An act to amend Section 69999.6 of, and to add and repeal Part 40.1 (commencing with Section 67420) of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL’S DIGEST


Existing

(1) Existing law establishes the segments of the postsecondary education system in the state, including the University of California, administered by the Regents of the University of California; the California State University, administered by the Trustees of the California State University; and the California Community Colleges, administered by the Board of Governors of the California Community Colleges.

This bill would establish the College Textbook Affordability Act of 2015 to reduce costs for college students by encouraging faculty to accelerate the adoption of lower cost, high-quality open educational resources, as defined. The bill would provide that funding for this act is to be provided in the annual Budget Act.

The bill would create the Open Educational Resources Adoption Incentive Fund in the State Treasury to provide incentives and reward...
campus and faculty efforts to accelerate the adoption of open educational resources. The bill would require that moneys in the fund be used by campuses to create and support faculty professional development, open educational resource curation activities, faculty release time, or technology support for the faculty, faculty and students, as specified. The bill would authorize the local academic senate of a campus of the California State University or the California Community Colleges to (1) adopt a local campus resolution, in collaboration with students and the administration, stating its intent to increase student access to high-quality open educational resources, and (2) upon adoption of the resolution, develop a specified plan that describes evidence of the campus's commitment and readiness to spend grant money from the fund to support faculty adoption of open educational resources. The bill would require the respective segment office California Open Education Resources Council to review and approve the resolution and the plan, and, if they meet these and other specified requirements, would authorize an initial grant of up to $10,000 to a local campus of the California State University or the California Community Colleges from the fund for an unspecified amount for the purpose of establishing a plan and strategy, as specified. The bill would require additional bonus grants of unspecified amounts up to $10,000 to be distributed to participating campuses if certain benchmarks are met. The bill would require a grant recipient to report to its respective segment office the California Open Education Resources Council as to whether its benchmarks have been reached and it is eligible for the bonus grants. The bill would also require the Chancellor of the California Community Colleges, the Chancellor of the California State University, and the President of the University of California California Open Education Resources Council to report to the Legislature before July 1 of each year, commencing in 2018, as to whether the grants are increasing the rate of adoption of open educational resources and decreasing textbook costs for college students.

The bill would make these provisions inoperative on July 1, 2020, and would repeal them as of January 1, 2021.

(2) Existing law appropriates, from specified funds, $5,000,000 to the Chancellor of the California State University to fund, among other things, the establishment and administration of the California Open Education Resources Council and the California Digital Open Source Library. Existing law reverts any of this $5,000,000 that is not 100% matched by private funds to a specified trust.
This bill would specify that those funds may be used for purposes of the College Textbook Affordability Act of 2015, and would specify that funds appropriated for those purposes shall not be required to be matched by private funds.


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

SECTION 1. Part 40.1 (commencing with Section 67420) is added to Division 5 of Title 3 of the Education Code, to read:

PART 40.1. COLLEGE TEXTBOOK AFFORDABILITY ACT OF 2015

67420. This part shall be known, and may be cited, as the College Textbook Affordability Act of 2015.

67421. (a) The College Textbook Affordability Act of 2015 is hereby established to reduce costs for college students by encouraging faculty to accelerate the adoption of lower cost, high-quality, open educational resources. Faculty development shall be a key component of this acceleration initiative. This initiative shall use, in addition to any other appropriate resources, those identified, housed, produced, and otherwise found appropriate pursuant to the California Open Education Resources Council established in Section 66409 and the California Digital Open Source Library established in Section 66408.

(b) Funding for this act shall be provided in the annual Budget Act.

67422. (a) The Open Educational Resources Adoption Incentive Fund is hereby created in the State Treasury to provide incentives and reward campus and faculty efforts to accelerate adoption of open educational resources for the purpose of reducing students’ costs and improving access to quality materials.

(b) Moneys in the fund shall be used, upon appropriation by the Legislature, by community college, college and California State University, and University of California University campuses to create and support faculty professional development, open educational resource curation activities, faculty release time, technology support for the faculty, faculty and students, or some
combination thereof. Moneys in the fund shall not be used for direct compensation for faculty members who adopt open educational resources.

(c) For the purposes of this act, a “community college campus” is a community college campus site that has a local academic senate.

67423. (a) As used in this part, “fund” shall mean the Open Educational Resources Adoption Incentive Fund.

(b) As used in this part, “open educational resources” mean high-quality teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others, and may include other resources that are legally available and free of cost to students. “Open educational resources” includes, but is not limited to, full courses, course materials, modules, textbooks, faculty-created content, streaming videos, tests, software, and any other tools, materials, or techniques used to support access to knowledge.

67424. (a) The local academic senate of a campus of the University of California, the California State University, University or the California Community Colleges may adopt a local campus resolution, in collaboration with students and the administration, stating its intent to increase student access to high-quality open educational resources.

(b) Upon adoption of the local campus resolution, the campus may submit the resolution to the respective segment office for an initial grant from the fund to establish a plan and strategy for accelerating adoption of high quality open educational resources on its campus, and developing the accompanying professional development. The campus may develop a plan that describes evidence of the campus’s commitment and readiness to effectively spend grant money from the fund to support faculty adoption of open educational resources.

(1) The creation of the plan and strategy shall be a collaboration between the campus academic senate and the recognized campus student body organization, with input solicited by the campus academic senate or the recognized campus student body organization from the local campus bookstore. The California Open Education Resources Council, established in Section 66409, may provide expertise on available open educational resources.
and best practices for the adoption of open educational resources for existing courses to assist in the development of the plan.

(2) The strategy plan shall include continued access to a hard copy of open educational resource materials selected by faculty for use through the local campus bookstore and shall ensure access to materials offline for students.

(3) (A) Each plan shall include three benchmarks, focusing on reducing costs for students and increasing the adoption of high-quality open educational resources consisting of a year one goal, a year two goal, and a year three goal.

(B) Each local campus shall determine its own benchmarks.

(C) Oversight of these benchmarks shall be provided when the grants are approved by the respective segment office.

(4) Plans that utilize available open educational resources, including, but not limited to, California Open Online Library for Education (COOL4Ed) and Multimedia Educational Resource for Learning and Online Teaching (MERLOT) shall receive priority for receiving grants.

(c) (1) Each local campus may submit the resolution and the plan developed pursuant to subdivisions (a) and (b) to the California Open Education Resources Council for an initial grant from the fund.

(e) (2) The respective segment office California Open Education Resources Council shall review the submitted resolution and plan and, if they meet the requirements of this part, approve the resolution, and the initial grant shall be administered by the designated segment office in collaboration with the campus president, provost, or chief academic officer and the recognized campus student body organization.

(1) The designated segment office for the California Community Colleges may be the Success Center for California Community Colleges or another appropriate office.

(2) The designated segment office for the California State University may be the Academic Technology Services or another appropriate office.

(3) The initial grant shall be approved for not more than \( \text{not exceed ten thousand dollars} \) \( ($10,000) \).

(d) (1) Each year after a campus receives an initial grant, for up to three years, the campus shall receive a bonus grant from the
fund for meeting established performance benchmarks for
accelerating usage of open educational resources in courses,
according to the following schedule:
(A) A campus shall receive a bonus grant of up to ten
thousand dollars ($10,000) for reaching its first benchmark
in using open educational resources on campus and decreasing
textbook costs for students in the first year of implementation.
(B) A campus shall receive a bonus grant of up to ten
thousand dollars ($10,000) for reaching its second
benchmark in using open educational resources on campus and
decreasing textbook costs for students in the second year of
implementation.
(C) A campus shall receive a bonus grant of up to ten
thousand dollars ($10,000) for reaching its third
benchmark in using open educational resources on campus and
decreasing textbook costs for students in the third year of
implementation. For bonus grants issued for reaching the third
benchmark, if applications exceed the amount of available grant
funds, priority shall be given by the California Open Education
Resources Council to plans submitted pursuant to subdivision (c)
that achieve cost savings for students through collaborations with
one or more campuses. These collaborations may form within a
segment, or across different segments.
(2) The bonus grants shall be used for faculty professional
development, open educational resource curation activities,
technology support for the faculty, faculty and students, faculty
release time, or some combination thereof, administered by the
local academic senate in collaboration with the campus president,
provost, or chief academic officer and the recognized campus
student body organization of these uses.
(e) A grant recipient shall report to its respective segment office
the California Open Education Resources Council as to whether
its benchmarks have been reached and it is eligible for bonus grants
pursuant to paragraph (1) of subdivision (d). This report shall
include an explanation of how the recipient used available open
educational resources, including, but not limited to, COOL4Ed
and MERLOT, to accomplish its goals pursuant to this part more
efficiently.
(f) The Chancellor of the California Community Colleges, the
Chancellor of the California State University, and the President
of the University of California, "California Open Education Resources Council" shall report to the Legislature before July 1 each year, commencing in 2018, as to whether the grants are increasing the rate of adoption of open educational resources and decreasing textbook costs for college students.

(g) A local academic senate of a campus of the California State University or the California Community Colleges may commence its application by adopting a local campus resolution as of January 1, 2016, pursuant to subdivision (a). The California Open Education Resources Council shall be ready to review grant applications on or before March 1, 2016.

67425. This part shall become inoperative on July 1, 2020, and, as of January 1, 2021, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2021, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 69999.6 of the Education Code is amended to read:

69999.6. (a) In enacting this article, it is the intent of the Legislature to accomplish all of the following:

1. Provide explicit authority to the board to continue to administer accounts for, and make awards to, persons who qualified for awards under the provisions of the Governor’s Scholarship Programs as those provisions existed on January 1, 2003, prior to the repeal of former Article 20 (commencing with Section 69995).

2. Provide for the management and disbursement of funds previously set aside for the scholarship programs authorized by former Article 20 (commencing with Section 69995).

3. Provide a guarantee should additional funds be needed to cover awards authorized and made pursuant to former Article 20 (commencing with Section 69995).

(b) The board may manage and disburse the funds previously set aside for the scholarship programs authorized by former Article 20 (commencing with Section 69995).

(c) If a person has earned an award under the Governor’s Scholarship Programs on or before January 1, 2003, but has not claimed the award on or before June 30, 2004, he or she still may claim the award by a date that is five years from the first June 30 that fell after he or she took the qualifying test. An award shall not be made by the board after that date.
(d) The board shall negotiate with the current manager of the Governor’s Scholarship Programs and execute an amended or new management and funding agreement, before January 1, 2013, which shall include, but not be limited to, all of the following:

1. Terms providing for the return to the General Fund by no later than January 1, 2013, of moneys appropriated to the Governor’s Scholarship Programs that are not anticipated to be needed to make awards pursuant to paragraphs (1) and (2) of subdivision (a).

2. Provisions that authorize the board to pay agreed-upon early withdrawal penalties or fees.

3. Terms that extend to the final date upon which the board may withdraw funds for a person who earned an award under the Governor’s Scholarship Programs.

(e) (1) If funds retained in the Golden State Scholarshare Trust after January 1, 2013, are insufficient to cover the remaining withdrawal requests, it is the intent of the Legislature to appropriate the necessary funds to the Golden State Scholarshare Trust for the purpose of funding individual beneficiary accounts.

(2) The board shall notify the Department of Finance and the Legislature no later than 10 working days after determining that a shortfall in available funding described in paragraph (1) will occur.

(f) (1) Of the funds transferred to the General Fund pursuant to paragraph (1) of subdivision (d), five million dollars ($5,000,000) is hereby appropriated to the Chancellor of the California State University, without regard to fiscal years, to fund the establishment and administration of the California Open Education Resources Council and the California Digital Open Source Library, and the development or acquisition of open education resources, or any combination thereof, pursuant to legislation enacted in the 2011–12 Regular Session of the Legislature, provided that the funds are for the funding of grants and administrative costs pursuant to the College Textbook Affordability Act of 2015 (Part 40.1 (commencing with Section 67420) of Division 5). The chancellor may provide reimbursement to the California Community Colleges and the University of California for costs those segments, or their representatives, incur in association with the activities described in this paragraph.
(2) (A) Moneys, or a portion of moneys, appropriated pursuant to paragraph (1) shall not be encumbered unless at least 100 percent of that amount encumbered is matched by private funds. Moneys appropriated pursuant to paragraph (1) that are not matched by private funds shall revert to the Golden State Scholarshare Trust for purposes of the Governor’s Scholarship Programs.

(B) Notwithstanding subparagraph (A), moneys appropriated for purposes of the College Textbook Affordability Act shall not be required to be matched by private funds.

(g) The board may adopt rules and regulations for the implementation of this article.