

# **Assembly Bill No. 1602**

## **Committee on Budget. Education**

### **CHAPTER 24**

An act to amend Sections 18701, 18703, 18710, 18724, 18731, 18743, 18745, 18766, 70023, 84750.6, 84905, 84917, 84920, 88540, 89290, and 92670 of, to add Section 41329.60 to, to add Article 2.6 (commencing with Section 66010.96) to Chapter 2 of Part 40 of Division 5 of Title 3 of, to add Article 4 (commencing with Section 78050) to Chapter 1 of Part 48 of Division 7 of Title 3 of, and to add Article 7.8 (commencing with Section 92680) to Chapter 6 of Part 57 of Division 9 of Title 3 of, to add Part 54.3 (commencing with Section 88815) and Part 54.5 (commencing with Section 88820) to Division 7 of Title 3 of, and to repeal Sections 18732, 18744, 18751, 18765, and 99206 of, the Education Code, to amend Section 13988.4 of, and to add and repeal Article 6 (commencing with Section 65055) of Chapter 1.5 of Division 1 of Title 7 of, the Government Code, to add Title 12.2 (commencing with Section 14230) to Part 4 of the Penal Code, to amend Section 10340 of the Public Contract Code, to amend and repeal Section 9 of Chapter 489 of the Statutes of 2007, and to amend Item 6870-101-0001 of Section 2.00 of the Budget Act of 2015 (Chapters 10 and 11 of the Statutes of 2015), relating to education, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2016. Filed with Secretary of State June 27, 2016.]

### **LEGISLATIVE COUNSEL'S DIGEST**

#### **AB 1602, Committee on Budget. Education.**

*(below, paragraph 2 only)*

(2) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. The board appoints a chief executive officer known as the Chancellor of the California Community Colleges. Under existing law, community college districts are authorized, among other things, to maintain and operate campuses, employ faculty and other employees, and provide instruction to students.

This bill would establish the Zero-Textbook-Cost Degree Grant Program, which would require the chancellor to award grants to community college districts that meet specified criteria for developing and implementing associate degrees and career technical education certificate programs earned entirely by completing courses that eliminate conventional textbook costs by using alternative instructional materials and methodologies. The bill would require the chancellor, by June 30, 2019, to report to the Legislature, the Legislative Analyst's Office, and the Department of Finance on the development and implementation of these degrees and would authorize the allocation of a portion of the funds appropriated in the annual Budget Act for the program so that the chancellor's office may contract with a community college district to administer the program.

This bill would appropriate \$7,000,000 from the General Fund to the board of governors for allocation, for the 2016–17 fiscal year, to community college districts to enhance network infrastructure through the Telecommunications and Technology Infrastructure Program administered by the board of governors. These funds would be applied toward the minimum

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funding requirements for the 2015–16 fiscal year for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

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**BILL TEXT**

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 16.**

Article 4 (commencing with Section 78050) is added to Chapter 1 of Part 48 of Division 7 of Title 3 of the Education Code, to read:

**Article 4. Zero-Textbook-Cost Degree Grant Program**

**78050.**

This act shall be known, and may be cited, as the Zero-Textbook-Cost Degree Grant Program. *(Added by Stats. 2016, Ch. 24, Sec. 16. Effective June 27, 2016.)*

**78051.**

The Zero-Textbook-Cost Degree Grant Program is hereby established to reduce the overall cost of education for students and decrease the time it takes students to complete degree programs offered by community colleges.

*(Added by Stats. 2016, Ch. 24, Sec. 16. Effective June 27, 2016.)*

**78052.**

- (a) It is the intent of the Legislature that community college districts develop and implement zero-textbook-cost degrees to reduce the overall cost of education for students and decrease the time it takes students to complete degree programs.
- (b) For purposes of this section, the following terms have the following meanings:
- (1) “Chancellor” means the Chancellor of the California Community Colleges.
  - (2) “Chancellor’s office” means the Office of the Chancellor of the California Community Colleges.
  - (3) “Degree” means a zero-textbook-cost degree.
  - (4) “Open educational resources” means high-quality teaching, learning, and research resources that reside in the public domain or have been released pursuant to an intellectual property license that permits their free use and repurposing by others, and may include other resources that are legally available and free of cost to students. Open educational resources include, but are not limited to, full courses, course materials, modules, textbooks, faculty-created content, streaming videos, tests, software, and any other tools, materials, or techniques used to support access to knowledge.
  - (5) “Zero-textbook-cost degrees” means community college associate degrees or career technical education certificates earned entirely by completing courses that eliminate conventional textbook costs by using alternative instructional materials and methodologies, including open educational resources. Discretionary student printing of instructional materials shall not be considered a cost as part of this program.
- (c) Of the funding appropriated in the annual Budget Act to develop and implement degrees, the chancellor shall distribute grants of up to two hundred thousand dollars (\$200,000) to a community college district for each degree developed and implemented within the district

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that contributes to the overall elimination of textbook costs for students and aligns with the conditions for receipt of funds specified in subdivision (d). The chancellor's office shall ensure that a grant does not result in the development or implementation of duplicate degrees for a subject matter to avoid duplication of effort and ensure the development and implementation of the greatest number of degrees for the benefit of the greatest number of students. The chancellor's office may distribute the grants in phases, including a planning phase and an implementation phase.

- (d) As a condition of receiving funding appropriated in the annual Budget Act to develop and implement degrees, a community college district shall comply with all of the following:
- (1) Develop and implement a degree from an existing associate degree or develop and implement a new or existing career technical education certificate program, that has high value in the regional market, as a zero-textbook-cost certificate program.
  - (2) In complying with paragraph (1), prioritize the development and implementation of a degree from an existing associate degree for transfer and, to the extent possible, prioritize the adaption of existing open educational resources through existing open educational resources initiatives, or elsewhere, before creating new content.
  - (3) Develop degrees with consideration for sustainability after grant funding is exhausted, including how content is updated and presented.
  - (4) Ensure compliance with the federal Americans with Disabilities Act (Public Law 104-197) and the federal Copyright Act of 1976 (Public Law 94-553).
  - (5) Develop and implement a minimum of one degree for each grant received.
  - (6) Develop and implement a degree that other community college districts can use or adapt, and post each degree, and the contents of the degree, on the online clearinghouse of information established pursuant to Item 6870-101-0001 of the Budget Act of 2016, or a successor Internet Web site. All open educational resources used as learning materials for a degree developed pursuant to this section shall be added to the California Digital Open Source Library established in Section 66408. Testing and assessment materials posted online pursuant to this paragraph shall be safeguarded to maintain the integrity of those materials. This paragraph shall not be construed to prohibit faculty from providing sample test and assessment materials to students.
  - (7) Ensure faculty shall have flexibility to update and customize degree content as necessary within the parameters of this program.
  - (8) Ensure that the degree developed and implemented is clearly identified in college catalogs and in class schedules.
  - (9) Provide the chancellor with all planning and outcome information that the chancellor determines necessary.
  - (10) Consult with the local academic senate of a college that would implement a degree.
  - (11) Use a multimember team approach, to develop and implement a degree pursuant to this section, that includes faculty, college administrators, and other content-focused staff, including, but not limited to, librarians, instructional designers, and technology experts, from the campus that would implement the degree, other colleges of the community college system, and interested campuses of the California State University and the University of California. Grant recipients may use funds to obtain professional development and technical assistance to assist in the development of degrees.

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(12) Strive to implement degrees by the first term of the 2018–19 academic year, or sooner, as determined by the chancellor’s office.

(e)(1) The chancellor shall, by June 30, 2019, report to the Legislature, the Legislative Analyst’s Office, and the Department of Finance on the development and implementation of degrees, including, but not limited to:

(A) The number of degrees developed and implemented within each district disaggregated by college.

(B) The estimated annual savings to students.

(C) The number of students who completed a zero-textbook-cost degree program.

(D) Recommendations to increase, expand, or improve the offering of degrees.

(2) A report pursuant to paragraph (1) shall be submitted to the Legislature in compliance with Section 9795 of the Government Code.

(f)(1) Of the funds appropriated in the annual Budget Act for this program, up to 10 percent of the appropriation may be allocated by the chancellor’s office to contract with a community college district to administer this program.

(2) The contract between the chancellor’s office and the district shall reflect all of the following:

(A) The programmatic and administrative responsibilities that will be delegated to the district, including the programmatic requirements identified in subdivisions (c), (d), and (e).

(B) A requirement that the contracting district provide prebid conferences, either in person or via webinar, for interested grant applicants.

(C) Technical assistance to grant applicants and grantees.

(3) The contracting district may apply for, and receive, a grant to develop and implement a degree and have employees and administrators of the district participate as part of a multimember team approach pursuant to paragraph (11) of subdivision (d). To be eligible to receive a grant, the district shall maintain appropriate and transparent internal controls and processes to ensure that the district’s contracted duties and responsibilities are clearly delineated, identified, and distinguished from the duties and responsibilities conferred upon the district as a grant applicant and recipient.

(4) Upon request of the chancellor’s office, the contracted district shall provide the chancellor’s office with an update on the status of the development and implementation of each degree within the district.

(5) Notwithstanding any other law, a contract between the chancellor’s office and a community college district for purposes of this subdivision is not subject to any competitive bidding requirements of Section 10340 of the Public Contract Code for the limited purpose of administering the program pursuant to this subdivision.

(g) Of the funds appropriated in the annual Budget Act for this program, funds not awarded in the 2016–17 fiscal year may be awarded in the 2017–18 fiscal year.

(h) The chancellor’s office shall award an initial round of grants no later than January 1, 2017.

*(Added by Stats. 2016, Ch. 24, Sec. 16. Effective June 27, 2016.)*