

**Senate Bill No. 860**

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Passed the Senate June 15, 2014

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*Secretary of the Senate*

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Passed the Assembly June 15, 2014

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

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

SB 860, Committee on Budget and Fiscal Review. Education finance: education omnibus trailer bill.

(1) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos 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 the 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 conditions, 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 pursuant to 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 an 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 law 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.

Appropriation: yes.

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

SECTION 1. Section 69432 of the Education Code is amended to read:

69432. (a) Cal Grant Program awards shall be known as “Cal Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,” “California Community College Transfer Entitlement Awards,”

“Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,” and “Cal Grant T Awards.”

(b) Maximum award amounts for students at independent institutions and for Cal Grant C and T awards shall be identified in the annual Budget Act. Maximum award amounts for Cal Grant A and B awards for students attending public institutions shall be referenced in the annual Budget Act.

(c) (1) Notwithstanding subdivision (b), and subdivision (c) of Section 66021.2, commencing with the 2013–14 award year, the maximum tuition award amounts for Cal Grant A and B awards for students attending private for-profit and nonprofit postsecondary educational institutions shall be as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) “Maximum household income and asset levels” means the applicable household income and household asset levels for participants, including new applicants and renewing recipients, in the Cal Grant Program, as defined and adopted in regulations by the commission for the 2001–02 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

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

(l) (1) "Qualifying institution" means an institution that complies with paragraphs (2) and (3) and is any of the following:

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

(i) Federal Work-Study.

(ii) Perkins Loan Program.

(iii) Supplemental Educational Opportunity Grant Program.

(B) A nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the

Cal Grant Program for the 2000–01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.

(C) A California public postsecondary educational institution.

(2) (A) The institution shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the Internet Web site of a California licensing or regulatory agency. For purposes of this paragraph, “provide” may exclusively include placement of an Internet Web site address labeled as an access point for the data on the passage rates of recent program graduates on the Internet Web site where enrollment information is also located, on an Internet Web site that provides centralized admissions information for postsecondary educational systems with multiple campuses, or on applications for enrollment or other program information distributed to prospective students.

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

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

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

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

(D) (i) An otherwise qualifying institution that becomes ineligible under this paragraph for initial and renewal Cal Grant awards shall regain its eligibility for the academic year for which

it satisfies the requirements established in subparagraph (B), (C), or (G), as applicable.

(ii) If the United States Department of Education corrects or revises an institution's three-year cohort default rate or graduation rate that originally failed to satisfy the requirements established in subparagraph (B), (C), or (G), as applicable, and the correction or revision results in the institution's three-year cohort default rate or graduation rate satisfying those requirements, that institution shall immediately regain its eligibility for the academic year to which the corrected or revised three-year cohort default rate or graduation rate would have been applied.

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

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

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

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

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

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

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

(I) Notwithstanding subparagraph (G), an otherwise qualifying institution with a three-year cohort default rate that is less than 15.5 percent and a graduation rate above 20 percent for students taking 150 percent or less of the expected time to complete degree requirements, as certified by the commission pursuant to subparagraph (A), shall be eligible for initial and renewal Cal Grant awards at the institution through the 2016–17 academic year.

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

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

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

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

(K) By January 1, 2013, the Legislative Analyst shall submit to the Legislature a report on the implementation of this paragraph. The report shall be prepared in consultation with the commission, and shall include policy recommendations for appropriate measures of default risk and other direct or indirect measures of quality or effectiveness in educational institutions participating in the Cal Grant Program, and appropriate scores for those measures. It is the intent of the Legislature that appropriate policy and fiscal

committees review the requirements of this paragraph and consider changes thereto.

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

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

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

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

(2) Commencing with the 2015–16 academic year, a recipient who is determined to be ineligible for a renewal award because, during the immediately preceding academic year, he or she exceeded the maximum household income or asset level established by subdivision (k) of Section 69432.7, or failed to meet the minimum need threshold established by paragraph (3) of subdivision (b) of Section 69432.9, shall be eligible to receive a

renewal award if the recipient meets all program eligibility requirements for the program from which he or she was previously disqualified and the recipient has remaining renewal award eligibility. For purposes of determining a student's remaining renewal award eligibility, an academic year during which a student was ineligible shall reduce his or her renewal award eligibility by one full-time equivalent year.

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

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

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

(3) A student's Cal Grant Program renewal eligibility shall not have lapsed more than 15 months before the payment of an award for purposes of this subdivision.

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

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

(2) Each academic year, except as provided in paragraphs (3) and (4), a student shall receive a scholarship award in an amount that, combined with other federal, state, or institutionally administered student grants or fee waivers received by an eligible student, is up to 40 percent of the amount charged to that student

in that academic year for mandatory systemwide tuition and fees, if all of the following requirements are met:

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

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

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

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

(E) The student makes a timely application or applications for all other federal, state, or institutionally administered grants or fee waivers for which the student is eligible.

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

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

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

(3) (A) The percentage specified in paragraph (2) shall be reduced by 0.6-percent increments per one thousand dollars (\$1,000) of annual household income in excess of one hundred thousand dollars (\$100,000), to a minimum 10 percent of mandatory systemwide tuition and fees for an academic year,

provided that no scholarship award shall be provided to a student with an annual household income exceeding one hundred fifty thousand dollars (\$150,000). This reduction shall be in addition to any reduction required by subdivision (e) of Section 70023.

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

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

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

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

(d) A Middle Class Scholarship Program award authorized pursuant to this article shall be defined as a full-time equivalent grant. An award to a part-time student shall be a fraction of a full-time grant, as determined by the proportionate amount charged for systemwide tuition and fees. A part-time student shall not be discriminated against in the selection of Middle Class Scholarship Program awards. For purposes of this section, “full-time student” and “part-time student” have the same meaning as specified in subdivision (f) of Section 69432.7.

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

70023. (a) For each academic year, the commission shall determine an amount sufficient, when combined with other federal, state, or institutionally administered student grants or fee waivers received by eligible students from other sources, to provide scholarships to eligible students in the amounts described in

paragraphs (2) and (3) of subdivision (a) of Section 70022. The University of California and the California State University shall provide the commission with any financial aid data that are necessary for the determination of these amounts.

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

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

(d) The unencumbered balance, as of June 30 of each fiscal year, of the amount appropriated from the Middle Class Scholarship Fund pursuant to paragraph (1) of subdivision (e) shall revert to the General Fund.

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

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

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

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

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

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

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

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

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

(B) Upon order of the Director of Finance and commencing with the 2013–14 fiscal year, if the May Revision projects a budget deficit for the next fiscal year, the amount specified in paragraph (1) for the fiscal year for which the budget deficit is projected may be reduced by up to 33 percent. Upon order of the Director of Finance, beginning with the 2016–17 fiscal year, and each year thereafter, if the May Revision projects a deficit for the next fiscal year, the amount specified in paragraph (1) may be reduced to an amount greater than or equal to two hundred million dollars (\$200,000,000).

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

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

Article 1.5. Student Equity Plans

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

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

(A) Current or former foster youth.

(B) Students with disabilities.

(C) Low-income students.

(D) Veterans.

(E) Students in the following ethnic and racial categories, as they are defined by the United States Census Bureau for the 2010 Census for reporting purposes:

(i) American Indian or Alaska Native.

(ii) Asian.

(iii) Black or African American.

(iv) Hispanic or Latino.

(v) Native Hawaiian or other Pacific Islander.

(vi) White.

(vii) Some other race.

(viii) More than one race.

(2) Goals for access to, and completion of, basic skills, career technical education and workforce training, and transfer courses for the overall student population and for each population group of high-need or disadvantaged students, and a determination of what activities are most likely to effectively meet those goals.

(3) Whether significant underrepresentation is found to exist pursuant to paragraphs (1) and (2), measures for addressing the disparities in those areas, implementation activities designed to attain the goals specified in paragraph (2), including, but not limited to, the adoption of evidence-based models of remediation, implementation of placement tests and policies that more accurately predict student success and identify students' remedial needs, and

a means of coordinating with, at a minimum, the following student equity-related categorical programs or campus-based programs:

- (A) Students with disabilities.
- (B) Extended Opportunity Programs and Services and Special Services.
- (C) Fund for Student Success.
- (D) Student Success and Support Program.
- (E) Programs for foster youth.
- (F) Programs for veterans.
- (G) Special Services for CalWORKs Recipients.
- (H) Student Financial Aid Administration.
- (I) Student Success for Basic Skills Students.
- (4) Sources of funds for the activities in the plan.
- (5) A schedule and process for evaluation.

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

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

(c) The plan shall be adopted by the governing board of the community college district and submitted to the Chancellor of the California Community Colleges on or before January 1, 2015, who shall publish all executive summaries, sending copies to the appropriate policy and budget committees of the Legislature, the Department of Finance, every community college and community college district, each consultation group identified in subdivision (b) that so requests, and additional individuals and organizations as deemed appropriate.

(d) The plan shall be updated every three academic years and plan updates shall be submitted to the Chancellor of the California

Community Colleges for publication and distribution as provided for in subdivision (c).

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

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

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

(c) The chancellor shall establish criteria for calculating the number of high-need and disadvantaged students in a community college district. For purposes of this article, “high-need students” mean students who have an expected family contribution, as defined in subdivision (g) of Section 69432.7, at any time during those students’ matriculation at the institution, that would qualify those students to receive federal Pell Grants and students from ZIP codes in the bottom two quintiles of college attainment. The calculation of a student’s expected family contribution shall be based on the Free Application for Federal Student Aid (FAFSA) application or an application determined by the California Student Aid Commission to be equivalent to the FAFSA application submitted by that student. For purposes of this article, the determination of who are “disadvantaged” students shall take into account the college participation rate of the college-aged population of, and the socioeconomic status of, a community college district population.

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

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

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

Article 5. CalWORKs Recipients Education Program

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

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

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

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

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

(b) Special services for CalWORKs recipients shall assist CalWORKs recipient students and those students transitioning off of CalWORKs in achieving long-term self-sufficiency through coordinated student services offered at a community college. Special services may include any of the services funded in accordance with subdivision (e).

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

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

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

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

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

(1) Job placement.

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

(3) Child care and workstudy.

(4) Instruction.

(5) Postemployment skills training and related skills training.

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

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

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

(b) Subsidized campus child care shall be provided to CalWORKs recipients only if they are engaged in welfare-to-work activities pursuant to Section 11320.1 of the Welfare and Institutions Code, through the completion of their initial education and training plan and for up to three months thereafter or until the end of the academic year, whichever period of time is greater.

(c) Funds allocated pursuant to Section 79204 for workstudy shall be used for payments to those employers that currently participate in campus-based workstudy programs or are providing work experiences that are directly related to and in furtherance of student educational programs and work participation requirements. Those payments shall not exceed 75 percent of the wage for the

workstudy positions, and the employers shall pay at least 25 percent of the wage for the workstudy positions. These funds may be expended on behalf of a CalWORKs recipient only if the recipient's total hours of education, employment, and workstudy meet the recipient's obligations as specified in Section 11322.8 of the Welfare and Institutions Code.

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

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

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

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

- (1) The enrollment of new CalWORKs recipient students.
- (2) An explanation of why additional classes were needed to accommodate the needs of CalWORKs recipient students.
- (3) An expenditure plan for the balance of these funds.

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

79207. (a) As a condition of continued receipt of the funds allocated pursuant to Section 79204, by the fourth week following the end of the semester or quarter term commencing in January of each year, community college districts and colleges shall submit to the Chancellor of the California Community Colleges a report, in the format specified by the chancellor, in consultation with the State Department of Social Services, that includes, but is not limited to, all of the following information:

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

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

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

(4) The number of workstudy hours provided.

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

(6) The number of students receiving case management.

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

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

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

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

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

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

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

(c) Prior to an allocation of funds for postemployment services pursuant to subdivision (b), the chancellor shall secure the approval of the Department of Finance for the allocations, complete a cumulative report on the outcomes, activities, and cost-effectiveness of the program of funding specified in Section 79204 no later than February 15 of each year, and provide the

rationale and justification for the proposed allocation of funds for postemployment services by community college districts for former CalWORKs recipients.

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

- (1) Direct instruction that cannot be funded by other means.
- (2) Child care to support attendance in classes consistent with this article for periods commensurate with a student's need for postemployment training within the two-year period.
- (3) Job development and placement services.
- (4) Career counseling and assessment activities that cannot be funded through other programs.

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

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

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

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

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

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

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

(b) The five-year plan for capital construction may also set out the estimated capital construction needs of the district with reference to other elements, including, but not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) In satisfaction of the moneys deferred pursuant to paragraph (6) of subdivision (a), the sum of ninety-four million four hundred sixty-five thousand dollars (\$94,465,000) is hereby appropriated in July of the 2015–16 fiscal year from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2015–16 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2014.

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

(d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, two hundred ninety-six million three hundred fifty-four thousand dollars (\$296,354,000) of the appropriations made by paragraph (1) of subdivision (b) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2013–14 fiscal year, and included within the “total allocations to school districts and

community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the 2013–14 fiscal year.

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

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

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

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

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

84750.5. (a) The board of governors, in accordance with the statewide requirements contained in paragraphs (1) to (11), inclusive, of subdivision (d), and in consultation with institutional representatives of the California Community Colleges and statewide faculty and staff organizations, so as to ensure their participation in the development and review of policy proposals, shall develop criteria and standards for the purposes of making the annual budget request for the California Community Colleges to

the Governor and the Legislature, and for the purpose of allocating the state general apportionment revenues.

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

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

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

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

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

(2) Commencing with the 2006–07 fiscal year, the funding mechanism developed pursuant to this section shall recognize the need for community college districts to receive an annual allocation

based on the number of colleges and comprehensive centers in the district. In addition to this basic allocation, the marginal amount of credit revenue allocated per FTES shall be funded at a rate not less than four thousand three hundred sixty-seven dollars (\$4,367), as adjusted for the change in the cost-of-living in subsequent annual budget acts.

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

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

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

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

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

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

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

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

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

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

(i) Increases in career development and college preparation FTES shall result in an increase in revenues in the year of the increase and at the average rate per career development and college preparation FTES, including any cost-of-living adjustment authorized by statute or by the annual Budget Act.

(ii) Decreases in career development and college preparation FTES shall result in a revenue reduction in the year following the decrease and at the average rate per career development and college preparation FTES.

(5) Except as otherwise provided by statute, current categorical programs providing direct services to students, including extended opportunity programs and services, and disabled students programs and services, shall continue to be funded separately through the annual Budget Act, and shall not be assumed under the budget formula otherwise specified by this section.

(6) For credit and noncredit instruction, changes in FTES shall result in adjustments in district revenues as follows:

(A) Increases in FTES shall result in an increase in revenues in the year of the increase and at the amount per FTES provided for in paragraph (2) or (3), as appropriate, including any cost-of-living adjustment authorized by statute or by the annual Budget Act.

(B) Decreases in FTES shall result in revenue reductions beginning in the year following the initial year of decrease in FTES, and at the district's marginal funding per FTES.

(C) Districts shall be entitled to the restoration of any reductions in apportionment revenue due to decreases in FTES during the three years following the initial year of decrease in FTES if there is a subsequent increase in FTES.

(7) Revenue adjustments shall be made to reflect cost changes, using the same inflation adjustment as required for school districts pursuant to subdivision (b) of Section 42238.1. These revenue adjustments shall be made to the college and center basic allocations, credit and noncredit FTES funding rates, and career development and college preparation FTES funding rates.

(8) The statewide requested increase in budgeted workload FTES shall be based, at a minimum, on the sum of the following computations:

(A) Determination of an equally weighted average of the rate of change in the California population of persons between the ages of 19 and 24 and the rate of change in the California population of persons between the ages of 25 and 65, both as determined by the Department of Finance's Demographic Research Unit as determined for the preceding fiscal year.

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

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

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

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

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

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

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

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

(vii) In no event shall the amount calculated pursuant to clause (vi) exceed the total unfunded FTES for that fiscal year. To the extent the computation specified in subdivision (c) requires the reporting of additional data by community college districts, that reporting shall be a condition of the receipt of apportionment for growth pursuant to this section and those funds shall be available to offset any and all costs of providing the data.

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

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

(e) (1) The Chancellor of the Community Colleges shall develop, and the board of governors shall adopt, a revised apportionment growth formula for use commencing with the 2015–16 fiscal year. The chancellor shall allocate apportionments pursuant to the revised formula only after the revised formula, and any formulas for adjustment pursuant to paragraph (2), have been adopted by the board of governors. The revised apportionment growth formula shall support the primary missions of the segment,

and shall be based on each community's need for access to the community colleges, as determined by local demographics. In developing the revised formula, the chancellor shall consider multiple factors in determining need; however, the primary factors shall be:

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

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

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

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

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

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

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

(B) After a community college district reaches its highest level of apportionment revenues previously received, it shall be eligible to increase its apportionment revenues by the lesser of one-half of 1 percent of its current apportionment base, or one-quarter of the

statewide growth allocation on an proportionate basis, regardless of its need.

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

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

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

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

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

(C) For purposes of this section, “primary missions of the segment” means credit courses and those noncredit courses specified in paragraphs (2) to (6), inclusive, of subdivision (a) of Section 84757.

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

84750.6. (a) Notwithstanding Section 84750.5, the board of governors shall provide the San Francisco Community College District with revenues, as specified in subdivision (b), if, on the

effective date of the act that adds this section, both of the following conditions are satisfied:

(1) 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.

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

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

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

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

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

(B) Funds shall be provided under this paragraph 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 all of the following benchmarks:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) October 15, 2015.

(B) April 15, 2016.

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

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

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

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

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

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

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

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

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

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

(d) Notwithstanding subdivision (a), for the 2015–16 fiscal year, revenues received pursuant to Sections 34177, 34179.5, 34179.6,

and 34188 of the Health and Safety Code after April 15, 2016, shall be counted as revenues received in the 2016–17 fiscal year.

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

84754.6. (a) The Chancellor of the California Community Colleges, in coordination with community college stakeholder groups, the appropriate fiscal and policy committees of the Legislature, and the Department of Finance, shall develop, and the board of governors shall adopt, a framework of indicators designed to measure the ongoing condition of a community college's operational environment in the following areas:

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

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

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

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

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

(e) If a community college district is receiving technical assistance pursuant to subdivision (d), the community college

district shall submit a turnaround plan that details all of the following:

- (1) The problem the technical assistance is attempting to solve.
- (2) How the identified problem will be addressed in a plan adopted by the governing board of the community college district.
- (3) A timetable of major milestones for improvement.
- (4) Updates that will be submitted to the Chancellor of the California Community Colleges on the outcomes in regard to those milestones, as scheduled by the chancellor.

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

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

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

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

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

(2) A community college district that employs faculty pursuant to this subdivision shall provide data to the chancellor's office as to the number of faculty members hired under this subdivision, and what the ratio of full-time to part-time faculty was for each of the three academic years prior to the hiring of faculty under this subdivision and for each academic year for which faculty is hired under this subdivision. This data shall be submitted, in writing, to the chancellor's office on or before June 30, 2012.

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

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

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

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

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

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

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

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

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

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

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

(1) The number of California Community College transfer students enrolled and the percentage of California Community College transfer students as a proportion of the total number of undergraduate students enrolled.

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

(3) The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.

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

(5) The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.

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

(7) The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.

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

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

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

(A) Freshman entrants.

(B) California Community College transfer students.

(C) Graduate students.

(D) Low-income students.

(11) The percentage of freshman entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate that they will graduate within four years.

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

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

(14) For undergraduate students, the total amount of funds received from all sources identified in subdivision (c) of Section 89290 for the year expended for undergraduate education, divided by the number of undergraduate degrees awarded that same year.

(15) The average number of California State University course credits and the total course credits, including credits accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and California Community College transfer students.

(16) (A) The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students.

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

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

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

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

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

(2) The need for statewide policies governing a student election, the consultative process, or both, for approving a proposed student success fee, including, but not necessarily limited to, policies requiring campuses to issue a voter pamphlet, or other informational document, or both, that provides an objective analysis of the proposed fee, a detailed description of the proposed fee uses, statements for and against the proposed fee action, and a notification to students regarding the dates, times, and locations available to either vote, for purposes of a student election, or confer with campus leadership, for purposes of the consultative process, regarding a proposed fee.

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

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

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

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

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

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

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

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

(1) "Low-income student" means an undergraduate student who has an expected family contribution, as defined in subdivision (g) of Section 69432.7, at any time during the student's matriculation at the institution that would qualify the student to receive a federal Pell Grant. The calculation of a student's expected family contribution shall be based on the Free Application for Federal Student Aid (FAFSA) application or an application determined by the California Student Aid Commission to be equivalent to the FAFSA application submitted by that applicant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

89772. (a) (1) Commencing with the 2014–15 fiscal year, and for each fiscal year thereafter, if the California State University plans to use any of its support appropriation in the annual budget for the subsequent fiscal year for capital expenditures, pursuant to and as defined in paragraph (1) of subdivision (b) of Section 89770, for capital outlay projects pursuant to Section 89771, it shall simultaneously submit, on or before September 1, 10 months before the commencement of that fiscal year, a report to the committees in each house of the Legislature that consider the State Budget, the budget subcommittees in each house of the Legislature that consider appropriations for the California State University, and the Department of Finance.

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

(3) The Department of Finance shall review the report and submit, by February 1, a list of preliminarily approved capital expenditures and capital outlay projects to the committees in each

house of the Legislature that consider the State Budget and the budget subcommittees in each house of the Legislature that consider appropriations for the California State University. These committees may review and respond to the list of preliminarily approved capital expenditures and capital outlay projects before April 1.

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

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

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

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

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

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

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

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

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

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

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

89774. Notwithstanding any other law, excluding Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code, the California State University may proceed with capital expenditures and capital outlay projects pursuant to Sections 89772 and 89773 without the need for any further

limitations or approvals, except those delineated in Sections 89772 and 89773.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) For purposes of this section, “capital outlay project” means both of the following:

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

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

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

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

(2) The report shall detail the scope of capital expenditures or the capital outlay project and how the capital expenditures or the capital outlay project will be funded, and it shall provide the same level of detail as a capital outlay budget change proposal.

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

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

(c) The University of California shall not use its General Fund support appropriation to fund a capital expenditure defined in paragraph (1) or (3) of subdivision (b) of Section 92493, or capital outlay project defined in subdivision (b) of Section 92494, before receiving approval from the Department of Finance pursuant to this section.

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

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

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

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

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

(f) Notwithstanding Section 10231.5 of the Government Code, commencing with the 2014–15 fiscal year, on or before February 1 of each fiscal year, the University of California shall simultaneously submit a progress report to the Joint Legislative Budget Committee and the Department of Finance detailing the scope, funding, and current status of all capital expenditures undertaken pursuant to Section 92493 and for all capital outlay projects undertaken pursuant to Section 92494.

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

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

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

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

(c) State Public Works Board rental payments.

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

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

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

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

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

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

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

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

(1) The number of transfer students enrolled from the California Community Colleges, and the percentage of California Community College transfer students as a proportion of the total number of undergraduate students enrolled.

(2) The number of new transfer students enrolled from the California Community Colleges, and the percentage of California

Community College transfer students as a proportion of the total number of new undergraduate students enrolled.

(3) The number of low-income students enrolled and the percentage of low-income students as a proportion of the total number of undergraduate students enrolled.

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

(5) The four-year graduation rate for students who entered the university four years prior and, separately, for low-income students in that cohort.

(6) The two-year transfer graduation rate for students who entered the university two years prior and, separately, for low-income students in that cohort.

(7) The number of degree completions, in total and for the following categories:

- (A) Freshman entrants.
- (B) California Community College transfer students.
- (C) Graduate students.
- (D) Low-income students.

(8) The percentage of freshman entrants who have earned sufficient course credits by the end of their first year of enrollment to indicate they will graduate within four years.

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

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

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

(12) The average number of University of California course credits and total course credits, including credit accrued at other institutions, accumulated by all undergraduate students who graduated, and separately for freshman entrants and California Community College transfer students.

(13) (A) The number of degree completions in science, technology, engineering, and mathematics (STEM) fields, in total, and separately for undergraduate students, graduate students, and low-income students.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Maintain California's leadership role in neuroscience innovation.

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

(3) Grow California's economy through the expansion of California's high technology and biotechnology sectors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Discrimination Complaint Procedures (02-TC-42 and portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes

of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988; Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the Statutes of 1999; and Chapter 1169 of the Statutes of 2002).

(6) Enrollment Fee Collection and Waivers (99-TC-13 and 00-TC-15).

(7) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes of 1984, Second Extraordinary Session).

(8) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31; Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter 1169 of the Statutes of 2002).

(9) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the Statutes of 1978).

(10) Public Contracts (02-TC-35; Chapter 1073 of the Statutes of 1985; Chapter 1408 of the Statutes 1988; Chapter 330 of the Statutes of 1989; Chapter 1414 of the Statutes of 1990; Chapter 321 of the Statutes of 1990; Chapter 799 of the Statutes of 1992; and Chapter 726 of the Statutes of 1994).

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

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

(13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter

753 of the Statutes of 1988; Chapters 424, 900, and 985 of the Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997; Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter 450 of the Statutes of 2002).

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

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

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

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

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

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

13146. The 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 shall be as follows:

(a) The city, county, or city and county with jurisdiction in the area affected by the standard or regulation shall delegate the enforcement of the building standards relating to fire and panic safety and other regulations of the State Fire Marshal as they relate

to R-3 dwellings, as described in Section 310.5 of Part 2 of the California Building Standards Code, to either of the following:

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

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

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

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

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

(e) 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 on all California State University campuses and properties administered or occupied by the California State University. For each university campus or property the State Fire Marshal may delegate that responsibility to the person of his or her choice who shall be known as the Designated Campus Fire Marshal.

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

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

10726. The trustees may receive bids for the construction of several public works projects at the California State University as a single project. Where more than one appropriation has been made for the several projects united as a single project under the provisions of this section, payments for the single project shall be made from the separate appropriations on such proportional basis

as may be determined by the trustees and approved by the Department of Finance.

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

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

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

(b) In one newspaper of general circulation published in the county in which the major portion of the project is located, and in one such trade paper published in the county group, as defined in Section 187 of the Streets and Highways Code, in which the work is to be done; or

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

SEC. 39. The balances of the appropriations provided by Item 6870-139-8080 of Section 2.00 of the Budget Act of 2013, as added by Chapters 20 and 354 of the Statutes of 2013, payable from the Clean Energy Job Creation Fund, are hereby reappropriated for the purposes of, and subject to, that item, and, notwithstanding any other law, shall be available for encumbrance until June 30, 2018.

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

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

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

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

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

(f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 2014–15 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2014–15 fiscal year.

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

(b) The funds appropriated in subdivision (a) shall only be available to the extent that offsetting revenues distributed to

community colleges pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution are less than the estimated amount reflected in the Budget Act of 2014, as determined by the Director of Finance.

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

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

(e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202 of the Education Code, for the 2014–15 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2014–15 fiscal year.

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

(b) The funds appropriated in subdivision (a) shall only be available for revenues distributed to a net excess tax community

college district pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution, as determined by the Director of Finance.

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

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

SEC. 43. (a) On or before June 30, 2015, an amount to be determined by the Director of Finance shall be appropriated from the General Fund to the Board of Governors of the California Community Colleges in augmentation of Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2012.

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

(c) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to notify the Controller of the necessity to release funds appropriated in subdivision (a), and the amount needed to address the Education Protection Account shortfall determined pursuant to subdivision (b). The Controller shall make the funds available not sooner than five days after this notification and the

Office of the Chancellor of the California Community Colleges shall work with the Controller to allocate these funds to community college districts as soon as practicable.

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

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

SEC. 45. In regard to Section 18 of this act, the Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique accreditation and fiscal challenges facing the San Francisco Community College District.

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

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







Approved \_\_\_\_\_, 2014

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*Governor*