragraph.
27 The report shall be prepared in consultation with the commission,
28 and shall include policy recommendations for appropriate measures
29 of default risk and other direct or indirect measures of quality or
30 effectiveness in educational institutions participating in the Cal
31 Grant Program, and appropriate scores for those measures. It is
32 the intent of the Legislature that appropriate policy and fiscal
33 committees review the requirements of this paragraph and consider
34 changes thereto.

35 (m) “Satisfactory academic progress” means those criteria
36 required by applicable federal standards published in Title 34 of
37 the Code of Federal Regulations. The commission may adopt
38 regulations defining “satisfactory academic progress” in a manner
39 that is consistent with those federal standards.

1 *SEC. 3. Section 69433.6 of the Education Code is amended to*
2 *read:*

3 69433.6. (a) Cal Grant A awards and Cal Grant B awards may
4 be renewed for a total of the equivalent of four years of full-time
5 attendance in an undergraduate program provided that minimum
6 financial need as defined in paragraph (3) of subdivision (b) of
7 Section 69432.9 continues to exist. Commencing with the 2001–02
8 academic year, the total number of years of eligibility for grants
9 pursuant to this section shall be based on the student’s educational
10 level in his or her course of study as designated by the institution
11 of attendance when the recipient initially receives payment for a
12 grant.

13 (b) (1) *Commencing with the 2014–15 academic year, a*
14 *recipient who was determined to be ineligible for a renewal award*
15 *in the 2012–13 or 2013–14 academic year because he or she*
16 *exceeded the maximum household income or asset level established*
17 *by subdivision (k) of Section 69432.7, or failed to meet the*
18 *minimum need threshold established by paragraph (3) of*
19 *subdivision (b) of Section 69432.9, shall be eligible to receive a*
20 *renewal award if the recipient meets all program eligibility*
21 *requirements for the program from which he or she was previously*
22 *disqualified and the recipient has remaining renewal award*
23 *eligibility. For purposes of determining a student’s remaining*
24 *renewal award eligibility, an academic year during which a student*
25 *was ineligible shall reduce his or her renewal award eligibility by*
26 *one full-time equivalent year.*

27 (2) *Commencing with the 2015–16 academic year, a recipient*
28 *who is determined to be ineligible for a renewal award because,*
29 *during the immediately preceding academic year, he or she*
30 *exceeded the maximum household income or asset level established*
31 *by subdivision (k) of Section 69432.7, or failed to meet the*
32 *minimum need threshold established by paragraph (3) of*
33 *subdivision (b) of Section 69432.9, shall be eligible to receive a*
34 *renewal award if the recipient meets all program eligibility*
35 *requirements for the program from which he or she was previously*
36 *disqualified and the recipient has remaining renewal award*
37 *eligibility. For purposes of determining a student’s remaining*
38 *renewal award eligibility, an academic year during which a student*
39 *was ineligible shall reduce his or her renewal award eligibility by*
40 *one full-time equivalent year.*

1 ~~(b)~~

2 (c) For a student enrolled in an institutionally prescribed
3 five-year undergraduate program, Cal Grant A awards and Cal
4 Grant B awards may be renewed for a total of five years of full-time
5 attendance, provided that minimum financial need, as defined in
6 paragraph (3) of subdivision (b) of Section 69432.9, continues to
7 exist.

8 ~~(e)~~

9 (d) (1) A Cal Grant Program award recipient who has completed
10 a baccalaureate degree, and who has been admitted to and is
11 enrolled in a program of professional teacher preparation at an
12 institution approved by the California Commission on Teacher
13 Credentialing is eligible for, but not entitled to, renewal of a Cal
14 Grant Program award for an additional year of full-time attendance,
15 if minimum financial need, as defined in paragraph (3) of
16 subdivision (b) of Section 69432.9, continues to exist.

17 (2) Payment for an additional year is limited to only those
18 courses required for an initial teaching authorization. An award
19 made under this subdivision may not be used for other courses.

20 ~~(f)~~

21 (3) A student's Cal Grant *Program* renewal eligibility shall not
22 have lapsed more than 15 months ~~prior to~~ *before* the payment of
23 an award for purposes of this ~~section~~ *subdivision*.

24 SEC. 4. *Section 70022 of the Education Code is amended to*
25 *read:*

26 70022. (a) (1) Subject to an available and sufficient
27 appropriation, commencing with the 2014–15 academic year, an
28 undergraduate student enrolled in the California State University
29 or the University of California who meets the requirements of
30 paragraph (2) is eligible for a scholarship award as described in
31 that paragraph.

32 (2) Each academic year, except as provided in paragraphs (3)
33 and (4), a student shall receive a scholarship award in an amount
34 that, combined with other ~~publicly funded student financial aid~~
35 *federal, state, or institutionally administered student grants or fee*
36 *waivers* received by an eligible student, is up to 40 percent of the
37 amount charged to that student in that academic year for mandatory
38 systemwide tuition and fees, if all of the following requirements
39 are met:

1 (A) The student’s annual household income does not exceed
2 one hundred fifty thousand dollars (\$150,000). For purposes of
3 this article, annual household income shall be calculated in a
4 manner that is consistent with the requirements applicable to the
5 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
6 (Chapter 1.7 (commencing with Section 69430)) and Section
7 69506.

8 (B) The student satisfies the eligibility requirements for a Cal
9 Grant award pursuant to Section 69433.9, except that a student
10 who is exempt from nonresident tuition under Section 68130.5
11 shall not be required to satisfy the requirements of subdivision (a)
12 of Section 69433.9.

13 (C) The student is exempt from paying nonresident tuition.

14 (D) The student completes and submits a Free Application for
15 Federal Student Aid (FAFSA) application. *The FAFSA must be*
16 *submitted or postmarked by no later than March 2.* If the student
17 is not able to complete a FAFSA application, the student ~~submits~~
18 *may satisfy this subparagraph by submitting* an application
19 determined by the commission to be equivalent to the FAFSA
20 application for purposes of this article *by March 2.*

21 (E) The student makes a timely application or applications for
22 ~~publicly funded student financial aid from programs for which he~~
23 ~~or she is eligible, other than the program established by this article.~~
24 ~~For purposes of this article, “publicly funded student financial aid”~~
25 ~~shall be defined as the federal Pell Grant Program, the Cal Grant~~
26 ~~Program, and institutional need-based grants: all other federal,~~
27 ~~state, or institutionally administered grants or fee waivers for~~
28 ~~which the student is eligible.~~

29 (F) The student maintains satisfactory academic progress in a
30 manner that is consistent with the requirements applicable to the
31 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
32 pursuant to subdivision (m) of Section 69432.7.

33 (G) *The student is pursuing his or her first undergraduate*
34 *baccalaureate degree or has completed a baccalaureate degree*
35 *and has been admitted to, and is enrolled in, a program of*
36 *professional teacher preparation at an institution approved by the*
37 *California Commission on Teacher Credentialing.*

38 (H) *The student is enrolled at least part time.*

39 (3) (A) ~~The scholarship award under this article to a student~~
40 ~~whose annual household income is greater than one hundred~~

1 ~~thousand dollars (\$100,000), and who otherwise meets the~~
2 ~~requirements of paragraph (2); percentage specified in paragraph~~
3 ~~(2) shall be reduced by 0.6-percent increments, from a maximum~~
4 ~~40 percent of mandatory systemwide tuition and fees for an~~
5 ~~academic year to a minimum 10 percent of mandatory systemwide~~
6 ~~tuition and fees for an academic year; increments per one thousand~~
7 ~~dollars (\$1,000) of annual household income in excess of one~~
8 ~~hundred thousand dollars (\$100,000), to a minimum 10 percent of~~
9 ~~mandatory systemwide tuition and fees for an academic year;~~
10 ~~provided that no scholarship award shall be provided to a student~~
11 ~~with an annual household income exceeding one hundred fifty~~
12 ~~thousand dollars (\$150,000). This reduction shall be in addition~~
13 ~~to any reduction required by subdivision (e) of Section 70023.~~

14 *(B) Notwithstanding subparagraph (A), for any student who*
15 *qualifies for a scholarship award of at least one dollar (\$1), the*
16 *minimum annual scholarship amount for full-time enrollment is*
17 *ninety dollars (\$90).*

18 (4) For the 2014–15, 2015–16, and 2016–17 academic years,
19 the maximum amount of a student’s scholarship award shall be 35
20 percent, 50 percent, and 75 percent, respectively, of the total
21 scholarship award amount that the student would otherwise be
22 eligible to receive.

23 (b) In order for students enrolled in their respective segments
24 to remain eligible to receive a scholarship *award* under this article,
25 the University of California and the California State University
26 shall not supplant their respective institutional need-based grants
27 with the funds provided for scholarships under this article, and
28 shall maintain their funding amounts at a level that, at a minimum,
29 is equal to the level maintained for undergraduate students during
30 the 2013–14 academic year.

31 (c) The University of California and the California State
32 University shall report on the implementation of this article as part
33 of the report made pursuant to Section 66021.1.

34 *(d) A Middle Class Scholarship Program award authorized*
35 *pursuant to this article shall be defined as a full-time equivalent*
36 *grant. An award to a part-time student shall be a fraction of a*
37 *full-time grant, as determined by the proportionate amount charged*
38 *for systemwide tuition and fees. A part time student shall not be*
39 *discriminated against in the selection of Middle Class Scholarship*
40 *Program awards. For purposes of this section, “full-time student”*

1 and “part-time student” have the same meaning as specified in
2 subdivision (f) of Section 69432.7.

3 SEC. 5. Section 70023 of the Education Code is amended to
4 read:

5 70023. (a) For each academic year, the commission shall
6 determine an amount sufficient, when combined with ~~Cal Grants,~~
7 ~~Pell Grants, and institutional need-based grants~~ other federal, state,
8 or institutionally administered student grants or fee waivers
9 received by eligible students from other sources, to provide
10 scholarships to eligible students in the amounts described in
11 paragraphs (2) and (3) of subdivision (a) of Section 70022. The
12 University of California and the California State University shall
13 provide the commission with any financial aid data that are
14 necessary for the determination of these amounts.

15 (b) The commission shall annually determine if the amounts
16 appropriated under this section in each fiscal year are sufficient to
17 cover the costs of the scholarships as projected to be awarded
18 pursuant to the program. If those amounts are not sufficient for
19 this purpose, the scholarships shall be reduced proportionately by
20 an equal percentage for all recipients of scholarships under this
21 article.

22 (c) The commission may adopt regulations necessary to carry
23 out the purposes of this article under subdivision (b) as emergency
24 regulations in accordance with Chapter 3.5 (commencing with
25 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
26 Code. For purposes of the Administrative Procedure Act, including
27 Section 11349.6 of the Government Code, the adoption of those
28 regulations shall be deemed to be an emergency and necessary for
29 the immediate preservation of the public peace, health and safety,
30 or general welfare, notwithstanding subdivision (e) of Section
31 11346.1 of the Government Code. Notwithstanding subdivision
32 (e) of Section 11346.1 of the Government Code, any regulation
33 adopted pursuant to this section shall not remain in effect more
34 than 180 days unless the commission complies with all provisions
35 of Chapter 3.5 (commencing with Section 11340) of Part 1 of
36 Division 3 of Title 2 of the Government Code, as required by
37 subdivision (e) of Section 11346.1 of the Government Code.

38 (d) The unencumbered balance, as of June 30 of each fiscal
39 year, of the amount appropriated from the Middle Class Scholarship

1 Fund pursuant to paragraph (1) of subdivision (e) shall revert to
2 the General Fund.

3 (e) (1) Upon order of the Director of Finance, the following
4 amounts shall be transferred from the General Fund to the Middle
5 Class Scholarship Fund, and are hereby appropriated to the
6 commission for allocation pursuant to this article:

7 (A) For the 2014–15 fiscal year, one hundred seven million
8 dollars (\$107,000,000).

9 (B) For the 2015–16 fiscal year, one hundred fifty-two million
10 dollars (\$152,000,000).

11 (C) For the 2016–17 fiscal year, two hundred twenty-eight
12 million dollars (\$228,000,000).

13 (D) For the 2017–18 fiscal year and for each fiscal year
14 thereafter, three hundred five million dollars (\$305,000,000).

15 (2) An annual appropriation to the commission is hereby
16 established in the amounts and for the fiscal years described in
17 paragraph (1) to carry out the purposes of this section and Section
18 70022.

19 (3) The funds transferred and appropriated pursuant to paragraph
20 (1) shall only be available for encumbrance in the fiscal year in
21 which they are transferred, and the General Fund shall have no
22 liability or any obligation beyond the transfers explicitly authorized
23 in paragraph (1) unless a subsequent transfer or allocation is
24 required pursuant to statute.

25 (4) In any fiscal year, additional appropriations may be enacted
26 pursuant to statute to carry out the purposes of this article.

27 (5) (A) Beginning with the Governor’s Budget proposal for the
28 2014–15 fiscal year, and in the Governor’s Budget for each fiscal
29 year thereafter, the Department of Finance shall include a fund
30 condition statement for the Middle Class Scholarship Fund for the
31 fiscal year of the proposed budget and the two immediately
32 preceding fiscal years prepared in accordance with existing law.

33 (B) Upon order of the Director of Finance and commencing
34 with the 2013–14 fiscal year, if the May Revision projects a budget
35 deficit for the next fiscal year, the amount specified in paragraph
36 (1) for the fiscal year for which the budget deficit is projected may
37 be reduced by up to 33 percent. Upon order of the Director of
38 Finance, beginning with the 2016–17 fiscal year, and each year
39 thereafter, if the May Revision projects a deficit for the next fiscal
40 year, the amount specified in paragraph (1) may be reduced to an

1 amount greater than or equal to two hundred million dollars
2 (\$200,000,000).

3 (f) Subject to an appropriation in the annual Budget Act for its
4 purposes, the commission may begin implementation of, and
5 establish outreach services relating to, this article.

6 *SEC. 6. Article 1.5 (commencing with Section 78220) is added*
7 *to Chapter 2 of Part 48 of Division 7 of Title 3 of the Education*
8 *Code, to read:*

9
10 *Article 1.5. Student Equity Plans*

11
12 *78220. (a) As a condition for receiving Student Success and*
13 *Support Program funding, and in order to ensure equal educational*
14 *opportunities and to promote student success for all students,*
15 *regardless of race, gender, age, disability, or economic*
16 *circumstances, the governing board of each community college*
17 *district shall maintain a student equity plan that includes all of*
18 *the following for each community college in the community college*
19 *district:*

20 *(1) Campus-based research as to the extent of student equity*
21 *by gender and for each of the following categories of students:*

- 22 *(A) Current or former foster youth.*
- 23 *(B) Students with disabilities.*
- 24 *(C) Low-income students.*
- 25 *(D) Veterans.*
- 26 *(E) Students in the following ethnic and racial categories, as*
27 *they are defined by the United States Census Bureau for the 2010*
28 *Census for reporting purposes:*
 - 29 *(i) American Indian or Alaska Native.*
 - 30 *(ii) Asian.*
 - 31 *(iii) Black or African American.*
 - 32 *(iv) Hispanic or Latino.*
 - 33 *(v) Native Hawaiian or other Pacific Islander.*
 - 34 *(vi) White.*
 - 35 *(vii) Some other race.*
 - 36 *(viii) More than one race.*

37 *(2) Goals for access to, and completion of, basic skills, career*
38 *technical education and workforce training, and transfer courses*
39 *for the overall student population and for each population group*

1 of high-need or disadvantaged students, and a determination of
2 what activities are most likely to effectively meet those goals.

3 (3) Whether significant underrepresentation is found to exist
4 pursuant to paragraphs (1) and (2), measures for addressing the
5 disparities in those areas, implementation activities designed to
6 attain the goals specified in paragraph (2), including, but not
7 limited to, the adoption of evidence-based models of remediation,
8 implementation of placement tests and policies that more
9 accurately predict student success and identify students' remedial
10 needs, and a means of coordinating with, at a minimum, the
11 following student equity-related categorical programs or
12 campus-based programs:

13 (A) Students with disabilities.

14 (B) Extended Opportunity Programs and Services and Special
15 Services.

16 (C) Fund for Student Success.

17 (D) Student Success and Support Program.

18 (E) Programs for foster youth.

19 (F) Programs for veterans.

20 (G) Special Services for CalWORKS Recipients.

21 (H) Student Financial Aid Administration.

22 (I) Student Success for Basic Skills Students.

23 (4) Sources of funds for the activities in the plan.

24 (5) A schedule and process for evaluation.

25 (6) An executive summary that includes, at a minimum, the
26 students groups for whom goals have been set, the goals, the
27 initiatives that the community college or community college district
28 will undertake to achieve these goals, the resources that have been
29 budgeted for that purpose, and the community college district
30 official to contact for further information. Commencing with
31 2016–17 academic year, the executive summary shall also include
32 a detailed accounting of how funding was expended and an
33 assessment of the progress made in achieving the identified goals.

34 (b) Student equity plans shall be developed with the active
35 involvement of all groups on campus as required by law, including,
36 but not limited to, the academic senate, academic faculty and staff,
37 student services, and students, and with the involvement of
38 appropriate people from the community.

39 (c) The plan shall be adopted by the governing board of the
40 community college district and submitted to the Chancellor of the

1 *California Community Colleges on or before January 1, 2015,*
2 *who shall publish all executive summaries, sending copies to the*
3 *appropriate policy and budget committees of the Legislature, the*
4 *Department of Finance, every community college and community*
5 *college district, each consultation group identified in subdivision*
6 *(b) that so requests, and additional individuals and organizations*
7 *as deemed appropriate.*

8 *(d) The plan shall be updated every three academic years and*
9 *plan updates shall be submitted to the Chancellor of the California*
10 *Community Colleges for publication and distribution as provided*
11 *for in subdivision (c).*

12 *78221. The Chancellor of the California Community Colleges*
13 *shall allocate funds provided for purposes of successfully*
14 *implementing the activities and goals specified in the student equity*
15 *plans adopted pursuant to Section 78220, consistent with all of*
16 *the following:*

17 *(a) The chancellor shall ensure a community college district*
18 *has submitted a student equity plan that is consistent with Section*
19 *78220. For purposes of allocating funding appropriated in the*
20 *2014–15 Budget Act, a community college district that has not*
21 *submitted a student equity plan shall provide the chancellor with*
22 *an outline for the community college district’s completion of the*
23 *student equity plan on or before January 1, 2015.*

24 *(b) The chancellor shall ensure that community college districts*
25 *that serve greater populations of students who are high-need*
26 *students or disadvantaged students receive greater resources to*
27 *provide services to students, consistent with the goals and activities*
28 *specified in their student equity plans.*

29 *(c) The chancellor shall establish criteria for calculating the*
30 *number of high-need and disadvantaged students in a community*
31 *college district. For purposes of this article, “high-need students”*
32 *mean students who have an expected family contribution, as defined*
33 *in subdivision (g) of Section 69432.7, at any time during those*
34 *students’ matriculation at the institution, that would qualify those*
35 *students to receive federal Pell Grants and students from zip codes*
36 *in the bottom two quintiles of college attainment. The calculation*
37 *of a student’s expected family contribution shall be based on the*
38 *Free Application for Federal Student Aid (FAFSA) application or*
39 *an application determined by the California Student Aid*
40 *Commission to be equivalent to the FAFSA application submitted*

1 by that student. For purposes of this article, the determination of
2 who are “disadvantaged” students shall take into account the
3 college participation rate of the college-aged population of, and
4 the socioeconomic status of, a community college district
5 population.

6 (d) (1) The chancellor shall establish a list of eligible and
7 ineligible expenditures and activities to ensure that funding is used
8 to support the implementation of student equity plan goals and the
9 coordination of services for the targeted student populations.

10 (2) Notwithstanding Section 10231.5 of the Government Code,
11 by March 15, 2016, and by March 15 annually thereafter, the
12 chancellor shall report to the Department of Finance, the
13 Legislative Analyst, and the appropriate policy and fiscal
14 committees of the Legislature, on the expenditure of funds for
15 purposes of this article during the previous fiscal year.

16 SEC. 7. The heading of Article 5 (commencing with Section
17 79200) of Chapter 9 of Part 48 of Division 7 of Title 3 of the
18 Education Code is amended to read:

19
20 Article 5. ~~Curriculum Development for CalWORKs Recipients~~
21 Education Program
22

23 SEC. 8. Section 79200 of the Education Code is amended to
24 read:

25 79200. ~~As~~(a) There is in the California Community Colleges
26 the CalWORKs Recipients Education Program.

27 (b) As used in this article, “CalWORKs recipient” means a
28 recipient of aid under Chapter 2 (commencing with Section 11200)
29 of Part 3 of Division 9 of the Welfare and Institutions Code or any
30 successor program.

31 SEC. 9. Section 79204 is added to the Education Code, to read:

32 79204. (a) In addition to the funding received pursuant to
33 Section 79202, and to the extent that funding is provided in the
34 annual Budget Act, a community college district shall receive
35 funding for purposes of providing special services for CalWORKs
36 recipients.

37 (b) Special services for CalWORKs recipients shall assist
38 CalWORKs recipient students and those students transitioning off
39 of CalWORKs in achieving long-term self-sufficiency through
40 coordinated student services offered at a community college.

1 *Special services may include any of the services funded in*
2 *accordance with subdivision (e).*

3 *(c) Services funded pursuant to this section shall be provided*
4 *only to the following:*

5 *(1) Current CalWORKs recipients until their initial educational*
6 *objectives are met.*

7 *(2) Former CalWORKs recipients for a period of not more than*
8 *two years, subject to the conditions of Section 79208.*

9 *(d) Funds received for purposes of this section shall be used to*
10 *supplement, and not supplant, existing funds and services provided*
11 *for CalWORKs recipients attending a community college.*

12 *(e) The chancellor shall develop an equitable method for*
13 *allocating these funds to all community college districts based on*
14 *the relative number of CalWORKs recipients in attendance in each*
15 *district and shall allocate funds for the following purposes:*

16 *(1) Job placement.*

17 *(2) Coordination with county welfare offices and other local*
18 *agencies, including, but not limited to, local workforce investment*
19 *boards.*

20 *(3) Child care and workstudy.*

21 *(4) Instruction.*

22 *(5) Postemployment skills training and related skills training.*

23 *(6) Campus-based case management, limited to on-campus*
24 *assistance and services not provided by county caseworkers that*
25 *do not supplant other counseling and academic support services*
26 *funded through existing California Community Colleges*
27 *categorical programs.*

28 *SEC. 10. Section 79205 is added to the Education Code, to*
29 *read:*

30 *79205. (a) Funds allocated pursuant to Section 79204 for the*
31 *purposes of subsidized child care shall be utilized only for children*
32 *of CalWORKs recipients through campus-based centers or parental*
33 *choice vouchers subject to rules consistent with those applied to*
34 *related programs operated by the State Department of Education,*
35 *including those rules relating to eligibility, reimbursement rates,*
36 *and parental contribution schedules.*

37 *(b) Subsidized campus child care shall be provided to*
38 *CalWORKs recipients only if they are engaged in welfare-to-work*
39 *activities pursuant to Section 11320.1 of the Welfare and*
40 *Institutions Code, through the completion of their initial education*

1 *and training plan and for up to three months thereafter or until*
2 *the end of the academic year, whichever period of time is greater.*

3 *(c) Funds allocated pursuant to Section 79204 for workstudy*
4 *shall be used for payments to those employers that currently*
5 *participate in campus-based workstudy programs or are providing*
6 *work experiences that are directly related to and in furtherance*
7 *of student educational programs and work participation*
8 *requirements. Those payments shall not exceed 75 percent of the*
9 *wage for the workstudy positions, and the employers shall pay at*
10 *least 25 percent of the wage for the workstudy positions. These*
11 *funds may be expended on behalf of a CalWORKs recipient only*
12 *if the recipient's total hours of education, employment, and*
13 *workstudy meet the recipient's obligations as specified in Section*
14 *11322.8 of the Welfare and Institutions Code.*

15 *SEC. 11. Section 79206 is added to the Education Code, to*
16 *read:*

17 *79206. (a) Funds allocated pursuant to Section 79204 may*
18 *be used to provide additional sections of credit or noncredit classes*
19 *for CalWORKs recipient students if the chancellor determines that*
20 *a community college district is otherwise unable to offer the*
21 *additional instructional services to meet the demand for*
22 *CalWORKs students.*

23 *(b) The determination described in subdivision (a) shall be*
24 *based on fall enrollment information and community college*
25 *districts shall submit applications to the Chancellor of the*
26 *California Community Colleges by December 1 of each year.*

27 *(c) If the chancellor approves the use of funds for direct*
28 *instructional workload pursuant to subdivision (a), the Chancellor*
29 *of the California Community Colleges shall submit a report to the*
30 *Department of Finance and the Joint Legislative Budget Committee*
31 *by February 15 of each year that includes at least all of the*
32 *following information:*

33 *(1) The enrollment of new CalWORKs recipient students.*

34 *(2) An explanation of why additional classes were needed to*
35 *accommodate the needs of CalWORKs recipient students.*

36 *(3) An expenditure plan for the balance of these funds.*

37 *SEC. 12. Section 79207 is added to the Education Code, to*
38 *read:*

39 *79207. (a) As a condition of continued receipt of the funds*
40 *allocated pursuant to Section 79204, by the fourth week following*

1 *the end of the semester or quarter term commencing in January*
2 *of each year, community college districts and colleges shall submit*
3 *to the Chancellor of the California Community Colleges a report,*
4 *in the format specified by the chancellor, in consultation with the*
5 *State Department of Social Services, that includes, but is not limited*
6 *to, all of the following information:*

7 *(1) How the moneys received for the funded components of*
8 *special services, as specified in subdivision (e) of Section 79204,*
9 *were spent.*

10 *(2) The number of hours of child care services provided.*

11 *(3) The average monthly enrollment of CalWORKs recipient*
12 *dependents served in child care.*

13 *(4) The number of work study hours provided.*

14 *(5) The hourly salaries and type of jobs in which CalWORKs*
15 *recipients were placed.*

16 *(6) The number of students receiving case management.*

17 *(7) The student participation rates, and other outcome data.*

18 *(b) It is the intent of the Legislature that, to the extent*
19 *practicable, reporting from colleges utilize data gathered for*
20 *federal reporting requirements at the state and local level.*

21 *(c) The Chancellor of the California Community Colleges shall*
22 *compile the information received pursuant to subdivision (a) for*
23 *annual reports to the Legislature, Governor, the Legislative*
24 *Analyst, the Department of Finance, and the State Department of*
25 *Social Services, notwithstanding Section 10231.5 of the*
26 *Government Code, by February 15 of each year.*

27 *(d) A report to the Legislature pursuant to subdivision (c) shall*
28 *be submitted pursuant to Section 9795 of the Government Code.*

29 *SEC. 13. Section 79208 is added to the Education Code, to*
30 *read:*

31 *79208. (a) First priority for expenditures of any funds*
32 *allocated in Section 79204 shall be for the support of current*
33 *CalWORKs recipients.*

34 *(b) If the needs of current CalWORKs recipients are insufficient*
35 *to fully utilize all of the funding allocated pursuant to Section*
36 *79204 in a cost-effective way, the chancellor, in consultation with*
37 *the State Department of Social Services, may allocate a portion*
38 *of the funds allocated pursuant to Section 79204 for the purpose*
39 *of providing postemployment services to former CalWORKs*
40 *recipients.*

1 (c) *Prior to an allocation of funds for postemployment services*
2 *pursuant to subdivision (b), the chancellor shall secure the*
3 *approval of the Department of Finance for the allocations,*
4 *complete a cumulative report on the outcomes, activities, and*
5 *cost-effectiveness of the program of funding specified in Section*
6 *79204 no later than February 15 of each year, and provide the*
7 *rationale and justification for the proposed allocation of funds for*
8 *postemployment services by community college districts for former*
9 *CalWORKs recipients.*

10 (d) *Funds allocated pursuant to subdivision (b) shall be used*
11 *only for former CalWORKs recipients who have been off of cash*
12 *assistance for not longer than two years to assist them in upgrading*
13 *skills, job retention, and advancement, by means of one or more*
14 *of the following:*

15 (1) *Direct instruction that cannot be funded by other means.*

16 (2) *Child care to support attendance in classes consistent with*
17 *this article for periods commensurate with a student's need for*
18 *postemployment training within the two-year period.*

19 (3) *Job development and placement services.*

20 (4) *Career counseling and assessment activities that cannot be*
21 *funded through other programs.*

22 *SEC. 14. Section 79209 is added to the Education Code, to*
23 *read:*

24 79209. (a) *If a community college district is unable to fully*
25 *expend its share of funds allocated for child care pursuant to*
26 *Section 79204, it may request that the chancellor approve a*
27 *reallocation to other CalWORKs purposes authorized by this*
28 *article, subject to all pertinent limitations and any district match*
29 *required for those purposes.*

30 (b) *Funds allocated pursuant to Section 79204 shall be budgeted*
31 *to meet the state's Temporary Assistance for Needy Families*
32 *maintenance of effort requirement pursuant to the federal Personal*
33 *Responsibility and Work Opportunity Reconciliation Act of 1996*
34 *(Public Law 104-193) and may not be expended in any way that*
35 *would cause their disqualification as a federally allowable*
36 *maintenance of effort expenditure.*

37 *SEC. 15. Section 81821 of the Education Code is amended to*
38 *read:*

1 81821. (a) *The five-year plan for capital construction shall*
 2 *set out the estimated capital construction needs of the district with*
 3 *reference to at least both of the following elements:*

4 (1) *The current enrollment capacity of the district expressed in*
 5 *terms of weekly student contact hours and based upon the space*
 6 *and utilization standards for community college classrooms and*
 7 *laboratories adopted by the board of governors.*

8 (2) *District office, library, and supporting facility capacities as*
 9 *derived from the physical plant standards for office, library, and*
 10 *supporting facilities adopted by the board of governors.*

11 (b) *The five-year plan for capital construction shall may also*
 12 *set out the estimated capital construction needs of the district with*
 13 *reference to elements including at least all of the following: other*
 14 *elements, including, but not limited to:*

15 (a)

16 (1) *The plans of the district concerning its future academic and*
 17 *student services programs, and the effect on estimated construction*
 18 *needs—~~which~~ that may arise because of particular courses of*
 19 *instruction or subject matter areas or student services to be*
 20 *emphasized.*

21 (b)

22 (2) *The enrollment projections for each district formulated by*
 23 *the Department of Finance, expressed in terms of weekly student*
 24 *contact hours. The enrollment projections for each individual*
 25 *college and educational center within a district shall be made*
 26 *cooperatively by the Department of Finance and the ~~community~~*
 27 *college district. Chancellor of the California Community Colleges.*

28 (c) ~~*The current enrollment capacity of the district expressed in*~~
 29 ~~*terms of weekly student contact hours and based upon the space*~~
 30 ~~*and utilization standards for community college classrooms and*~~
 31 ~~*laboratories adopted by the board of governors in consultation*~~
 32 ~~*with the California Postsecondary Education Commission and*~~
 33 ~~*consistent with its standards.*~~

34 (d) ~~*District office, library, and supporting facility capacities as*~~
 35 ~~*derived from the physical plant standards for office, library, and*~~
 36 ~~*supporting facilities adopted by the board of governors in*~~
 37 ~~*consultation with the California Postsecondary Education*~~
 38 ~~*Commission and consistent with its standards.*~~

39 (e)

1 (3) An annual inventory of all facilities and land of the district
2 using standard definitions, forms, and instructions adopted by the
3 board of governors.

4 (f)

5 (4) An estimate of district funds ~~which~~ *that* shall be made
6 available for capital outlay matching purposes pursuant to
7 regulations adopted by the board of governors.

8 *SEC. 16. Section 84321.6 of the Education Code is amended*
9 *to read:*

10 84321.6. (a) Notwithstanding any other law that governs the
11 regulations adopted by the Chancellor of the California Community
12 Colleges to disburse funds, the payment of apportionments to
13 community college districts pursuant to Sections 84320 and 84321
14 shall be adjusted by the following:

15 (1) For the month of February 2014, fifty-two million four
16 hundred fifty-six thousand dollars (\$52,456,000) shall be deferred
17 to ~~July~~. *July 2014.*

18 (2) For the month of March 2014, one hundred thirty-five
19 million dollars (\$135,000,000) shall be deferred to ~~July~~. *July 2014.*

20 (3) For the month of April 2014, one hundred thirty-five million
21 dollars (\$135,000,000) shall be deferred to ~~July~~. *July 2014.*

22 (4) For the month of May 2014, one hundred thirty-five million
23 dollars (\$135,000,000) shall be deferred to ~~July~~. *July 2014.*

24 (5) For the month of June 2014, one hundred thirty-five million
25 dollars (\$135,000,000) shall be deferred to ~~July~~. *July 2014.*

26 (6) *For the month of June 2015, ninety-four million four hundred*
27 *sixty-five thousand dollars (\$94,465,000) shall be deferred to July*
28 *2015.*

29 (b) (1) In satisfaction of the moneys deferred pursuant to
30 *paragraphs (1) to (5), inclusive, of subdivision (a),* the sum of five
31 hundred ninety-two million four hundred fifty-six thousand dollars
32 (\$592,456,000) is hereby appropriated in July of the 2014–15 fiscal
33 year from the General Fund to the Board of Governors of the
34 California Community Colleges for apportionments to community
35 college districts, for expenditure during the 2014–15 fiscal year,
36 to be expended in accordance with Schedule (1) of Item
37 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

38 (2) *In satisfaction of the moneys deferred pursuant to paragraph*
39 *(6) of subdivision (a), the sum of ninety-four million four hundred*
40 *sixty-five thousand dollars (\$94,465,000) is hereby appropriated*

1 *in July of the 2015–16 fiscal year from the General Fund to the*
2 *Board of Governors of the California Community Colleges for*
3 *apportionments to community college districts, for expenditure*
4 *during the 2015–16 fiscal year, to be expended in accordance with*
5 *Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget*
6 *Act of 2014.*

7 (c) For purposes of making the computations required by Section
8 8 of Article XVI of the California Constitution, *one hundred*
9 *thirty-eight million six hundred two thousand dollars*
10 *(\$138,602,000) of the appropriations made by paragraph (1) of*
11 *subdivision (b) shall be deemed to be “General Fund revenues*
12 *appropriated for community college districts,” as defined in*
13 *subdivision (d) of Section 41202, for the ~~2014–15~~ 2012–13 fiscal*
14 *year, and included within the “total allocations to school districts*
15 *and community college districts from General Fund proceeds of*
16 *taxes appropriated pursuant to Article XIII B,” as defined in*
17 *subdivision (e) of Section 41202, for the ~~2014–15~~ 2012–13 fiscal*
18 *year.*

19 (d) For purposes of making the computations required by
20 Section 8 of Article XVI of the California Constitution, *two hundred*
21 *ninety-six million three hundred fifty-four thousand dollars*
22 *(\$296,354,000) of the appropriations made by paragraph (1) of*
23 *subdivision (b) shall be deemed to be “General Fund revenues*
24 *appropriated for community college districts,” as defined in*
25 *subdivision (d) of Section 41202, for the 2013–14 fiscal year, and*
26 *included within the “total allocations to school districts and*
27 *community college districts from General Fund proceeds of taxes*
28 *appropriated pursuant to Article XIII B,” as defined in subdivision*
29 *(e) of Section 41202, for the 2013–14 fiscal year.*

30 (e) For purposes of making the computations required by Section
31 8 of Article XVI of the California Constitution, *one hundred*
32 *fifty-seven million five hundred thousand dollars (\$157,500,000)*
33 *of the appropriations made by paragraph (1) of subdivision (b)*
34 *shall be deemed to be “General Fund revenues appropriated for*
35 *community college districts,” as defined in subdivision (d) of*
36 *Section 41202, for the 2014–15 fiscal year, and included within*
37 *the “total allocations to school districts and community college*
38 *districts from General Fund proceeds of taxes appropriated*
39 *pursuant to Article XIII B,” as defined in subdivision (e) of Section*
40 *41202, for the 2014–15 fiscal year.*

1 (f) For purposes of making the computations required by Section
2 8 of Article XVI of the California Constitution, ninety-four million
3 four hundred sixty-five thousand dollars (\$94,465,000) of the
4 appropriations made by paragraph (2) of subdivision (b) shall be
5 deemed to be “General Fund revenues appropriated for community
6 college districts,” as defined in subdivision (d) of Section 41202,
7 for the 2015–16 fiscal year, and included within the “total
8 allocations to school districts and community college districts
9 from General Fund proceeds of taxes appropriated pursuant to
10 Article XIII B,” as defined in subdivision (e) of Section 41202, for
11 the 2015–16 fiscal year.

12 ~~(d)~~

13 (g) This section shall become operative on December 15, 2013.

14 ~~(e)~~

15 (h) This section shall remain in effect only until January 1, ~~2015,~~
16 2017, and as of that date is repealed, unless a later enacted statute,
17 that is enacted before January 1, ~~2015,~~ 2017, deletes or extends
18 that date.

19 SEC. 17. Section 84750.5 of the Education Code is amended
20 to read:

21 84750.5. (a) The board of governors, in accordance with the
22 statewide requirements contained in paragraphs (1) to (11),
23 inclusive, of subdivision (d), and in consultation with institutional
24 representatives of the California Community Colleges and
25 statewide faculty and staff organizations, so as to ensure their
26 participation in the development and review of policy proposals,
27 shall develop criteria and standards for the purposes of making the
28 annual budget request for the California Community Colleges to
29 the Governor and the Legislature, and for the purpose of allocating
30 the state general apportionment revenues.

31 (b) In developing the criteria and standards, the board of
32 governors shall utilize and strongly consider the recommendations
33 and work product of the “System Office Recommendations Based
34 on the Report of the Work Group on Community College Finance”
35 that was adopted by the board at its meeting of March 7, 2005.
36 The board of *governors* shall complete the development of these
37 criteria and standards, accompanied by the necessary procedures,
38 processes, and formulas for utilizing its criteria and standards, by
39 March 1, 2007, and shall submit on or before that date a report on
40 these items to the Legislature and the Governor.

1 (c) (1) It is the intent of the Legislature in enacting this section
2 to improve the equity and predictability of general apportionment
3 and growth funding for community college districts in order that
4 the districts may more readily plan and implement instruction and
5 related programs, more readily serve students according to the
6 policies of the state's master plan for higher education, and enhance
7 the quality of instruction and related services for students.

8 (2) It is the intent of the Legislature to determine the amounts
9 to be appropriated for the purposes of this section through the
10 annual Budget Act. Nothing in this section shall be construed as
11 limiting the authority either of the Governor to propose, or the
12 Legislature to approve, appropriations for California Community
13 Colleges programs or purposes.

14 (d) The board of governors shall develop the criteria and
15 standards within the following statewide minimum requirements:

16 (1) The calculations of each community college district's
17 revenue level for each fiscal year shall be based on the level of
18 general apportionment revenues (state and local) the district
19 received for the prior year plus any amount attributed to a deficit
20 from the adopted standards to be developed pursuant to this section,
21 with revenue adjustments being made for increases or decreases
22 in ~~full-time~~ *full-time* equivalent students (FTES), for equalization
23 of funding per credit FTES, for necessary alignment of funding
24 per FTES between credit and noncredit programs, for inflation,
25 and for other purposes authorized by law.

26 (2) Commencing with the 2006–07 fiscal year, the funding
27 mechanism developed pursuant to this section shall recognize the
28 need for community college districts to receive an annual allocation
29 based on the number of colleges and comprehensive centers in the
30 district. In addition to this basic allocation, the marginal amount
31 of credit revenue allocated per FTES shall be funded at a rate not
32 less than four thousand three hundred sixty-seven dollars (\$4,367),
33 as adjusted for the change in the cost-of-living in subsequent annual
34 budget acts.

35 (A) To the extent that the Budget Act of 2006 contains an
36 appropriation of one hundred fifty-nine million four hundred
37 thirty-eight thousand dollars (\$159,438,000) for community college
38 equalization, the Legislature finds and declares that community
39 college equalization for credit FTES has been effectively
40 accomplished as of March 31, 2007.

1 (B) The chancellor shall develop criteria for the allocation of
2 one-time grants for those districts that would have qualified for
3 more equalization under prior law than pursuant to this section
4 and the Budget Act of 2006, and for those districts that would have
5 qualified for more funding under a proposed rural college access
6 grant than pursuant to this section and the Budget Act of 2006, as
7 determined by the chancellor. Appropriations for the one-time
8 grants shall be provided pursuant to paragraph (24) of subdivision
9 (a) of Section 43 of Chapter 79 of the Statutes of 2006.

10 (3) Noncredit instruction shall be funded at a uniform rate of
11 two thousand six hundred twenty-six dollars (\$2,626) per FTES,
12 as adjusted for the change in the cost-of-living provided in
13 subsequent annual budget acts.

14 (4) Funding for instruction in career development and college
15 preparation, as authorized pursuant to Section 84760.5, shall be
16 provided as follows:

17 (A) (i) Beginning in the 2006–07 fiscal year, career
18 development and college preparation FTES may be funded at a
19 rate of three thousand ninety-two dollars (\$3,092) per FTES for
20 courses in programs that conform to the requirements of Section
21 84760.5. This rate shall be adjusted for the change in the
22 cost-of-living or as otherwise provided in subsequent annual budget
23 acts.

24 (ii) *Beginning in the 2015–16 fiscal year, career development*
25 *and college preparation FTES shall be funded at the same level*
26 *as the credit rate specified in paragraph (2). This rate shall be*
27 *adjusted for the change in the cost-of-living or as otherwise*
28 *provided in subsequent annual budget acts.*

29 (iii) *The Legislative Analyst shall report to the Legislature on*
30 *or before March 1, 2017, regarding the change in funding specified*
31 *in clause (ii), including whether community colleges offered*
32 *additional classes or programs related to career development or*
33 *college preparation, and whether there was any change in FTES.*

34 (iv) (I) *The requirement for submitting a report imposed under*
35 *clause (iii) is inoperative on March 30, 2019, pursuant to Section*
36 *10231.5 of the Government Code.*

37 (II) *A report submitted pursuant to clause (iii) shall be submitted*
38 *in compliance with Section 9795 of the Government Code.*

39 (B) Changes in career development and college preparation
40 FTES shall result in adjustments to revenues as follows:

- 1 (i) Increases in career development and college preparation
 2 FTES shall result in an increase in revenues in the year of the
 3 increase and at the average rate per career development and college
 4 preparation FTES, including any cost-of-living adjustment
 5 authorized by statute or by the annual Budget Act.
- 6 (ii) Decreases in career development and college preparation
 7 FTES shall result in a revenue reduction in the year following the
 8 decrease and at the average rate per career development and college
 9 preparation FTES.
- 10 (5) Except as otherwise provided by statute, current categorical
 11 programs providing direct services to students, including extended
 12 opportunity programs and services, and disabled students programs
 13 and services, shall continue to be funded separately through the
 14 annual Budget Act, and shall not be assumed under the budget
 15 formula otherwise specified by this section.
- 16 (6) For credit and noncredit instruction, changes in FTES shall
 17 result in adjustments in district revenues as follows:
- 18 (A) Increases in FTES shall result in an increase in revenues in
 19 the year of the increase and at the amount per FTES provided for
 20 in paragraph (2) or (3), as appropriate, including any cost-of-living
 21 adjustment authorized by statute or by the annual Budget Act.
- 22 (B) Decreases in FTES shall result in revenue reductions
 23 beginning in the year following the initial year of decrease in FTES,
 24 and at the district’s marginal funding per FTES.
- 25 (C) Districts shall be entitled to the restoration of any reductions
 26 in apportionment revenue due to decreases in FTES during the
 27 three years following the initial year of decrease in FTES if there
 28 is a subsequent increase in FTES.
- 29 (7) Revenue adjustments shall be made to reflect cost changes,
 30 using the same inflation adjustment as required for school districts
 31 pursuant to subdivision (b) of Section 42238.1. These revenue
 32 adjustments shall be made to the college and center basic
 33 allocations, credit and noncredit FTES funding rates, and career
 34 development and college preparation FTES funding rates.
- 35 (8) The statewide requested increase in budgeted workload
 36 FTES shall be based, at a minimum, on the sum of the following
 37 computations:
- 38 (A) Determination of an equally weighted average of the rate
 39 of change in the California population of persons between the ages
 40 of 19 and 24 and the rate of change in the California population

1 of persons between the ages of 25 and 65, both as determined by
2 the Department of Finance’s Demographic Research Unit as
3 determined for the preceding fiscal year.

4 (B) To the extent the California unemployment rate exceeds 5
5 percent for the most recently completed fiscal year, that positive
6 difference shall be added to the rate computed in subparagraph
7 (A). In no event shall that positive difference exceed 2 percent.

8 (C) The chancellor may also add to the amounts calculated
9 pursuant to subparagraphs (A) and (B) the number of FTES in the
10 areas of transfer, vocational education, and basic skills that were
11 unfunded in the current fiscal year. For this purpose, the following
12 computation shall be determined for each district, and a statewide
13 total shall be calculated:

14 (i) Establish the base level of FTES earned in the prior fiscal
15 year for transfer courses consisting of courses meeting the
16 California State University breadth or Intersegmental General
17 Education Transfer Curriculum requirements or major course
18 prerequisites accepted by the University of California or the
19 California State University.

20 (ii) Establish the base level of FTES earned in the prior fiscal
21 year for vocational education courses consisting of courses defined
22 by the chancellor’s office Student Accountability Model codes A
23 and B that are consistent with the courses used for measuring
24 success in this program area under the accountability system
25 established pursuant to Section 84754.5.

26 (iii) Establish the base level of FTES in the prior fiscal year for
27 basic skills courses, both credit and noncredit.

28 (iv) Add the sum of FTES for clauses (i) to (iii), inclusive.

29 (v) Multiply the result of the calculation made under clause (iv)
30 by one plus the district’s funded growth rate in the current fiscal
31 year. This figure shall represent the maintenance of effort level
32 for the budget year.

33 (vi) FTES in transfer, vocational education, and basic skills that
34 are in excess of the total calculated pursuant to clause (v), shall be
35 considered in excess of the maintenance of effort level, and shall
36 be eligible for overcap growth funding if the district exceeds its
37 overall funded FTES.

38 (vii) In no event shall the amount calculated pursuant to clause
39 (vi) exceed the total unfunded FTES for that fiscal year. To the
40 extent the computation specified in subdivision (c) requires the

1 reporting of additional data by community college districts, that
 2 reporting shall be a condition of the receipt of apportionment for
 3 growth pursuant to this section and those funds shall be available
 4 to offset any and all costs of providing the data.

5 (9) Except as provided in subparagraph (B) of paragraph (6),
 6 for the 2006–07 fiscal year or for the first fiscal year for which
 7 this section is implemented by the board of governors, whichever
 8 is later, all districts shall receive at least the amount of revenue
 9 received for the prior fiscal year, adjusted for the cost-of-living
 10 adjustment specified in subdivision (b) of Section 42238.1 and
 11 adjusted for the actual increase in FTES not to exceed the district’s
 12 funded growth cap. Thereafter, allocations shall be made pursuant
 13 to this section, as implemented by the board of governors pursuant
 14 to the annual Budget Act.

15 (10) Except as specifically provided in statute, regulations of
 16 the board of governors for determining and allocating the state
 17 general apportionment to the community college districts shall not
 18 require district governing boards to expend the allocated revenues
 19 in specified categories of operation or according to the workload
 20 measures developed by the board of governors.

21 ~~(e) This section shall become operative on October 1, 2006.~~

22 *(e) (1) The Chancellor of the Community Colleges shall*
 23 *develop, and the board of governors shall adopt, a revised*
 24 *apportionment growth formula for use commencing with the*
 25 *2015–16 fiscal year. The chancellor shall allocate apportionments*
 26 *pursuant to the revised formula only after the revised formula, and*
 27 *any formulas for adjustment pursuant to paragraph (2), have been*
 28 *adopted by the board of governors. The revised apportionment*
 29 *growth formula shall support the primary missions of the segment,*
 30 *and shall be based on each community’s need for access to the*
 31 *community colleges, as determined by local demographics. In*
 32 *developing the revised formula, the chancellor shall consider*
 33 *multiple factors in determining need; however, the primary factors*
 34 *shall be:*

35 *(A) (i) The number of persons under 25 years of age without a*
 36 *college degree, within a community college district’s boundaries,*
 37 *and the number of persons 25 to 64 years of age, inclusive, without*
 38 *a college degree, within a community college district’s boundaries.*

39 *(ii) Notwithstanding clause (i), the chancellor may use*
 40 *alternative age ranges depending on the availability of data.*

1 (B) *The number of persons who are unemployed, have limited*
2 *English skills, who are in poverty, or who exhibit other signs of*
3 *being disadvantaged, as determined by the chancellor, within a*
4 *community college district’s boundaries.*

5 (2) *Beginning with the 2016–17 fiscal year, the chancellor shall*
6 *adjust upward the need determination based on each community*
7 *college’s effectiveness in serving residents of neighborhoods,*
8 *within or outside of the community college district’s boundaries,*
9 *that exhibit the highest levels of need in the state.*

10 (3) *The chancellor shall calculate each community college*
11 *district’s proportionate share of the statewide need for access to*
12 *the community colleges based on the application of this formula*
13 *described in paragraph (1), as adjusted pursuant to paragraph*
14 *(2).*

15 (4) *The chancellor shall calculate the difference between each*
16 *community college district’s proportionate share of the statewide*
17 *need for access to the community colleges, as calculated pursuant*
18 *to paragraph (3), and its current proportionate share of statewide*
19 *enrollment in the community colleges.*

20 (5) (A) *Until a community college district reaches its highest*
21 *level of apportionment revenues previously received, its*
22 *apportionment revenues shall be eligible to increase by the lesser*
23 *of 1 percent of its current apportionment base, or one-half of the*
24 *statewide growth allocation on an proportionate basis, regardless*
25 *of need.*

26 (B) *After a community college district reaches its highest level*
27 *of apportionment revenues previously received, it shall be eligible*
28 *to increase its apportionment revenues by the lesser of one-half*
29 *of 1 percent of its current apportionment base, or one-quarter of*
30 *the statewide growth allocation on an proportionate basis,*
31 *regardless of its need.*

32 (6) *The remainder of the apportionment growth funding shall*
33 *be allocated to allow each community college district to grow its*
34 *apportionment revenues based on its relative share of the difference*
35 *between the amounts calculated in paragraph (4), up to a maximum*
36 *of its apportionment base for the preceding fiscal year appropriate*
37 *to ensure that community college district is advancing the primary*
38 *missions of the segment. The maximum established by the*
39 *chancellor shall not be less than 5 percent nor greater than 10*

1 *percent of a community college district's apportionment base for*
2 *the preceding fiscal year.*

3 *(7) Unless otherwise agreed upon by the board of governors,*
4 *apportionment reductions shall be allocated proportionally based*
5 *on the most recent levels of apportionment revenues.*

6 *(8) (A) It is the intent of the Legislature, consistent with*
7 *direction provided in the 2014–15 Budget Act, that apportionment*
8 *growth funding be expended for purposes of increasing the number*
9 *of FTES in courses or programs that support the primary missions*
10 *of the segment.*

11 *(B) (i) Notwithstanding Section 10231.5 of the Government*
12 *Code, on or before October 15, 2015, and each year thereafter,*
13 *the chancellor shall report to the Legislature on the course sections*
14 *and FTES added at each community college that received*
15 *apportionment growth funding in the prior fiscal year, including*
16 *the number of course sections and if any course sections and FTES*
17 *were added that are within the primary missions of the segment*
18 *and those that are not within the primary missions of the segment.*

19 *(ii) A report submitted to the Legislature pursuant to clause (i)*
20 *shall be submitted in compliance with Section 9795 of the*
21 *Government Code.*

22 *(C) For purposes of this section, "primary missions of the*
23 *segment" means credit courses and those noncredit courses*
24 *specified in paragraphs (2) to (6), inclusive, of subdivision (a) of*
25 *Section 84757.*

26 *SEC. 18. Section 84750.6 is added to the Education Code, to*
27 *read:*

28 *84750.6. (a) Notwithstanding Section 84750.5, the board of*
29 *governors shall provide the San Francisco Community College*
30 *District with revenues, as specified in subdivision (b), if, on the*
31 *effective date of the act that adds this section, both of the following*
32 *conditions are satisfied:*

33 *(1) The board of governors finds that the community college*
34 *district or a campus of the community college district is in*
35 *imminent jeopardy of losing its accreditation.*

36 *(2) The board of governors has exercised its authority pursuant*
37 *to Section 84040 of this code and Section 58312 of Title 5 of the*
38 *California Code of Regulations as that regulation read on April*
39 *15, 2014.*

1 ***(b) If the number of full-time equivalent students (FTES) of the***
2 ***community college district decreases from the number in the***
3 ***2012–13 fiscal year, the board of governors shall provide revenues***
4 ***to the community college district, as follows:***

5 ***(1) For the 2014–15 fiscal year, an amount not less than the***
6 ***total amount that the community college district would receive if***
7 ***the level of attendance of FTES was the same level of attendance***
8 ***as in the 2012–13 fiscal year.***

9 ***(2) For the 2015–16 fiscal year, an amount not less than 95***
10 ***percent of the total amount that the community college district***
11 ***would receive if the level of attendance of FTES was the same level***
12 ***of attendance as in the 2012–13 fiscal year.***

13 ***(3) (A) For the 2016–17 fiscal year, an amount not less than 90***
14 ***percent of the total amount that the community college district***
15 ***would receive if the level of attendance of FTES was the same level***
16 ***of attendance as in the 2012–13 fiscal year.***

17 ***(B) Funds shall be provided under this paragraph only if the***
18 ***Fiscal Crisis Management Assistance Team makes a finding no***
19 ***sooner than April 1, 2016, that the San Francisco Community***
20 ***College District is meeting or exceeding all of the following***
21 ***benchmarks:***

22 ***(i) Effective fiscal controls and systems are in place.***

23 ***(ii) The City College of San Francisco has, and is adhering to,***
24 ***prudent fiscal policies and practices, as corroborated by an***
25 ***analysis of multiyear projections of no less than three fiscal years***
26 ***commencing with the 2016–17 fiscal year.***

27 ***(iii) The City College of San Francisco is applying resources***
28 ***in accordance with a budget plan approved by the special trustee.***

29 ***(iv) The City College of San Francisco is maintaining***
30 ***appropriate fiscal reserves.***

31 ***(v) The City College of San Francisco has, and is adhering to,***
32 ***a viable plan to address long-term liabilities including, but not***
33 ***necessarily limited to, “other postemployment benefits,” as that***
34 ***term is used in accordance with generally accepted accounting***
35 ***principles defined by the Governmental Accounting Standards***
36 ***Board as of April 15, 2014.***

37 ***(c) The amounts calculated in paragraphs (1) to (3), inclusive,***
38 ***of subdivision (b) shall be adjusted by the chancellor to reflect***
39 ***cost-of-living adjustments, deficits in apportionments, or both, as***
40 ***appropriate for the applicable fiscal years.***

1 (d) Subdivision (b) shall only be used to determine the
2 apportionment funding to be allocated to the San Francisco
3 Community College District. In computing statewide entitlements
4 to funding based upon the attendance of FTES, the San Francisco
5 Community College District shall not be credited with more FTES
6 than were actually enrolled and in attendance.

7 (e) Subdivision (b) shall only be operative for a fiscal year in
8 which the San Francisco Community College District is in
9 compliance with Section 51016 of Title 5 of the California Code
10 of Regulations as that regulation read on April 15, 2014.

11 (f) It is the intent of the Legislature that any amounts necessary
12 to make the apportionments required pursuant to subdivision (b)
13 be drawn from the state general apportionment revenues for
14 community college districts.

15 (g) (1) The Chancellor of the City College of San Francisco
16 shall submit all of the following to the appropriate policy and
17 fiscal committees of the Legislature, the Office of the Governor,
18 the Legislative Analyst's Office, and the Department of Finance
19 on or before April 15, 2015:

20 (A) An overview of the college's current accreditation status,
21 including a description of any identified accreditation deficiencies
22 and activities underway to address those deficiencies.

23 (B) Enrollment totals for the current and prior years.

24 (C) Updated enrollment projections for the two subsequent
25 fiscal years.

26 (D) The number of course sections offered in the current and
27 prior fiscal years.

28 (E) A thorough explanation of the district's level of budgetary
29 reserves and sources of revenue.

30 (F) A thorough multiyear budget plan that explains, at a
31 minimum, both revenue sources and areas of expenditure.

32 (2) The Chancellor of the City College of San Francisco shall
33 submit updates to the report submitted under paragraph (1) on or
34 before the following dates:

35 (A) October 15, 2015.

36 (B) April 15, 2016.

37 (C) October 15, 2016, but only if funding is provided pursuant
38 to paragraph (3) of subdivision (b).

39 (D) April 15, 2017, but only if funding is provided pursuant to
40 paragraph (3) of subdivision (b).

1 *SEC. 19. Section 84751 of the Education Code is amended to*
2 *read:*

3 84751. (a) In calculating each community college district's
4 revenue level for each fiscal year pursuant to subdivision (a) of
5 Section ~~84750~~ 84750.5, the board of governors shall subtract, from
6 the total revenues owed, all of the following:

7 ~~(a)~~

8 (1) The local property tax revenue specified by law for general
9 operating support, exclusive of bond interest and redemption.

10 ~~(b)~~

11 (2) Ninety-eight percent of the fee revenues collected pursuant
12 to Section 76300.

13 ~~(c)~~

14 (3) Timber yield tax revenues received pursuant to Section
15 38905.1 of the Revenue and Taxation Code.

16 ~~(d)~~

17 (4) Any amounts received pursuant to Section 33492.15,
18 33607.5, or 33607.7 of the Health and Safety Code, and Section
19 33676 of the Health and Safety Code, as amended by Section 2 of
20 Chapter 1368 of the Statutes of 1990, that are considered to be
21 from property tax revenues pursuant to those sections for ~~the~~
22 purposes of community college revenue levels, except those
23 amounts that are allocated exclusively for educational facilities.

24 (b) *Notwithstanding subdivision (a), for the 2013–14 fiscal year,*
25 *revenues received pursuant to Sections 34177, 34179.5, 34179.6,*
26 *and 34188 of the Health and Safety Code after April 15, 2014,*
27 *shall be counted as revenues received in the 2014–15 fiscal year.*

28 (c) *Notwithstanding subdivision (a), for the 2014–15 fiscal year,*
29 *revenues received pursuant to Sections 34177, 34179.5, 34179.6,*
30 *and 34188 of the Health and Safety Code after April 15, 2015,*
31 *shall be counted as revenues received in the 2015–16 fiscal year.*

32 (d) *Notwithstanding subdivision (a), for the 2015–16 fiscal year,*
33 *revenues received pursuant to Sections 34177, 34179.5, 34179.6,*
34 *and 34188 of the Health and Safety Code after April 15, 2016,*
35 *shall be counted as revenues received in the 2016–17 fiscal year.*

36 *SEC. 20. Section 84754.6 is added to the Education Code, to*
37 *read:*

38 84754.6. (a) *The Chancellor of the California Community*
39 *Colleges, in coordination with community college stakeholder*
40 *groups, the appropriate fiscal and policy committees of the*

1 *Legislature, and the Department of Finance, shall develop, and*
2 *the board of governors shall adopt, a framework of indicators*
3 *designed to measure the ongoing condition of a community*
4 *college's operational environment in the following areas:*

- 5 (1) *Accreditation status.*
- 6 (2) *Fiscal viability.*
- 7 (3) *Student performance and outcomes.*
- 8 (4) *Programmatic compliance with state and federal guidelines.*

9 (b) *As a condition of receipt of funds appropriated for purposes*
10 *of Article 1 (commencing with Section 78210) of Chapter 2 of Part*
11 *48 of Division 7, each community college within a community*
12 *college district shall develop, adopt, and publicly post a goals*
13 *framework that addresses at least all of the areas specified in*
14 *subdivision (a).*

15 (c) *Before the commencement of the 2015–16 fiscal year, and*
16 *before the commencement of each fiscal year thereafter, the*
17 *Chancellor of the California Community Colleges shall publicly*
18 *post both of the following:*

- 19 (1) *Annually developed systemwide goals adopted by the board*
20 *of governors.*
- 21 (2) *Locally developed and adopted community college or*
22 *community college district goals and targets.*

23 (d) *Subject to the availability of funding in the annual Budget*
24 *Act, the board of governors and the Chancellor of the California*
25 *Community Colleges shall assess the degree to which each*
26 *community college district is improving its outcomes in regard to*
27 *the areas specified in subdivision (a) and any additional issues*
28 *addressed in the goals frameworks described in paragraph (b),*
29 *and shall offer technical assistance to community college districts*
30 *that are not improving.*

31 (e) *If a community college district is receiving technical*
32 *assistance pursuant to subdivision (d), the community college*
33 *district shall submit a turnaround plan that details all of the*
34 *following:*

- 35 (1) *The problem the technical assistance is attempting to solve.*
- 36 (2) *How the identified problem will be addressed in a plan*
37 *adopted by the governing board of the community college district.*
- 38 (3) *A timetable of major milestones for improvement.*

1 (4) Updates that will be submitted to the Chancellor of the
2 California Community Colleges on the outcomes in regard to those
3 milestones, as scheduled by the Chancellor.

4 SEC. 21. Section 87482 of the Education Code is amended to
5 read:

6 87482. (a) (1) Notwithstanding Section 87480, the governing
7 board of a community college district may employ any qualified
8 individual as a temporary faculty member for a complete school
9 year, but not less than a complete semester or quarter during a
10 school year. The employment of those persons shall be based upon
11 the need for additional faculty during a particular semester or
12 quarter because of the higher enrollment of students during that
13 semester or quarter as compared to the other semester or quarter
14 in the academic year, or because a faculty member has been granted
15 leave for a semester, quarter, or year, or is experiencing long-term
16 illness, and shall be limited, in number of persons so employed,
17 to that need, as determined by the governing ~~board~~: *board of the*
18 *community college district*.

19 (2) Employment of a person under this subdivision may be
20 pursuant to contract fixing a salary for the entire semester or
21 quarter.

22 (b) A person, other than a person serving as clinical nursing
23 faculty and exempted from this subdivision pursuant to paragraph
24 (1) of subdivision (c), shall not be employed by any one district
25 under this section for more than two semesters or three quarters
26 within any period of three consecutive years.

27 (c) (1) Notwithstanding subdivision (b), a person serving as
28 full-time clinical nursing faculty or as part-time clinical nursing
29 faculty teaching the hours per week described in Section 87482.5
30 may be employed by any one *community college* district under
31 this section for up to four semesters or six quarters within any
32 period of three consecutive academic years between July 1, 2007,
33 and ~~June 30, 2014~~, *December 31, 2015*, inclusive.

34 (2) A *community college* district that employs faculty pursuant
35 to this subdivision shall provide data to the chancellor's office as
36 to the number of faculty members hired under this subdivision,
37 and what the ratio of full-time to part-time faculty was for each of
38 the three academic years prior to the hiring of faculty under this
39 subdivision and for each academic year for which faculty is hired

1 under this subdivision. This data shall be submitted, in writing, to
2 the chancellor's office on or before June 30, 2012.

3 (3) ~~The chancellor~~ *Chancellor of the California Community*
4 *Colleges* shall report, in writing, to the Legislature and the
5 Governor on or before September 30, 2012, in accordance with
6 data received pursuant to paragraph (2), the number of *community*
7 *college* districts that hired faculty under this subdivision, the
8 number of faculty members hired under this subdivision, and what
9 the ratio of full-time to part-time faculty was for these *community*
10 *college* districts in each of the three academic years prior to the
11 operation of this subdivision and for each academic year for which
12 faculty is hired under this subdivision.

13 (4) A *community college* district may not employ a person
14 pursuant to this subdivision if the hiring of that person results in
15 an increase in the ratio of part-time to full-time nursing faculty in
16 that district.

17 *SEC. 22. Section 89295 of the Education Code is amended to*
18 *read:*

19 89295. (a) For purposes of this section, the following terms
20 are defined as follows:

21 (1) The "four-year graduation rate" means the percentage of a
22 cohort ~~that of undergraduate students who~~ entered the university
23 as freshmen ~~that successfully graduated at any campus and~~
24 ~~graduated from any campus~~ within four years.

25 (2) The "six-year graduation rate" means the percentage of a
26 cohort ~~that of undergraduate students who~~ entered the university
27 as freshmen ~~that successfully graduated at any campus and~~
28 ~~graduated from any campus~~ within six years.

29 (3) The "two-year transfer graduation rate" means the percentage
30 of a cohort ~~that of undergraduate students who~~ entered the
31 university *at any campus* as junior-level transfer students from the
32 California Community Colleges ~~that successfully graduated and~~
33 ~~graduated from any campus~~ within two years.

34 (4) The "three-year transfer graduation rate" means the
35 percentage of a cohort ~~that of undergraduate students who~~ entered
36 the university as junior-level transfer students from the California
37 Community Colleges ~~that successfully graduated at any campus~~
38 ~~and graduated from any campus~~ within three years.

39 (5) *The "four-year transfer graduation rate" means the*
40 *percentage of a cohort of undergraduate students who entered the*

1 *university as junior-level transfer students from the California*
2 *Community Colleges at any campus and graduated from any*
3 *campus within four years.*

4 ~~(5)~~

5 (6) “~~Low-income students~~ *student*” means ~~students an~~
6 *undergraduate student who receive a Pell Grant at any time during*
7 ~~their matriculation at the institution.~~ *has an expected family*
8 *contribution, as defined in subdivision (g) of Section 69432.7, at*
9 *any time during the student’s matriculation at the institution that*
10 *would qualify the student to receive a federal Pell Grant. The*
11 *calculation of a student’s expected family contribution shall be*
12 *based on the Free Application for Federal Student Aid (FAFSA)*
13 *application or an application determined by the California Student*
14 *Aid Commission to be equivalent to the FAFSA application*
15 *submitted by that applicant.*

16 (b) Commencing with the 2013–14 academic year, the California
17 State University shall report, by March 15 of each year, on the
18 following performance measures for the preceding academic year,
19 to inform budget and policy decisions and promote the effective
20 and efficient use of available resources:

21 (1) The number of *California Community College* transfer
22 students enrolled ~~annually from the California Community~~
23 ~~Colleges~~, and the percentage of *California Community College*
24 transfer students as a proportion of the total ~~undergraduate student~~
25 ~~population.~~ *number of undergraduate students enrolled.*

26 (2) *The number of new California Community College transfer*
27 *students enrolled and the percentage of new California Community*
28 *College transfer students as a proportion of the total number of*
29 *new undergraduate students enrolled.*

30 ~~(2)~~

31 (3) The number of low-income students enrolled ~~annually~~ and
32 the percentage of low-income students as a proportion of the total
33 ~~student population.~~ *number of undergraduate students enrolled.*

34 (4) *The number of new low-income students enrolled and the*
35 *percentage of low-income students as a proportion of the total*
36 *number of new undergraduate students enrolled.*

37 ~~(3)~~

38 (5) ~~The systemwide four-year and six-year graduation rates~~ *rate*
39 ~~for each cohort of students who entered the university four years~~

1 ~~prior~~ and, separately, for low-income ~~students~~. *students in that*
2 *cohort.*

3 (6) *The four-year and six-year graduation rates for students*
4 *who entered the university six years prior and, separately, for*
5 *low-income students in that cohort.*

6 ~~(4)~~

7 (7) ~~The systemwide two-year and three-year transfer graduation~~
8 ~~rates for each cohort of rate for students who entered the university~~
9 ~~two years prior and, separately, for each cohort of low-income~~
10 ~~students~~. *students in that cohort.*

11 (8) *The two-year and three-year transfer graduation rates for*
12 *students who entered the university three years prior and,*
13 *separately, for low-income students in that cohort.*

14 (9) *The two-year, three-year, and four-year transfer graduation*
15 *rates for students who entered the university four years prior and,*
16 *separately, for low-income students in that cohort.*

17 ~~(5)~~

18 (10) The number of degree completions annually, in total and
19 for the following categories:

20 (A) Freshman entrants.

21 (B) ~~Transfer~~ California Community College transfer students.

22 (C) Graduate students.

23 (D) Low-income students.

24 ~~(6)~~

25 (11) The percentage of ~~first-year undergraduates~~ *freshman*
26 *entrants* who have earned sufficient course credits by the end of
27 their first year of enrollment to indicate *that they will complete a*
28 ~~degree in graduate~~ *within four years.*

29 (12) *The percentage of California Community College transfer*
30 *students who have earned sufficient course credits by the end of*
31 *their first year of enrollment to indicate that they will graduate*
32 *within two years.*

33 ~~(7)~~

34 (13) For all students, the total amount of funds received from
35 all sources identified in subdivision (c) of Section 89290 for the
36 year, divided by the number of degrees awarded that same year.

37 ~~(8)~~

38 (14) For undergraduate students, the total amount of funds
39 received from all sources identified in subdivision (c) of Section

1 89290 for the year expended for undergraduate education, divided
2 by the number of undergraduate degrees awarded that same year.

3 ~~(9)~~

4 (15) The average number of *California State University* course
5 credits accumulated by students at the time they complete their
6 degrees, disaggregated by freshman entrants and transfers, and the
7 total course credits, including credits accrued at other institutions,
8 accumulated by all undergraduate students who graduated, and
9 separately for freshman entrants and *California Community*
10 *College transfer students*.

11 ~~(10)~~

12 (16) (A) The number of degree completions in science,
13 technology, engineering, and mathematics (STEM) fields,
14 ~~disaggregated by~~ *in total, and separately for* undergraduate
15 students, graduate students, and low-income students.

16 (B) For purposes of subparagraph (A), “STEM fields” include,
17 but are not necessarily limited to, all of the following: computer
18 and information sciences, engineering and engineering
19 technologies, biological and biomedical sciences, mathematics
20 and statistics, physical sciences, and science technologies.

21 *SEC. 23. Section 89712 is added to the Education Code, to*
22 *read:*

23 89712. (a) *A campus of the California State University, or the*
24 *Chancellor of the California State University, or both, shall not*
25 *approve a student success fee, as defined in subdivision (d), before*
26 *January 1, 2016.*

27 (b) *During the 2014–15 fiscal year, the chancellor shall conduct*
28 *a review of the California State University Student Fee Policy*
29 *relating to student success fees and recommend to the trustees*
30 *changes to the fee policy. In conducting the review and preparing*
31 *recommended changes to the fee policy, the chancellor shall*
32 *consider all of the following:*

33 (1) *The approval process for student success fees, including,*
34 *but not limited to, the benefit of utilizing a student election or the*
35 *consultative process in the approval process.*

36 (2) *The need for statewide policies governing a student election,*
37 *the consultative process, or both, for approving a proposed student*
38 *success fee, including, but not necessarily limited to, policies*
39 *requiring campuses to issue a voter pamphlet, or other*
40 *informational document, or both, that provides an objective*

1 *analysis of the proposed fee, a detailed description of the proposed*
2 *fee uses, statements for and against the proposed fee action, and*
3 *a notification to students regarding the dates, times, and locations*
4 *available to either vote, for purposes of a student election, or*
5 *confer with campus leadership, for purposes of the consultative*
6 *process, regarding a proposed fee.*

7 (3) *The means to improve transparency and accountability*
8 *regarding a campus' use of student success fee funds for the benefit*
9 *of members of the campus' community, including, but not*
10 *necessarily limited to, students, faculty, staff, and the general*
11 *public.*

12 (4) *The development of an annual report describing the use of*
13 *student success fee funds by each campus in the prior academic*
14 *year, to be posted on each campus' Internet Web site.*

15 (5) *The approval of a statewide policy to prohibit a campus*
16 *from implementing a student success fee for a period exceeding*
17 *five years unless a continuance of that fee is approved by an*
18 *affirmative vote of the majority of the student body voting, or*
19 *through the consultative process. Approval to continue an approved*
20 *fee shall be required every five years.*

21 (6) *The impact of student success fees on campuses' academic*
22 *programs and services available for students, including, but not*
23 *necessarily limited to, low-income students.*

24 (7) *A provision for financial assistance to offset the cost of the*
25 *fee for low-income students.*

26 (c) (1) *The chancellor shall report to the Department of Finance*
27 *and the appropriate fiscal and policy committees of the Legislature,*
28 *on or before February 1, 2015, regarding the chancellor's*
29 *proposed revisions to the California State University Student Fee*
30 *Policy related to student success fees.*

31 (2) *This subdivision is inoperative on January 1, 2019, pursuant*
32 *to Section 10231.5 of the Government Code.*

33 (d) *For purposes of this section, the following terms have the*
34 *following meanings:*

35 (1) *"Low-income student" means an undergraduate student*
36 *who has an expected family contribution, as defined in subdivision*
37 *(g) of Section 69432.7, at any time during the student's*
38 *matriculation at the institution that would qualify the student to*
39 *receive a federal Pell Grant. The calculation of a student's*
40 *expected family contribution shall be based on the Free Application*

1 *for Federal Student Aid (FAFSA) application or an application*
2 *determined by the California Student Aid Commission to be*
3 *equivalent to the FAFSA application submitted by that applicant.*

4 (2) A “student success fee” is a type of category II
5 campus-based mandatory fee that must be paid by a student to
6 enroll or attend a campus of the California State University, as
7 determined by that campus or the Chancellor of the California
8 State University.

9 SEC. 24. Article 5 (commencing with Section 89770) is added
10 to Chapter 6 of Part 55 of Division 8 of Title 3 of the Education
11 Code, to read:

12

13 Article 5. *Use of General Fund Support Appropriations for*
14 *Capital Expenditures and Capital Outlay Projects*

15

16 89770. (a) (1) *The California State University may pledge,*
17 *in addition to any of its other revenues that the university chooses*
18 *to pledge, its annual General Fund support appropriation less the*
19 *amount of that appropriation required to fund general obligation*
20 *bond payments and State Public Works Board rental payments, to*
21 *secure the payment of debt obligations issued by the Trustees of*
22 *the California State University pursuant to the State University*
23 *Revenue Bond Act of 1947 (Article 2 (commencing with Section*
24 *90010) of Chapter 8).*

25 (2) *To the extent the university pledges any part of its support*
26 *appropriation as a source of revenue securing any obligation, it*
27 *shall provide that this commitment of revenue is subject to annual*
28 *appropriation by the Legislature.*

29 (3) *The university may fund debt service for capital expenditures*
30 *defined in subdivision (b), and the costs or expenses incidental to*
31 *the issuance and sale of bonds to finance those costs, including,*
32 *but not limited to, capitalized interest on the bonds, from its*
33 *General Fund support appropriation pursuant to Sections 89772*
34 *and 89773.*

35 (4) *The state hereby covenants with the holders of the*
36 *university’s obligations, secured by the pledge of the university*
37 *authorized by this section, so long as any of the obligations referred*
38 *to in this subdivision remain outstanding, the state will not impair*
39 *or restrict the ability of the university to pledge any support*
40 *appropriation or support appropriations that may be enacted for*

1 *the university. The university may include this covenant of the state*
2 *in the agreements or other documents underlying the university's*
3 *obligations to this effect.*

4 *(b) For purposes of this section, "capital expenditures" means*
5 *any of the following:*

6 *(1) The costs to acquire real property to design, construct, or*
7 *equip academic facilities to address seismic and life safety needs,*
8 *enrollment growth, or modernization of out-of-date facilities, and*
9 *renewal or expansion of infrastructure to serve academic*
10 *programs.*

11 *(2) The debt service amount associated with refunding,*
12 *defeasing, or retiring State Public Works Board lease revenue*
13 *bonds.*

14 *(3) The costs to design, construct, or equip energy conservation*
15 *projects.*

16 *(4) The costs of deferred maintenance of academic facilities*
17 *and related infrastructure.*

18 *(c) Nothing in this section shall require the Legislature to make*
19 *an appropriation from the General Fund in any specific amount*
20 *to support the California State University.*

21 *(d) The ability to utilize its support appropriation as stated in*
22 *this section shall not be used as a justification for future increases*
23 *in student tuition, additional employee layoffs, or reductions in*
24 *employee compensation at the California State University.*

25 *89771. (a) The California State University may fund*
26 *pay-as-you-go capital outlay projects from its General Fund*
27 *support appropriation pursuant to Sections 89772 and 89773.*

28 *(b) For purposes of this section, a "capital outlay project"*
29 *means the costs to acquire real property to design, construct, or*
30 *equip academic facilities to address seismic and life safety needs,*
31 *enrollment growth, or modernization of out-of-date facilities;*
32 *renewal or expansion of infrastructure to serve academic*
33 *programs; and the costs to design, construct, or equip energy*
34 *conservation projects.*

35 *89772. (a) (1) Commencing with the 2014–15 fiscal year, and*
36 *for each fiscal year thereafter, if the California State University*
37 *plans to use any of its support appropriation in the annual budget*
38 *for the subsequent fiscal year for capital expenditures, pursuant*
39 *to and as defined in paragraph (1) of subdivision (b) of Section*
40 *89770, for capital outlay projects pursuant to Section 89771, it*

1 shall simultaneously submit, on or before September 1, 10 months
2 before the commencement of that fiscal year, a report to the
3 committees in each house of the Legislature that consider the State
4 Budget, the budget subcommittees in each house of the Legislature
5 that consider appropriations for the California State University,
6 and the Department of Finance.

7 (2) The report shall detail the scope of all capital expenditures
8 and capital outlay projects and how those capital expenditures
9 and capital outlay projects will be funded, and it shall provide the
10 same level of detail as a capital outlay budget change proposal.

11 (3) The Department of Finance shall review the report and
12 submit, by February 1, a list of preliminarily approved capital
13 expenditures and capital outlay projects to the committees in each
14 house of the Legislature that consider the State Budget and the
15 budget subcommittees in each house of the Legislature that
16 consider appropriations for the California State University. These
17 committees may review and respond to the list of preliminarily
18 approved capital expenditures and capital outlay projects before
19 April 1.

20 (4) The Department of Finance shall submit a final list of
21 approved capital expenditures and capital outlay projects to the
22 California State University by no earlier than April 1, three months
23 before the commencement of the fiscal year of the planned
24 expenditures.

25 (b) The Department of Finance may approve capital
26 expenditures, as defined in paragraphs (3) and (4) of subdivision
27 (b) of Section 89770, no sooner than 30 days after submitting, in
28 writing, a list of expenditures being considered for approval to
29 the chairpersons of the committees in each house of the Legislature
30 that consider appropriations, the chairpersons of the committees
31 and the appropriate subcommittees in each house of the Legislature
32 that consider the State Budget, and the Chairperson of the Joint
33 Legislative Budget Committee.

34 (c) The California State University shall not use its General
35 Fund support appropriation to fund any capital expenditures, as
36 defined in paragraphs (1), (3), and (4) of subdivision (b) of Section
37 89770, or capital outlay projects defined in subdivision (b) of
38 Section 89771 before receiving approval from the Department of
39 Finance pursuant to this section.

1 (d) (1) For the 2014–15 fiscal year only, if the California State
2 University plans to use any of its support appropriation in the
3 annual budget for the 2014–15 fiscal year for capital expenditures
4 defined in paragraph (1) of subdivision (b) of Section 89770 or
5 for capital outlay projects pursuant to Section 89771, the
6 California State University shall simultaneously submit, on or
7 before August 1, 2014, a report to the committees in each house
8 of the Legislature that consider the State Budget, the budget
9 subcommittees in each house of the Legislature that consider
10 appropriations for the California State University, and the
11 Department of Finance. This report shall detail the scope of all
12 capital expenditures and capital outlay projects and how those
13 capital expenditures and capital outlay projects will be funded.
14 This report shall include the same level of detail as a capital outlay
15 budget change proposal.

16 (2) The Department of Finance shall review, by November 1,
17 2014, the report and submit a list of preliminarily approved capital
18 expenditures and capital outlay projects to the committees in each
19 house of the Legislature that consider the State Budget, and the
20 budget subcommittees in each house of the Legislature that
21 consider appropriations for the California State University. These
22 committees may review and respond to the list of preliminarily
23 approved capital expenditures and capital outlay projects before
24 December 1, 2014.

25 (3) The Department of Finance shall submit a final list of
26 approved projects to the California State University no earlier
27 than December 1, 2014.

28 (4) The California State University shall not proceed with any
29 capital expenditures defined in paragraph (1) of subdivision (b)
30 of Section 89770 or capital outlay projects defined in Section
31 89771, before receiving approval from the Department of Finance
32 pursuant to this subdivision.

33 (e) Notwithstanding Section 10231.5 of the Government Code,
34 commencing with the 2015–16 fiscal year, on or before February
35 1 of each fiscal year, the California State University shall
36 simultaneously submit a progress report to the Joint Legislative
37 Budget Committee and the Department of Finance detailing the
38 scope, funding, and current status of all capital expenditures
39 undertaken pursuant to Section 89770 and for all capital outlay
40 projects undertaken pursuant to Section 89771.

1 89773. *The California State University shall manage its debt*
2 *programs in a manner so that not more than 12 percent of its*
3 *General Fund support appropriation, less the amount of that*
4 *appropriation that is required to fund general obligation bond*
5 *payments and State Public Works Board rental payments, is used*
6 *for the total of both of the following:*

7 (a) *Debt service for capital expenditures pursuant to Section*
8 *89770.*

9 (b) *Pay-as-you-go capital outlay projects pursuant to Section*
10 *89771.*

11 89774. *Notwithstanding any other law, excluding Part 11*
12 *(commencing with Section 15850) of Division 3 of Title 2 of the*
13 *Government Code, the California State University may proceed*
14 *with capital expenditures and capital outlay projects pursuant to*
15 *Sections 89772 and 89773 without the need for any further*
16 *limitations or approvals, except those delineated in Sections 89772*
17 *and 89773.*

18 SEC. 25. *Section 90083 is added to the Education Code, to*
19 *read:*

20 90083. *The board may pledge revenues received in accordance*
21 *with Section 89770 to secure bonds issued in accordance with this*
22 *article for capital expenditures, as defined in Section 89770, or*
23 *for projects, as defined in Section 90011, and may pay all costs*
24 *and expenses incident to the issuance and sale of the bonds,*
25 *including, but not limited to, capitalized interest on bonds, from*
26 *the proceeds of the sale of the bonds.*

27 SEC. 26. *Section 92493 of the Education Code is amended to*
28 *read:*

29 92493. (a) (1) *The University of California may pledge, along*
30 *with its other revenues, its annual General Fund support*
31 *appropriation less the amount of that appropriation that is required*
32 *to fund general obligation bond payments and the State Public*
33 *Works Board rental payments, to secure the payment of any of the*
34 *university's general revenue bonds or commercial paper associated*
35 *with the general revenue bond program.*~~To~~

36 (2) *To the extent the university pledges any part of its support*
37 *appropriation as a source of revenue securing any obligation, it*
38 *shall provide that this commitment of revenue is subject to annual*
39 *appropriation by the Legislature.*~~The~~

1 (3) *The* university may fund debt service for capital expenditures
2 defined in subdivision (b) from its General Fund support
3 appropriation pursuant to Sections 92495 and 92495.5. ~~The~~

4 (4) *The* state hereby covenants with the holders of the
5 university’s obligations secured by the pledge of the university
6 permitted by this section that, so long as any of the obligations
7 referred to in this subdivision remain outstanding, the state will
8 not impair or restrict the ability of the university to pledge any
9 support appropriation or support appropriations that may be enacted
10 for the university. The university may include this covenant of the
11 state in the agreements or other documents underlying the
12 university’s obligations to this effect.

13 (b) For purposes of this section, “capital expenditures” ~~shall~~
14 ~~mean~~ ~~(1) the~~ *means any of the following:*

15 (1) *The* costs to design, construct, or equip academic facilities
16 to address seismic and life safety needs, enrollment growth, or
17 modernization of out-of-date facilities, and renewal or expansion
18 of infrastructure to serve academic ~~programs, or~~ ~~(2) the~~ *programs.*

19 (2) *The* debt service amount associated with refunding,
20 defeasing, or retiring State Public Works Board lease revenue
21 bonds.

22 (3) *The* costs to design, construct, or equip energy conservation
23 projects.

24 (c) Nothing in this section shall require the Legislature to make
25 an appropriation from the General Fund in any specific amount to
26 support the University of California.

27 (d) The ability to utilize its support appropriation as stated in
28 this section shall not be used as a justification for future increases
29 in student tuition, additional employee layoffs, or reductions in
30 employee compensation at the University of California.

31 *SEC. 27. Section 92494 of the Education Code is amended to*
32 *read:*

33 92494. (a) The University of California may fund
34 pay-as-you-go capital outlay projects from its General Fund support
35 appropriation pursuant to Sections 92495 and 92495.5.

36 (b) For purposes of this section, “capital outlay project” ~~shall~~
37 ~~mean~~ *the means both of the following:*

38 (1) *The* costs to design, construct, or equip academic facilities
39 to address seismic and life safety needs, enrollment growth, or

1 modernization of out-of-date facilities, and renewal or expansion
2 of infrastructure to serve academic programs.

3 (2) *The costs to design, construct, or equip energy conservation*
4 *projects.*

5 SEC. 28. *Section 92495 of the Education Code is amended to*
6 *read:*

7 92495. (a) (1) Commencing with the 2013–14 fiscal year and
8 for each fiscal year thereafter, if the University of California plans
9 to use any of its support appropriation in the annual budget for the
10 subsequent fiscal year for capital expenditures pursuant to Section
11 92493, as defined in paragraph (1) of subdivision (b) of that
12 section, or for capital outlay projects pursuant to Section 92494,
13 *as defined in paragraph (1) of subdivision (b) of that section*, it
14 shall simultaneously submit, on or before September 1 ~~five~~, 10
15 months before the commencement of that fiscal year, a report to
16 the Joint Legislative Budget Committee and the Department of
17 Finance. ~~This~~

18 (2) ~~The report shall detail the scope of each capital outlay project~~
19 ~~or expenditure capital expenditures or the capital outlay project~~
20 ~~and how it the capital expenditures or the capital outlay project~~
21 ~~will be funded, and it shall provide the same level of detail as a~~
22 ~~capital outlay budget change proposal. The~~

23 (3) ~~The Department of Finance shall review the report and~~
24 ~~submit a list of preliminarily approved capital expenditures and~~
25 ~~capital outlay projects to the Joint Legislative Budget Committee~~
26 ~~by February 1. The Department of Finance shall submit a final list~~
27 ~~of approved capital expenditures and capital outlay projects to~~
28 ~~the University of California no earlier than April 1, three months~~
29 ~~before the commencement of the fiscal year of the planned~~
30 ~~expenditures. The~~

31 (b) ~~The Department of Finance may approve capital~~
32 ~~expenditures defined in paragraph (3) of subdivision (b) of Section~~
33 ~~92493, or capital outlay projects defined in paragraph (2) of~~
34 ~~subdivision (b) of Section 92494, no sooner than 30 days after~~
35 ~~submitting, in writing, a list of expenditures and projects being~~
36 ~~considered for approval to the chairpersons of the committees in~~
37 ~~each house of the Legislature that consider appropriations, the~~
38 ~~chairpersons of the committees and the appropriate subcommittees~~
39 ~~in each house of the Legislature that consider the state budget,~~
40 ~~and the Chairperson of the Joint Legislative Budget Committee.~~

1 (c) ~~The University of California shall not proceed with any use~~
 2 ~~its General Fund support appropriation to fund a capital~~
 3 ~~expenditures pursuant to Section 92493, as expenditure defined~~
 4 ~~in paragraph (1) or (3) of subdivision (b) of that section, Section~~
 5 ~~92493, or capital outlay projects pursuant to project defined in~~
 6 ~~subdivision (b) of Section 92494, prior to before receiving approval~~
 7 ~~from the Department of Finance pursuant to this subdivision~~
 8 ~~section.~~

9 ~~(b)~~

10 (d) (1) For the 2013–14 fiscal year only, if the University of
 11 California plans to use any of its support appropriation in the
 12 annual budget for the 2013–14 fiscal year for capital expenditures
 13 pursuant to Section 92493, as defined in paragraph (1) of
 14 subdivision (b) of that section, or for capital outlay projects
 15 pursuant to Section 92494, it shall simultaneously submit, on or
 16 before August 1 of that fiscal year, a report to the Joint Legislative
 17 Budget Committee and the Department of Finance. This report
 18 shall detail the scope of each capital outlay project or expenditure
 19 and how it will be funded, and it shall provide the same level of
 20 detail as a capital outlay budget change proposal. ~~The~~

21 (2) ~~The~~ Department of Finance shall review the report and
 22 submit a list of preliminarily approved projects to the Joint
 23 Legislative Budget Committee by November 1 of that fiscal year.
 24 ~~The~~

25 (3) ~~The~~ Department of Finance shall submit a final list of
 26 approved projects to the University of California no earlier than
 27 December 1 of that fiscal year. ~~The~~

28 (4) ~~The~~ University of California shall not proceed with any
 29 capital expenditures pursuant to Section 92493, as defined in
 30 paragraph (1) of subdivision (b) of that section, or capital outlay
 31 projects pursuant to Section 92494, ~~prior to before~~ receiving
 32 approval from the Department of Finance pursuant to this
 33 subdivision.

34 ~~(e)~~

35 (e) Notwithstanding subdivision (b), the University of California
 36 may use the authority provided in Section 92493 for the Merced
 37 Classroom and Academic Office Building, as specified in Provision
 38 3 of Item 6440-001-0001 of Section 2.00 of the Budget Act of
 39 2013.

40 ~~(d)~~

1 (f) Notwithstanding Section 10231.5 of the Government Code,
2 commencing with the 2014–15 fiscal year, on or before February
3 1 of each fiscal year, the University of California shall
4 simultaneously submit a progress report to the Joint Legislative
5 Budget Committee and the Department of Finance detailing the
6 scope, funding, and current status of ~~each all capital expenditure~~
7 ~~expenditures~~ undertaken pursuant to Section 92493, ~~as defined in~~
8 ~~paragraph (1) of subdivision (b) of that section,~~ and for ~~each all~~
9 ~~capital outlay project projects~~ undertaken pursuant to Section
10 92494.

11 *SEC. 29. Section 92495.5 of the Education Code is amended*
12 *to read:*

13 92495.5. The university shall manage its general revenue bond
14 program in a manner so that not more than 15 percent of its General
15 Fund support appropriation, less the amount of that appropriation
16 that is required to fund general obligation bond payments and State
17 Public Works Board rental payments, is used for the total of all of
18 the following:

19 (a) Debt service for capital expenditures pursuant to Section
20 92493.

21 (b) Pay-as-you-go capital outlay *projects* pursuant to Section
22 92494.

23 (c) State Public Works Board rental payments.

24 *SEC. 30. Section 92495.6 is added to the Education Code, to*
25 *read:*

26 92495.6. *Notwithstanding Sections 13332.11 and 13332.19 of*
27 *the Government Code or any other law, the University of California*
28 *may proceed with capital expenditures and capital outlay projects*
29 *pursuant to Sections 92495 and 92495.5 without any further*
30 *limitations or approvals, except those delineated in Sections 92495*
31 *and 92495.5.*

32 *SEC. 31. Section 92675 of the Education Code is amended to*
33 *read:*

34 92675. (a) For purposes of this section, the following terms
35 are defined as follows:

36 (1) The “four-year graduation rate” means the percentage of a
37 cohort ~~that of undergraduate students who~~ entered the university
38 as freshmen ~~that successfully graduated at any campus and~~
39 ~~graduated from any campus~~ within four years.

1 (2) The “two-year transfer graduation rate” means the percentage
 2 of a cohort ~~that of undergraduate students who~~ entered the
 3 university ~~at any campus~~ as junior-level transfer students from the
 4 California Community Colleges ~~that successfully and~~ graduated
 5 ~~from any campus~~ within two years.

6 (3) “Low-income ~~students”~~ student” means ~~students an~~
 7 ~~undergraduate student~~ who receive a Pell Grant at any time during
 8 ~~their matriculation at the institution.~~ *has an expected family*
 9 *contribution, as defined in subdivision (g) of Section 69432.7, at*
 10 *any time during the student’s matriculation at the institution that*
 11 *would qualify the student to receive a federal Pell Grant. The*
 12 *calculation of a student’s expected family contribution shall be*
 13 *based on the Free Application for Federal Student Aid (FAFSA)*
 14 *application or an application determined by the California Student*
 15 *Aid Commission to be equivalent to the FAFSA application*
 16 *submitted by that applicant.*

17 (b) Commencing with the 2013–14 academic year, the
 18 University of California shall report, by March ~~1~~ 15 of each year,
 19 on the following performance measures for the preceding academic
 20 year, to inform budget and policy decisions and promote the
 21 effective and efficient use of available resources:

22 (1) The number of transfer students enrolled ~~annually~~ from the
 23 California Community Colleges, and the percentage of *California*
 24 *Community College* transfer students as a proportion of the total
 25 ~~undergraduate student population.~~ *number of undergraduate*
 26 *students enrolled.*

27 (2) *The number of new transfer students enrolled from the*
 28 *California Community Colleges, and the percentage of California*
 29 *Community College transfer students as a proportion of the total*
 30 *number of new undergraduate students enrolled.*

31 ~~(2)~~

32 (3) The number of low-income students enrolled ~~annually~~ and
 33 the percentage of low-income students as a proportion of the total
 34 ~~student population.~~ *number of undergraduate students enrolled.*

35 (4) *The number of new low-income students enrolled and the*
 36 *percentage of low-income students as a proportion of the total*
 37 *number of new undergraduate students enrolled.*

38 ~~(3)~~

39 (5) ~~The systemwide~~ four-year graduation ~~rates~~ *rate* for ~~each~~
 40 ~~cohort~~ of students who entered the university four years prior and,

1 separately, for ~~each cohort of low-income students.~~ *students in*
2 *that cohort.*

3 ~~(4)~~

4 ~~(6) The systemwide two-year transfer graduation rates~~ *rate* for
5 ~~each cohort of students who entered the university two years prior~~
6 and, separately, for ~~each cohort of low-income students.~~ *students*
7 *in that cohort.*

8 ~~(5)~~

9 (7) The number of degree ~~completions annually,~~ *completions,*
10 in total and for the following categories:

11 (A) Freshman entrants.

12 (B) ~~Transfer~~ *California Community College transfer* students.

13 (C) Graduate students.

14 (D) Low-income students.

15 ~~(6)~~

16 (8) The percentage of ~~first-year undergraduates~~ *freshman*
17 *entrants* who have earned sufficient course credits by the end of
18 their first year of enrollment to indicate they will ~~complete a degree~~
19 *in graduate within four years.*

20 (9) *The percentage of California Community College transfer*
21 *students who have earned sufficient course credits by the end of*
22 *their first year of enrollment to indicate they will graduate within*
23 *two years.*

24 ~~(7)~~

25 (10) For all students, the total amount of funds received from
26 all sources identified in subdivision (c) of Section 92670 for the
27 year, divided by the number of degrees awarded that same year.

28 ~~(8)~~

29 (11) For undergraduate students, the total amount of funds
30 received from the sources identified in subdivision (c) of Section
31 92670 for the year expended for undergraduate education, divided
32 by the number of undergraduate degrees awarded that same year.

33 ~~(9)~~

34 (12) The average number of *University of California* course
35 *credits and total course credits, including credit accrued at other*
36 *institutions, accumulated by all undergraduate students at the time*
37 ~~they complete their degrees, disaggregated by freshman entrants~~
38 ~~and transfers.~~ *who graduated, and separately for freshman entrants*
39 *and California Community College transfer students.*

40 ~~(10)~~

1 (13) (A) The number of degree completions in science,
2 technology, engineering, and mathematics (STEM) fields,
3 ~~disaggregated by~~ *in total, and separately for* undergraduate
4 students, graduate students, and low-income students.

5 (B) For purposes of subparagraph (A), “STEM fields” include,
6 but are not necessarily limited to, all of the following: computer
7 and information sciences, engineering and engineering
8 technologies, biological and biomedical sciences, mathematics
9 and statistics, physical sciences, and science technologies.

10 *SEC. 32. Chapter 15 (commencing with Section 92985) is*
11 *added to Part 57 of Division 9 of Title 3 of the Education Code,*
12 *to read:*

13
14 *CHAPTER 15. THE CALIFORNIA BLUEPRINT FOR RESEARCH TO*
15 *ADVANCE INNOVATIONS IN NEUROSCIENCE ACT OF 2014*

16
17 *92985. This act shall be known, and may be cited, as the*
18 *California Blueprint for Research to Advance Innovations in*
19 *Neuroscience (Cal-BRAIN) Act of 2014.*

20 *92985.5. (a) In April 2013, President Obama unveiled the*
21 *Brain Research through Advancing Innovative Neurotechnologies*
22 *(BRAIN) Initiative — a collaborative program that will map the*
23 *activity of every neuron in the human brain with a programmed*
24 *total investment of more than three hundred million dollars*
25 *(\$300,000,000) per year over 10 years.*

26 *(b) The BRAIN Initiative is launching with approximately one*
27 *hundred ten million dollars (\$110,000,000) in funding for research*
28 *in 2014, as well as additional private sector investment from*
29 *institutes and foundations based in California.*

30 *(c) California is poised to be a world leader in this research*
31 *effort given the prominent role of scientists and industry leaders*
32 *throughout the state.*

33 *(d) Four of the six scientists who proposed the BRAIN Initiative*
34 *and six of the 15 members of the Advisory Committee to the*
35 *Director of the National Institutes of Health for the BRAIN*
36 *Initiative are from California.*

37 *(e) Some California-based corporations have indicated they*
38 *are interested in collaborating with brain research institutions on*
39 *research for the BRAIN Initiative to bring new discoveries to the*
40 *marketplace.*

1 (f) *The BRAIN Initiative has the potential to be a major driver*
2 *of new industries and jobs in biotechnology, artificial intelligence,*
3 *and information technologies, as well as a catalyst for major*
4 *breakthroughs in brain-related diseases, injuries, and illnesses,*
5 *including Alzheimer’s disease, which is programmed to cost*
6 *California over thirty billion dollars (\$30,000,000,000) a year by*
7 *2030.*

8 (g) *The products of scientific research improve the quality of*
9 *our lives and health and provide us with high-quality jobs that*
10 *employ and demand a highly skilled workforce.*

11 (h) *Given California’s assets and capacity for collaboration,*
12 *entrepreneurship, and innovation, a state investment to expand*
13 *and accelerate this research in the state and to promote the*
14 *translation of breakthroughs into the marketplace is an important*
15 *investment in the intellectual infrastructure for California’s*
16 *economic future.*

17 92986. (a) *The Regents of the University of California are*
18 *requested to establish the Cal-BRAIN program to leverage*
19 *California’s vast research assets and the federal BRAIN Initiative’s*
20 *funding opportunities to accelerate the development of brain*
21 *mapping techniques, including the development of new*
22 *technologies, which will create new, high-paying jobs in California*
23 *while advancing patient care and improving lives, in order to*
24 *achieve the following goals:*

25 (1) *Maintain California’s leadership role in neuroscience*
26 *innovation.*

27 (2) *Develop a dynamic map of the human brain that provides*
28 *researchers, physicians, and engineers with the knowledge*
29 *necessary to develop new treatments and technologies that will*
30 *improve lives and reduce the costs of providing health care.*

31 (3) *Grow California’s economy through the expansion of*
32 *California’s high technology and biotechnology sectors.*

33 (4) *Train the next generation of scientists for the neuroscience*
34 *and engineering jobs of the future.*

35 (b) *The University of California is requested to utilize*
36 *California’s unique collaborative research environment by*
37 *convening stakeholders from public and private research*
38 *institutions, national laboratories, biotechnology and high*
39 *technology companies, and venture capital firms to develop the*
40 *governing structure for the Cal-BRAIN program.*

1 (c) *The governing structure shall be designed to do all of the*
2 *following:*

3 (1) *Adopt a research plan that identifies milestones for achieving*
4 *the goals of the Cal-BRAIN program.*

5 (2) *Establish competitive, merit-based opportunities for*
6 *interested public and private California research institutions and*
7 *national laboratories to apply for Cal-BRAIN program funding.*

8 (3) *Maintain the flexibility to adjust the Cal-BRAIN program's*
9 *priorities and focus based upon knowledge gained from scientific*
10 *discoveries.*

11 (4) *Establish a technology transfer program to identify and*
12 *accelerate the commercial application of both early and late-stage*
13 *discoveries and technologies from the Cal-BRAIN program into*
14 *the marketplace and to promote new and expanded technology*
15 *sectors in the state.*

16 (5) *Solicit contributions to the Cal-BRAIN program with a goal*
17 *of achieving a nonstate funding match that meets or exceeds the*
18 *financial investment by the state.*

19 92987. *The Regents of the University of California are*
20 *requested to provide information about the Cal-BRAIN program*
21 *through an Internet Web site, including a brief description of*
22 *funded projects and activities.*

23 92988. *This chapter shall be implemented only to the extent*
24 *that adequate funding for its purposes, as determined by the*
25 *Regents of the University of California, is appropriated to the*
26 *University of California in the annual Budget Act or other statute.*

27 SEC. 33. *Section 94102.1 is added to the Education Code, to*
28 *read:*

29 94102.1. *In addition to the definition provided in Section 94110,*
30 *“student loan” may also mean loan assumptions pursuant to*
31 *Article 5 (commencing with Section 69612) of Chapter 2 of Part*
32 *42 of Division 5.*

33 SEC. 34. *Section 17581.7 of the Government Code is amended*
34 *to read:*

35 17581.7. (a) *Funding apportioned pursuant to this section shall*
36 *constitute reimbursement pursuant to Section 6 of Article XIII B*
37 *of the California Constitution for the performance of any state*
38 *mandates included in the statutes and executive orders identified*
39 *in subdivision (e).*

1 (b) Any community college district may elect to receive block
2 grant funding pursuant to this section.

3 (c) (1) A community college district that elects to receive block
4 grant funding pursuant to this section in a given fiscal year shall
5 submit a letter requesting funding to the Chancellor of the
6 California Community Colleges on or before August 30 of that
7 fiscal year.

8 (2) The Chancellor of the California Community Colleges shall
9 apportion, in the month of November of each year, block grant
10 funding appropriated in Item 6870-296-0001 of Section 2.00 of
11 the annual Budget Act to all community college districts that
12 submitted letters requesting funding in that fiscal year according
13 to the provisions of that item.

14 (3) A community college district that receives block grant
15 funding pursuant to this section shall not be eligible to submit
16 claims to the Controller for reimbursement pursuant to Section
17 17560 for any costs of any state mandates included in the statutes
18 and executive orders identified in subdivision (e) incurred in the
19 same fiscal year during which the community college district
20 received funding pursuant to this section.

21 (d) All funding apportioned pursuant to this section is subject
22 to annual financial and compliance audits required by Section
23 84040 of the Education Code.

24 (e) Block grant funding apportioned pursuant to this section is
25 specifically intended to fund the costs of the following programs:

26 (1) Agency Fee Arrangements (00-TC-17 and 01-TC-14;
27 Chapter 893 of the Statutes of 2000; and Chapter 805 of the
28 Statutes of 2001).

29 (2) Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).

30 (3) California State Teachers' Retirement System (CalSTRS)
31 Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994;
32 Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838
33 of the Statutes of 1997; Chapter 965 of the Statutes of 1998;
34 Chapter 939 of the Statutes of 1999; and Chapter 1021 of the
35 Statutes of 2000).

36 (4) Collective Bargaining and Collective Bargaining Agreement
37 Disclosure (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes
38 of 1975; Chapter 1213 of the Statutes of 1991).

39 ~~(5) Community College Construction (02-TC-47; Chapter 910~~
40 ~~of the Statutes of 1980; Chapters 470 and 891 of the Statutes of~~

1 1981; Chapter 973 of the Statutes of 1988; Chapter 1372 of the
 2 Statutes of 1990; Chapter 1038 of the Statutes of 1991; and Chapter
 3 758 of the Statutes of 1995);
 4 (6)
 5 (5) Discrimination Complaint Procedures (02-TC-42 and
 6 portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes
 7 of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the
 8 Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter
 9 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988;
 10 Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes
 11 of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the
 12 Statutes of 1999; and Chapter 1169 of the Statutes of 2002).
 13 (7)
 14 (6) Enrollment Fee Collection and Waivers (99-TC-13 and
 15 00-TC-15).
 16 (8)
 17 (7) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes
 18 of 1984, Second Extraordinary Session).
 19 (9)
 20 (8) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31;
 21 Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and
 22 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes
 23 of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter
 24 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes
 25 of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters
 26 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes
 27 of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and
 28 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the
 29 Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes
 30 of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters
 31 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the
 32 Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter
 33 1169 of the Statutes of 2002).
 34 (10)
 35 (9) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the
 36 Statutes of 1978).
 37 (10) *Public Contracts* (02-TC-35; Chapter 1073 of the Statutes
 38 of 1985; Chapter 1408 of the Statutes 1988; Chapter 330 of the
 39 Statutes of 1989; Chapter 1414 of the Statutes of 1990; Chapter

1 321 of the Statutes of 1990; Chapter 799 of the Statutes of 1992;
2 and Chapter 726 of the Statutes of 1994).

3 (11) Reporting Improper Governmental Activities (02-TC-24;
4 Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes
5 of 2002).

6 (12) Threats Against Peace Officers (CSM 96-365-02; Chapter
7 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of
8 1995).

9 (13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes
10 of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the
11 Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter
12 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the
13 Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455
14 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter
15 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997;
16 Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the
17 Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter
18 450 of the Statutes of 2002).

19 (f) Notwithstanding Section 10231.5, on or before November
20 1 of each fiscal year, the Chancellor of the California Community
21 Colleges shall produce a report that indicates the total amount of
22 block grant funding each community college district received in
23 the current fiscal year pursuant to this section. The chancellor shall
24 provide this report to the appropriate fiscal and policy committees
25 of the Legislature, the Controller, the Department of Finance, and
26 the Legislative Analyst's Office.

27 *SEC. 35. Section 68926.3 of the Government Code is amended*
28 *to read:*

29 68926.3. (a) Notwithstanding any other ~~provision~~ of law,
30 sixty-five dollars (\$65) of each fee collected in a civil case by the
31 clerk of each court of appeal pursuant to subdivision (a) of Section
32 68926 shall be paid into the State Treasury for deposit in a special
33 account in the General Fund to be known as the California State
34 Law Library Special Account, which account is hereby established.

35 (b) Moneys deposited in the California State Law Library
36 Special Account shall be available for the support of the California
37 State Law Library upon appropriation thereto by the Legislature
38 in the annual Budget Act.

1 (c) This section shall remain in effect only until January 1, ~~2015,~~
2 2020, and as of that date, is repealed, unless a later statute that is
3 enacted before that date extends or repeals that date.

4 *SEC. 36. Section 13146 of the Health and Safety Code is*
5 *amended to read:*

6 13146. The responsibility for enforcement of building standards
7 adopted by the State Fire Marshal and published in the California
8 Building Standards Code relating to fire and panic safety and other
9 regulations of the State Fire Marshal shall be as follows:

10 (a) The city, county, or city and county with jurisdiction in the
11 area affected by the standard or regulation shall delegate the
12 enforcement of the building standards relating to fire and panic
13 safety and other regulations of the State Fire Marshal as they relate
14 to R-3 dwellings, as described in Section ~~1201~~ 310.5 of Part 2 of
15 the California Building Standards Code, to either of the following:

16 (1) The chief of the fire authority of the city, county, or city and
17 county, or his or her authorized representative.

18 (2) The chief building official of the city, county, or city and
19 county, or his or her authorized representative.

20 (b) The chief of any city, county, or city and county fire
21 department or of any fire protection district, and their authorized
22 representatives, shall enforce within its jurisdiction the building
23 standards and other regulations of the State Fire Marshal, except
24 those described in subdivision (a) or (d).

25 (c) The State Fire Marshal shall have authority to enforce the
26 building standards and other regulations of the State Fire Marshal
27 in areas outside of corporate cities and districts providing fire
28 protection services.

29 (d) The State Fire Marshal shall have authority to enforce the
30 building standards and other regulations of the State Fire Marshal
31 in corporate cities and districts providing fire protection services
32 upon request of the chief fire official or the governing body.

33 (e) The State Fire Marshal shall enforce the building standards
34 and other regulations of the State Fire Marshal on all University
35 of California campuses and properties administered or occupied
36 by the University of ~~California~~. *California and on all California*
37 *State University campuses and properties administered or occupied*
38 *by the California State University.* For each university campus or
39 property the State Fire Marshal may delegate that responsibility

1 to the person of his or her choice who shall be known as the
2 Designated Campus Fire Marshal.

3 (f) Any fee charged pursuant to the enforcement authority of
4 this section shall not exceed the estimated reasonable cost of
5 providing the service for which the fee is charged, pursuant to
6 Section 66014 of the Government Code.

7 *SEC. 37. Section 10726 of the Public Contract Code is amended*
8 *to read:*

9 10726. The trustees may receive bids for the construction of
10 several public works projects ~~at one campus of~~ the California State
11 University as a single project. Where more than one appropriation
12 has been made for the several projects united as a single project
13 under the provisions of this section, payments for the single project
14 shall be made from the separate appropriations on such proportional
15 basis as may be determined by the trustees and approved by the
16 Department of Finance.

17 *SEC. 38. Section 10742 of the Public Contract Code is amended*
18 *to read:*

19 10742. ~~When~~ If it appears that the estimated contract price will
20 exceed fifteen thousand dollars (\$15,000), public notice to bidders
21 shall be given by publication once a week for at least two
22 consecutive weeks, or once a week for more than two consecutive
23 weeks if such longer period of advertising is deemed necessary by
24 the trustees, next preceding the day set for the receiving of bids:

25 (a) In two trade papers of general circulation, one published in
26 Los Angeles and one in San Francisco, devoted primarily to the
27 dissemination of contract and building news among contracting
28 and building material supply firms; or

29 ~~In the discretion of the trustees, in~~ In one newspaper of
30 general circulation published in the county in which the major
31 portion of the project is located, and in one such trade paper
32 published in the county group, as defined in Section 187 of the
33 Streets and Highways Code, in which the work is to be ~~done~~ done;
34 or

35 (c) *Electronically on the California State University's Internet*
36 *Web site.*

37 *SEC. 39. The balances of the appropriations provided by Item*
38 *6870-139-8080 of Section 2.00 of the Budget Act of 2013, as added*
39 *by Chapters 20 and 354 of the Statutes of 2013, payable from the*
40 *Clean Energy Job Creation Fund, are hereby reappropriated for*

1 *the purposes of, and subject to, that item, and, notwithstanding*
2 *any other law, shall be available for encumbrance until June 30,*
3 *2018.*

4 *SEC. 40. (a) On or before June 30, 2015, an amount to be*
5 *determined by the Director of Finance shall be appropriated from*
6 *the General Fund to the Board of Governors of the California*
7 *Community Colleges in augmentation of Schedule (1) of Item*
8 *6870-101-0001 of Section 2.00 of the Budget Act of 2014.*

9 *(b) The funds appropriated in subdivision (a) shall only be*
10 *available to the extent that revenues distributed to community*
11 *colleges pursuant to Sections 34177, 34179.5, 34179.6, and 34188*
12 *of the Health and Safety Code are less than the estimated amount*
13 *reflected in the Budget Act of 2014, as determined by the Director*
14 *of Finance.*

15 *(c) On or before June 30, 2015, the Director of Finance shall*
16 *determine if the revenues distributed to community college districts*
17 *pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the*
18 *Health and Safety Code exceed the estimated amount reflected in*
19 *the Budget Act of 2014 and shall reduce Schedule (1) of Item*
20 *6870-101-0001 of Section 2.00 of the Budget Act of 2014 by the*
21 *amount of that excess.*

22 *(d) In making the determinations pursuant to subdivisions (b)*
23 *and (c), the Director of Finance shall consider any other local*
24 *property tax revenues and student fee revenues collected in excess*
25 *or in deficit of the estimated amounts reflected in the Budget Act*
26 *of 2014.*

27 *(e) The Director of Finance shall notify the Chairperson of the*
28 *Joint Legislative Budget Committee, or his or her designee, of his*
29 *or her intent to notify the Controller of the necessity to release*
30 *funds appropriated in subdivision (a) or to make the reduction*
31 *pursuant to subdivision (c), and the amount needed to address the*
32 *property tax shortfall determined pursuant to subdivision (b) or*
33 *the amount of the reduction made pursuant to subdivision (c). The*
34 *Controller shall make the funds available not sooner than five*
35 *days after this notification and the Chancellor of the California*
36 *Community Colleges shall work with the Controller to allocate*
37 *these funds to community college districts as soon as practicable.*

38 *(f) For purposes of making the computations required by Section*
39 *8 of Article XVI of the California Constitution, the appropriations*
40 *made by subdivision (a) shall be deemed to be "General Fund*

1 revenues appropriated for community college districts,” as defined
2 in subdivision (d) of Section 41202 of the Education Code, for the
3 2014–15 fiscal year, and included within the “total allocations to
4 school districts and community college districts from General
5 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
6 as defined in subdivision (e) of Section 41202 of the Education
7 Code, for the 2014–15 fiscal year.

8 SEC. 41. (a) On or before June 30, 2015, an amount to be
9 determined by the Director of Finance shall be appropriated from
10 the General Fund to the Board of Governors of the California
11 Community Colleges in augmentation of Schedule (1) of Item
12 6870-101-0001 of Section 2.00 of the Budget Act of 2014.

13 (b) The funds appropriated in subdivision (a) shall only be
14 available to the extent that offsetting revenues distributed to
15 community colleges pursuant to subparagraph (A) of paragraph
16 (3) of subdivision (e) of Section 36 of Article XIII of the California
17 Constitution are less than the estimated amount reflected in the
18 Budget Act of 2014, as determined by the Director of Finance.

19 (c) On or before June 30, 2015, the Director of Finance shall
20 determine if the offsetting revenues distributed to community
21 college districts pursuant to subparagraph (A) of paragraph (3)
22 of subdivision (e) Section 36 of Article XIII of the California
23 Constitution exceed the estimated amount reflected in the Budget
24 Act of 2014, and shall reduce Schedule (1) of Item 6870-101-0001
25 of Section 2.00 of the Budget Act of 2014 by that same amount.

26 (d) The Director of Finance shall notify the Chairperson of the
27 Joint Legislative Budget Committee, or his or her designee, of his
28 or her intent to notify the Controller of the necessity to release
29 funds appropriated in subdivision (a) or to make the reduction
30 pursuant to subdivision (c), and the amount needed to address the
31 Education Protection Account shortfall determined pursuant to
32 subdivision (b) or the amount of the reduction made pursuant to
33 subdivision (c). The Controller shall make the funds available not
34 sooner than five days after this notification and the Office of the
35 Chancellor of the California Community Colleges shall work with
36 the Controller to allocate these funds to community college districts
37 as soon as practicable.

38 (e) For purposes of making the computations required by Section
39 8 of Article XVI of the California Constitution, the appropriations
40 made by subdivision (a) shall be deemed to be “General Fund

1 revenues appropriated for community college districts,” as defined
 2 in subdivision (d) of Section 41202 of the Education Code, for the
 3 2014–15 fiscal year, and included within the “total allocations to
 4 school districts and community college districts from General
 5 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
 6 as defined in subdivision (e) of Section 41202 of the Education
 7 Code, for the 2014–15 fiscal year.

8 SEC. 42. (a) On or before June 30, 2015, an amount to be
 9 determined by the Director of Finance shall be appropriated from
 10 the General Fund to the Board of Governors of the California
 11 Community Colleges in augmentation of Schedule (1) of Item
 12 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

13 (b) The funds appropriated in subdivision (a) shall only be
 14 available for revenues distributed to a net excess tax community
 15 college district pursuant to subparagraph (A) of paragraph (3) of
 16 subdivision (e) of Section 36 of Article XIII of the California
 17 Constitution, as determined by the Director of Finance.

18 (c) The Director of Finance shall notify the Chairperson of the
 19 Joint Legislative Budget Committee, or his or her designee, of his
 20 or her intent to notify the Controller of the necessity to release
 21 funds appropriated in subdivision (a), and the amount needed to
 22 address the Education Protection Account shortfall determined
 23 pursuant to subdivision (b). The Controller shall make the funds
 24 available not sooner than five days after this notification and the
 25 Office of the Chancellor of the California Community Colleges
 26 shall work with the Controller to allocate these funds to community
 27 college districts as soon as practicable.

28 (d) For purposes of making the computations required by
 29 Section 8 of Article XVI of the California Constitution, the
 30 appropriations made by subdivision (a) shall be deemed to be
 31 “General Fund revenues appropriated for community college
 32 districts,” as defined in subdivision (d) of Section 41202 of the
 33 Education Code, for the 2013–14 fiscal year, and included within
 34 the “total allocations to school districts and community college
 35 districts from General Fund proceeds of taxes appropriated
 36 pursuant to Article XIII B,” as defined in subdivision (e) of Section
 37 41202 of the Education Code, for the 2013–14 fiscal year.

38 SEC. 43. (a) On or before June 30, 2015, an amount to be
 39 determined by the Director of Finance shall be appropriated from
 40 the General Fund to the Board of Governors of the California

1 *Community Colleges in augmentation of Schedule (1) of Item*
2 *6870-101-0001 of Section 2.00 of the Budget Act of 2012.*

3 *(b) The funds appropriated in subdivision (a) shall only be*
4 *available for revenues distributed to a net excess tax community*
5 *college district pursuant to subparagraph (A) of paragraph (3) of*
6 *subdivision (e) of Section 36 of Article XIII of the California*
7 *Constitution, as determined by the Director of Finance.*

8 *(c) The Director of Finance shall notify the Chairperson of the*
9 *Joint Legislative Budget Committee, or his or her designee, of his*
10 *or her intent to notify the Controller of the necessity to release*
11 *funds appropriated in subdivision (a), and the amount needed to*
12 *address the Education Protection Account shortfall determined*
13 *pursuant to subdivision (b). The Controller shall make the funds*
14 *available not sooner than five days after this notification and the*
15 *Office of the Chancellor of the California Community Colleges*
16 *shall work with the Controller to allocate these funds to community*
17 *college districts as soon as practicable.*

18 *(d) For purposes of making the computations required by*
19 *Section 8 of Article XVI of the California Constitution, the*
20 *appropriations made by subdivision (a) shall be deemed to be*
21 *“General Fund revenues appropriated for community college*
22 *districts,” as defined in subdivision (d) of Section 41202 of the*
23 *Education Code, for the 2012–13 fiscal year, and included within*
24 *the “total allocations to school districts and community college*
25 *districts from General Fund proceeds of taxes appropriated*
26 *pursuant to Article XIII B,” as defined in subdivision (e) of Section*
27 *41202 of the Education Code, for the 2012–13 fiscal year.*

28 *SEC. 44. Notwithstanding subdivisions (a), (b), and (c) of*
29 *Section 92495 of the Education Code, the University of California*
30 *may use General Fund appropriations pursuant to Sections 92493*
31 *and 92494 of the Education Code for the Tolman Hall Seismic*
32 *Replacement Building project at the University of California,*
33 *Berkeley campus, as described in a letter from the university to*
34 *the Director of Finance and the Chairperson of the Joint*
35 *Legislative Budget Committee dated March 17, 2014.*

36 *SEC. 45. In regard to Section 18 of this act, the Legislature*
37 *finds and declares that a special law is necessary and that a*
38 *general law cannot be made applicable within the meaning of*
39 *Section 16 of Article IV of the California Constitution because of*

1 *the unique accreditation and fiscal challenges facing the San*
2 *Francisco Community College District.*

3 *SEC. 46. If the Commission on State Mandates determines that*
4 *this act contains costs mandated by the state, reimbursement to*
5 *local agencies and school districts for those costs shall be made*
6 *pursuant to Part 7 (commencing with Section 17500) of Division*
7 *4 of Title 2 of the Government Code.*

8 *SEC. 47. This act is a bill providing for appropriations related*
9 *to the Budget Bill within the meaning of subdivision (e) of Section*
10 *12 of Article IV of the California Constitution, has been identified*
11 *as related to the budget in the Budget Bill, and shall take effect*
12 *immediately.*

13 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
14 ~~changes relating to the Budget Act of 2014.~~