

AMENDED IN SENATE AUGUST 31, 2015

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**

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**Introduced by Assembly Member Bonilla**

February 26, 2015

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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~~ *demonstrating its commitment* 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~~ *campus'* 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, 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

1 University campuses to create and support any, or some  
2 combination, of the following purposes:

3 (A) Faculty professional development about open educational  
4 resources.

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

7 (C) Open educational resource curation activities.

8 (D) Curriculum modification for the adoption of open  
9 educational resources as course materials.

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

13 (2) Moneys in the fund shall not be used for direct compensation  
14 for faculty members who adopt open educational resources or for  
15 purchasing new equipment.

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

19 67423. (a) As used in this part, “fund” shall mean the Open  
20 Educational Resources Adoption Incentive Fund.

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

31 67424. (a) The local academic senate of a campus of the  
32 California State University or the California Community Colleges  
33 may adopt a local campus resolution, in collaboration with students  
34 and the administration, ~~stating its intent~~ *demonstrating its*  
35 *commitment* to increase student access to high-quality open  
36 educational resources.

37 (b) Upon adoption of the local campus resolution, the campus  
38 may develop a plan that describes evidence of the ~~campus’s~~  
39 *campus’* commitment and readiness to effectively spend grant  
40 money from the fund to support faculty adoption of open

1 educational resources. The California Open Education Resources  
2 Council may provide a model plan to campuses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (4) The California Open Education Resources Council shall  
28 approve up to 100 plans per year. A plan not approved in a round  
29 may be resubmitted by the campus for approval in future rounds,  
30 as determined by the California Open Education Resources  
31 Council. For a plan that is not approved, the council shall  
32 recommend modifications to increase the likelihood of the plan’s  
33 success if it is approved in a subsequent round.

34 (5) Each plan approved by the California Open Education  
35 Resources Council shall be submitted by the council to the  
36 appropriate segment office. The segment office shall award grants  
37 to recipients in accordance with this section and in accordance  
38 with each system’s policies and procedures for approving and  
39 administering grants.

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

4 (7) An initial grant shall not exceed ten thousand dollars  
5 (\$10,000).

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

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

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

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

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

34 (3) If money is available in the Open Educational Resources  
35 Adoption Incentive Fund after the first bonus grants for reaching  
36 the third benchmark pursuant to subparagraph (C) of paragraph  
37 (1) are awarded, additional bonus grants shall be made available  
38 to recipients, as determined by the segment offices, in consultation  
39 with the California Open Education Resources Council, until there  
40 is no money left in the fund.

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

3 (A) Faculty professional development.

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

6 (C) Open educational resource curation activities.

7 (D) Curriculum modification for the adoption of open  
8 educational resources as course materials.

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

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

22 (f) The Intersegmental Committee of Academic Senates shall  
23 report to the Legislature before July 1 each year, commencing in  
24 2018, as to whether the grants are increasing the rate of adoption  
25 of open educational resources and decreasing textbook costs for  
26 college students.

27 (g) A local academic senate of a campus of the California State  
28 University or the California Community Colleges may commence  
29 its application by adopting a local campus resolution as of January  
30 1, 2016, pursuant to subdivision (a). The California Open Education  
31 Resources Council shall be ready to review grant applications on  
32 or before March 1, 2016.

33 67425. This part shall become inoperative on July 1, 2020,  
34 and, as of January 1, 2021, is repealed, unless a later enacted  
35 statute, that becomes operative on or before January 1, 2021,  
36 deletes or extends the dates on which it becomes inoperative and  
37 is repealed.

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



1 69999.6. (a) In enacting this article, it is the intent of the  
2 Legislature to accomplish all of the following:

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

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

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

14 (b) The board may manage and disburse the funds previously  
15 set aside for the scholarship programs authorized by former Article  
16 20 (commencing with Section 69995).

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

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

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

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

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

37 (e) (1) If funds retained in the Golden State Scholarshare Trust  
38 after January 1, 2013, are insufficient to cover the remaining  
39 withdrawal requests, it is the intent of the Legislature to appropriate

1 the necessary funds to the Golden State Scholarshare Trust for the  
2 purpose of funding individual beneficiary accounts.

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

7 (f) (1) Of the funds transferred to the General Fund pursuant  
8 to paragraph (1) of subdivision (d), five million dollars  
9 (\$5,000,000) is hereby appropriated to the Chancellor of the  
10 California State University, without regard to fiscal years, to fund  
11 the establishment and administration of the California Open  
12 Education Resources Council and the California Digital Open  
13 Source Library, and the development or acquisition of open  
14 education resources, or any combination thereof, pursuant to  
15 legislation enacted in the 2011–12 Regular Session of the  
16 Legislature, or for the funding of grants and administrative costs  
17 pursuant to the College Textbook Affordability Act of 2015 (Part  
18 40.1 (commencing with Section 67420) of Division 5). The  
19 chancellor may provide reimbursement to the California  
20 Community Colleges and the University of California for costs  
21 those segments, or their representatives, incur in association with  
22 the activities described in this paragraph.

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

29 (B) Notwithstanding subparagraph (A), moneys appropriated  
30 for purposes of the College Textbook Affordability Act of 2015  
31 shall not be required to be matched by private funds. ~~The California  
32 Open Online Library for Education (COOL4Ed) shall be funded,  
33 with no private match required, to continue developing and  
34 updating its services to provide faculty, staff, and students  
35 convenient access to free and open course materials and for the  
36 administrative support for the California Open Educational  
37 Resources Council. The annual costs for COOL4Ed services and  
38 administrative support shall not exceed one hundred forty thousand  
39 dollars (\$140,000) annually. The amount of funding shall be  
40 approved by California State University and California Community~~

1 ~~College segment administrators in the respective chancellor's~~  
2 ~~office.~~

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

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

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