

AMENDED IN SENATE AUGUST 17, 2015

AMENDED IN SENATE JULY 1, 2015

AMENDED IN ASSEMBLY JUNE 2, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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, the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

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

(1) Existing law establishes the segments of the postsecondary education system in the state, including 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 create the Open Educational Resources Adoption Incentive Fund in the State Treasury to provide incentives and reward campus, staff, 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 and staff professional development, open educational resource curation activities, curriculum modification, or technology support for faculty, staff, 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 California Open Education Resources Council to review and approve the plan, and, if it meets these and other specified requirements, would authorize the respective segment office for the campus to award an initial grant of up to \$10,000 to the campus from the fund. *The bill would authorize a campus to submit a number plans for approval that would be determined in accordance with the number of students enrolled on the campus, except as provided.* The bill would require additional bonus grants of up to \$10,000 to be distributed to participating campuses if certain benchmarks are met. The bill would cap the number of plans that may be approved by the California Open Education Resources Council each award ~~year at 100~~ year, as specified. The bill would require a grant recipient to report to the California Open Education Resources Council *within 90 days after the end date for each year of each awarded grant* as to whether its benchmarks have been reached to determine whether it is eligible for the bonus grants. The bill would require the Intersegmental Committee of Academic Senates 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 bill would specify that the annual costs for the California Open Online Library for Education and administrative support for the California Open Education Resources Council shall not exceed \$140,000 annually.*

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. The College Textbook Affordability Act of 2015 is
10 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 appropriate
16 pursuant to the California Open Education Resources Council
17 established in Section 66409 and the California Digital Open
18 Source Library established in Section 66408.

19 67422. (a) The Open Educational Resources Adoption
20 Incentive Fund is hereby created in the State Treasury to provide
21 incentives and reward campus and faculty efforts to accelerate
22 adoption of open educational resources for the purpose of reducing
23 students' costs and improving access to quality materials.

24 (b) (1) Moneys in the fund shall be used, upon appropriation
25 by the Legislature, by community college and California State
26 University campuses to create and support any, or some
27 combination, of the following purposes:

- 1 (A) Faculty professional ~~development~~. *development about open*
- 2 *educational resources.*
- 3 (B) Professional development for staff whose work relates to
- 4 the use of, or student access to, open educational resources.
- 5 (C) Open educational resource curation activities.
- 6 (D) Curriculum ~~modification~~. *modification for the adoption of*
- 7 *open educational resources as course materials.*
- 8 (E) Technology support for faculty, students, and staff whose
- 9 work relates to the use of, or student access to, open educational
- 10 resources.
- 11 (2) Moneys in the fund shall not be used for direct compensation
- 12 for faculty members who adopt open educational resources or for
- 13 purchasing new equipment.
- 14 (c) For the purposes of this act, a “community college campus”
- 15 is a community college campus site that has a local academic
- 16 senate.
- 17 67423. (a) As used in this part, “fund” shall mean the Open
- 18 Educational Resources Adoption Incentive Fund.
- 19 (b) As used in this part, “open educational resources” are
- 20 high-quality teaching, learning, and research resources that reside
- 21 in the public domain or have been released under an intellectual
- 22 property ~~license~~ *license, such as a Creative Commons license*, that
- 23 permits their free use and repurposing by others, and may include
- 24 other resources that are legally available and free of cost to
- 25 students. “Open educational resources” include, but are not limited
- 26 to, full courses, course materials, modules, textbooks,
- 27 faculty-created content, streaming videos, tests, software, and any
- 28 other tools, materials, or techniques used to support access to
- 29 knowledge.
- 30 67424. (a) The local academic senate of a campus of the
- 31 California State University or the California Community Colleges
- 32 may adopt a local campus resolution, in collaboration with students
- 33 and the administration, stating its intent to increase student access
- 34 to high-quality open educational resources.
- 35 (b) Upon adoption of the local campus resolution, the campus
- 36 may develop a plan that describes evidence of the campus’s
- 37 commitment and readiness to effectively spend grant money from
- 38 the fund to support faculty adoption of open educational resources.
- 39 The California Open Education Resources Council may provide
- 40 a model plan to campuses.

1 (1) The creation of the plan shall be a collaboration between
2 the campus academic senate and the recognized campus student
3 body organization, if the recognized campus student body
4 organization wants to be involved, with input solicited by the
5 campus academic senate or the recognized campus student body
6 organization from the local campus bookstore. ~~bookstore, including~~
7 *regarding open educational resources distribution, or campus*
8 *centers and libraries supporting faculty professional development*
9 *for the adoption of open educational resources.* The California
10 Open Education Resources Council, established in Section 66409,
11 may provide expertise on available open educational resources
12 and best practices for the adoption of open educational resources
13 for existing courses to assist in the development of the plan.

14 (2) The plan shall include continued access to open educational
15 resource materials selected by faculty for use through either the
16 availability of a ~~hard-copy~~ *hardcopy* at the local campus bookstore
17 or access to materials ~~on PDF to print~~ on campus, and shall ensure
18 access to materials *in formats that can be printed* offline for
19 students.

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

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

25 (4) Each plan that demonstrates the following readiness
26 requirements shall be given priority for approval in accordance
27 with paragraph (2) of subdivision (c):

28 (A) A plan with concrete benchmarks that demonstrate
29 quantifiable outcomes to be achieved from its implementation,
30 including, but not limited to, an estimate of the range of money to
31 be saved per student from the plan's implementation.

32 (B) A plan that utilizes available open educational resources,
33 including, but not limited to, California Open Online Library for
34 Education (COOL4Ed) and Multimedia Educational Resource for
35 Learning and Online Teaching (MERLOT).

36 ~~(C) A plan that provides an estimate of the amount of money~~
37 ~~to be saved per student from the plan's implementation.~~

38 ~~(D)~~

39 (C) A plan that provides an estimate of the number of academic
40 departments expected to be involved in the plan's implementation.

1 ~~(E)~~
 2 (D) A plan that describes how existing faculty development
 3 programs will be enhanced by the plan’s implementation.

4 ~~(F)~~
 5 (E) A plan that provides an assessment of the costs for students
 6 to purchase course materials, as *may be* determined by *consulting*
 7 *with* the California Open Education Resources Council.

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

12 (B) *Except as provided in subparagraph (C), each year, each*
 13 *campus may submit one plan for an initial grant, and may submit*
 14 *one additional plan for every additional 10,000 students, regardless*
 15 *of full-time or part-time status.*

16 (C) *A local campus that is currently receiving a grant or bonus*
 17 *grant pursuant to this part may submit no more than the maximum*
 18 *number of plans for an initial grant under subparagraph (B) minus*
 19 *the number of the campus’ plans that are currently receiving a*
 20 *grant or bonus grant.*

21 (2) The California Open Education Resources Council shall
 22 review the submitted plan and, if it meets the requirements of this
 23 part, approve it.

24 (3) Plans shall be submitted and approved in one of two rounds.
 25 Plans submitted from October 2 to April 1, inclusive, of each
 26 academic year shall be reviewed as round one plans. Plans
 27 submitted from April 2 to October 1, inclusive, of a calendar year
 28 shall be reviewed as round two plans.

29 (4) The California Open Education Resources Council shall
 30 approve up to 100 plans per year. A plan not approved in a round
 31 may be resubmitted by the campus for approval in future rounds,
 32 as determined by the California Open Education Resources
 33 Council. ~~Each campus may only have one plan approved for~~
 34 ~~purposes of the grant program.~~ *For a plan that is not approved,*
 35 *the council shall recommend modifications to increase the*
 36 *likelihood of the plan’s success if it is approved in a subsequent*
 37 *round.*

38 (5) Each plan approved by the California Open Education
 39 Resources Council shall be submitted by the council to the
 40 appropriate segment office. The segment office shall award grants

1 to recipients in accordance with this ~~section~~ *section and in*
2 *accordance with each system's policies and procedures for*
3 *approving and administering grants.*

4 (6) Administrative support may be provided to the council by
5 COOL4Ed to help the council carry out its duties in accordance
6 with this part.

7 (7) An initial grant shall not exceed ten thousand dollars
8 (\$10,000).

9 (d) (1) Each year after a campus receives an initial grant, for
10 up to three years, the campus shall receive a bonus grant from the
11 fund for meeting established performance benchmarks for
12 accelerating usage of open educational resources in courses,
13 according to the following schedule:

14 (A) A campus shall receive a bonus grant of up to ten thousand
15 dollars (\$10,000) for reaching its first benchmark in using open
16 educational resources on campus and decreasing textbook costs
17 for students in the first year of implementation.

18 (B) A campus shall receive a bonus grant of up to ten thousand
19 dollars (\$10,000) for reaching its second benchmark in using open
20 educational resources on campus and decreasing textbook costs
21 for students in the second year of implementation.

22 (C) A campus shall receive a bonus grant of up to ten thousand
23 dollars (\$10,000) for reaching its third benchmark in using open
24 educational resources on campus and decreasing textbook costs
25 for students in the third year of implementation. For bonus grants
26 issued for reaching the third benchmark, if applications exceed the
27 amount of available grant funds, priority shall be given by the
28 California Open Education Resources Council to plans submitted
29 pursuant to subdivision (c) that achieve cost savings for students
30 through collaborations with one or more campuses. These
31 collaborations may form within a segment, or across different
32 segments.

33 (2) *A plan that has not met a benchmark shall not be awarded*
34 *any bonus grant and shall be deemed terminated, and that plan*
35 *shall not count toward the maximum number of plans a campus*
36 *may submit each year pursuant to subdivision (c).*

37 ~~(2)~~

38 (3) If money is available in the Open Educational Resources
39 Adoption Incentive Fund after the first bonus grants for reaching
40 the third benchmark pursuant to subparagraph (C) of paragraph

1 (1) are awarded, additional bonus grants shall be made available
2 to recipients, as determined by the segment offices, in consultation
3 with the California Open Education Resources Council, until there
4 is no money left in the fund.

5 ~~(3)~~

6 (4) The bonus grants shall be used for any, or some combination,
7 of the following purposes:

8 (A) Faculty professional development.

9 (B) Professional development of staff whose work relates to the
10 use of, or student access to, open educational resources.

11 (C) Open educational resource curation activities.

12 (D) ~~Curriculum modification.~~ *modification for the adoption of*
13 *open educational resources as course materials.*

14 (E) Technology support for faculty, students, and staff whose
15 work relates to the use of, or student access to, open educational
16 resources.

17 (e) A grant recipient shall report to the California Open
18 Education Resources Council as to whether its benchmarks have
19 been reached to determine whether it is eligible for bonus grants
20 pursuant to paragraph (1) of subdivision (d). This report shall
21 include an explanation of how the recipient used available open
22 educational resources, including, but not limited to, COOL4Ed
23 and MERLOT, to accomplish its goals pursuant to this part more
24 efficiently. *Campus reports on their projects are due to the*
25 *California Open Educational Resources Council within 90 days*
26 *after the end date for each year of each awarded grant.*

27 (f) The Intersegmental Committee of Academic Senates shall
28 report to the Legislature before July 1 each year, commencing in
29 2018, as to whether the grants are increasing the rate of adoption
30 of open educational resources and decreasing textbook costs for
31 college students.

32 (g) A local academic senate of a campus of the California State
33 University or the California Community Colleges may commence
34 its application by adopting a local campus resolution as of January
35 1, 2016, pursuant to subdivision (a). The California Open Education
36 Resources Council shall be ready to review grant applications on
37 or before March 1, 2016.

38 67425. This part shall become inoperative on July 1, 2020,
39 and, as of January 1, 2021, is repealed, unless a later enacted
40 statute, that becomes operative on or before January 1, 2021,

1 deletes or extends the dates on which it becomes inoperative and
2 is repealed.

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

5 69999.6. (a) In enacting this article, it is the intent of the
6 Legislature to accomplish all of the following:

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

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

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

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

21 (c) If a person has earned an award under the Governor's
22 Scholarship Programs on or before January 1, 2003, but has not
23 claimed the award on or before June 30, 2004, he or she still may
24 claim the award by a date that is five years from the first June 30
25 that fell after he or she took the qualifying test. An award shall not
26 be made by the board after that date.

27 (d) The board shall negotiate with the current manager of the
28 Governor's Scholarship Programs and execute an amended or new
29 management and funding agreement, before January 1, 2013, which
30 shall include, but not be limited to, all of the following:

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

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

38 (3) Terms that extend to the final date upon which the board
39 may withdraw funds for a person who earned an award under the
40 Governor's Scholarship Programs.

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

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

10 (f) (1) Of the funds transferred to the General Fund pursuant
11 to paragraph (1) of subdivision (d), five million dollars
12 (\$5,000,000) is hereby appropriated to the Chancellor of the
13 California State University, without regard to fiscal years, to fund
14 the establishment and administration of the California Open
15 Education Resources Council and the California Digital Open
16 Source Library, and the development or acquisition of open
17 education resources, or any combination thereof, pursuant to
18 legislation enacted in the 2011–12 Regular Session of the
19 Legislature, or for the funding of grants and administrative costs
20 pursuant to the College Textbook Affordability Act of 2015 (Part
21 40.1 (commencing with Section 67420) of Division 5). The
22 chancellor may provide reimbursement to the California
23 Community Colleges and the University of California for costs
24 those segments, or their representatives, incur in association with
25 the activities described in this paragraph.

26 (2) (A) Moneys, or a portion of moneys, appropriated pursuant
27 to paragraph (1) shall not be encumbered unless at least 100 percent
28 of that amount encumbered is matched by private funds. Moneys
29 appropriated pursuant to paragraph (1) that are not matched by
30 private funds shall revert to the Golden State Scholarshare Trust
31 for purposes of the Governor’s Scholarship Programs.

32 (B) Notwithstanding subparagraph (A), moneys appropriated
33 for purposes of the College Textbook Affordability Act of 2015
34 shall not be required to be matched by private funds. *The California*
35 *Open Online Library for Education (COOL4Ed) shall be funded,*
36 *with no private match required, to continue developing and*
37 *updating its services to provide faculty, staff, and students*
38 *convenient access to free and open course materials and for the*
39 *administrative support for the California Open Educational*
40 *Resources Council. The annual costs for COOL4Ed services and*

1 *administrative support shall not exceed one hundred forty thousand*
2 *dollars (\$140,000) annually. The amount of funding shall be*
3 *approved by California State University and California Community*
4 *College segment administrators in the respective chancellor's*
5 *office.*

6 (C) Twenty-five percent of each grant awarded to a campus
7 *pursuant to the College Textbook Affordability Act of 2015* shall
8 be matched by the campus and used by the campus to ensure
9 administrative and faculty support of the campus' plan that was
10 submitted and approved in accordance with Section 67424.

11 (D) Money provided to a member of the California Open
12 Education Resources Council for purposes of the council carrying
13 out its duties in accordance with this part shall not exceed ~~three~~
14 *eight* thousand dollars ~~(\$3,000)~~ *(\$8,000)* total *per year* and shall
15 be provided as a stipend. No additional money shall be provided
16 for travel purposes.

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

O