

ASSEMBLY BILL

No. 1182

Introduced by Assembly Member Brownley

February 27, 2009

An act to amend Sections 48800, 66057, 67312, 76002, 81254, 84760.5, 88550, 89009, 89753, 100700, 100900, 101034, and 101050 of, to add Sections 66015.10, 66015.12, 66021.1, 66026, 67501, 67502, 67503, 67504, 76305, 79202.5, and 92611.9 to, to add Chapters 9.5 (commencing with Section 92750) and 10.5 (commencing with Section 92830) to Part 57 of Division 9 of Title 3 of, and to repeal Sections 66352 and 71020 of, the Education Code, to amend Section 67480 of the Government Code, and to amend Sections 104145, 104500, and 104530 of the Health and Safety Code, relating to public postsecondary education. .

LEGISLATIVE COUNSEL'S DIGEST

AB 1182, as introduced, Brownley. Public postsecondary education: reporting requirements.

(1) Existing law establishes the various segments of the higher education system in the state. These segments include the University of California, which is administered by the Regents of the University of California, the California State University, which is administered by the Trustees of the California State University, and the California Community Colleges, which is administered by the Board of Governors of the California Community Colleges, which together comprise the public postsecondary education system.

This bill would express the intent of the Legislature to refine higher education reporting requirements to provide for more effective, manageable, and transparent reporting by the higher education segments.

The bill would further express the intent of the Legislature that the Budget Act for the 2010–11 fiscal year modify recurring Budget Bill language, as specified.

(2) Existing law requires the Chancellor of the California Community Colleges, on or before January 1 of each year, to report to the Department of Finance the number of pupils who enroll in community college summer session courses and receive a passing grade. Existing law requires the chancellor to prepare and submit to the Department of Finance and the Legislature, on or before March 1 of each year, a report on the amount of full-time equivalent students (FTES) claimed by each community college district for special part-time and special full-time students for the preceding academic year in specified categories.

The bill would integrate these 2 reports and require that both reports be submitted on or before March 1 of each year. The bill would require that the combined report distinguish between the 2 separate student populations of the original reports.

(3) Existing law contains various reporting requirements of the University of California, the California State University, and the California Community Colleges both in statute and in Supplemental Report language to the annual Budget Act.

The bill would codify these requirements by requesting the University of California, and requiring the California State University and the California Community Colleges to report to the Legislature on institutional financial aid, campus enrollment and facilities, academic and research programs, and the capital outlay planning process, as specified. The bill would make conforming changes. The bill would additionally revise the deadlines for the submittal of reports by the University of California, the California State University, and the California Community Colleges.

(4) Existing law requires the trustees and the board of governors to establish and convene a task force to develop a plan for integrating instruction in business ethics into their business and business administration programs and to submit a diversity paper concerning its own membership.

The bill would delete these requirements.

(5) Existing law requires the Trustees of the California State University and requests the Regents of the University of California to biennially report on state-funded services for students with disabilities.

The bill would delete this requirement.

(6) Existing law requires the board of governors, every 3 years, to develop and submit a diversity paper concerning its own membership.

The bill would delete this requirement.

(7) Existing law, to the extent funding is provided, requires that a community college receive funding for educational services provided to CalWORKs recipients.

The bill would authorize a community college, on or before October 15 of each year, to submit to the Office of the Chancellor, applications for funding for the direct instruction of CalWORKs students above the district's enrollment cap. The bill would condition receipt of the funds on the participating community college's submittal of a report containing data relating to the funded components and enrolled CalWORKs students.

(8) Existing law creates the California State University, Channel Islands Site Authority, contingent on the acceptance of the land and improvements comprising the Camarillo State Hospital by the trustees, to be administered by that authority. Existing law requires the trustees, on behalf of the authority, to report to the Legislature and the Governor by July 31 of each year on all expenditures made during the prior fiscal year for facilities of the site.

This bill would delete the reporting requirement.

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. (a) It is the intent of the Legislature that the need
2 for recurring reports from the University of California, the
3 California State University, and the California Community Colleges
4 be met through clear reporting requirements established in statute.
5 Accordingly, it is the intent of the Legislature that noncodified
6 requests for reports from the higher education segments adopted
7 prior to 2009, including those taking the form of provisional or
8 supplemental language in Budget Acts adopted prior to 2009, but
9 excluding those supplemental language reports specified in
10 subdivision (b), have by this act been subsumed, as needed, into
11 the appropriate code sections.
12 (b) Nothing in this act shall prevent the Legislature from
13 adopting new reporting requirements of any kind.

SEC. 2. It is the intent of the Legislature that the Budget Act for the 2010–11 fiscal year modify recurring Budget Bill language as follows:

(1) In the California State University reappropriation language, require the September 30 reports to be contingent on the carryover of funding.

(2) Eliminate the requirement for a preliminary California State University enrollment report on March 15, and retain the requirement for the May 1 report.

SEC. 3. It is further the intent of the Legislature that this act refines higher education reporting requirements to provide for more effective, manageable, and transparent reporting by the higher education segments. Accordingly, the Legislature expects that the segments will respond fully to all statutory reporting requirements by the stated deadlines.

SEC. 4. Section 48800 of the Education Code is amended to read:

48800. (a) The governing board of a school district may determine which pupils would benefit from advanced scholastic or vocational work. The intent of this section is to provide educational enrichment opportunities for a limited number of eligible pupils, rather than to reduce current course requirements of elementary and secondary schools, and also to help ensure a smoother transition from high school to college for pupils by providing them with greater exposure to the collegiate atmosphere. The governing board may authorize those pupils, upon recommendation of the principal of the pupil's school of attendance, and with parental consent, to attend a community college during any session or term as special part-time or full-time students and to undertake one or more courses of instruction offered at the community college level.

(b) If the governing board denies a request for a special part-time or full-time enrollment at a community college for any session or term for a pupil who is identified as highly gifted, the governing board shall issue its written recommendation and the reasons for the denial within 60 days. The written recommendation and denial shall be issued at the next regularly scheduled board meeting that falls at least 30 days after the request has been submitted.

(c) A pupil shall receive credit for community college courses that he or she completes at the level determined appropriate by the

1 ~~governing boards of the~~ school district and community college
2 district *governing boards*.

3 (d) (1) The principal of a school may recommend a pupil for
4 community college summer session only if that pupil meets all of
5 the following criteria:

6 (A) Demonstrates adequate preparation in the discipline to be
7 studied.

8 (B) Exhausts all opportunities to enroll in an equivalent course,
9 if any, at his or her school of attendance.

10 (2) For any particular grade level, a principal ~~shall~~ *may* not
11 recommend for community college summer session attendance
12 more than 5 percent of the total number of pupils who completed
13 that grade immediately prior to the time of recommendation.

14 (3) A high school pupil recommended by his or her principal
15 for enrollment in a course shall not be included in the 5 percent
16 limitation of pupils allowed to be recommended pursuant to
17 paragraph (2) if the course in which the pupil is enrolled meets
18 one of the criterion listed in subparagraphs (A) to (C), inclusive,
19 and the high school principal who recommends the pupil for
20 enrollment provides the Chancellor of the California Community
21 Colleges, upon the request of that office, with the data required
22 for purposes of paragraph (4).

23 (A) The course is a lower division, college-level course for
24 credit that is designated as part of the Intersegmental General
25 Education Transfer Curriculum or applies toward the general
26 education breadth requirements of the California State University.

27 (B) The course is a college-level, occupational course for credit
28 assigned a priority code of "A," "B," or "C," pursuant to the
29 Student Accountability Model, as defined by the Chancellor of the
30 California Community Colleges and reported in the management
31 information system, and the course is part of a sequence of
32 vocational or career technical education courses leading to a degree
33 or certificate in the subject area covered by the sequence.

34 (C) The course is necessary to assist a pupil who has not passed
35 the California High School Exit Examination (CAHSEE), does
36 not offer college credit in English language arts or mathematics,
37 and the pupil meets both of the following requirements:

38 (i) The pupil is in his or her senior year ~~of high school~~.

39 (ii) The pupil has completed all other graduation requirements
40 prior to the end of his or her senior year, or will complete all

1 remaining graduation requirements during a community college
2 summer session, which he or she is recommended to enroll in,
3 following his or her senior year of high school.

4 (4) On or before ~~November 1, 2007, and on or before January~~
5 ~~March 1~~ of each year ~~thereafter~~, the Chancellor of the California
6 Community Colleges shall report to the Department of Finance
7 the number of pupils recommended pursuant to paragraph (3) who
8 enroll in community college summer session courses and who
9 receive a passing grade. *The report shall be integrated with the*
10 *report required in subdivision (c) of Section 76002. The combined*
11 *report shall maintain the distinction between the two pupil*
12 *populations referenced in this section and in Section 76002.*

13 (5) The Board of Governors of the California Community
14 Colleges ~~shall~~ may not include enrollment growth attributable to
15 paragraph (3) as part of its annual budget request for the California
16 Community Colleges.

17 (6) Notwithstanding Article 3 (commencing with Section 33050)
18 of Chapter 1 of Part 20 ~~of Division 2~~, compliance with this
19 subdivision shall not be waived.

20 (e) Paragraphs (3), ~~(4)~~, and (5) of subdivision (d) shall become
21 inoperative on January 1, ~~2014~~ 2010.

22 SEC. 5. Section 66015.10 is added to the Education Code, to
23 read:

24 66015.10. (a) The University of California is requested to
25 annually notify the governing board of each high school of both
26 of the following:

27 (1) The number of graduates who enrolled in the university in
28 the previous year and the number of graduates who were required
29 to take Subject A.

30 (2) The comparable numbers of all California high school
31 graduates who enrolled in the university.

32 (b) The University of California is requested to provide an
33 annual summary of the information specified in subdivision (a) to
34 the Department of Finance and the Joint Legislative Budget
35 Committee.

36 SEC. 6. Section 66015.12 is added to the Education Code, to
37 read:

38 66015.12. (a) It is the intent of the Legislature that the
39 California State University assess and report the entry-level
40 proficiency of all first-time freshmen. On or before December 15

1 of each year, the California State University shall submit a
2 preliminary report by each campus in the system that includes all
3 of the following information:

4 (1) The total number of regularly admitted and specially
5 admitted first-time freshmen.

6 (2) The proportion of regularly admitted and specially admitted
7 first-time freshmen that are exempt from entry-level proficiency
8 exams.

9 (3) The proportion of regularly admitted and specially admitted
10 first-time freshmen that become exempt through each of the
11 approved alternatives.

12 (4) The entry-level proficiency exam pass rates of regularly
13 admitted and specially admitted first-time freshmen.

14 (b) The California State University shall submit a final report
15 to the Legislature on or before February 1 of each year.

16 SEC. 7. Section 66021.1 is added to the Education Code, to
17 read:

18 66021.1. (a) For purposes of this section “student” includes
19 undergraduate, graduate, and professional degree students.

20 (b) The California State University shall, and the University of
21 California is requested to, report annually to the Legislature on
22 their respective institutional financial aid programs. The
23 universities shall provide preliminary reports on or before January
24 10 of each year, and final reports on or before March 31 of each
25 year.

26 (c) The preliminary reports shall include all of the following:

27 (1) A description of the goals, terms, and policies of each of the
28 university’s institutional aid programs, including eligibility criteria,
29 allocation of financial aid awards, fee waivers, and other relevant
30 information.

31 (2) A description and explanation of any changes the university
32 has made to any of these policies since the prior year, and any
33 changes the university intends to make for the next academic year.

34 (3) The total amount the university expended on institutional
35 aid for students, disaggregated by student level, for the two prior
36 academic years, the current year, and a projection for the next year,
37 and the average and 90th percentile undergraduate institutional
38 aid award amount provided per recipient for the prior two academic
39 years and the current academic year.

(4) A description and explanation of the estimated change in aggregate student need in the budget year resulting from changes in the cost of attendance and other factors, including any fee increases proposed by the university in its fall budget proposal. The explanation shall include an estimate of the extent to which cost increases will be offset by federal and statewide financial aid programs.

(d) The final report shall include all of the following for the two prior academic years:

(1) The average and 90th percentile parent income level, expected family contribution, and the financial need of undergraduate need-based student institutional gift aid recipients.

(2) An aggregate analysis identifying the total number of undergraduates and the number of those who are financially needy; for financially needy undergraduates, the aggregate cost of attendance and aggregate expected federal parent contribution; the aggregate amount of financial aid including federal gift aid, state gift aid, institutional need-based aid, institutional merit-based aid, other institutional gift aid, and private gift aid; and the aggregate remaining amount to be met by work, borrowing, or other means.

(3) An aggregate summary of federal and other work-study awards, and annual loan amounts, including federal subsidized and unsubsidized student loans, university loans, loans from outside agencies and other sources, and federal parent loans.

(4) The typical financial aid package for a typical dependent freshman student with a parent income of twenty thousand dollars (\$20,000), forty thousand dollars (\$40,000), sixty thousand dollars (\$60,000), eighty thousand dollars (\$80,000), and one hundred thousand dollars (\$100,000).

(5) Indicators of each institutional aid program's effectiveness in achieving its stated goals.

(e) To the extent the university provides the information requested in subdivision (d) in reports to its governing board or in other university publications, those reports or publications may be submitted to the Legislature to satisfy this request.

SEC. 8. Section 66026 is added to the Education Code, to read: 66026. Unless otherwise specified, reports submitted to the Legislature by the University of California, the California State University, and the Office of the Chancellor of the California Community Colleges shall be delivered to the Senate and Assembly

1 budget subcommittees on education, the appropriate Senate and
2 Assembly higher education policy committees, the Legislative
3 Analyst's Office, the Office of the Secretary of Education, and the
4 Department of Finance. Unless otherwise specified, these reports
5 may be submitted in PDF format or comparable electronic format.

6 SEC. 9. Section 66057 of the Education Code is amended to
7 read:

8 66057. (a) The Legislature finds and declares all of the
9 following:

10 (1) The future economic vitality of California will depend on
11 the state's ability to educate its citizens and to help them develop
12 the work and social skills needed to compete with workers of other
13 nations and states in our global economy.

14 (2) Ensuring that California's colleges and universities can
15 accommodate a tidal wave of new students, as well as enable those
16 from diverse backgrounds to achieve success in their college
17 careers, will require a variety of strategies.

18 (3) The Legislative Analyst's Office (LAO) has reported that
19 most campuses of the University of California, the California State
20 University, and the California Community Colleges will soon
21 exceed their current capacities.

22 (4) The LAO has identified year-round operation as a
23 cost-efficient strategy to address future enrollment growth, by
24 avoiding capital expenditure for instructional space, such as
25 classrooms, class laboratories, study space in libraries, and other
26 selected student support service facilities.

27 (5) Year-round operation also increases student access to high
28 demand campuses, and allows students to accelerate their progress
29 to degrees.

30 (6) (A) *It is the intent of the Legislature that the University of*
31 *California and the California State University accommodate*
32 *enrollment growth by maximizing the utilization of existing*
33 *instructional facilities during the summer term before building*
34 *new classrooms and teaching laboratories. It is further the intent*
35 *of the Legislature that the University of California and the*
36 *California State University make requests for capital outlay funding*
37 *for space for classrooms and class laboratories justified using*
38 *legislatively approved utilization standards and a reasonable*
39 *assumption of summer-term enrollment.*

1 (B) Accordingly, the University of California is requested to
2 base its annual five-year capital outlay plan on the utilization of
3 instructional facilities during the summer, assuming summer-term
4 enrollment of at least 40 percent of the average fall, winter, and
5 spring enrollment.

6 (C) The California State University is requested to base its
7 annual five-year capital outlay plan on utilization of instructional
8 facilities during the summer, assuming summer-term enrollment
9 of at least 25 percent and 40 percent of the fall, winter, spring
10 enrollment at rural and urban campuses, respectively.

11 (b) Summer session fees at all campuses of the University of
12 California and the California State University shall not exceed the
13 fees charged per credit unit for any other academic term, if the
14 state provides funding to offset any revenue losses that may occur
15 due to the difference between the state university fee and fees
16 charged for self-supporting academic programs.

17 (c) In recognition of the differing circumstances on the various
18 campuses throughout the state, the University of California and
19 the California State University shall retain the flexibility to
20 implement year-round operation differently on individual
21 campuses.

22 (d) On or before January 10 of each year, the University of
23 California is requested to, the California State University shall,
24 and as a condition of receiving state apportionments, the Office
25 of the Chancellor of the California Community Colleges shall,
26 submit to the Legislature a report describing summer enrollment
27 for their respective systems. The report shall include all of the
28 following information separately for each campus in the system:

29 (1) The number of state-funded headcount students enrolled
30 during the summer term of the preceding calendar year and, for
31 comparison purposes, the year-average number of state-funded
32 headcount students enrolled during the preceding fall, winter, and
33 spring terms.

34 (2) The number of state-funded full-time equivalent students
35 enrolled during the summer term of the preceding calendar year
36 and, for comparison purposes, the number of year-average
37 state-funded full-time equivalent students enrolled during the
38 preceding fall, winter, and spring terms.

39 (3) Efforts undertaken to increase summer enrollment.

40 SEC. 10. Section 66352 of the Education Code is repealed.

1 ~~66352. The Trustees of the California State University and the~~
2 ~~Board of Governors of the California Community Colleges shall~~
3 ~~establish and convene a task force to develop a plan for integrating~~
4 ~~instruction in business ethics into their business and business~~
5 ~~administration programs. The task force shall report to the~~
6 ~~Legislature, and advise whether, how, and why this integration~~
7 ~~can occur. The Regents of the University of California and the~~
8 ~~Association of Independent California Colleges and Universities~~
9 ~~are encouraged to join the task force.~~

10 SEC. 11. Section 67312 of the Education Code is amended to
11 read:

12 67312. (a) The Board of Governors of the California
13 Community Colleges and the Trustees of the California State
14 University shall, for their respective systems, and the Regents of
15 the University of California may, do the following:

16 (1) Work with the California Postsecondary Education
17 Commission and the Department of Finance to develop formulas
18 or procedures for allocating funds authorized under this chapter.

19 (2) Adopt rules and regulations necessary to the operation of
20 programs funded pursuant to this chapter.

21 (3) Maintain the present intersegmental efforts to work with the
22 California Postsecondary Education Commission and other
23 interested parties, to coordinate the planning and development of
24 programs for students with disabilities, including, but not
25 necessarily limited to, the establishment of common definitions
26 for students with disabilities and uniform formats for reports
27 required under this chapter.

28 (4) Develop and implement, in consultation with students and
29 staff, a system for evaluating state-funded programs and services
30 for disabled students on each campus at least every five years. At
31 a minimum, these systems shall provide for the gathering of
32 outcome data, staff and student perceptions of program
33 effectiveness, and data on the implementation of the program and
34 physical accessibility requirements of Section 794 of Title 29 of
35 the Federal Rehabilitation Act of 1973.

36 (b) Commencing in January 1990, and every two years
37 thereafter, the Board of Governors of the California Community
38 Colleges ~~and the Trustees of the California State University shall,~~
39 ~~for their respective systems, and the Regents of the University of~~
40 ~~California may,~~ *shall* submit a report to the Governor, the education

1 policy committees of the Legislature, and the California
2 Postsecondary Education Commission on the evaluations developed
3 pursuant to subdivision (a) describing its efforts to serve students
4 with disabilities. These biennial reports shall also include a review
5 on a campus-by-campus basis of the enrollment, retention,
6 transition, and graduation rates of disabled students, *including*
7 *categorical funding of those programs*.

8 SEC. 12. Section 67501 is added to the Education Code, to
9 read:

10 67501. (a) The University of California may, and the California
11 State University shall, submit to the Legislature on or before
12 November 30 of each year a comprehensive five-year capital outlay
13 plan that includes, but is not limited to, all of the following
14 information:

15 (1) State and nonstate projects proposed for each campus in
16 each year of the plan, including a discussion of the programmatic
17 bases for each project.

18 (2) An explanation of how each project contributes to
19 accommodating needs associated with current or projected
20 enrollments of graduate and undergraduate students, and other
21 needs, and the rough estimates of the costs of meeting those needs.

22 (3) The estimated costs of each project, showing the schedule
23 for when these funds will be needed, including a schedule of annual
24 funding needs beyond the five years for those projects for which
25 completion exceeds the timeframe of the plan and the relative
26 priority on a campus and statewide basis.

27 (4) An explanation of how the plan addresses the Legislature's
28 intent that the universities annually consider, as part of their annual
29 capital outlay planning process, the inclusion of facilities that may
30 be used by more than one segment of public higher education
31 (intersegmental).

32 (5) Description and costs of activities that take place within the
33 plan's timeframe related to the planning or establishment of new
34 campuses.

35 (b) The California Community Colleges Chancellor's office
36 shall prepare a five-year capital outlay plan identifying the
37 statewide needs and priorities of the California Community
38 Colleges. This plan shall be submitted to the Legislature on or
39 before November 30 of each year. It is the intent of the Legislature
40 not to consider any community college capital outlay project that

1 is not included in the statewide five-year plan submitted to the
2 Legislature. The five-year capital outlay plan shall include, but
3 not be limited to, all of the following information:

4 (1) Current year enrollment and enrollment projections for each
5 community college district for each year covered in the plan.

6 (2) Projects proposed for each campus in each year of the plan,
7 including the programmatic bases for each project.

8 (3) The estimated costs of each project, showing the schedule
9 for when these funds will be needed, including a schedule of annual
10 funding needs beyond the five years for those projects for which
11 completion exceeds the timeframe of the plan and the relative
12 priority on a campus and statewide basis.

13 (4) An explanation of the Chancellor's office priorities and
14 methodology for selecting projects for state capital outlay funding.

15 (5) An explanation of the Chancellor's office methodology for
16 calculating unmet capital outlay needs for the community college
17 system.

18 (6) An explanation of how the plan addresses the Legislature's
19 intent that the community colleges annually consider, as part of
20 their annual capital outlay planning process, the inclusion of
21 facilities that may be used by more than one segment of public
22 higher education (intersegmental).

23 (c) The plans for the University of California, the California
24 State University, and the California Community Colleges shall be
25 updated annually, or more often if necessary, taking into
26 consideration evolving circumstances in the planning process of
27 the institutions. The Legislature recognizes that the annual plan is
28 a flexible, working document subject to the evolutionary change
29 inherent in the planning process. The plan shall be designed to
30 reflect project data changes on a year-to-year basis, and the
31 inclusion of a project in the plan does not guarantee its viability.
32 It is further the intent of the Legislature that the project planning
33 guides submitted for each project proposed for inclusion in each
34 budget year specify both of the following:

35 (1) How each project meets needs for different types of space,
36 including, but not limited to, classrooms, teaching laboratories,
37 research laboratories, and faculty offices.

38 (2) The direct and indirect project costs associated with the
39 different types of space.

SEC. 13. Section 67502 is added to the Education Code, to read:

67502. (a) On or before November 1 of each year, the Regents of the University of California are requested to provide to the Joint Legislative Budget Committee and the Department of Finance a summary of all instructional and research space in the university system. The summary shall consist of campus-by-campus data indicating existing space available to each department of instruction and research, including a seven-year projection of space needs for departments of instruction and research. The data shall include, but not be limited to, classrooms, upper and lower division class laboratories, teaching assistant offices, and faculty offices. The summary shall correlate assignable square foot capacities to full-time equivalent student enrollments and faculty positions for both existing space and projected space needs.

(b) On or before November 1 of each year, the California State University shall provide to the Joint Legislative Budget Committee and the Department of Finance a summary of all instructional and faculty office space in the university system. The summary shall consist of campus-by-campus data indicating existing instructional space available including a seven-year projection of space needs for instruction and faculty offices. The data shall include, but not be limited to, classrooms, upper and lower division class laboratories, teaching assistant offices, and faculty offices. The summary shall correlate assignable square foot capacities to full-time equivalent student enrollments and faculty positions for both existing space and projected space needs.

SEC. 14. Section 67503 is added to the Education Code, to read:

67503. On or before November 1, 2010, and at least biennially thereafter, the University of California is requested to, the California State University shall, and as a condition of receiving state apportionments, the Office of the Chancellor of the California Community Colleges shall, report on the utilization of classrooms and teaching laboratories. The report shall include for each campus in their respective system the total number of rooms, number of stations, weekly student contact hours, and weekly station hours. The report shall also include the average weekly hours of station use and actual utilization as a percentage of the utilization standard.

SEC. 15. Section 67504 is added to the Education Code, to read:

67504. (a) (1) The Legislature finds and declares that based on academic goals and projected enrollment levels, each University of California campus and medical center periodically develops a Long Range Development Plan (LRDP) that guides its physical development, including land use designations, the location of buildings, and infrastructure systems, for an established time horizon.

(2) In order to ensure greater legislative oversight over the process used by the University of California to prepare and implement each plan, including the accompanying Environmental Impact Report (EIR), at the time draft LRDPs and draft LRDP EIRs are submitted for public review, the university is requested to provide the Legislature with summaries of the draft LRDPs and LRDP EIRs to the Joint Legislative Budget Committee. The summaries shall also be available on the university Internet Web site.

(b) (1) The Legislature further finds and declares that the expansion of campus enrollment and facilities may negatively affect the surrounding environment. Consistent with the requirements of the California Environmental Quality Act (CEQA), it is the intent of the Legislature that the University of California sufficiently mitigate significant off-campus impacts related to campus growth and development.

(2) On or before March 1 of each year from 2010 to 2014, inclusive, the University of California is requested to report for each campus on the status of implementation, including the implementation dates where applicable, of mitigation measures for significant off-campus impacts identified consistent with the requirements of CEQA, including those that require fair share payments to local agencies. The report shall identify the status of fair share mitigation agreements with and payments to local agencies for mitigation of off-campus impacts that are required in certified EIRs. The report should also list any monetary or equivalent in-kind payments to local agencies made by the campuses for the mitigation of off-campus impacts that do not involve fair share language in CEQA documents and that have been implemented under other arrangements. For those significant off-campus impacts that have been triggered but have not been

1 sufficiently mitigated, the university shall report on the additional
2 steps that are being taken to reach a resolution.

3 (c) (1) The Legislature finds and declares that each California
4 State University campus periodically develops a physical master
5 plan to guide the future development of their facilities, based on
6 academic goals and projected student enrollment levels, for an
7 established time horizon.

8 (2) In order to ensure greater legislative oversight over the
9 process used by the California State University to prepare and
10 implement each plan, including the accompanying Environmental
11 Impact Report (EIR), at the time a draft physical master plan and
12 the accompanying draft EIR are submitted for public review, the
13 university shall provide summaries of these documents to the Joint
14 Legislative Budget Committee. The summaries shall also be
15 available on the university Internet Web site.

16 (d) (1) The Legislature further finds and declares that the
17 expansion of campus enrollment and facilities may negatively
18 affect the surrounding environment. In view of the case City of
19 Marina v. the Board of Trustees of the California State University
20 (2006) 639 Cal.4th 341, it is the intent of the Legislature that the
21 California State University take steps to reach agreements with
22 local public agencies regarding the mitigation of off-campus
23 impacts related to campus growth and development.

24 (2) On or before March 1 of each year from 2010 to 2014,
25 inclusive, the California State University shall report by campus
26 on the status of any negotiations with local agencies for mitigation
27 measures for significant off-campus impacts identified consistent
28 with the requirements of CEQA, including implementation dates
29 where applicable. For each impact, this report shall identify
30 whether an agreement has been reached with local agencies. The
31 report shall also list any monetary and nonmonetary in-kind
32 payments made by the campus for the mitigation of off-campus
33 impacts identified as unavoidable in the certified EIRs. For those
34 impacts for which there is no agreement, the university shall
35 explain what steps were taken and if any additional steps will be
36 taken to reach an agreement.

37 SEC. 16. Section 71020 of the Education Code is repealed.

38 ~~71020. Commencing on July 1, 1989, and every three years~~
39 ~~thereafter, the board of governors shall develop, and submit to the~~
40 ~~Governor and the respective chairs of the Assembly Committee~~

1 on Higher Education and the Senate Committee on Education, a
2 diversity paper concerning its own membership. The diversity
3 paper shall provide the board's assessment of its role in statewide
4 representation of minorities, women, and the disabled.

5 SEC. 17. Section 76002 of the Education Code is amended to
6 read:

7 76002. (a) For the purposes of receiving state apportionments,
8 a community college district may include high school pupils who
9 attend a community college within the district pursuant to Sections
10 48800 and 76001 in the district's report of full-time equivalent
11 students (FTES) only if those pupils are enrolled in community
12 college classes that meet all of the following criteria:

13 (1) The class is open to the general public.

14 (2) (A) The class is advertised as open to the general public in
15 one or more of the following:

16 (i) The college catalog.

17 (ii) The regular schedule of classes.

18 (iii) An addenda to the college catalog or regular schedule of
19 classes.

20 (B) If a decision to offer a class on a high school campus is
21 made after the publication of the regular schedule of classes, and
22 the class is solely advertised to the general public through
23 electronic media, the class shall be so advertised for a minimum
24 of 30 continuous days prior to the first meeting of the class.

25 (3) If the class is offered at a high school campus, the class may
26 not be held during the time the campus is closed to the general
27 public, as defined by the governing board of the school district
28 during a regularly scheduled board meeting.

29 (4) If the class is a physical education class, no more than 10
30 percent of its enrollment may be comprised of special part-time
31 or full-time students. A community college district may not receive
32 state apportionments for special part-time and full-time students
33 enrolled in physical education courses in excess of 5 percent of
34 the district's total reported full-time equivalent enrollment of
35 special part-time and full-time students.

36 (b) The governing board of a community college district may
37 restrict the admission or enrollment of a special part-time or
38 full-time student during any session based on any of the following
39 criteria:

40 (1) Age.

1 (2) Completion of a specified grade level.

2 (3) Demonstrated eligibility for instruction using assessment
3 methods and procedures established pursuant to Chapter 2
4 (commencing with Section 78210) of Part 48 and regulations
5 adopted by the Board of Governors of the California Community
6 Colleges.

7 (c) (1) The Chancellor of the California Community Colleges
8 shall, *as a condition of receiving state apportionments for*
9 *enrollment described in this section*, prepare and submit to the
10 Department of Finance and the Legislature, on or before ~~March~~
11 ~~1, 2004, and~~ March 1 of each year ~~thereafter~~, a report on the
12 amount of FTES claimed by each community college district for
13 special part-time and special full-time students for the preceding
14 academic year in each of the following class categories:

15 ~~(1)~~

16 (A) Noncredit.

17 ~~(2)~~

18 (B) Nondegree-applicable.

19 ~~(3)~~

20 (C) Degree-applicable, excluding physical education.

21 ~~(4)~~

22 (D) Degree-applicable physical education.

23 (2) *The report specified in paragraph (1) shall contain the report*
24 *required by Section 48800. The combined report shall distinguish*
25 *between the two student populations specified by this section and*
26 *Section 48800.*

27 (d) The Board of Governors of the California Community
28 Colleges shall adopt rules and regulations to implement this section.

29 SEC. 18. Section 76305 is added to the Education Code, to
30 read:

31 76305. It is the intent of the Legislature that, as a condition of
32 receiving state apportionments for financial aid administration,
33 the Office of the Chancellor of the California Community Colleges
34 annually provide the Legislature with a report on or before
35 September 1, on the use of the funds allocated through the state
36 budget for financial aid administration. The report shall describe
37 the distribution of the funds, specific uses of the funds, strategies
38 employed to reach low-income and disadvantaged students
39 potentially eligible for financial aid, and the extent to which
40 districts were successful in increasing the number of students

1 accessing financial aid, including the maximum Pell Grant award.
2 The report shall also include both FTES and headcount data for
3 total enrollment over the prior three years, divided by subgroups
4 based on age, race, ethnicity, gender, board of governor waiver
5 status, and other factors. The report shall assess how student fee
6 levels and financial aid availability have affected enrollment levels
7 over the past three years.

8 SEC. 19. Section 79202.5 is added to the Education Code, to
9 read:

10 79202.5. (a) On or before October 15 of each year, a
11 community college may submit to the office of the Chancellor,
12 applications for funding for the direct instruction of CalWORKs
13 students above the district's enrollment cap. If the chancellor
14 approves the use of funds for direct instructional workload, the
15 office of the Chancellor, as a condition of receiving state
16 apportionments for CalWORKs students, submit a report to the
17 Department of Finance and the Joint Legislative Budget
18 Committee, on or before November 15, that does all of the
19 following:

20 (1) Identifies the enrollment of new CalWORKs students.

21 (2) States if additional classes were needed to accommodate the
22 needs of CalWORKs students, and if so, the explanation for the
23 need.

24 (3) Sets forth an expenditure plan for the balance of funds.

25 (b) As a condition of the receipt of funds, by the fourth week
26 following the end of the semester or quarter term commencing in
27 January, each participating community college shall submit to the
28 office of the Chancellor a report, in the format specified by the
29 chancellor in consultation with the State Department of Social
30 Services, that includes, but is not limited to, the funded
31 components, the number of hours of child care provided, the
32 average monthly enrollment of CalWORKs dependents served in
33 child care, the number of workstudy hours provided, the hourly
34 salaries and type of jobs, the number of students being case
35 managed, the short-term programs available, the student
36 participation rates, and other outcome data.

37 (c) It is the intent of the Legislature that, to the extent
38 practicable, the reporting from colleges utilize data gathered for
39 federal reporting requirements at the state and local level. It is
40 further the intent of the Legislature that the office of the Chancellor

1 compile the information for annual reports to the Legislature, the
2 Governor, the Legislative Analyst, the Department of Finance,
3 and the State Department of Social Services on or before November
4 15 of each year.

5 SEC. 20. Section 81254 of the Education Code is amended to
6 read:

7 81254. The Chancellor of the California Community Colleges
8 shall annually report to the Governor and Legislature on the
9 number, types, and disposition of waiver requests submitted
10 pursuant to Section 81250 *on or before July 1 for the prior year*
11 *actions*.

12 SEC. 21. Section 84760.5 of the Education Code is amended
13 to read:

14 84760.5. (a) For purposes of this chapter, the following career
15 development and college preparation courses and classes for which
16 no credit is given, and that are offered in a sequence of courses
17 leading to a certificate of completion, that lead to improved
18 employability or job placement opportunities, or to a certificate
19 of competency in a recognized career field by articulating with
20 college-level coursework, completion of an associate of arts degree,
21 or for transfer to a four-year degree program, shall be eligible for
22 funding subject to subdivision (b):

23 (1) Classes and courses in elementary and secondary basic skills.

24 (2) Classes and courses for students, eligible for educational
25 services in workforce preparation classes, in the basic skills of
26 speaking, listening, reading, writing, mathematics, decisionmaking,
27 and problem solving skills that are necessary to participate in
28 job-specific technical training.

29 (3) Short-term vocational programs with high employment
30 potential, as determined by the chancellor in consultation with the
31 Employment Development Department utilizing job demand data
32 provided by that department.

33 (4) Classes and courses in English as a second language and
34 vocational English as a second language.

35 (b) The board of governors shall adopt criteria and standards
36 for the identification of career development and college preparation
37 courses and the eligibility of these courses for funding, including
38 the definition of courses eligible for funding pursuant to
39 subdivision (a). The criteria and standards shall be based on
40 recommendations from the chancellor, the statewide academic

senate, and the statewide association of chief instructional officers.
The career and college preparation courses to be identified for this higher rate of funding should include suitable courses that meet one or more of the qualifications described in subdivision (a).

(c) A district that offers courses described in subdivision (a), but that is not eligible for funding under subdivision (b), shall be eligible for funding under Section 84757.

(d) The chancellor, in consultation with the Department of Finance and the Office of the Legislative Analyst, shall develop specific outcome measures for career development and college preparation courses for incorporation into the annual report required by subdivision (b) of Section 84754.5.

(e) The chancellor shall prepare and submit to the Department of Finance and the Legislature, on or before ~~March 1, 2007, and March~~ May 1 of each year ~~thereafter~~, a report that details, at a minimum, the following:

(1) The amount of FTES claimed by each community college district for career development and college preparation courses and classes.

(2) The specific certificate programs and course titles of career development and college preparation courses and classes receiving additional funding pursuant to this section, as well as the number of those courses and classes receiving additional funding.

SEC. 22. Section 88550 of the Education Code is amended to read:

88550. (a) The chancellor shall implement accountability measures that provide the Governor, Legislature, and general public with accountability measurements of the program that quantify both employer and student outcomes and seek to specifically isolate the impact of the ED>Net Program on participants.

(b) The chancellor shall submit a report to the Governor and Legislature on or about March 1 of each year. Sufficient information shall be provided in the report to ensure the understanding of the magnitude of expenditures, by type of expenditure, including those specified in Section 88525, disaggregated by industry cluster and region. The report shall also include the marketing efforts conducted, the type of services provided to colleges and employers, and the number of businesses, students, and employees served, and identify the benchmarks and indicators used to demonstrate the results achieved.

1 (c) (1) In combination with the report specified in subdivision
2 (b), the chancellor shall submit disaggregated data detailing both
3 of the following:

4 (A) The funding provided to each economic development
5 regional center and each industry-driven regional education and
6 training collaborative.

7 (B) To the extent practicable, the total number of hours of
8 contract education services, performance-based and
9 performance-improvement training, credit and noncredit
10 instruction, and job placements created as a result of this program
11 by each center and collaborative.

12 SEC. 23. Section 89009 of the Education Code is amended to
13 read:

14 89009. (a) It is the intent of the Legislature that the land and
15 improvements comprising the Camarillo State Hospital be
16 transferred to the trustees to be developed and improved as a
17 campus of the California State University in order to make public
18 postsecondary education more available to qualified persons in
19 the Ventura County area as well as throughout the state.

20 (b) Upon approval by the trustees, the Department of General
21 Services shall transfer the land and improvements comprising the
22 Camarillo State Hospital to the trustees. The Department of General
23 Services shall be reimbursed for its administrative costs incurred
24 in connection with the transfer, and an amount not to exceed five
25 thousand dollars (\$5,000) is hereby appropriated from the General
26 Fund to the department for that purpose.

27 (c) ~~(1)~~—In order to raise revenues to assist in building a campus
28 of the California State University and to provide a source of
29 funding for the program thereof, the trustees may sell and lease
30 interests in real property included within the land comprising
31 Camarillo State Hospital that are not needed for campus purposes.
32 The proceeds from any sale or lease pursuant to this section shall
33 be deposited in local trust accounts and are available for
34 expenditure for the improvement of real property of the campus
35 and funding the programs of the campus. Funds so deposited and
36 maintained may be invested in accordance with state law and are
37 continuously appropriated without regard to fiscal year for the
38 purpose of building, maintaining, and funding a campus of the
39 California State University in Ventura County at the site of the
40 Camarillo State Hospital.

1 ~~(2) By September 1 of every other year, commencing in 2006,~~
2 ~~the trustees shall report to the Governor and the Legislature on the~~
3 ~~revenues obtained from sales and leases made pursuant to this~~
4 ~~subdivision and the expenditures made based upon those revenues~~
5 ~~during the two prior fiscal years. No report shall be made in 2005.~~

6 (d) This section shall be liberally construed to accomplish the
7 intent of the Legislature.

8 (e) This section does not apply to the approximately 57-acre
9 noncontiguous parcel of the Camarillo State Hospital property
10 located on Lewis Road in Ventura County.

11 SEC. 24. Section 89753 of the Education Code is amended to
12 read:

13 89753. All appropriations for the support of the California
14 State University and the trustees shall be subject to Section 13320
15 of the Government Code and applicable Budget Act restrictions,
16 with the following exceptions:

17 (a) The trustees may, with regard to funds appropriated for the
18 support of the California State University, approve any transfer of
19 funds between general fund appropriations, unless restricted by
20 the Budget Act or any other act, and within and between any
21 category designated in any schedule set forth for the appropriation.
22 In addition, the trustees may authorize the augmentation of the
23 amount available for a category designated in any schedule set
24 forth for the appropriation by transfer from any of the other
25 designated categories, including additional reimbursements and
26 amounts receivable within the same schedule, and shall furnish
27 the Joint Legislative Budget Committee and appropriate legislative
28 fiscal committees a report, *on or before January 10*, of the
29 authorizations given during the preceding ~~quarter~~ *four quarters*.

30 (b) The trustees may approve travel, both within and outside
31 the state, and the payment of allowances and expenses related to
32 travel, moving, and the relocation of employees in accordance
33 with the allowances established by the trustees.

34 (c) The trustees may, within funds appropriated for the support
35 of the California State University, establish new positions and
36 make changes in existing positions and the position payroll roster.

37 SEC. 25. Section 92611.9 is added to the Education Code, to
38 read:

39 92611.9. It is the intent of the Legislature that the University
40 of California carefully monitor the use and effects of the

1 contracting of services at newly developed facilities. In order to
2 assist in an improved understanding of such impacts, the university
3 is requested to report annually to the fiscal committees of the
4 Legislature, on or before January 15 of each year, the extent to
5 which it has chosen to contract for services, the rationale for those
6 decisions, the cost implications of those decisions, the impact on
7 hiring, and the extent to which the hiring and contracting practices
8 are at variance with the practices at existing facilities.

9 SEC. 26. Chapter 9.5 (commencing with Section 92750) is
10 added to Part 57 of Division 9 of Title 3 of the Education Code,
11 to read:

12
13 CHAPTER 9.5. PROGRAM IN MEDICAL EDUCATION
14

15 92750. On or before March 15 of each year, until 2018, the
16 University of California is requested to report to the Legislature
17 on its Program in Medical Education (PRIME). The report shall
18 do both of the following:

19 (a) Describe each PRIME program at each campus, including,
20 but not limited to, all of the following information:

21 (1) Enrollment.

22 (2) Funding, including state support, student fees, and other
23 funding.

24 (3) The intended purpose of each PRIME program.

25 (b) Include various measures of program effectiveness, including
26 the percentage of first-year students who graduate from the
27 program, and the percentage of graduates who serve in the
28 communities targeted by the PRIME programs.

29 SEC. 27. Chapter 10.5 (commencing with Section 92830) is
30 added to Part 57 of Division 9 of Title 3 of the Education Code,
31 to read:

32
33 CHAPTER 10.5. UNIVERSITY OF CALIFORNIA-MEXICO RESEARCH
34 PROGRAMS
35

36 92830. On or before March 15 of each year, until 2013, the
37 University of California is requested to report to the Legislature
38 on the facility for University of California-Mexico research and
39 academic programs in Mexico City. The report shall include all
40 of the following:

1 (a) The amount of state and nonstate funds spent to support the
2 University of California-Mexico facility and the specific use of
3 these funds.

4 (b) The amount of state and nonstate funds spent to support
5 University of California-Mexico research and academic programs.

6 (c) A description of the different types of research conducted
7 and the programs operated at the facility.

8 SEC. 28. Section 100700 of the Education Code is amended
9 to read:

10 100700. (a) Of the total amount of bonds authorized to be
11 issued and sold pursuant to Chapter 1 (commencing with Section
12 100600), bonds in the total amount of one billion six hundred fifty
13 million dollars (\$1,650,000,000), not including the amount of any
14 refunding bonds issued in accordance with Section 100755, or so
15 much thereof as is necessary, may be issued and sold to provide
16 a fund to be used for carrying out the purposes expressed in this
17 chapter and to reimburse the General Obligation Bond Expense
18 Revolving Fund pursuant to Section 16724.5 of the Government
19 Code. The bonds, when sold, shall be and constitute a valid and
20 binding obligation of the State of California, and the full faith and
21 credit of the State of California is hereby pledged for the punctual
22 payment of the principal of, and interest on, the bonds as the
23 principal and interest become due and payable.

24 ~~(b) It is the intent of the Legislature that the University of~~
25 ~~California, the California State University, and the California~~
26 ~~Community Colleges annually consider, as part of their annual~~
27 ~~capital outlay planning process, the inclusion of facilities that may~~
28 ~~be used by more than one segment of public higher education~~
29 ~~(intersegmental), and, that on or before May 15th of each year,~~
30 ~~those entities report their findings to the budget committees of~~
31 ~~each house of the Legislature.~~

32 (c)

33 (b) Pursuant to this section, the Treasurer shall sell the bonds
34 authorized by the Higher Education Facilities Finance Committee
35 established pursuant to Section 67353 at any different times
36 necessary to service expenditures required by the apportionments.

37 SEC. 29. Section 100900 of the Education Code is amended
38 to read:

39 100900. (a) Of the total amount of bonds authorized to be
40 issued and sold pursuant to Chapter 1 (commencing with Section

1 100800), bonds in the total amount of two billion three hundred
2 million dollars (\$2,300,000,000), not including the amount of any
3 refunding bonds issued in accordance with Section 100955, or so
4 much thereof as is necessary, may be issued and sold to provide
5 a fund to be used for carrying out the purposes expressed in this
6 chapter and to reimburse the General Obligation Bond Expense
7 Revolving Fund pursuant to Section 16724.5 of the Government
8 Code. The bonds, when sold, shall be and constitute a valid and
9 binding obligation of the State of California, and the full faith and
10 credit of the State of California is hereby pledged for the punctual
11 payment of the principal of, and interest on, the bonds as the
12 principal and interest become due and payable.

13 ~~(b) It is the intent of the Legislature that the University of~~
14 ~~California, the California State University, and the California~~
15 ~~Community Colleges annually consider, as part of their annual~~
16 ~~capital outlay planning process, the inclusion of facilities that may~~
17 ~~be used by more than one segment of public higher education~~
18 ~~(intersegmental), and, that on or before May 15th of each year,~~
19 ~~those entities report their findings to the budget committees of~~
20 ~~each house of the Legislature.~~

21 (c)

22 (b) Pursuant to this section, the Treasurer shall sell the bonds
23 authorized by the Higher Education Facilities Finance Committee
24 established pursuant to Section 67353 at any different times
25 necessary to service expenditures required by the apportionments.

26 SEC. 30. Section 101034 of the Education Code is amended
27 to read:

28 101034. (a) Of the total amount of bonds authorized to be
29 issued and sold pursuant to Chapter 1 (commencing with Section
30 101000), bonds in the total amount of one billion five hundred
31 seven million dollars (\$1,507,000,000), not including the amount
32 of any refunding bonds issued in accordance with Section 101039,
33 or so much thereof as is necessary, may be issued and sold to
34 provide a fund to be used for carrying out the purposes expressed
35 in this chapter and to reimburse the General Obligation Bond
36 Expense Revolving Fund pursuant to Section 16724.5 of the
37 Government Code. The bonds, when sold, shall be and constitute
38 a valid and binding obligation of the State of California, and the
39 full faith and credit of the State of California is hereby pledged

1 for the punctual payment of the principal of, and interest on, the
2 bonds as the principal and interest become due and payable.

3 ~~(b) It is the intent of the Legislature that the California~~
4 ~~Community Colleges annually consider, as part of their annual~~
5 ~~capital outlay planning process, the inclusion of facilities that may~~
6 ~~be used by more than one segment of public higher education~~
7 ~~(intersegmental), and, that on or before May 15th of each year,~~
8 ~~those entities report their findings to the budget committees of~~
9 ~~each house of the Legislature.~~

10 (c)

11 (b) Pursuant to this section, the Treasurer shall sell the bonds
12 authorized by the Higher Education Facilities Finance Committee
13 established pursuant to Section 67353 at any different times
14 necessary to service expenditures required by the apportionments.

15 SEC. 31. Section 101050 of the Education Code is amended
16 to read:

17 101050. (a) Of the total amount of bonds authorized to be
18 issued and sold pursuant to Chapter 1 (commencing with Section
19 101000), bonds in the amount of one billion five hundred eighty
20 million dollars (\$1,580,000,000), not including the amount of any
21 refunding bonds issued in accordance with Section 101059, or so
22 much thereof as is necessary, may be issued and sold to provide
23 a fund to be used for carrying out the purposes expressed in this
24 chapter and to reimburse the General Obligation Bond Expense
25 Revolving Fund pursuant to Section 16724.5 of the Government
26 Code. The bonds, when sold, shall be and constitute a valid and
27 binding obligation of the State of California, and the full faith and
28 credit of the State of California is hereby pledged for the punctual
29 payment of the principal of, and interest on, the bonds as the
30 principal and interest become due and payable.

31 ~~(b) It is the intent of the Legislature that the University of~~
32 ~~California and the California State University annually consider,~~
33 ~~as part of their annual capital outlay planning process, the inclusion~~
34 ~~of facilities that may be used by more than one segment of public~~
35 ~~higher education (intersegmental), and, that on or before May 15~~
36 ~~of each year, those entities report their findings to the budget~~
37 ~~committees of each house of the Legislature.~~

38 (c)

39 (b) Pursuant to this section, the Treasurer shall sell the bonds
40 authorized by the Higher Education Facilities Finance Committee

1 established pursuant to Section 67353 at any different times
2 necessary to service expenditures required by the apportionments.

3 SEC. 32. Section 67480 of the Government Code is amended
4 to read:

5 67480. (a) (1) The California State University, Channel Islands
6 Site Authority Fund is hereby created in the State Treasury, to be
7 administered by the authority. Notwithstanding Section 13340, all
8 moneys in the fund are continuously appropriated to the authority
9 without regard to fiscal years for the purposes of this title.

10 (2) All capital plans for the university portion of the site that
11 are proposed to be funded through moneys in the fund shall be
12 included in the annual five-year Capital Outlay Program report of
13 the California State University that is submitted to the Legislature
14 and the Governor each year.

15 ~~(3) Notwithstanding Section 7550.5, the Trustees of the~~
16 ~~California State University, on behalf of the authority, shall report~~
17 ~~to the Legislature and the Governor by July 31 of each year on all~~
18 ~~expenditures made during the prior fiscal year for facilities that~~
19 ~~increase the enrollment capacity of the site.~~

20 (b) The authority may pledge any or all of the moneys in the
21 fund as security for payment of the principal of, and interest on,
22 any particular issuance of bonds pursuant to this title.

23 (c) As necessary or convenient to accomplish any purpose of
24 this title, the authority may divide the fund into separate accounts.

25 (d) All moneys accruing to the authority pursuant to this title
26 from any source shall be deposited in the fund.

27 (e) (1) Subject to any priorities created by the pledge of
28 particular moneys in the fund to secure any issuance of bonds of
29 the authority, and to reasonable administrative costs incurred by
30 the authority in implementing this title, all moneys in the fund,
31 regardless of the source, shall be held in trust for the security and
32 payment of bonds of the authority, and shall not be used or pledged
33 for any other purpose while any bonds are outstanding and unpaid.
34 Nothing in this subdivision shall be construed to limit the power
35 of the authority to make loans with bond proceeds in accordance
36 with the terms of the resolution authorizing the issuance of those
37 bonds.

38 (2) Pursuant to any agreements with the holders of particular
39 bonds pledging any particular assets, revenues, or moneys, the
40 authority may create separate accounts in the fund to manage the

1 assets, revenues, or moneys in the manner prescribed by the
2 agreements.

3 (f) From time to time, the authority may direct the treasurer of
4 the authority to do any of the following:

5 (1) Invest moneys in the fund that are not required for its current
6 needs, including, but not limited to, proceeds from the sale of any
7 bonds in eligible securities specified in Section 16430 or 53601
8 and designated by the authority, in the resolution authorizing the
9 issuance of the bonds payable or secured by the moneys.

10 (2) Deposit moneys in the fund in interest-bearing accounts in
11 state or national banks or other financial institutions having
12 principal offices in the state.

13 (3) (A) Transfer moneys in the fund to the Surplus Money
14 Investment Fund for investment pursuant to Article 4 (commencing
15 with Section 16470) of Chapter 3 of Part 4 of Division 4 of Title
16 2 or Article 1 (commencing with Section 56300) of Chapter 4 of
17 Part 1 of Division 2 of Title 5.

18 (B) Notwithstanding Section 16305.7, all interest or other
19 earnings resulting from an investment or deposit pursuant to this
20 subdivision shall be deposited in the fund.

21 (g) Except as otherwise provided in paragraph (3) of subdivision
22 (f), no moneys in the fund shall be subject to transfer to any other
23 fund pursuant to any provision of Part 2 (commencing with Section
24 16300) of Division 4 of Title 2.

25 SEC. 33. Section 104145 of the Health and Safety Code is
26 amended to read:

27 104145. (a) The Legislature hereby requests the University of
28 California to establish and administer the Breast Cancer Research
29 Program, which is created by this act, as a comprehensive grant
30 and contract program to support research efforts into the cause,
31 cure, treatment, earlier detection, and prevention of breast cancer.
32 It is the intent of the Legislature that this program incorporate the
33 principles and organizational elements specified in this act,
34 including, but not limited to, a research program office with a
35 director and other necessary staff, a Breast Cancer Research
36 Council, and research review panels.

37 (b) For the purposes of this section:

38 (1) "Breast cancer research" includes, but is not limited to,
39 research in the fields of biomedical science and engineering, the

1 social, economic and behavioral sciences, epidemiology,
2 technology development and translation, and public health.

3 (2) “Council” means the Breast Cancer Research Council.

4 (3) “Grantee” means any qualifying public, private, or nonprofit
5 agency or individual, including, but not limited to, colleges,
6 universities, hospitals, laboratories, research institutions, local
7 health departments, voluntary health agencies, health maintenance
8 organizations, corporations, students, fellows, entrepreneurs, and
9 individuals conducting research in California.

10 (4) “Program” means the Breast Cancer Research Program.

11 (5) “University” means the University of California.

12 (c) It is the intent of the Legislature that this program be
13 administered pursuant to the following principles:

14 (1) The university shall work in close collaboration with the
15 council and seek the consent of the council before taking an action
16 different from the action recommended by the council.

17 (2) The council shall develop the strategic objectives and
18 priorities of the program, actively participate in the overall
19 management of the program, and make final recommendations on
20 which research grants should be funded based on the research
21 priorities established for the program and the technical merits of
22 the proposals as determined by peer review panels.

23 (3) The program shall fund innovative and creative research,
24 with a special emphasis on research that complements, rather than
25 duplicates, the research funded by the federal government and
26 other entities.

27 (4) The university and the council shall work in close
28 collaboration with the Breast Cancer Early Detection Program.

29 (5) All research funds shall be awarded on the basis of the
30 research priorities established for the program and the scientific
31 merit of the proposed research, as determined by an open,
32 competitive peer review process that ensures objectivity,
33 consistency, and high quality. All investigators, regardless of
34 affiliation, shall have equal access and opportunity to compete for
35 program funds.

36 (6) The peer review process for the selection of research grants
37 awarded under this program shall be generally modeled on that
38 used by the National Institutes of Health in its grantmaking process.

39 (7) An awardee shall be awarded grants for the full cost, both
40 direct and indirect, of conducting the sponsored research consistent

1 with those federal guidelines governing all federal research grants
2 and contracts. All intellectual property assets developed under this
3 program shall be treated in accordance with state and federal law.

4 (8) In establishing its research priorities, the council shall
5 consider a broad range of cross-disciplinary breast cancer research,
6 as defined in paragraph (1) of subdivision (b), including, but not
7 limited to, research into the cause, cure, and prevention of breast
8 cancer; translational and technological research, including research
9 regarding the development and translation of technologies of earlier
10 detection; research regarding the cultural, economic, and legal
11 barriers to accessing the health care system for early detection and
12 treatment of breast cancer; and research examining the link between
13 breast cancer and environmental factors, including both natural
14 and industrial chemicals, estrogen imitators, and electromagnetic
15 fields.

16 (d) It is the intent of the Legislature that the university, as lead
17 agency, do all of the following:

18 (1) Establish the Breast Cancer Research Council in accordance
19 with the following:

20 (A) The council shall consist of at least 13 and no more than 15
21 members representing a range of expertise and experience,
22 appointed by the President of the University of California.
23 Individuals and organizations may submit nominations to the
24 council, and the University of California shall solicit nominations
25 from relevant organizations and individuals. The council shall be
26 comprised of the following members:

27 (i) Four members from breast cancer survivor and breast
28 cancer-related advocacy groups, including, but not limited to, the
29 California Breast Cancer Organizations (CABCO).

30 (ii) Four members drawn from the ranks of scientists or
31 clinicians, including one from an independent research university
32 in California. The scientists shall have expertise covering the
33 various fields of scientific endeavor, including, but not limited to,
34 the fields of biomedical research and engineering, social, economic,
35 and behavioral research, epidemiology, and public health.

36 (iii) Two members from nonprofit health organizations with a
37 commitment to breast cancer research and control.

38 (iv) One member who is a practicing breast cancer medical
39 specialist.

1 (v) Two members from private industry with a commitment to
2 breast cancer research and control, including, but not limited to,
3 entrepreneurs, or persons from the science or high technology
4 industry or persons from the health care sector.

5 (vi) One ex officio, nonvoting member from the Breast Cancer
6 Early Detection Program.

7 (B) If the president appoints more than 13 members, it is the
8 intent of the Legislature that the proportional representation remain
9 substantially the same as set forth in subparagraph (A).

10 (C) Members shall serve without compensation, but may receive
11 reimbursement for travel and other necessary expenses actually
12 incurred in the performance of their official duties. Any member
13 of the Breast Cancer Research Council shall be ineligible to apply
14 for or receive funding for breast cancer research from the Breast
15 Cancer Research Program during his or her term of service on the
16 council, and for one cycle immediately following his or her term
17 of service on the council, if the council member helped plan that
18 subsequent cycle.

19 (D) Membership shall be staggered in such a way as to maintain
20 a full council while ensuring a reasonable degree of continuity of
21 expertise and consistency of direction.

22 (2) Provide overall coordination of the program.

23 (3) Provide staff assistance to the program and council.

24 (4) Develop administrative procedures relative to the solicitation,
25 review, and awarding of grants to ensure an impartial, high quality
26 peer review system.

27 (5) Recruit and supervise research review panels. The
28 membership of these panels shall vary depending on the subject
29 matter of the proposals and the review requirements, and shall
30 draw on the most qualified individuals. The work of the review
31 panels shall be administered pursuant to policies and procedures
32 established for the implementation of the program. In order to
33 avoid conflicts of interest and to ensure access to qualified
34 reviewers, the university may utilize reviewers not only from
35 California but also from outside the state. When serving on review
36 panels, institutions, corporations, or individuals who have
37 submitted grant applications for funding by this program shall be
38 governed by conflict-of-interest provisions consistent with the
39 National Institutes of Health Manual (Chapter 4510 (item h)), and
40 any applicable conflict-of-interest provisions in state law.

1 (6) Provide for periodic program evaluation to ensure that
2 research funded is consistent with program goals.

3 (7) Maintain a system of financial reporting and accountability.

4 (8) Provide for the systematic dissemination of research results
5 to the public and the health care community, and provide for a
6 mechanism to disseminate the most current research findings in
7 the areas of cause, treatment, cure, earlier detection, and prevention
8 of breast cancer, in order that these findings may be applied to the
9 planning, implementation, and evaluation of the breast
10 cancer-related programs of the State Department of Health
11 Services, including the Breast Cancer Early Detection Program
12 authorized by this act.

13 (9) Develop policies and procedures to facilitate the translation
14 of research results into commercial, alternate technological, and
15 other applications wherever appropriate and consistent with state
16 and federal law.

17 (10) Transmit annually on or before ~~each~~ December 31, 2010,
18 *and every five years thereafter*, a report to the Legislature on grants
19 made, grants in progress, program accomplishments, and future
20 program directions. Each report shall include, but not be limited
21 to, the following information:

22 (A) The number and dollar amounts of research grants, including
23 the amount allocated to indirect costs.

24 (B) The subject of research grants.

25 (C) The relationship between federal and state funding for breast
26 cancer research.

27 (D) The relationship between each project and the overall
28 strategy of the research program.

29 (E) A summary of research findings including discussion of
30 promising new areas.

31 (F) The institutions and campuses receiving grant awards.

32 In addition, the first annual report shall include an evaluation
33 and recommendations concerning the desirability and feasibility
34 of requiring for-profit grantees to compensate the state in the event
35 that a grant results in the development of a profitmaking product.
36 This evaluation shall include, but not be limited to, the costs and
37 benefits of requiring a for-profit grantee to repay the grant, to
38 provide the product at cost to Medi-Cal and other state programs
39 serving low-income breast cancer patients, and to pay the state a
40 percentage of the royalties derived from the product.

1 (e) It is the intent of the Legislature that no more than 5 percent
2 of the allocation to the university be used for the purposes of
3 administration of this program.

4 (f) It is the intent of the Legislature that the responsibilities of
5 the council shall include, but not be limited to, the following:

6 (1) Development and review of the strategic objectives and
7 research priorities of the program.

8 (2) Delineation of resource allocation across the various
9 priorities established for the program.

10 (3) Participation in periodic program and financial review,
11 including the report transmitted pursuant to paragraph (10) of
12 subdivision (d).

13 (4) Development and review of guidelines to ensure fairness,
14 neutrality, and adherence to the principles of merit and quality in
15 the conduct of the program.

16 (5) Development of appropriate linkages to nonacademic
17 entities, including, but not limited to, voluntary organizations,
18 health care delivery systems, industry, government agencies,
19 research entrepreneurs, and public officials.

20 (6) Development and review of criteria and standards for
21 granting awards.

22 (7) Oversight and review of the request for applications (RFA).

23 (8) Review of research review panel reports and
24 recommendations for grant awards.

25 (9) Making of final recommendations on which grants are to be
26 awarded.

27 (10) Development and review of oversight mechanisms for the
28 dissemination of research results.

29 (11) Development and review of policies and liaison programs
30 to facilitate the translation of research results into commercial,
31 alternate technological, or other applications wherever appropriate.

32 (12) Establishment of its own internal rules of operation.

33 (13) Participation in the identification and recruitment of breast
34 cancer advocates and survivors, clinicians, scientists, and persons
35 from the science, high technology, or health care sector with
36 relevant expertise for possible participation in a peer review panel.
37 The council may propose to assign a member of the council to sit
38 as a nonvoting member of the peer review panels.

39 SEC. 34. Section 104500 of the Health and Safety Code is
40 amended to read:

1 104500. (a) (1) The Legislature finds that the efforts to reduce
2 smoking in California have led to a drop in the consumption of
3 tobacco. Although not on target to meet the goal of achieving a
4 75-percent reduction in tobacco consumption in California by the
5 year 1999, the results are encouraging.

6 (2) The Legislature further finds that as a result of the success
7 of the programs, the money received from the taxation of tobacco
8 has been dropping. The Legislature declares this a sign of success,
9 not a matter of concern.

10 (3) The Legislature further notes that programs, organizations,
11 and individuals receiving money from the Cigarette and Tobacco
12 Products Surtax Fund are receiving money from a declining
13 revenue source. The Legislature finds that this success has led to
14 an obvious concern and fear among recipients that “their money”
15 is shrinking every year.

16 (4) The Legislature finds that, assuming the success of the
17 antismoking efforts continue, there will be necessary reductions
18 in spending in the years to come.

19 (5) The Legislature declares its intention to seek full analysis
20 of all programs receiving money under Proposition 99 and declares
21 its intention to critically evaluate how the money is being spent
22 and whether the spending is achieving the results desired.

23 (6) The Legislature specifically rejects the notion that every
24 dollar of expenditure made by every program, organization, or
25 activity is of equal value. Instead, the Legislature declares its
26 intention to choose between competing programs and to allocate
27 moneys to those programs and activities that are most successful
28 in meeting the goals of the initiative.

29 (b) It is the intent of the Legislature to provide for the
30 continuation of the Cigarette and Tobacco Products Surtax
31 Research Program to support research into tobacco-related disease.
32 It is the intent of the Legislature that this program be administered
33 by the University of California and that this program be
34 administered pursuant to the following principles:

35 (1) The research program established should adhere to the
36 objectives stated in the provisions of the initiative act entitled
37 Cigarette and Tobacco Products Surtax regarding research: “The
38 Research Account . . . shall only be available for tobacco-related
39 disease research.”

(2) All research funds shall be awarded on the basis of scientific merit as determined by an open, competitive peer review process that assures objectivity, consistency, and high quality. All qualified investigators, regardless of institutional affiliation, shall have equal access and opportunity to compete for the funds in the Research Account.

(3) The peer review process for the selection of grants awarded under this program shall be modeled on that used by the National Institutes of Health in its ~~grant-making~~ *grantmaking* process.

(4) Awardees shall be reimbursed for the full cost, both direct and indirect, of conducting the sponsored research consistent with federal guidelines governing all federal research grants and contracts.

(c) It is further the intent of the Legislature that on or before December 31, 2010, and every five years thereafter, the University of California transmit programmatic, as well as financial, reports to the state, including a report on the grants made, pending grants, program accomplishments, and the future direction of the program.

SEC. 35. Section 104530 of the Health and Safety Code is amended to read:

104530. It is the intent of the Legislature that the university, as lead agency, do all of the following:

(a) Provide overall direction and coordination of the program.

(b) Provide staff assistance to the advisory committee and review panels.

(c) Provide for periodic program evaluation, to assure that work funded is consistent with program goals.

(d) Maintain a system of financial reporting and accountability.

~~(e) Transmit programmatic as well as financial reports to the state, including an annual report on grants made, grants in progress, program accomplishments, and future program directions.~~

~~(f)~~

(e) Provide for the systematic dissemination of research results to the public and the health care community, and to provide for a mechanism to disseminate the most current research findings in the areas of smoking cessation and the prevention of tobacco use in order that these findings may be applied to the implementation of the Health Education Account.

~~(g)~~

1 (f) Develop policies and procedures to facilitate the translation
2 of research results into commercial applications wherever
3 appropriate.

4 ~~(h)~~

5 (g) Undertake an outreach program to inform interested parties
6 of the availability of grants for public policy research in the area
7 of tobacco control.

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