

AMENDED IN SENATE SEPTEMBER 4, 2015

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

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**ASSEMBLY BILL**

**No. 798**

**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 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, resources and reduce the cost of textbooks and supplies for students*, and ~~(2) (B)~~ upon adoption of the resolution, develop a specified ~~plan~~ *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~~ *\$50,000* 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~~ *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.~~ *year at 100*. 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~~ *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~~ *September* 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.~~ *are reappropriated for allocation for the Open Educational Resources Adoption Incentive Program. Of the remaining \$2,000,000, the bill would specify that up to \$200,000 may be used for the California Open Online Library for Education and up to \$27,000 may be used for stipends to members of the California Open Education Resources Council, as specified.*

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 appropriate  
16 pursuant to the California Open Education Resources Council

1 established in Section 66409 and the California Digital Open  
2 Source ~~Library~~ *Library, also known as the California Open Online*  
3 *Library for Education*, established in Section 66408.

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

9 67422. (a) ~~The Open Educational Resources Adoption~~  
10 ~~Incentive Fund is hereby created in the State Treasury to provide~~  
11 ~~incentives and reward campus and faculty efforts to accelerate~~  
12 ~~adoption of open educational resources for the purpose of reducing~~  
13 ~~students’ costs and improving access to quality materials.~~

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

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

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

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

35 (D) ~~Curriculum modification for the adoption of open~~  
36 ~~educational resources as course materials: and requisite release~~  
37 ~~time for faculty in accordance with a campus’ approved plan~~  
38 ~~pursuant to paragraph (2) of subdivision (a) of Section 67424~~  
39 ~~related to the adoption of open educational resources as course~~  
40 ~~materials.~~

1 (E) Technology support for faculty, students, and staff whose  
2 work ~~relates to the use of, or student access to, open educational~~  
3 ~~resources; furthers the goals specified in a campus' approved plan~~  
4 ~~pursuant to paragraph (2) of subdivision (a) of Section 67424.~~

5 (2) Moneys ~~in the fund appropriated in subdivision (f) of Section~~  
6 ~~69999.6 for the program~~ shall not be used for direct compensation  
7 for faculty members who adopt open educational ~~resources~~  
8 *resources, except as provided to compensate for professional*  
9 *development pursuant to subparagraph (A) of paragraph (1), or*  
10 for purchasing new equipment.

11 (e)

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

15 ~~67423. (a) As used in this part, “fund” shall mean the Open~~  
16 ~~Educational Resources Adoption Incentive Fund.~~

17 (b) ~~As~~

18 ~~67423.~~ As used in this part, “open educational resources” are  
19 high-quality teaching, learning, and research resources that reside  
20 in the public domain or have been released under an intellectual  
21 property license, such as a Creative Commons license, that permits  
22 their free use and repurposing by others, and may include other  
23 resources that are legally available and free of cost to students.  
24 “Open educational resources” include, but are not limited to, full  
25 courses, course materials, modules, textbooks, faculty-created  
26 content, streaming videos, tests, software, and any other tools,  
27 materials, or techniques used to support access to knowledge.

28 ~~67424. (a) The~~ *In order to participate in the program, the*  
29 *local academic senate of a campus of the California State*  
30 *University or the California Community Colleges* ~~may adopt~~ *shall*  
31 *do both of the following:*

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

39 (b) ~~Upon adoption of the local campus resolution, the campus~~  
40 ~~may develop a plan~~

1 (2) Approve a plan, in collaboration with students and campus  
 2 administration, that describes evidence of the campus<sup>2</sup> faculty's  
 3 commitment and readiness to effectively spend use grant money  
 4 from the fund funds to support faculty adoption of open educational  
 5 resources. The California Open Education Resources Council may  
 6 provide a model plan to campuses. resources.

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

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

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

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

37 (D) The plan shall describe how the campus will provide access  
 38 to open educational resource materials for students, including  
 39 how the campus will make hard copies of these materials available

1 for students who lack access to these materials off campus and  
2 make it possible for students with such access to print hard copies.

3 (E) The plan will identify the amount of the grant requested.  
4 The amount of the grant requested shall be equal to, or less than,  
5 the number of course sections in which both open educational  
6 resources will be adopted and cost savings for the course section  
7 will be greater than 30 percent, multiplied by one thousand dollars  
8 (\$1,000). The amount requested shall not be greater than fifty  
9 thousand dollars (\$50,000). A plan shall commit to achieving  
10 greater than 30 percent cost savings in at least 10 course sections.

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

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

19 (b) ~~The California Open Education Resources—Council,~~  
20 ~~established in Section 66409,~~ Council may provide expertise on  
21 available open educational resources and best practices for the  
22 adoption of open educational resources for existing courses to  
23 assist in the development of the plan.

24 ~~(2) The plan shall include continued access, as determined by~~  
25 ~~the institution, to open educational resource materials selected by~~  
26 ~~faculty.~~

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

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

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

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

39 ~~(B) A plan that utilizes available open educational resources,~~  
40 ~~including, but not limited to, California Open Online Library for~~

1 Education (COOL4Ed) and Multimedia Educational Resource for  
2 Learning and Online Teaching (MERLOT).

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

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

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

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

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

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

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

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

33 (4)

34 (2) (A) ~~The California Open Education Resources Council~~  
35 ~~shall approve up to 100 plans per year. A plan not approved in a~~  
36 ~~round may be resubmitted by the campus for approval in future~~  
37 ~~rounds, as determined by the California Open Education Resources~~  
38 ~~Council. For a plan that is not approved, the council shall~~  
39 ~~recommend modifications to increase the likelihood of the plan's~~  
40 ~~success if it is approved in a subsequent round. make an initial~~

1 grant to a campus within 60 days of the council's receipt of the  
2 campus' application if the campus has satisfied the requirements  
3 of subdivision (a). The California Open Education Resources  
4 Council may award up to 100 initial grants.

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

16 (5)

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

25 (6)

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

29 (7) ~~An initial grant shall not exceed ten thousand dollars~~  
30 ~~(\$10,000).~~

31 (d) (1) ~~Each year after a campus receives an initial grant, for~~  
32 ~~up to three years, the campus shall receive a bonus grant from the~~  
33 ~~fund for meeting established performance benchmarks for~~  
34 ~~accelerating usage of open educational resources in courses,~~  
35 ~~according to the following schedule:~~

36 (A) ~~A~~

37 (5) (A) ~~No later than June 30, 2018, a campus shall receive~~  
38 ~~may apply for a bonus grant of up to ten thousand dollars (\$10,000)~~  
39 ~~for reaching its first benchmark in using open educational resources~~  
40 ~~on campus and decreasing textbook costs for students in the first~~

1 year of implementation: equal to the amount of its initial grant.  
2 The application shall include evidence that the campus has met  
3 or exceeded total cost savings of greater than 30 percent for the  
4 required number of course sections specified in the approved plan  
5 for the campus' initial grant in the 2017–18 academic year.

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

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

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

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

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

35 ~~(ii) The total cost savings for each course section shall be the  
36 number of students enrolled in a course section multiplied by the  
37 per-student decrease in the costs of books and supplies for the  
38 course section in the term resulting from the adoption of open  
39 educational resources.~~

1 (6) Bonus grants specified in paragraph (5) shall be used to  
2 further the goals of the campus' approved plan for its initial grant.  
3 It is the intent of the Legislature that bonus grants support each  
4 campus' adoption of open educational resources for at least double  
5 the number of course sections, and with at least 30 percent cost  
6 savings for each of these course sections, as accomplished by the  
7 campus' approved plan for its initial grant.

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

10 ~~(A) Faculty professional development.~~

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

13 ~~(C) Open educational resource curation activities.~~

14 ~~(D) Curriculum modification for the adoption of open~~  
15 ~~educational resources as course materials.~~

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

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

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

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

38 ~~(f)~~

39 (d) *The California Open Online Library for Education, in*  
40 *consultation with the Intersegmental Committee of Academic*

1 ~~Senates~~ *Senates*, shall report to the ~~Legislature~~ *Legislature*, in  
2 *accordance with Section 9795 of the Government Code*, before  
3 ~~July~~ *September* 1 each year, commencing in 2018, as to whether  
4 the grants are increasing the rate of adoption of open educational  
5 resources and 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 Education~~  
10 ~~Resources Council shall be ready to review grant applications on~~  
11 ~~or before March 1, 2016.~~

12 67425. This part shall become inoperative on ~~July~~ *September*  
13 1, 2020, and, as of January 1, 2021, is repealed, unless a later  
14 enacted statute, that becomes operative on or before January 1,  
15 2021, deletes or extends the dates on which it becomes inoperative  
16 and 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) (A) Of the funds transferred to the General Fund  
25 pursuant 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, ~~or for the funding of grants and administrative costs~~  
34 ~~pursuant to the College Textbook Affordability Act of 2015 (Part~~  
35 ~~40.1 (commencing with Section 67420) of Division 5). The~~  
36 *provided that 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.

1 (B) *Effective January 1, 2016, three million dollars (\$3,000,000)*  
 2 *of the moneys appropriated pursuant to this paragraph are hereby*  
 3 *reappropriated pursuant to paragraph (4).*

4 (2) ~~(A) Moneys, Except as specified in paragraph (3), moneys,~~  
 5 ~~or a portion of moneys, appropriated pursuant to paragraph (1)~~  
 6 ~~shall not be encumbered unless at least 100 percent of that amount~~  
 7 ~~encumbered is matched by private funds. Moneys appropriated~~  
 8 ~~pursuant to paragraph (1) that are not matched by private funds~~  
 9 ~~shall revert to the Golden State Scholarshare Trust for purposes~~  
 10 ~~of the Governor’s Scholarship Programs.~~

11 ~~(B) Notwithstanding subparagraph (A), moneys appropriated~~  
 12 ~~for purposes of the College Textbook Affordability Act of 2015~~  
 13 ~~shall not be required to be matched by private funds.~~

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

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

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

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

38 (B) *Up to twenty-seven thousand dollars (\$27,000) may be used*  
 39 *for stipends to members of the California Open Education*  
 40 *Resources Council for these members to carry out their duties in*

1 *accordance with the Open Educational Resources Adoption*  
2 *Incentive Program.*

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

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

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