
(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 Program to provide incentives and reward campus, staff, and faculty efforts to accelerate the adoption of open educational resources. The bill would require that specified moneys in the fund for the program 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) (A) adopt a local campus resolution, in collaboration with students and the administration, demonstrating its commitment to resolution to increase student access to high-quality open educational resources, and reduce the cost of textbooks and supplies for students, and (2) (B) upon adoption of the resolution, develop a specified plan, in collaboration with students and the administration, that describes evidence of the 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 Chancellor of the California State University to award an initial grant of up to $10,000 to $50,000 to the campus from the fund. The bill would authorize a campus to submit a number of 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 initial grants 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 California Digital Open Source Library, also known as the California Open Online Library for Education, in consultation with the Intersegmental Committee of Academic Senates, to report to the Legislature before July September 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 $3,000,000 of 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 Library, also known as the California Open Online Library for Education, established in Section 66408.

(b) The Open Educational Resources Adoption Incentive Program is hereby established to carry out the purposes of this act. Unless context otherwise requires, “program” in this act means the Open Educational Resources Adoption Incentive Program.

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) (1) Moneys in the fund appropriated in subdivision (f) of Section 69999.6 for the program shall be used, upon appropriation by the Legislature, used by community college and California State University campuses to create and support any, or some combination, further the purposes specified in subdivision (a) of Section 67421, including any of the following purposes:

(A) Faculty professional development about open educational resources. development, which shall include learning about the California Open Online Library for Education established in Section 66408. Faculty who participate in this professional development shall be reimbursed in accordance with their campus’ approved plan pursuant to paragraph (2) of subdivision (a) of Section 67424.

(B) Professional development for staff whose work relates to the use of, or student access to, supports providing students with open educational resources.

(C) Open educational resource curation activities. All new open educational resources developed and available that are adopted as course material pursuant to this program shall be added to the California Open Online Library for Education established in Section 66408.

(D) Curriculum modification for the adoption of open educational resources as course materials; and requisite release time for faculty in accordance with a campus’ approved plan pursuant to paragraph (2) of subdivision (a) of Section 67424 related to the adoption of open educational resources as course materials.
(E) Technology support for faculty, students, and staff whose work relates to the use of, or student access to, open educational resources, furthers the goals specified in a campus’ approved plan pursuant to paragraph (2) of subdivision (a) of Section 67424.

(2) Moneys in the fund appropriated in subdivision (f) of Section 69999.6 for the program shall not be used for direct compensation for faculty members who adopt open educational resources, except as provided to compensate for professional development pursuant to subparagraph (A) of paragraph (1), or for purchasing new equipment.

(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” are high-quality teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license, such as a Creative Commons 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” include, but are 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) In order to participate in the program, the local academic senate of a campus of the California State University or the California Community Colleges may adopt both of the following:

(1) Adopt a local campus resolution, in collaboration with students and the administration, demonstrating its commitment to resolution to increase student access to high-quality open educational resources and reduce the cost of textbooks and supplies for students in course sections for which open educational resources are to be adopted to accomplish cost savings for students.

(b) Upon adoption of the local campus resolution, the campus may develop a plan.
(2) Approve a plan, in collaboration with students and campus administration, that describes evidence of the campus’ faculty’s commitment and readiness to effectively spend use grant-money from the fund funds to support faculty adoption of open educational resources. The California Open Education Resources Council may provide a model plan to campuses. resources.

(1) The creation of the plan shall be a collaboration between the campus academic senate and the recognized campus student body organization, if the recognized campus student body organization wants to be involved, with input solicited by the campus academic senate or the recognized campus student body organization from the local campus bookstore, including regarding open educational resources distribution, or campus centers and libraries supporting faculty professional development for the adoption of open educational resources. The

(A) The plan may detail technological or staff support to increase the adoption of open educational resources. The plan shall describe how the faculty will learn about the California Open Online Library for Education and other existing open educational resources.

(B) The plan shall include the number of academic departments expected to be involved in the plan’s implementation, the number of course sections in which open educational resources will be adopted, the percentage of cost savings for students anticipated on account of the adoption of open educational resources for each of these course sections, the ways existing faculty development programs will be enhanced by the plan’s implementation, and the mechanisms that will be used to distribute adopted open educational resources to students.

(C) At their discretion, faculty may choose, for courses that are to adopt open educational resources under the plan, appropriate resources for any of the 50 strategically selected lower division courses identified by the California Open Education Resources Council pursuant to subparagraph (B) of paragraph (1) of subdivision (c) of Section 66409. Other open educational resources may also be used.

(D) The plan shall describe how the campus will provide access to open educational resource materials for students, including how the campus will make hard copies of these materials available
for students who lack access to these materials off campus and make it possible for students with such access to print hard copies.

(E) The plan will identify the amount of the grant requested. The amount of the grant requested shall be equal to, or less than, the number of course sections in which both open educational resources will be adopted and cost savings for the course section will be greater than 30 percent, multiplied by one thousand dollars ($1,000). The amount requested shall not be greater than fifty thousand dollars ($50,000). A plan shall commit to achieving greater than 30 percent cost savings in at least 10 course sections.

(F) (i) The plan shall include the percentage of cost savings for each course section calculated as follows:

(ii) The percentage of cost savings shall be the estimated decrease in the costs of books and supplies for a course section in the current term resulting from the adoption of open educational resources for that course section, divided by the costs of books and supplies for that course section in the immediately preceding academic term.

(b) The California Open Education Resources Council, established in Section 66409, Council 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 plan shall include continued access, as determined by the institution, to open educational resource materials selected by faculty.

(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.

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

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

(B) A plan that utilizes 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).

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

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

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

(c) (1) (A) Each local academic senate of a campus of the California State University or the California Community Colleges may submit the resolution and the plan developed pursuant to subdivisions (a) and (b) to the California Open Education Resources Council as its application for an initial grant from the fund: no later than June 30, 2016.

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

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

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

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

(4) (2) (A) The California Open Education Resources Council shall approve up to 100 plans per year. A plan not approved in a round may be resubmitted by the campus for approval in future rounds, as determined by the California Open Education Resources Council. For a plan that is not approved, the council shall recommend modifications to increase the likelihood of the plan’s success if it is approved in a subsequent round.
grant to a campus within 60 days of the council’s receipt of the
Campus’ application if the campus has satisfied the requirements
of subdivision (a). The California Open Education Resources
Council may award up to 100 initial grants.

(B) If the total amount requested in applications received
pursuant to subparagraph (A) is equal to or less than two million
dollars ($2,000,000), the California Open Education Resources
Council shall make grants for each approved application equal
to the amount requested in the application. If the total amount
requested in applications received pursuant to subparagraph (A)
exceeds two million dollars ($2,000,000), the California Open
Education Resources Council shall make grants for the full amount
requested in approved applications on a competitive basis based
on the strength of the evidence provided of faculty commitment to
the adoption of open educational resources.

(5) (3) Each plan application approved by the California Open
Education Resources Council shall be submitted by the council to
the appropriate segment office. Chancellor of the California State
University no later than 30 days after the council approves the
application. The segment office chancellor shall award grants to
recipients in accordance with this section and in accordance with
each system’s policies and procedures for approving and
administering grants. section.

(6) (4) Administrative support may be provided to the council by
COOL4Ed the California Open Online Library for Education to
help the council carry out its duties in accordance with this part.

(7) (5) An initial grant shall 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

(5) (A) No later than June 30, 2018, a campus shall receive
may apply for 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, equal to the amount of its initial grant. The application shall include evidence that the campus has met or exceeded total cost savings of greater than 30 percent for the required number of course sections specified in the approved plan for the campus’ initial grant in the 2017–18 academic year.

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

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

(B) (i) A campus may also compute the total cost savings for each course section and include that figure in its application for a bonus grant pursuant to subparagraph (A).

(ii) The total cost savings for each course section shall be the number of students enrolled in a course section multiplied by the per-student decrease in the costs of books and supplies for the course section in the term resulting from the adoption of open educational resources.
(6) Bonus grants specified in paragraph (5) shall be used to further the goals of the campus’ approved plan for its initial grant. It is the intent of the Legislature that bonus grants support each campus’ adoption of open educational resources for at least double the number of course sections, and with at least 30 percent cost savings for each of these course sections, as accomplished by the campus’ approved plan for its initial grant.

(4) The bonus grants shall be used for any, or some combination, of the following purposes:
(A) Faculty professional development.
(B) Professional development of staff whose work relates to the use of, or student access to, open educational resources.
(C) Open educational resource curation activities.
(D) Curriculum modification for the adoption of open educational resources as course materials.
(E) Technology support for faculty, students, and staff whose work relates to the use of, or student access to, open educational resources.

(e) A grant recipient shall report to the California Open Education Resources Council as to whether its benchmarks have been reached to determine whether 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. Campus reports on their projects are due to the California Open Educational Resources Council within 90 days after the end date for each year of each awarded grant.

(7) If the total amount requested in applications for bonus grants exceeds the total amount of funds available, the California Open Educational Resources Council shall award grants on a competitive basis to approved applications for the full amount of the initial grant based on the overall percentage savings achieved by the initial plan in the courses covered by the plan.

(8) It is the intent of the Legislature that initial and bonus grants provide the impetus for campuses to adopt, and continue to use, open educational resources as course materials.

(d) The California Open Online Library for Education, in consultation with the Intersegmental Committee of Academic
Senates, shall report to the Legislature, in accordance with Section 9795 of the Government Code, before July September 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 September 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) (A) 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, or 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 provided that 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.
(B) Effective January 1, 2016, three million dollars ($3,000,000) of the moneys appropriated pursuant to this paragraph are hereby reappropriated pursuant to paragraph (4).

(2) (A) Moneys. Except as specified in paragraph (3), 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 of 2015 shall not be required to be matched by private funds.

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

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

(3) Of the unencumbered amount appropriated pursuant to paragraph (1) as of June 30, 2015:

(A) Up to two hundred thousand dollars ($200,000) may be used for administration of the California Open Online Library for Education. These funds may be used by the California Open Online Library for Education to continue developing and updating its services to provide faculty, staff, and students convenient access to open educational resources as course materials and to provide administrative support for the California Open Educational Resources Council. These funds may be used by the California Open Online Library for Education for purposes of the Open Educational Resources and Adoption Incentive Program until September 1, 2020.

(B) Up to twenty-seven thousand dollars ($27,000) may be used for stipends to members of the California Open Education Resources Council for these members to carry out their duties in
accordance with the Open Educational Resources Adoption Incentive Program.

(4) Of the funds transferred to the General Fund pursuant to paragraph (1) of subdivision (d) and appropriated pursuant to paragraph (1), three million dollars ($3,000,000) is hereby reappropriated to the Chancellor of the California State University, without regard to fiscal years, for allocation for the Open Educational Resources Adoption Incentive Program.

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