

AMENDED IN ASSEMBLY APRIL 30, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

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.~~ *education.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1182, as amended, 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.

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

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

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

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

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

18 48800. (a) The governing board of a school district may
19 determine which pupils would benefit from advanced scholastic
20 or vocational work. The intent of this section is to provide
21 educational enrichment opportunities for a limited number of
22 eligible pupils, rather than to reduce current course requirements
23 of elementary and secondary schools, and also to help ensure a
24 smoother transition from high school to college for pupils by
25 providing them with greater exposure to the collegiate atmosphere.
26 The governing board may authorize those pupils, upon
27 recommendation of the principal of the pupil's school of
28 attendance, and with parental consent, to attend a community
29 college during any session or term as special part-time or full-time
30 students and to undertake one or more courses of instruction offered
31 at the community college level.

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

1 (c) A pupil shall receive credit for community college courses
2 that he or she completes at the level determined appropriate by the
3 school district and community college district governing boards.

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

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

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

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

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

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

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

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

39 (i) The pupil is in his or her senior year.

(ii) The pupil has completed all other graduation requirements prior to the end of his or her senior year, or will complete all remaining graduation requirements during a community college summer session, which he or she is recommended to enroll in, following his or her senior year of high school.

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

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

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

(e) Paragraphs (3) and (5) of subdivision (d) shall become inoperative on January 1, 2010.

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

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

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

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

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

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

66015.12. (a) It is the intent of the Legislature that the California State University assess and report the entry-level

1 proficiency of all first-time freshmen. On or before December 15
2 of each year, the California State University shall submit a
3 preliminary report by each campus in the system that includes all
4 of the following information:

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

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

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

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

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

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

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

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

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

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

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

35 (3) The total amount the university expended on institutional
36 aid for students, disaggregated by student level, for the two prior
37 academic years, the current year, and a projection for the next year,
38 and the average and 90th percentile undergraduate institutional
39 aid award amount provided per recipient for the prior two academic
40 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, *and* 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 SEC. 11. Section 67312 of the Education Code is amended to
2 read:

3 67312. (a) The Board of Governors of the California
4 Community Colleges and the Trustees of the California State
5 University shall, for their respective systems, and the Regents of
6 the University of California may, do the following:

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

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

12 (3) Maintain the present intersegmental efforts to work with the
13 California Postsecondary Education Commission and other
14 interested parties, to coordinate the planning and development of
15 programs for students with disabilities, including, but not
16 necessarily limited to, the establishment of common definitions
17 for students with disabilities and uniform formats for reports
18 required under this chapter.

19 (4) Develop and implement, in consultation with students and
20 staff, a system for evaluating state-funded programs and services
21 for disabled students on each campus at least every five years. At
22 a minimum, these systems shall provide for the gathering of
23 outcome data, staff and student perceptions of program
24 effectiveness, and data on the implementation of the program and
25 physical accessibility requirements of Section 794 of Title 29 of
26 the Federal Rehabilitation Act of 1973.

27 (b) Commencing in January 1990, and every two years
28 thereafter, the Board of Governors of the California Community
29 Colleges shall submit a report to the Governor, the education policy
30 committees of the Legislature, and the California Postsecondary
31 Education Commission describing its efforts to serve students with
32 disabilities. These biennial reports shall also include a review on
33 a campus-by-campus basis of the enrollment, retention, transition,
34 and graduation rates of disabled students, including categorical
35 funding of those programs.

36 SEC. 12. Section 67501 is added to the Education Code, to
37 read:

38 67501. (a) The University of California may, and the California
39 State University shall, submit to the Legislature on or before
40 November 30 of each year a comprehensive five-year capital outlay

1 plan that includes, but is not limited to, all of the following
2 information:

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

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

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

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

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

23 (b) The California Community Colleges Chancellor's office
24 shall prepare a five-year capital outlay plan identifying the
25 statewide needs and priorities of the California Community
26 Colleges. This plan shall be submitted to the Legislature on or
27 before November 30 of each year. It is the intent of the Legislature
28 not to consider any community college capital outlay project that
29 is not included in the statewide five-year plan submitted to the
30 Legislature. The five-year capital outlay plan shall include, but
31 not be limited to, all of the following information:

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

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

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

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

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

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

11 (c) The plans for the University of California, the California
12 State University, and the California Community Colleges shall be
13 updated annually, or more often if necessary, taking into
14 consideration evolving circumstances in the planning process of
15 the institutions. The Legislature recognizes that the annual plan is
16 a flexible, working document subject to the evolutionary change
17 inherent in the planning process. The plan shall be designed to
18 reflect project data changes on a year-to-year basis, and the
19 inclusion of a project in the plan does not guarantee its viability.
20 It is further the intent of the Legislature that the project planning
21 guides submitted for each project proposed for inclusion in each
22 budget year specify both of the following:

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

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

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

30 67502. (a) On or before November 1 of each year, the Regents
31 of the University of California are requested to provide to the Joint
32 Legislative Budget Committee and the Department of Finance a
33 summary of all instructional and research space in the university
34 system. The summary shall consist of campus-by-campus data
35 indicating existing space available to each department of instruction
36 and research, including a seven-year projection of space needs for
37 departments of instruction and research. The data shall include,
38 but not be limited to, classrooms, upper and lower division class
39 laboratories, teaching assistant offices, and faculty offices. The
40 summary shall correlate assignable square foot capacities to

1 full-time equivalent student enrollments and faculty positions for
2 both existing space and projected space needs.

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

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

17 67503. (a) On or before November 1, 2010, and at least
18 biennially thereafter, the University of California is requested to,
19 *and the California State University shall, and as a condition of*
20 ~~receiving state apportionments, the Office of the Chancellor of the~~
21 ~~California Community Colleges shall,~~ report on the utilization of
22 classrooms and teaching laboratories. The report shall include for
23 each campus in their respective system the total number of rooms,
24 number of stations, weekly student contact hours, and weekly
25 station hours. The report shall also include the average weekly
26 hours of station use and actual utilization as a percentage of the
27 utilization standard.

28 (b) *On or before November 1, 2010, and at least biennially*
29 *thereafter, the Office of the Chancellor of the California*
30 *Community Colleges shall report on the utilization of classrooms*
31 *and teaching laboratories. The report shall include, for each*
32 *college, the total number of rooms, number of stations, weekly*
33 *student contact hours, average weekly student contact hours per*
34 *station, and actual utilization as a percentage of the utilization*
35 *standard.*

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

38 67504. (a) (1) The Legislature finds and declares that based
39 on academic goals and projected enrollment levels, each University
40 of California campus and medical center periodically develops a

1 Long Range Development Plan (LRDP) that guides its physical
2 development, including land use designations, the location of
3 buildings, and infrastructure systems, for an established time
4 horizon.

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

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

21 (2) On or before March 1 of each year from 2010 to 2014,
22 inclusive, the University of California is requested to report for
23 each campus on the status of implementation, including the
24 implementation dates where applicable, of mitigation measures
25 for significant off-campus impacts identified consistent with the
26 requirements of CEQA, including those that require fair share
27 payments to local agencies. The report shall identify the status of
28 fair share mitigation agreements with and payments to local
29 agencies for mitigation of off-campus impacts that are required in
30 certified EIRs. The report should also list any monetary or
31 equivalent in-kind payments to local agencies made by the
32 campuses for the mitigation of off-campus impacts that do not
33 involve fair share language in CEQA documents and that have
34 been implemented under other arrangements. For those significant
35 off-campus impacts that have been triggered but have not been
36 sufficiently mitigated, the university shall report on the additional
37 steps that are being taken to reach a resolution.

38 (c) (1) The Legislature finds and declares that each California
39 State University campus periodically develops a physical master
40 plan to guide the future development of their facilities, based on

1 academic goals and projected student enrollment levels, for an
2 established time horizon.

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

11 (d) (1) The Legislature further finds and declares that the
12 expansion of campus enrollment and facilities may negatively
13 affect the surrounding environment. In view of the case City of
14 Marina v. the Board of Trustees of the California State University
15 (2006) 639 Cal.4th 341, it is the intent of the Legislature that the
16 California State University take steps to reach agreements with
17 local public agencies regarding the mitigation of off-campus
18 impacts related to campus growth and development.

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

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

33 SEC. 17. Section 76002 of the Education Code is amended to
34 read:

35 76002. (a) For the purposes of receiving state apportionments,
36 a community college district may include high school pupils who
37 attend a community college within the district pursuant to Sections
38 48800 and 76001 in the district's report of full-time equivalent
39 students (FTES) only if those pupils are enrolled in community
40 college classes that meet all of the following criteria:

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

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

4 (i) The college catalog.

5 (ii) The regular schedule of classes.

6 (iii) An addenda to the college catalog or regular schedule of
7 classes.

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

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

17 (4) If the class is a physical education class, no more than 10
18 percent of its enrollment may be comprised of special part-time
19 or full-time students. A community college district may not receive
20 state apportionments for special part-time and full-time students
21 enrolled in physical education courses in excess of 5 percent of
22 the district's total reported full-time equivalent enrollment of
23 special part-time and full-time students.

24 (b) The governing board of a community college district may
25 restrict the admission or enrollment of a special part-time or
26 full-time student during any session based on any of the following
27 criteria:

28 (1) Age.

29 (2) Completion of a specified grade level.

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

35 (c) (1) The Chancellor of the California Community Colleges
36 ~~shall, as a condition of receiving state apportionments for~~
37 ~~enrollment described in this section, shall~~ prepare and submit to
38 the Department of Finance and the Legislature, on or before March
39 1 of each year, a report on the amount of FTES claimed by each
40 community college district for special part-time and special

1 full-time students for the preceding academic year in each of the
2 following class categories:

3 (A) Noncredit.

4 (B) Nondegree-applicable.

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

6 (D) Degree-applicable physical education.

7 (2) The report specified in paragraph (1) shall contain the report
8 required by Section 48800. The combined report shall distinguish
9 between the two student populations specified by this section and
10 Section 48800.

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

13 SEC. 18. Section 76305 is added to the Education Code, to
14 read:

15 76305. It is the intent of the Legislature ~~that, as a condition of~~
16 ~~receiving state apportionments for financial aid administration,~~
17 ~~that~~ the Office of the Chancellor of the California Community
18 Colleges annually provide the Legislature with a report on or before
19 September 1, on the use of the funds allocated through the state
20 budget for financial aid administration. The report shall describe
21 the distribution of the funds, specific uses of the funds, strategies
22 employed to reach low-income and disadvantaged students
23 potentially eligible for financial aid, and the extent to which
24 districts were successful in increasing the number of students
25 accessing financial aid, including the maximum Pell Grant award.
26 The report shall also include both FTES and headcount data for
27 total enrollment over the prior three years, divided by subgroups
28 based on age, race, ethnicity, gender, board of governor waiver
29 status, and other factors. The report shall assess how student fee
30 levels and financial aid availability have affected enrollment levels
31 over the past three years.

32 SEC. 19. Section 79202.5 is added to the Education Code, to
33 read:

34 79202.5. (a) On or before October 15 of each year, a
35 community college may submit to the office of the Chancellor,
36 applications for funding for the direct instruction of CalWORKs
37 students above the district's enrollment cap. If the chancellor
38 approves the use of funds for direct instructional workload, the
39 office of the Chancellor, as a condition of receiving state
40 apportionments for CalWORKs students, submit a report to the

1 Department of Finance and the Joint Legislative Budget
2 Committee, on or before November 15, that does all of the
3 following:

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

5 (2) States if additional classes were needed to accommodate the
6 needs of CalWORKs students, and if so, the explanation for the
7 need.

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

9 (b) As a condition of the receipt of funds, by the fourth week
10 following the end of the semester or quarter term commencing in
11 January, each participating community college shall submit to the
12 office of the Chancellor a report, in the format specified by the
13 chancellor in consultation with the State Department of Social
14 Services, that includes, but is not limited to, the funded
15 components, the number of hours of child care provided, the
16 average monthly enrollment of CalWORKs dependents served in
17 child care, the number of workstudy hours provided, the hourly
18 salaries and type of jobs, the number of students being case
19 managed, the short-term programs available, the student
20 participation rates, and other outcome data.

21 (c) It is the intent of the Legislature that, to the extent
22 practicable, the reporting from colleges utilize data gathered for
23 federal reporting requirements at the state and local level. It is
24 further the intent of the Legislature that the office of the Chancellor
25 compile the information for annual reports to the Legislature, the
26 Governor, the Legislative Analyst, the Department of Finance,
27 and the State Department of Social Services on or before November
28 15 of each year.

29 SEC. 20. Section 81254 of the Education Code is amended to
30 read:

31 81254. The Chancellor of the California Community Colleges
32 shall annually report to the Governor and Legislature on the
33 number, types, and disposition of waiver requests submitted
34 pursuant to Section 81250 on or before July 1 for the prior year
35 actions.

36 SEC. 21. Section 84760.5 of the Education Code is amended
37 to read:

38 84760.5. (a) For purposes of this chapter, the following career
39 development and college preparation courses and classes for which
40 no credit is given, and that are offered in a sequence of courses

1 leading to a certificate of completion, that lead to improved
2 employability or job placement opportunities, or to a certificate
3 of competency in a recognized career field by articulating with
4 college-level coursework, completion of an associate of arts degree,
5 or for transfer to a four-year degree program, shall be eligible for
6 funding subject to subdivision (b):

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

8 (2) Classes and courses for students, eligible for educational
9 services in workforce preparation classes, in the basic skills of
10 speaking, listening, reading, writing, mathematics, decisionmaking,
11 and problem solving skills that are necessary to participate in
12 job-specific technical training.

13 (3) Short-term vocational programs with high employment
14 potential, as determined by the chancellor in consultation with the
15 Employment Development Department utilizing job demand data
16 provided by that department.

17 (4) Classes and courses in English as a second language and
18 vocational English as a second language.

19 (b) The board of governors shall adopt criteria and standards
20 for the identification of career development and college preparation
21 courses and the eligibility of these courses for funding, including
22 the definition of courses eligible for funding pursuant to
23 subdivision (a). The criteria and standards shall be based on
24 recommendations from the chancellor, the statewide academic
25 senate, and the statewide association of chief instructional officers.
26 The career and college preparation courses to be identified for this
27 higher rate of funding should include suitable courses that meet
28 one or more of the qualifications described in subdivision (a).

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

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

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

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

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

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

10 88550. (a) The chancellor shall implement accountability
11 measures that provide the Governor, Legislature, and general public
12 with accountability measurements of the program that quantify
13 both employer and student outcomes and seek to specifically isolate
14 the impact of the ED>Net Program on participants.

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

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

28 (A) The funding provided to each economic development
29 regional center and each industry-driven regional education and
30 training collaborative.

31 (B) To the extent practicable, the total number of hours of
32 contract education services, performance-based and
33 performance-improvement training, credit and noncredit
34 instruction, and job placements created as a result of this program
35 by each center and collaborative.

36 SEC. 23. Section 89009 of the Education Code is amended to
37 read:

38 89009. (a) It is the intent of the Legislature that the land and
39 improvements comprising the Camarillo State Hospital be
40 transferred to the trustees to be developed and improved as a

1 campus of the California State University in order to make public
2 postsecondary education more available to qualified persons in
3 the Ventura County area as well as throughout the state.

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

11 (c) In order to raise revenues to assist in building a campus of
12 the California State University and to provide a source of funding
13 for the program thereof, the trustees may sell and lease interests
14 in real property included within the land comprising Camarillo
15 State Hospital that are not needed for campus purposes. The
16 proceeds from any sale or lease pursuant to this section shall be
17 deposited in local trust accounts and are available for expenditure
18 for the improvement of real property of the campus and funding
19 the programs of the campus. Funds so deposited and maintained
20 may be invested in accordance with state law and are continuously
21 appropriated without regard to fiscal year for the purpose of
22 building, maintaining, and funding a campus of the California
23 State University in Ventura County at the site of the Camarillo
24 State Hospital.

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

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

30 SEC. 24. Section 89753 of the Education Code is amended to
31 read:

32 89753. All appropriations for the support of the California
33 State University and the trustees shall be subject to Section 13320
34 of the Government Code and applicable Budget Act restrictions,
35 with the following exceptions:

36 (a) The trustees may, with regard to funds appropriated for the
37 support of the California State University, approve any transfer of
38 funds between general fund appropriations, unless restricted by
39 the Budget Act or any other act, and within and between any
40 category designated in any schedule set forth for the appropriation.

1 In addition, the trustees may authorize the augmentation of the
2 amount available for a category designated in any schedule set
3 forth for the appropriation by transfer from any of the other
4 designated categories, including additional reimbursements and
5 amounts receivable within the same schedule, and shall furnish
6 the Joint Legislative Budget Committee and appropriate legislative
7 fiscal committees a report, on or before January 10, of the
8 authorizations given during the preceding four quarters.

9 (b) The trustees may approve travel, both within and outside
10 the state, and the payment of allowances and expenses related to
11 travel, moving, and the relocation of employees in accordance
12 with the allowances established by the trustees.

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

16 SEC. 25. Section 92611.9 is added to the Education Code, to
17 read:

18 92611.9. It is the intent of the Legislature that the University
19 of California carefully monitor the use and effects of the
20 contracting of services at newly developed facilities. In order to
21 assist in an improved understanding of such impacts, the university
22 is requested to report annually to the fiscal committees of the
23 Legislature, on or before January 15 of each year, the extent to
24 which it has chosen to contract for services, the rationale for those
25 decisions, the cost implications of those decisions, the impact on
26 hiring, and the extent to which the hiring and contracting practices
27 are at variance with the practices at existing facilities.

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

31
32 CHAPTER 9.5. PROGRAM IN MEDICAL EDUCATION
33

34 92750. On or before March 15 of each year, until 2018, the
35 University of California is requested to report to the Legislature
36 on its Program in Medical Education (PRIME). The report shall
37 do both of the following:

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

40 (1) Enrollment.

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

(3) The intended purpose of each PRIME program.

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

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

CHAPTER 10.5. UNIVERSITY OF CALIFORNIA-MEXICO RESEARCH
PROGRAMS

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

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

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

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

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

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

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

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

7 SEC. 29. Section 100900 of the Education Code is amended
8 to read:

9 100900. (a) Of the total amount of bonds authorized to be
10 issued and sold pursuant to Chapter 1 (commencing with Section
11 100800), bonds in the total amount of two billion three hundred
12 million dollars (\$2,300,000,000), not including the amount of any
13 refunding bonds issued in accordance with Section 100955, or so
14 much thereof as is necessary, may be issued and sold to provide
15 a fund to be used for carrying out the purposes expressed in this
16 chapter and to reimburse the General Obligation Bond Expense
17 Revolving Fund pursuant to Section 16724.5 of the Government
18 Code. The bonds, when sold, shall be and constitute a valid and
19 binding obligation of the State of California, and the full faith and
20 credit of the State of California is hereby pledged for the punctual
21 payment of the principal of, and interest on, the bonds as the
22 principal and interest become due and payable.

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

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

29 101034. (a) Of the total amount of bonds authorized to be
30 issued and sold pursuant to Chapter 1 (commencing with Section
31 101000), bonds in the total amount of one billion five hundred
32 seven million dollars (\$1,507,000,000), not including the amount
33 of any refunding bonds issued in accordance with Section 101039,
34 or so much thereof as is necessary, may be issued and sold to
35 provide a fund to be used for carrying out the purposes expressed
36 in this chapter and to reimburse the General Obligation Bond
37 Expense Revolving Fund pursuant to Section 16724.5 of the
38 Government Code. The bonds, when sold, shall be and constitute
39 a valid and binding obligation of the State of California, and the
40 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) Pursuant to this section, the Treasurer shall sell the bonds
4 authorized by the Higher Education Facilities Finance Committee
5 established pursuant to Section 67353 at any different times
6 necessary to service expenditures required by the apportionments.

7 SEC. 31. Section 101050 of the Education Code is amended
8 to read:

9 101050. (a) Of the total amount of bonds authorized to be
10 issued and sold pursuant to Chapter 1 (commencing with Section
11 101000), bonds in the amount of one billion five hundred eighty
12 million dollars (\$1,580,000,000), not including the amount of any
13 refunding bonds issued in accordance with Section 101059, or so
14 much thereof as is necessary, may be issued and sold to provide
15 a fund to be used for carrying out the purposes expressed in this
16 chapter and to reimburse the General Obligation Bond Expense
17 Revolving Fund pursuant to Section 16724.5 of the Government
18 Code. The bonds, when sold, shall be and constitute a valid and
19 binding obligation of the State of California, and the full faith and
20 credit of the State of California is hereby pledged for the punctual
21 payment of the principal of, and interest on, the bonds as the
22 principal and interest become due and payable.

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

27 SEC. 32. Section 67480 of the Government Code is amended
28 to read:

29 67480. (a) (1) The California State University, Channel Islands
30 Site Authority Fund is hereby created in the State Treasury, to be
31 administered by the authority. Notwithstanding Section 13340, all
32 moneys in the fund are continuously appropriated to the authority
33 without regard to fiscal years for the purposes of this title.

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

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

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

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

8 (e) (1) Subject to any priorities created by the pledge of
9 particular moneys in the fund to secure any issuance of bonds of
10 the authority, and to reasonable administrative costs incurred by
11 the authority in implementing this title, all moneys in the fund,
12 regardless of the source, shall be held in trust for the security and
13 payment of bonds of the authority, and shall not be used or pledged
14 for any other purpose while any bonds are outstanding and unpaid.
15 Nothing in this subdivision shall be construed to limit the power
16 of the authority to make loans with bond proceeds in accordance
17 with the terms of the resolution authorizing the issuance of those
18 bonds.

19 (2) Pursuant to any agreements with the holders of particular
20 bonds pledging any particular assets, revenues, or moneys, the
21 authority may create separate accounts in the fund to manage the
22 assets, revenues, or moneys in the manner prescribed by the
23 agreements.

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

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

31 (2) Deposit moneys in the fund in interest-bearing accounts in
32 state or national banks or other financial institutions having
33 principal offices in the state.

34 (3) (A) Transfer moneys in the fund to the Surplus Money
35 Investment Fund for investment pursuant to Article 4 (commencing
36 with Section 16470) of Chapter 3 of Part 4 of Division 4 of Title
37 2 or Article 1 (commencing with Section 56300) of Chapter 4 of
38 Part 1 of Division 2 of Title 5.

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

4 (g) Except as otherwise provided in paragraph (3) of subdivision
5 (f), no moneys in the fund shall be subject to transfer to any other
6 fund pursuant to any provision of Part 2 (commencing with Section
7 16300) of Division 4 of Title 2.

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

10 104145. (a) The Legislature hereby requests the University of
11 California to establish and administer the Breast Cancer Research
12 Program, which is created by this act, as a comprehensive grant
13 and contract program to support research efforts into the cause,
14 cure, treatment, earlier detection, and prevention of breast cancer.
15 It is the intent of the Legislature that this program incorporate the
16 principles and organizational elements specified in this act,
17 including, but not limited to, a research program office with a
18 director and other necessary staff, a Breast Cancer Research
19 Council, and research review panels.

20 (b) For the purposes of this section:

21 (1) "Breast cancer research" includes, but is not limited to,
22 research in the fields of biomedical science and engineering, the
23 social, economic and behavioral sciences, epidemiology,
24 technology development and translation, and public health.

25 (2) "Council" means the Breast Cancer Research Council.

26 (3) "Grantee" means any qualifying public, private, or nonprofit
27 agency or individual, including, but not limited to, colleges,
28 universities, hospitals, laboratories, research institutions, local
29 health departments, voluntary health agencies, health maintenance
30 organizations, corporations, students, fellows, entrepreneurs, and
31 individuals conducting research in California.

32 (4) "Program" means the Breast Cancer Research Program.

33 (5) "University" means the University of California.

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

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

39 (2) The council shall develop the strategic objectives and
40 priorities of the program, actively participate in the overall

1 management of the program, and make final recommendations on
2 which research grants should be funded based on the research
3 priorities established for the program and the technical merits of
4 the proposals as determined by peer review panels.

5 (3) The program shall fund innovative and creative research,
6 with a special emphasis on research that complements, rather than
7 duplicates, the research funded by the federal government and
8 other entities.

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

11 (5) All research funds shall be awarded on the basis of the
12 research priorities established for the program and the scientific
13 merit of the proposed research, as determined by an open,
14 competitive peer review process that ensures objectivity,
15 consistency, and high quality. All investigators, regardless of
16 affiliation, shall have equal access and opportunity to compete for
17 program funds.

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

21 (7) An awardee shall be awarded grants for the full cost, both
22 direct and indirect, of conducting the sponsored research consistent
23 with those federal guidelines governing all federal research grants
24 and contracts. All intellectual property assets developed under this
25 program shall be treated in accordance with state and federal law.

26 (8) In establishing its research priorities, the council shall
27 consider a broad range of cross-disciplinary breast cancer research,
28 as defined in paragraph (1) of subdivision (b), including, but not
29 limited to, research into the cause, cure, and prevention of breast
30 cancer; translational and technological research, including research
31 regarding the development and translation of technologies of earlier
32 detection; research regarding the cultural, economic, and legal
33 barriers to accessing the health care system for early detection and
34 treatment of breast cancer; and research examining the link between
35 breast cancer and environmental factors, including both natural
36 and industrial chemicals, estrogen imitators, and electromagnetic
37 fields.

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

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

3 (A) The council shall consist of at least 13 and no more than 15
4 members representing a range of expertise and experience,
5 appointed by the President of the University of California.
6 Individuals and organizations may submit nominations to the
7 council, and the University of California shall solicit nominations
8 from relevant organizations and individuals. The council shall be
9 comprised of the following members:

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

13 (ii) Four members drawn from the ranks of scientists or
14 clinicians, including one from an independent research university
15 in California. The scientists shall have expertise covering the
16 various fields of scientific endeavor, including, but not limited to,
17 the fields of biomedical research and engineering, social, economic,
18 and behavioral research, epidemiology, and public health.

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

21 (iv) One member who is a practicing breast cancer medical
22 specialist.

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

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

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

32 (C) Members shall serve without compensation, but may receive
33 reimbursement for travel and other necessary expenses actually
34 incurred in the performance of their official duties. Any member
35 of the Breast Cancer Research Council shall be ineligible to apply
36 for or receive funding for breast cancer research from the Breast
37 Cancer Research Program during his or her term of service on the
38 council, and for one cycle immediately following his or her term
39 of service on the council, if the council member helped plan that
40 subsequent cycle.

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

4 (2) Provide overall coordination of the program.

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

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

9 (5) Recruit and supervise research review panels. The
10 membership of these panels shall vary depending on the subject
11 matter of the proposals and the review requirements, and shall
12 draw on the most qualified individuals. The work of the review
13 panels shall be administered pursuant to policies and procedures
14 established for the implementation of the program. In order to
15 avoid conflicts of interest and to ensure access to qualified
16 reviewers, the university may utilize reviewers not only from
17 California but also from outside the state. When serving on review
18 panels, institutions, corporations, or individuals who have
19 submitted grant applications for funding by this program shall be
20 governed by conflict-of-interest provisions consistent with the
21 National Institutes of Health Manual (Chapter 4510 (item h)), and
22 any applicable conflict-of-interest provisions in state law.

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

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

26 (8) Provide for the systematic dissemination of research results
27 to the public and the health care community, and provide for a
28 mechanism to disseminate the most current research findings in
29 the areas of cause, treatment, cure, earlier detection, and prevention
30 of breast cancer, in order that these findings may be applied to the
31 planning, implementation, and evaluation of the breast
32 cancer-related programs of the State Department of Health
33 Services, including the Breast Cancer Early Detection Program
34 authorized by this act.

35 (9) Develop policies and procedures to facilitate the translation
36 of research results into commercial, alternate technological, and
37 other applications wherever appropriate and consistent with state
38 and federal law.

39 (10) Transmit annually on or before December 31, 2010, and
40 every five years thereafter, a report to the Legislature on grants

1 made, grants in progress, program accomplishments, and future
2 program directions. Each report shall include, but not be limited
3 to, the following information:

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

6 (B) The subject of research grants.

7 (C) The relationship between federal and state funding for breast
8 cancer research.

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

11 (E) A summary of research findings including discussion of
12 promising new areas.

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

14 In addition, the first annual report shall include an evaluation
15 and recommendations concerning the desirability and feasibility
16 of requiring for-profit grantees to compensate the state in the event
17 that a grant results in the development of a profitmaking product.
18 This evaluation shall include, but not be limited to, the costs and
19 benefits of requiring a for-profit grantee to repay the grant, to
20 provide the product at cost to Medi-Cal and other state programs
21 serving low-income breast cancer patients, and to pay the state a
22 percentage of the royalties derived from the product.

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

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

28 (1) Development and review of the strategic objectives and
29 research priorities of the program.

30 (2) Delineation of resource allocation across the various
31 priorities established for the program.

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

35 (4) Development and review of guidelines to ensure fairness,
36 neutrality, and adherence to the principles of merit and quality in
37 the conduct of the program.

38 (5) Development of appropriate linkages to nonacademic
39 entities, including, but not limited to, voluntary organizations,

1 health care delivery systems, industry, government agencies,
2 research entrepreneurs, and public officials.

3 (6) Development and review of criteria and standards for
4 granting awards.

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

6 (8) Review of research review panel reports and
7 recommendations for grant awards.

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

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

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

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

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

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

24 104500. (a) (1) The Legislature finds that the efforts to reduce
25 smoking in California have led to a drop in the consumption of
26 tobacco. Although not on target to meet the goal of achieving a
27 75-percent reduction in tobacco consumption in California by the
28 year 1999, the results are encouraging.

29 (2) The Legislature further finds that as a result of the success
30 of the programs, the money received from the taxation of tobacco
31 has been dropping. The Legislature declares this a sign of success,
32 not a matter of concern.

33 (3) The Legislature further notes that programs, organizations,
34 and individuals receiving money from the Cigarette and Tobacco
35 Products Surtax Fund are receiving money from a declining
36 revenue source. The Legislature finds that this success has led to
37 an obvious concern and fear among recipients that “their money”
38 is shrinking every year.

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

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

8 (6) The Legislature specifically rejects the notion that every
9 dollar of expenditure made by every program, organization, or
10 activity is of equal value. Instead, the Legislature declares its
11 intention to choose between competing programs and to allocate
12 moneys to those programs and activities that are most successful
13 in meeting the goals of the initiative.

14 (b) It is the intent of the Legislature to provide for the
15 continuation of the Cigarette and Tobacco Products Surtax
16 Research Program to support research into tobacco-related disease.
17 It is the intent of the Legislature that this program be administered
18 by the University of California and that this program be
19 administered pursuant to the following principles:

20 (1) The research program established should adhere to the
21 objectives stated in the provisions of the initiative act entitled
22 Cigarette and Tobacco Products Surtax regarding research: "The
23 Research Account . . . shall only be available for tobacco-related
24 disease research."

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

31 (3) The peer review process for the selection of grants awarded
32 under this program shall be modeled on that used by the National
33 Institutes of Health in its grantmaking process.

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

38 (c) It is further the intent of the Legislature that on or before
39 December 31, 2010, and every five years thereafter, the University
40 of California transmit programmatic, as well as financial, reports

1 to the state, including a report on the grants made, pending grants,
2 program accomplishments, and the future direction of the program.

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

5 104530. It is the intent of the Legislature that the university,
6 as lead agency, do all of the following:

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

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

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

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

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

19 (f) Develop policies and procedures to facilitate the translation
20 of research results into commercial applications wherever
21 appropriate.

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