ASSEMBLY BILL   No. 798

Introduced by Assembly Member Bonilla

February 26, 2015

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~~ *of,* the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 798, as amended, Bonilla. College Textbook Affordability Act of 2015.

~~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.~~ *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.~~ *fund.* 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~~ *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.

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

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

1   SECTION 1. Part 40.1 (commencing with Section 67420) is
2 added to Division 5 of Title 3 of the Education Code, to read:
3
4 PART 40.1. COLLEGE TEXTBOOK AFFORDABILITY ACT
5   OF 2015
6
7   67420. This part shall be known, and may be cited, as the
8 College Textbook Affordability Act of 2015.
9   67421. ~~(a)~~ The College Textbook Affordability Act of 2015
10 is hereby established to reduce costs for college students by
11 encouraging faculty to accelerate the adoption of lower cost,
12 high-quality, open educational resources. Faculty development
13 shall be a key component of this acceleration initiative. *This*
14 *initiative shall use, in addition to any other appropriate resources,*
15 *those identified, housed, produced, and otherwise found*
16 *appropriate pursuant to the California Open Education Resources*
17 *Council established in Section 66409 and the California Digital*
18 *Open Source Library established in Section 66408.*
19 ~~(b) Funding for this act shall be provided in the annual Budget~~
20 ~~Act.~~
21   67422. (a) The Open Educational Resources Adoption
22 Incentive Fund is hereby created in the State Treasury to provide
23 incentives and reward campus and faculty efforts to accelerate
24 adoption of open educational resources for the purpose of reducing
25 students' costs and improving access to quality materials.
26   (b) Moneys in the fund shall be ~~used~~ *used, upon appropriation*
27 *by the Legislature,* by community ~~college,~~ *college and* California
28 State ~~University, and University of California~~ *University* campuses
29 to create and support faculty professional development, open
30 educational resource curation activities, *faculty release time,*
31 technology support for ~~the faculty,~~ *faculty and students,* or some

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1 combination ~~thereof.~~ *of these uses.* Moneys in the fund shall not
2 be used for direct compensation for faculty members who adopt
3 open educational resources.
4   *(c) For the purposes of this act, a "community college campus"*
5 *is a community college campus site that has a local academic*
6 *senate.*
7   67423. (a) As used in this part, "fund" shall mean the Open
8 Educational Resources Adoption Incentive Fund.
9   (b) As used in this part, "open educational resources" ~~mean~~ *are*
10 high-quality teaching, learning, and research resources that reside
11 in the public domain or have been released under an intellectual
12 property license that permits their free use and repurposing by
13 ~~others.~~ *others, and may include other resources that are legally*
14 *available and free of cost to students.* "Open educational resources"
15 ~~includes, but is~~ *include, but are* not limited to, full courses, course
16 materials, modules, textbooks, *faculty-created content,* streaming
17 videos, tests, software, and any other tools, materials, or techniques
18 used to support access to knowledge.
19   67424. (a) The local academic senate of a campus of the
20 ~~University of California, the~~ California State ~~University,~~ *University*
21 or the California Community Colleges may adopt a local campus
22 resolution, in collaboration with students and the administration,
23 stating its intent to increase student access to high-quality open
24 educational resources.
25   (b) Upon adoption of the local campus resolution, ~~the campus~~
26 ~~may submit the resolution to the respective segment office for an~~
27 ~~initial grant from the fund to establish a plan and strategy for~~
28 ~~accelerating adoption of high-quality open educational resources~~
29 ~~on its campus, and developing the accompanying professional~~
30 ~~development.~~ *the campus may develop a plan that describes*
31 *evidence of the campus's commitment and readiness to effectively*
32 *spend grant money from the fund to support faculty adoption of*
33 *open educational resources.*
34   (1) The creation of the plan ~~and strategy~~ shall be a collaboration
35 between the campus academic senate and the recognized campus
36 student body ~~organization.~~ *organization, with input solicited by*
37 *the campus academic senate or the recognized campus student*
38 *body organization from the local campus bookstore. The California*
39 *Open Education Resources Council, established in Section 66409,*
40 *may provide expertise on available open educational resources*

1 *and best practices for the adoption of open educational resources*
2 *for existing courses to assist in the development of the plan.*
3 (2) The ~~strategy~~ *plan* shall include continued access to a hard
4 copy of *open educational resource* materials *selected by faculty*
5 *for use* through the local campus bookstore and *shall* ensure access
6 to materials offline for students.
7 (3) (A) Each plan shall include three benchmarks, focusing on
8 reducing costs for students and increasing the adoption of
9 high-quality open educational resources consisting of a year one
10 goal, a year two goal, and a year three goal.
11 (B) Each local campus shall determine its own benchmarks.
12 ~~(C) Oversight of these benchmarks shall be provided when the~~
13 ~~grants are approved by the respective segment office.~~
14 *(4) Plans that utilize available open educational resources,*
15 *including, but not limited to, California Open Online Library for*
16 *Education (COOL4Ed) and Multimedia Educational Resource for*
17 *Learning and Online Teaching (MERLOT) shall receive priority*
18 *for receiving grants.*
19 *(c) (1) Each local campus may submit the resolution and the*
20 *plan developed pursuant to subdivisions (a) and (b) to the*
21 *California Open Education Resources Council for an initial grant*
22 *from the fund.*
23 ~~(c)~~
24 *(2)* The ~~respective segment office~~ *California Open Education*
25 *Resources Council* shall review *the submitted resolution and plan*
26 and, if ~~it meets~~ *they meet* the requirements of this part, approve
27 ~~the resolution, and the initial grant shall be administered by the~~
28 ~~designated segment office in collaboration with the campus~~
29 ~~president, provost, or chief academic officer and the recognized~~
30 ~~campus student body organization.~~
31 ~~(1) The designated segment office for the California Community~~
32 ~~Colleges may be the Success Center for California Community~~
33 ~~Colleges or another appropriate office.~~
34 ~~(2) The designated segment office for the California State~~
35 ~~University may be the Academic Technology Services or another~~
36 ~~appropriate office.~~ *them.*
37 (3) ~~The~~ *An* initial grant shall ~~be approved for not more than~~
38 ~~____~~ *not exceed ten thousand* dollars ~~($____).~~ *($10,000).*
39 (d) (1) Each year after a campus receives an initial grant, for
40 up to three years, the campus shall receive a bonus grant from the

1 fund for meeting established performance benchmarks for
2 accelerating usage of open educational resources in courses,
3 according to the following schedule:
4 (A) A campus shall receive a bonus grant of up to —— *ten*
5 *thousand* dollars (\$——) *(\$10,000)* for reaching its first benchmark
6 in using open educational resources on campus and decreasing
7 textbook costs for students in the first year of implementation.
8 (B) A campus shall receive a bonus grant of up to —— *ten*
9 *thousand* dollars (\$——) *(\$10,000)* for reaching its second
10 benchmark in using open educational resources on campus and
11 decreasing textbook costs for students in the second year of
12 implementation.
13 (C) A campus shall receive a bonus grant of up to —— *ten*
14 *thousand* dollars (\$——) *(\$10,000)* for reaching its third
15 benchmark in using open educational resources on campus and
16 decreasing textbook costs for students in the third year of
17 implementation. *For bonus grants issued for reaching the third*
18 *benchmark, if applications exceed the amount of available grant*
19 *funds, priority shall be given by the California Open Education*
20 *Resources Council to plans submitted pursuant to subdivision (c)*
21 *that achieve cost savings for students through collaborations with*
22 *one or more campuses. These collaborations may form within a*
23 *segment, or across different segments.*
24 (2) The bonus grants shall be used for faculty professional
25 development, open educational resource curation activities,
26 technology support for ~~the faculty,~~ *faculty and students, faculty*
27 *release time,* or some combination ~~thereof, administered by the~~
28 ~~local academic senate in collaboration with the campus president,~~
29 ~~provost, or chief academic officer and the recognized campus~~
30 ~~student body organization.~~ *of these uses.*
31 (e) A grant recipient shall report to ~~its respective segment office~~
32 *the California Open Education Resources Council* as to whether
33 its benchmarks have been reached and it is eligible for bonus grants
34 pursuant to paragraph (1) of subdivision (d). *This report shall*
35 *include an explanation of how the recipient used available open*
36 *educational resources, including, but not limited to, COOL4Ed*
37 *and MERLOT, to accomplish its goals pursuant to this part more*
38 *efficiently.*
39 (f) The ~~Chancellor of the California Community Colleges, the~~
40 ~~Chancellor of the California State University, and the President~~

1 ~~of the University of California~~ *California Open Education*
2 *Resources Council* shall report to the Legislature before July 1
3 each ~~year~~ *year, commencing in 2018,* as to whether the grants are
4 increasing the rate of adoption of open educational resources and
5 decreasing textbook costs for college students.
6 *(g) A local academic senate of a campus of the California State*
7 *University or the California Community Colleges may commence*
8 *its application by adopting a local campus resolution as of January*
9 *1, 2016, pursuant to subdivision (a). The California Open*
10 *Education Resources Council shall be ready to review grant*
11 *applications on or before March 1, 2016.*
12 67425. This part shall become inoperative on July 1, 2020,
13 and, as of January 1, 2021, is repealed, unless a later enacted
14 statute, that becomes operative on or before January 1, 2021,
15 deletes or extends the dates on which it becomes inoperative and
16 is repealed.
17 *SEC. 2. Section 69999.6 of the Education Code is amended to*
18 *read:*
19 69999.6. (a) In enacting this article, it is the intent of the
20 Legislature to accomplish all of the following:
21 (1) Provide explicit authority to the board to continue to
22 administer accounts for, and make awards to, persons who qualified
23 for awards under the provisions of the Governor's Scholarship
24 Programs as those provisions existed on January 1, 2003, prior to
25 the repeal of former Article 20 (commencing with Section 69995).
26 (2) Provide for the management and disbursement of funds
27 previously set aside for the scholarship programs authorized by
28 former Article 20 (commencing with Section 69995).
29 (3) Provide a guarantee should additional funds be needed to
30 cover awards authorized and made pursuant to former Article 20
31 (commencing with Section 69995).
32 (b) The board may manage and disburse the funds previously
33 set aside for the scholarship programs authorized by former Article
34 20 (commencing with Section 69995).
35 (c) If a person has earned an award under the Governor's
36 Scholarship Programs on or before January 1, 2003, but has not
37 claimed the award on or before June 30, 2004, he or she still may
38 claim the award by a date that is five years from the first June 30
39 that fell after he or she took the qualifying test. An award shall not
40 be made by the board after that date.

1   (d) The board shall negotiate with the current manager of the
2 Governor's Scholarship Programs and execute an amended or new
3 management and funding agreement, before January 1, 2013, which
4 shall include, but not be limited to, all of the following:
5   (1) Terms providing for the return to the General Fund by no
6 later than January 1, 2013, of moneys appropriated to the
7 Governor's Scholarship Programs that are not anticipated to be
8 needed to make awards pursuant to paragraphs (1) and (2) of
9 subdivision (a).
10   (2) Provisions that authorize the board to pay agreed-upon early
11 withdrawal penalties or fees.
12   (3) Terms that extend to the final date upon which the board
13 may withdraw funds for a person who earned an award under the
14 Governor's Scholarship Programs.
15   (e) (1) If funds retained in the Golden State Scholarshare Trust
16 after January 1, 2013, are insufficient to cover the remaining
17 withdrawal requests, it is the intent of the Legislature to appropriate
18 the necessary funds to the Golden State Scholarshare Trust for the
19 purpose of funding individual beneficiary accounts.
20   (2) The board shall notify the Department of Finance and the
21 Legislature no later than 10 working days after determining that
22 a shortfall in available funding described in paragraph (1) will
23 occur.
24   (f) (1) Of the funds transferred to the General Fund pursuant
25 to paragraph (1) of subdivision (d), five million dollars
26 ($5,000,000) is hereby appropriated to the Chancellor of the
27 California State University, without regard to fiscal years, to fund
28 the establishment and administration of the California Open
29 Education Resources Council and the California Digital Open
30 Source Library, and the development or acquisition of open
31 education resources, or any combination thereof, pursuant to
32 legislation enacted in the 2011–12 Regular Session of the
33 Legislature, ~~provided that the~~ *or for the funding of grants and*
34 *administrative costs pursuant to the College Textbook Affordability*
35 *Act of 2015 (Part 40.1 (commencing with Section 67420) of*
36 *Division 5). The* chancellor may provide reimbursement to the
37 California Community Colleges and the University of California
38 for costs those segments, or their representatives, incur in
39 association with the activities described in this paragraph.

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1   (2) *(A)* Moneys, or a portion of moneys, appropriated pursuant
2 to paragraph (1) shall not be encumbered unless at least 100 percent
3 of that amount encumbered is matched by private funds. Moneys
4 appropriated pursuant to paragraph (1) that are not matched by
5 private funds shall revert to the Golden State Scholarshare Trust
6 for purposes of the Governor's Scholarship Programs.
7   *(B) Notwithstanding subparagraph (A), moneys appropriated*
8 *for purposes of the College Textbook Affordability Act shall not*
9 *be required to be matched by private funds.*
10   (g) The board may adopt rules and regulations for the
11 implementation of this article.

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