AMENDED IN SENATE SEPTEMBER 4, 2009

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~~ *Chapter* 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 repeal Articles 8 (commencing with Section 550) and 10 (commencing with Section 592) of Chapter 3 of Part 1 of Division 1 of the Food and Agricultural 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 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)~~

(2) 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)~~

(3) 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)~~

(4) 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 *and this request*.

~~(6)~~

(5) 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.~~

(6) Existing law requests the Regents of the University of California to establish the Sustainable Agriculture Research and Education Program to support competitive grants to promote more research and education on sustainable agricultural practices, and to support the giving of instructions and practical demonstrations in agriculture. Existing law also provides for a program of demonstration projects designed to provide extension services, training, and financial incentives for participating farmers to implement biologically integrated farming systems.

This bill would repeal the provisions providing for those programs.

~~(8)~~

(7) 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:

SECTION 1. (a) It is the intent of the Legislature that the need for recurring reports from the University of California, the California State University, and the California Community Colleges be met through clear reporting requirements established in statute. Accordingly, it is the intent of the Legislature that noncodified requests for reports from the higher education segments adopted prior to 2009, including those taking the form of provisional or supplemental language in Budget Acts adopted prior to 2009, but excluding those supplemental language reports specified in subdivision (b), have by this act been subsumed, as needed, into the appropriate code sections.

(b) Nothing in this act shall prevent the Legislature from 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.~~

SEC. 2. It is further the intent of the Legislature that this act ~~refines~~ *refine* 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 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 school district and community college district governing boards.~~

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

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

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

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

~~(3) A high school pupil recommended by his or her principal for enrollment in a course shall not be included in the 5 percent limitation of pupils allowed to be recommended pursuant to paragraph (2) if the course in which the pupil is enrolled meets one of the criterion listed in subparagraphs (A) to (C), inclusive, and the high school principal who recommends the pupil for enrollment provides the Chancellor of the California Community~~

~~Colleges, upon the request of that office, with the data required for purposes of paragraph (4).~~

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

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

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

~~(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.~~

SEC. 3. 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~~ *the entry level writing requirement*.

(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.~~

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

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

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

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

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

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

~~SEC. 7.~~

SEC. 5. Section 66021.1 is added to the Education Code, to read:

66021.1. (a) For purposes of this section "student" includes undergraduate, graduate, and professional degree students.

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

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

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

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

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

(4) The average and 90th percentile parental income level, expected family contribution, and the financial need of undergraduate need-based student institutional gift aid recipients for the prior two academic years.

(5) For the prior year, the current year, and the budget year, an analysis identifying the estimated number of undergraduates with financial need; their 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, received by these students; the aggregate remaining amount to be met by work, borrowing, or other means; and an 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, state, and institutional financial aid programs.

(6) The typical financial aid package for a typical dependent undergraduate 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).

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

~~(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.~~

(1) An aggregate summary of financial aid awarded to students, including scholarships, grants, waivers, loans, and work-study awards from federal, state, institutional, and private sources.

(2) Indicators of the effectiveness of the university's aid programs in achieving the university's stated goals related to financial aid.

(e) To the extent the university provides the information requested in subdivision *(c) or* (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.~~

SEC. 6. 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 budget subcommittees on education, the appropriate Senate and Assembly higher education policy committees, the Legislative Analyst's Office, the Office of the Secretary of Education, and the Department of Finance. Unless otherwise specified, these reports may be submitted in PDF format or comparable electronic format.

~~SEC. 9.~~

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

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

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

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

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

(4) The LAO has identified year-round operation as a cost-efficient strategy to address future enrollment growth, by

avoiding capital expenditure for instructional space, such as classrooms, class laboratories, study space in libraries, and other selected student support service facilities.

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

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

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

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

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

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

(d) On or before January 10 of each year, the University of California is requested to, and the California State University shall, submit to the Legislature a report describing summer enrollment for their respective systems. The report shall include all of the following information separately for each campus in the system:

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

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

(3) Efforts undertaken to increase summer enrollment.

~~SEC. 10.~~

SEC. 8. Section 66352 of the Education Code is repealed.

~~SEC. 11.~~

SEC. 9. Section 67312 of the Education Code is amended to read:

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

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

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

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

(4) Develop and implement, in consultation with students and staff, a system for evaluating state-funded programs and services for disabled students on each campus at least every five years. At a minimum, these systems shall provide for the gathering of outcome data, staff and student perceptions of program effectiveness, and data on the implementation of the program and

physical accessibility requirements of Section 794 of Title 29 of the Federal Rehabilitation Act of 1973.

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

~~SEC. 12.~~

SEC. 10. Section 67501 is added to the Education Code, to read:

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

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

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

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

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

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

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

(1) ~~Current year enrollment and enrollment~~ *Enrollment* projections for each community college district ~~for each year covered in the plan~~.

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

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

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

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

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

(c) The plans for the University of California, the California State University, and the California Community Colleges shall be updated annually, ~~or more often if necessary,~~ taking into consideration evolving circumstances in the planning process of the institutions. The Legislature recognizes that the annual plan is a flexible, working document subject to the evolutionary change inherent in the planning process. The plan shall be designed to reflect project data changes on a year-to-year basis, and the inclusion of a project in the plan does not guarantee its viability. It is further the intent of the Legislature that the project planning guides *or capital outlay budget change proposals* submitted for each *state-funded* project proposed for inclusion in ~~each budget year~~ *the first year of the plan* specify both of the following:

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

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

~~SEC. 13.~~

SEC. 11. 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.~~

SEC. 12. Section 67503 is added to the Education Code, to read:

67503. (a) On or before November 1, 2010, and at least biennially thereafter, the University of California is requested to, and the California State University 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.

(b) On or before November 1, 2010, and at least biennially thereafter, 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 college, the total number of rooms, number of stations, weekly student contact hours, average weekly student contact hours per station, and actual utilization as a percentage of the utilization standard.

~~SEC. 15.~~

SEC. 13. 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~~ *2012*, 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 sufficiently mitigated, the university shall report on the additional steps that are being taken to reach a resolution.

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

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

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

(2) On or before March 1 of each year from 2010 to ~~2014~~ *2012*, inclusive, the California State University shall report by campus

on the status of any negotiations with local agencies for mitigation measures for significant off-campus impacts identified consistent with the requirements of CEQA, including implementation dates where applicable. For each impact, this report shall identify whether an agreement has been reached with local agencies. The report shall also list any monetary and nonmonetary in-kind payments made by the campus for the mitigation of off-campus impacts identified as unavoidable in the certified EIRs. For those impacts for which there is no agreement, the university shall explain what steps were taken and if any additional steps will be taken to reach an agreement.

~~SEC. 16.~~

SEC. 14. Section 71020 of the Education Code is repealed.

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

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

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

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

~~(i) The college catalog.~~

~~(ii) The regular schedule of classes.~~

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

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

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

~~(4) If the class is a physical education class, no more than 10 percent of its enrollment may be comprised of special part-time or full-time students. A community college district may not receive~~

~~state apportionments for special part-time and full-time students enrolled in physical education courses in excess of 5 percent of the district's total reported full-time equivalent enrollment of special part-time and full-time students.~~

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

~~(1) Age.~~

~~(2) Completion of a specified grade level.~~

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

~~(c) (1) The Chancellor of the California Community Colleges shall 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 FTES claimed by each community college district for special part-time and special full-time students for the preceding academic year in each of the following class categories:~~

~~(A) Noncredit.~~

~~(B) Nondegree-applicable.~~

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

~~(D) Degree-applicable physical education.~~

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

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

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

~~76305. It is the intent of the Legislature that the Office of the Chancellor of the California Community Colleges annually provide the Legislature with a report on or before September 1, on the use of the funds allocated through the state budget for financial aid administration. The report shall describe the distribution of the funds, specific uses of the funds, strategies employed to reach low-income and disadvantaged students potentially eligible for~~

~~financial aid, and the extent to which districts were successful in increasing the number of students accessing financial aid, including the maximum Pell Grant award. The report shall also include both FTES and headcount data for total enrollment over the prior three years, divided by subgroups based on age, race, ethnicity, gender, board of governor waiver status, and other factors. The report shall assess how student fee levels and financial aid availability have affected enrollment levels over the past three years.~~

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

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

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

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

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

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

~~(c) It is the intent of the Legislature that, to the extent practicable, the reporting from colleges utilize data gathered for federal reporting requirements at the state and local level. It is~~

~~further the intent of the Legislature that the office of the Chancellor compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, the Department of Finance, and the State Department of Social Services on or before November 15 of each year.~~

~~SEC. 20.~~

SEC. 15. Section 81254 of the Education Code is amended to read:

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

~~SEC. 21.~~

SEC. 16. Section 84760.5 of the Education Code is amended to read:

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

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

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

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

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

(b) The board of governors shall adopt criteria and standards for the identification of career development and college preparation courses and the eligibility of these courses for funding, including the definition of courses eligible for funding pursuant to subdivision (a). The criteria and standards shall be based on 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 May 1 of each year, 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.~~

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

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

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

~~SEC. 23.~~

SEC. 17. Section 89009 of the Education Code is amended to read:

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

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

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

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

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

~~SEC. 24.~~

SEC. 18. Section 89753 of the Education Code is amended to read:

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

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

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

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

~~SEC. 25.~~

SEC. 19. Section 92611.9 is added to the Education Code, to read:

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

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

~~Chapter 9.5. Program in Medical Education~~

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

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

~~(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.~~

SEC. 20. 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.~~

SEC. 21. 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 payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

~~SEC. 29.~~

SEC. 22. Section 100900 of the Education Code is amended to read:

100900. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 100800), bonds in the total amount of two billion three hundred million dollars ($2,300,000,000), not including the amount of any refunding bonds issued in accordance with Section 100955, 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 payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

~~SEC. 30.~~

SEC. 23. Section 101034 of the Education Code is amended to read:

101034. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the total amount of one billion five hundred seven million dollars ($1,507,000,000), not including the amount of any refunding bonds issued in accordance with Section 101039, 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 payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

~~SEC. 31.~~

SEC. 24. Section 101050 of the Education Code is amended to read:

101050. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the amount of one billion five hundred eighty million dollars ($1,580,000,000), not including the amount of any refunding bonds issued in accordance with Section 101059, 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 payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

SEC. 25. Article 8 (commencing with Section 550) of Chapter 3 of Part 1 of Division 1 of the Food and Agricultural Code is repealed.

SEC. 26. Article 10 (commencing with Section 592) of Chapter 3 of Part 1 of Division 1 of the Food and Agricultural Code is repealed.

~~SEC. 32.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~SEC. 33.~~

SEC. 28. Section 104145 of the Health and Safety Code is amended to read:

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

(b) For the purposes of this section:

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

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

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

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

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

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

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

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

(3) The program shall fund innovative and creative research, with a special emphasis on research that complements, rather than

duplicates, the research funded by the federal government and other entities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Provide overall coordination of the program.

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

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

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

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

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

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

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

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

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

(B) The subject of research grants.

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

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

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

(F) The institutions and campuses receiving grant awards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~SEC. 34.~~

SEC. 29. Section 104500 of the Health and Safety Code is amended to read:

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

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

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

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

(5) The Legislature declares its intention to seek full analysis of all programs receiving money under Proposition 99 and declares

its intention to critically evaluate how the money is being spent and whether the spending is achieving the results desired.

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

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

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

SEC. 30. 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) 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.

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

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

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