Assembly Bill No. 123

Passed the Assembly June 27, 2025
Chief Clerk of the Assembly
Passed the Senate June 27, 2025
Secretary of the Senate
This bill was received by the Governor this day
of, 2025, at o'clockm.
Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 17201, 51225.7, 66205.5, 69432.7, 69433.2, 69617, 69996.9, 78071, 78082, 78084, 79520, and 94923 of, to add Section 84321.65 to, and to add Part 53.8 (commencing with Section 88780) to Division 7 of Title 3 of, the Education Code, to add and repeal Section 68926.2 of the Government Code, to amend the Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) by amending Item 6870-101-0001 of Section 2.00 of that act, and to amend the Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) by amending Item 6870-101-0001 of Section 2.00 of that act, relating to postsecondary education, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 123, Committee on Budget. Higher education budget trailer bill.

(1) Existing law establishes the Higher Education Student Housing Grant Program to provide one-time grants for the construction of student housing, or for the acquisition and renovation of commercial properties into student housing for the purpose of providing affordable, low-cost housing options for students enrolled in public postsecondary education in the state. Existing law requires the University of California to fund project grants using revenue bond funding issued by the University of California for certain projects.

This bill would require the University of California to fund construction grants for 2 specified student housing projects using revenue bond funding issued by the University of California.

(2) Existing law establishes the California Kids Investment and Development Savings (KIDS) Program, under the administration of the Scholarshare Investment Board, for the purposes of expanding access to higher education through savings, as provided.

Existing law requires the governing body of a school district, county office of education, or charter school to confirm that a grade 12 pupil who has not opted out, as specified, completes and submits a Free Application for Federal Student Aid (FAFSA) or, if the

-3- AB 123

pupil is exempt from paying nonresident tuition under existing law, completes and submits a form for purposes of the California Dream Act, as provided.

Commencing with the 2025–26 school year, this bill would require the governing body of a local educational agency to provide each pupil and the pupil's parent or legal guardian with information about the KIDS Program and the pupil's potential eligibility for that benefit, as provided. By imposing new duties on local educational agencies, the bill would impose a state-mandated local program.

Existing law, for the 2023–24 and 2024–25 fiscal years, requires the Scholarshare Investment Board to partner with the Los Angeles Unified School District and the Riverside County Office of Education to explore ways to increase participation in the KIDS Program. Existing law requires the board, on or before September 30, 2025, and in collaboration with those local educational agencies, to report certain information to the Department of Finance and the Legislature related to those partnerships.

This bill, for the 2025–26 to 2029–30 fiscal years, inclusive, would require the board to partner with the Riverside County Office of Education and the San Diego Unified School District to explore ways to increase participation in the KIDS Program. The bill would require the board, on or before September 30, 2029, in collaboration with those local educational agencies, to submit an additional report with the same information related to those partnerships to the Department of Finance and the Legislature.

(3) Existing law requires the California State University, and requests the University of California, to establish a model uniform set of academic standards for high school courses for admission recognition, as specified, and to develop and implement, by January 1, 2006, a process for high schools to obtain approval of their courses meeting California State University and University of California admissions requirements, as provided.

This bill would instead require the California State University, and request the University of California, to begin working on establishing the above-described model uniform set of academic standards on or after October 1, 2025, and would require the model uniform set of academic standards to also be established for college-level coursework taken for credit at a California public college or university by a pupil simultaneously enrolled in high

AB 123 —4—

school, as provided. The bill would require the office of the Chancellor of the California Community Colleges to post on its internet website the model uniform set of academic standards for college-level coursework taken for credit at a California public college or university, as provided.

(4) The Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program establishes the Cal Grant A and B Entitlement Awards, the California Community College Expanded Entitlement Awards, the California Community College Transfer Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

Under existing law, an otherwise qualifying institution with a 3-year cohort default rate that is equal to or greater than 15.5% is ineligible for initial and renewal Cal Grant awards at the institution, as specified, with certain exceptions. Existing law requires the commission to certify by November 1 of each year a qualifying institution's latest 3-year cohort default rate and graduation rate as most recently reported by the United States Department of Education, except for the 2024–25 academic year existing law requires the commission to use the 3-year cohort default rate certified in 2020 for an otherwise qualifying institution.

This bill would require the commission to also use the 3-year cohort default rate certified in 2020 to certify an otherwise qualifying institution for the 2025–26 and 2026–27 academic years.

Existing law requires each participating institution, as a condition for its voluntary participation in the Cal Grant Program, to annually report to the commission specified information regarding its undergraduate programs. Existing law requires the commission to provide on its internet website the information submitted by a Cal Grant participating institution pursuant to the reporting requirement described above and other information and links that are useful to students and parents who are in the process of selecting a college or university.

This bill would authorize the systemwide central office of a public postsecondary educational institution acting on behalf of the participating institution to annually report to the commission the information regarding the institution's undergraduate programs, _5_ AB 123

as provided. The bill would modify the data required to be reported to the commission, establish an alternative method for reporting that data, and require the data reported to the commission to be reported in a manner that complies with applicable federal and state laws to protect individual privacy, as specified.

(5) Existing law establishes the Golden State Teacher Grant Program under the administration of the Student Aid Commission. For applications received under the program on July 1, 2024, to June 30, 2025, inclusive, existing law requires the commission to provide one-time grants of up to \$10,000 to each student enrolled in a professional preparation program leading to a preliminary teaching credential or a pupil personnel services credential if the student commits to working at a priority school or a California preschool program for 2 years within 4 years following the date the student completes the professional preparation program, as specified.

The bill would extend the availability of those grant program funds to applications received under the program on July 1, 2025, to June 30, 2026, inclusive. By expanding the time in which applications can be received under the program, which is funded by an existing appropriation, the bill would make an appropriation.

(6) Existing law establishes the Hire UP Pilot Program and authorizes, subject to an appropriation, the office of the Chancellor of the California Community Colleges to enter into agreements with up to 10 community college districts to provide funding for stipends to formerly incarcerated individuals, CalWORKs recipients, and former foster youth. Existing law requires the Chancellor of the California Community Colleges to submit an annual report on or before March 1 to the Legislature on the pilot program's implementation, as provided. Existing law repeals these provisions on January 1, 2029.

This bill would instead make these provisions inoperative on March 15, 2029, and repeal them on January 1, 2030. The bill would require the chancellor to submit an additional report on the pilot program's implementation on March 1, 2029.

Existing law establishes the Native American Student Support and Success Program under the administration of the chancellor's office to provide various services for Native American students. Existing law authorizes the chancellor's office to enter into agreements with up to 20 community colleges to provide grants

AB 123 -6-

to those participating colleges for the purpose of developing local Native American student support and success programs and delivering matriculation services for Native American students, as provided. Existing law requires the chancellor's office to develop and submit an annual report on before September 1 to the Governor and the Legislature based on certain data and information relating to grants provided under the program, as reported by participating community colleges, and information on the use of program funds.

This bill would instead require the chancellor's office to develop and submit those reports triennially until September 1, 2030, as specified.

(7) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations providing for the payment of apportionments to community college districts on a specified schedule.

This bill, notwithstanding the provision referenced above, would adjust the payment of apportionments to community college districts for the 2025–26 fiscal year to defer \$408,363,000 of those payments to the 2026–27 fiscal year in accordance with a designated schedule. The bill would appropriate that amount to the board of governors for apportionments to community college districts for expenditure in the 2026–27 fiscal year, as specified.

(8) Existing law authorizes the office of the Chancellor of the California Community Colleges to establish the Rising Scholars Network to enter into agreements with up to 65 community colleges to provide additional funds for services in support of postsecondary education for justice-involved students, as defined.

This bill would authorize the chancellor's office to enter into agreements with all community colleges, rather than up to 65 community colleges.

(9) Existing law requires the Chancellor of the California Community Colleges to establish, by March 31, 2019, an initiative to expand the use of course credit at the California Community Colleges for students with prior learning. Existing law required the chancellor to submit, by January 1, 2020, a report on the initiative to the Legislature.

Existing law establishes the California Cradle-to-Career Data System to be a source for actionable data and research on education, economic, and health outcomes for individuals, families, and communities, and to provide for expanded access to tools and _7_ AB 123

services that support the navigation of the education-to-employment pipeline. Existing law establishes a governing board to govern the data system and the Office of Cradle-to-Career Data as the managing entity required to implement and manage the data system.

This bill would establish the California Career Passport Program to be administered by the office of the Chancellor of the California Community Colleges, in partnership with the Office of Cradle-to-Career Data and the Labor and Workforce Development Agency, for the purpose of developing a Career Passport that provides individuals with a secure digital tool that displays their preparation for employment, academic records, and credit for prior learning, as specified. The bill would require the program to accomplish specified goals, including providing individuals access to their aggregated information for use in applying for employment and in training at no or low cost to them, as specified. The bill would require the chancellor's office to convene agency and employer representatives to identify technical and policy considerations for building the secure digital tool, and to engage with business and industry leaders collaboratively to ensure Career Passports are useful to, and used by, California's employers, as specified.

This bill would appropriate \$25,000,000 from the General Fund to the board of governors to support the development of the program, as specified. The bill would require the chancellor's office to develop and report to the Department of Finance and the fiscal committees of the Legislature a timeline establishing target dates for key deliverables for the program, as specified. The bill would require the chancellor's office to collect data on development metrics for the Career Passport, and submit a preliminary report on that data and a final report on student and employer use data to the Department of Finance and all relevant fiscal and policy committees of the Legislature, as specified.

(10) The California Private Postsecondary Education Act of 2009 provides for student protections and regulatory oversight of private postsecondary institutions in the state. The act is administered by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act establishes the Student Tuition Recovery Fund as a continuously appropriated fund to relieve or mitigate economic loss suffered by a student

AB 123 -8-

while enrolled in an institution who, at the time of the student's enrollment, was a California resident or was enrolled in a California residency program, prepaid tuition, and suffered economic loss, as defined. The act establishes the Office of Student Assistance and Relief within the bureau to, among other things, assist students with submitting Student Tuition Recovery Fund claims to the bureau.

This bill would authorize the bureau to use moneys in the Student Tuition Recovery Fund to cover the costs of Student Tuition Recovery Fund claim administration and positions of the Office of Student Assistance and Relief. By expanding the purposes for which moneys from a continuously appropriated fund may be expended, the bill would make an appropriation.

(11) Existing law imposes a filing fee of \$605 to file a notice of appeal in a civil case. Existing law, until January 1, 2025, required that \$65 of this fee be deposited into the former California State Law Library Special Account for the support of the California State Law Library.

This bill would reestablish the California State Law Library Special Account and would require, until July 1, 2030, \$65 of each notice of appeal fee to be deposited into the California State Law Library Special Account for the support of the California State Law Library upon appropriation. The bill would specify that this requirement is intended to apply retroactively to January 1, 2025.

(12) The Budget Act of 2023 made appropriations for local assistance to the Board of Governors of the California Community Colleges for the 2023–24 fiscal year, including \$3,037,990,000 for apportionments.

This bill would amend the Budget Act of 2023 by reducing the appropriation made to the board of governors for apportionments by \$67,001,000.

(13) The Budget Act of 2024 made appropriations for local assistance to the board of governors for the 2024–25 fiscal year, including \$3,904,892,000 for apportionments.

This bill would amend the Budget Act of 2024 by increasing the appropriation made to the board of governors for apportionments by \$10,822,000.

(14) The Budget Act of 2024, among other things, reappropriates \$12,000,000 to the board of governors to support the development of e-Transcript California, as provided.

-9- AB 123

This bill would appropriate \$6,558,000 from the General Fund to the board of governors to support the development of e-Transcript California pursuant to that provision.

- (15) This bill would appropriate \$5,100,000 from the General Fund to the board of governors to provide grants through a community college district to California community-based organizations for financial aid outreach and application assistance supporting current and prospective community college students, as provided.
- (16) This bill would appropriate \$20,000,000 from the General Fund to the board of governors to support emergency financial assistance grants to students attending a community college, as specified.
- (17) Existing law requires the California Community Colleges to designate on each of its campuses a Dreamer Resource Liaison to assist students in meeting certain requirements to be exempt from paying nonresident tuition by streamlining access to all available financial aid and academic opportunities for those students.

This bill would appropriate \$15,000,000 from the General Fund to the board of governors to support Dreamer Resource Liaisons in assisting students, as described above.

(18) The Budget Act of 2022, among other things, appropriates \$10,000,000 to the board of governors to support the California Healthy School Food Pathway program, as provided.

This bill would appropriate \$10,000,000 from the General Fund to the board of Governors to support the California Healthy School Food Pathway program.

- (19) This bill would appropriate \$10,000,000 from the General Fund to the board of governors for transfer to a community college for allocation to the California Firefighter Joint Apprenticeship Council to conduct Emergency Medical Technician and Paramedic Preapprenticeship Training Academies.
- (20) This bill would appropriate \$125,000 from the General Fund to the board of governors for allocation on a one-time basis to Santa Rosa Junior College for the construction of a fire academy tower.
- (21) Existing law requires the Chancellor of the California Community Colleges to establish, by March 31, 2019, an initiative to expand the use of course credit at the California Community

AB 123 -10-

Colleges for students with prior learning. Existing law required the chancellor to submit, by January 1, 2020, a report on the initiative to the Legislature.

This bill would appropriate up to \$15,000,000 from the General Fund to the board of governors to support the Credit for Prior Learning Initiative, a systemwide initiative to award degree-applicable or certificate-applicable credit for prior learning opportunities at each campus, as provided.

- (22) This bill would appropriate \$60,000,000 from the General Fund to the board of governors to establish the Student Support Block Grant. The bill would require the office of the Chancellor of the California Community Colleges to allocate the funds to community colleges pursuant to a specified formula. The bill would authorize community college districts to use the allocated funds for certain purposes, including, among other purposes, for assistance to students with food, housing, transportation, and other basic needs.
- (23) This bill would appropriate \$5,000,000 from the General Fund to the board of governors for allocation to community colleges that are members of the Los Angeles Regional Consortium to assist with workforce recovery efforts and career technical education workforce development associated with the Los Angeles regions' recovery from the Palisades and Eaton fires.
- (24) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

- (25) The funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution, as specified.
- (26) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill. Appropriation: yes.

-11- AB 123

The people of the State of California do enact as follows:

SECTION 1. Section 17201 of the Education Code is amended to read:

- 17201. (a) The Higher Education Student Housing Grant Program is hereby established to provide one-time grants for the construction of student housing, or for the acquisition and renovation of commercial properties into student housing for the purpose of providing affordable, low-cost housing options for students enrolled in public postsecondary education in California.
- (b) (1) (A) Of the total amount appropriated pursuant to subdivision (*l*), and intended to be appropriated pursuant to subdivision (p) in support of this section and Section 17202, as those sections read on January 1, 2023, 50 percent of the available funds shall be available for the California Community Colleges, 30 percent of the available funds shall be available for the California State University, and 20 percent of the available funds shall be available for the University of California.
- (B) Commencing with the 2023–24 fiscal year, funding previously allocated for construction grants for campuses of the University of California and the California State University, or funding that is planned to be allocated for additional construction grants for the University of California and the California State University, pursuant to this section, as it read on January 1, 2023, shall be funded with bonds issued by the University of California and the California State University instead of funded from previous and planned General Fund appropriations.
- (C) Commencing with the 2023–24 fiscal year, funding previously allocated for construction grants for campuses of the California Community Colleges, or funding that is planned to be allocated for additional construction grants for the California Community Colleges, pursuant to this section, as it read on January 1, 2023, shall be funded with local revenue bonds issued by community college districts instead of funded from previous and planned General Fund appropriations.
- (2) Notwithstanding paragraph (1), the amounts designated in paragraph (1) for the California Community Colleges, and the amounts designated in subdivision (n) for the University of California and the California State University, may be adjusted to

AB 123 — 12 —

accommodate and prioritize projects serving low-income students across more than one segment.

- (3) It is the intent of the Legislature that grants will be disbursed to increase the current stock of affordable student housing, for purposes of supporting low-income students and facilitating low-income student access to higher education.
- (c) Proposals for one-time grants for the construction of, or rehabilitation of commercial properties for, student housing shall include, at a minimum, the project goals, costs, number of students to be housed, timeline for the project, financial feasibility of the project, anticipated impact on the campus' ability to accommodate California resident enrollment growth, a commitment to construct the project within the resource needs identified in the proposal, and any other information deemed necessary for evaluation of the criteria pursuant to subdivision (f).
- (d) (1) University of California campuses, California State University campuses, and community college districts shall submit their applications to their respective administering entities.
- (2) Applications for intersegmental projects shall be submitted to each of the administering entities overseeing a campus or college involved in the intersegmental project.
- (3) Community college districts and intersegmental partners that receive planning grants may submit applications for construction grants to their respective administering entities only after feasibility studies and all other preliminary planning have been completed and reliable project cost estimates have been developed.
- (e) The administering entities shall provide the Department of Finance, the Legislative Analyst's Office, and the budget committees of the Legislature with information on all submitted project proposals, including, but not necessarily limited to, the information specified in subdivision (g), on or before February 1 preceding the fiscal year in which program funds are appropriated.
 - (f) Submitted proposals shall demonstrate all of the following:
- (1) Construction on the project could begin by December 31 in the year the grant is awarded, or by the earliest possible date thereafter.
- (2) (A) The rent provided in the applicable units of the development for low-income students shall be calculated at 30 percent of 50 percent of the area median income for a single-room

-13- AB 123

occupancy unit type. The percentage of area median income may be adjusted upon written notification by the Director of Finance to the Joint Legislative Budget Committee, and approval by the Joint Legislative Budget Committee.

- (B) Annual rent for the units described in this paragraph may be adjusted each year based on the lesser of the area median income calculation for a given year pursuant to subparagraph (A), or the percentage change in the annual average value of the California Consumer Price Index for all urban consumers for the most recent calendar year of actual data.
- (C) The affordability restriction described in subparagraph (A) shall apply for the life of the facility.
- (3) A commitment to first offer the housing available from the facilities to low-income students. In meeting this requirement, a campus may calculate the rental savings and number of low-income students that would be served by the student housing constructed pursuant to this section, and place the calculated number of students qualifying for the reduced rental rate throughout the campus's available housing.
- (4) (A) A commitment to require any students renting housing in the facilities to take a minimum average of 12 degree-applicable units per semester term, or the quarterly equivalent, to facilitate timely degree completion.
- (B) Notwithstanding subparagraph (A), eligible students renting housing in the facilities shall be permitted to live in the facilities for the full academic or calendar year so long as the student remains enrolled in the applicable campus. Renewal of housing in the facility in subsequent academic or calendar years shall require the student to demonstrate compliance with subparagraph (A).
- (C) Notwithstanding subparagraph (A), students renting housing in the facilities may temporarily reduce their unit load below 12 degree-applicable units if they are able to demonstrate an exceptional circumstance necessitating a reduced unit load, which may include, but is not necessarily limited to, illness or injury, as determined by the applicable campus.
- (5) Receipt of a grant pursuant to this chapter will result in a public benefit, such as providing low-cost student housing and reduced rents, reducing students' total cost of attendance, serving more low-income students, or other tangible benefits that would not be practical without the grant for student housing.

AB 123 — 14 —

- (6) The University of California and the California State University shall not use a public-private partnership to construct, operate, maintain, or any combination thereof, a project.
- (7) As a condition of receiving funding for a project, the University of California shall comply, with respect to the project, with the requirements of Section 92495 applicable to capital outlay projects.
- (8) A plan to build funds into the submitted project bid for project contingency.
- (A) The amount for project contingency shall be 5 percent of construction costs for University of California and California State University projects and 10 percent of construction costs for California Community College projects. Intersegmental projects involving a California Community College shall include project contingency of 10 percent of construction costs. Grant funds may be used to cover these project contingency amounts.
- (B) (i) The plan also shall identify the fund sources, other than the construction grants received under this program, and their respective balances that would be available to cover costs above those projected in the application.
- (ii) Any applicant that receives a grant shall cover any costs above those identified in their application to the state using the fund sources identified in clause (i).
- (9) (A) An applicant's student population has unmet demand for housing, as measured by both of the following:
- (i) The proportion of students waitlisted for on-campus housing compared to total enrollment.
- (ii) Rental vacancy rates for housing in the county for which the student housing project would be located, as defined by the United States Census Bureau.
- (B) Applicants shall calculate the data pursuant to clauses (i) and (ii) of subparagraph (A) using data for the most recent year available.
- (10) A campus shall not apply for a grant to reimburse costs that it has already incurred.
- (g) In their submittals to the Department of Finance, the Legislative Analyst's Office, and budget committees of the Legislature, the administering entities shall rank all eligible applications using a composite score of all of the following measures:

15 AB 123

- (1) State funding per bed for low-income students, with a lower ratio receiving a higher ranking.
- (2) Projected rents for low-income student units relative to the limit set forth in subparagraph (A) of paragraph (2) of subdivision (f), with a lower measure receiving a higher ranking.
- (3) Project timeline, with an earlier construction start date receiving a higher ranking.
- (4) The geographic location of each project. It is the intent of the Legislature that projects selected for a grant are fairly representative of various geographical regions of the state and campuses of the University of California, the California State University, and the California Community Colleges.
- (5) Whether the applicant is reapplying with a project that was previously deemed ineligible, with a higher ranking given to the updated project applications that address any issues identified in a previous application.
- (6) (A) Unmet demand for housing, with a higher ranking given to projects with either of the following:
- (i) Higher proportions of students waitlisted for on-campus housing when compared to total enrollment.
- (ii) Lower rental vacancy rates for housing in the county for which the student housing project would be located, as defined by the United States Census Bureau.
- (B) Applicants shall calculate the proportions and rates pursuant to clauses (i) and (ii) of subparagraph (A) using data for the most recent year available.
- (C) For each project, the administering entities shall select the measure determined pursuant to clauses (i) and (ii) of subparagraph (A) yielding the highest ranking.
- (h) Proposals for student housing projects submitted pursuant to this chapter shall be considered for inclusion in the annual Budget Act or other legislation, subject to an available and sufficient appropriation.
- (i) (1) Appropriations provided to support a project included in the annual Budget Act or other legislation pursuant to this chapter shall be considered grants to the applicant for purposes of constructing the project. As a condition of receiving funds pursuant to this chapter, the Regents of the University of California, the Trustees of the California State University, or the Board of

AB 123 -16-

Governors of the California Community Colleges, or the respective statewide offices for each segment, shall do all of the following:

- (A) Provide oversight of the project for which funds are appropriated.
- (B) From the receipt of funds to completion of construction for the project, report annually, beginning on or before July 1 of the year immediately following receipt of funding, to the Department of Finance and the relevant policy and budget committees of the Legislature on the status of the project. At a minimum, these reports shall include data on a project's cost, funding by source, number of beds for low-income students, rents for low-income student beds, the number of standard rent beds and their associated rents, if applicable, building square footage, and project timeline. For each of these data elements that were included in a project's application to the state, the reports shall compare the estimates provided in the application to the most recently available estimates.
- (C) Following completion of the project, report annually, beginning on or before July 1 of the year immediately following completion, for a five-year period to the Department of Finance and the relevant policy and budget committees of the Legislature on the public benefit provided by the project as related to the selection criteria outlined in this chapter. At a minimum, these reports shall include data on a project's number of beds for low-income students, rents for low-income student beds, the number of standard rent beds and their associated rents, if applicable, annual operating costs and revenues, and housing occupancy rates compared to the campuswide average. For each of these data elements that were included in a project's application to the state, the reports shall compare the estimates provided in the application to the most recently available estimates.
- (2) For a community college project funded pursuant to this chapter, the local community college district may perform the oversight and reporting functions required pursuant to subparagraphs (A) to (C), inclusive, of paragraph (1) in lieu of these functions being performed by the Board of Governors of the California Community Colleges or the office of the Chancellor of the California Community Colleges.
- (j) For purposes of computing the maintenance of effort for the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (Public Law 116-260), and the federal

—17— AB 123

American Rescue Plan Act of 2021 (Public Law 117-2), these funds shall be considered fully expended in the year in which they are appropriated, and these funds shall be considered need-based financial aid, as the intent of the program is to reduce nontuition costs for students.

- (k) Notwithstanding any other law, including subdivision (j), reduced housing expenses from student housing provided pursuant to this chapter shall augment and not supplant student financial aid from other public sources, and shall not be considered when calculating eligibility for student financial aid.
- (*l*) For the 2022–23 fiscal year, seventeen million nine hundred seventy-four thousand dollars (\$17,974,000) is hereby appropriated from the General Fund for the purpose of providing planning grants for California Community Colleges that are exploring or determining if it is feasible to offer affordable student rental housing.
- (m) The funds appropriated pursuant to subdivision (*l*) shall be appropriated to the office of the Chancellor of the California Community Colleges, to be allocated to the following California Community Colleges, as follows:
- (1) One hundred fifty-five thousand dollars (\$155,000) for allocation to Chabot College.
- (2) One hundred fifty-five thousand dollars (\$155,000) for allocation to Las Positas College.
- (3) One hundred eighty thousand dollars (\$180,000) for allocation to Contra Costa College.
- (4) One hundred eighty thousand dollars (\$180,000) for allocation to Diablo Valley College.
- (5) One hundred eighty thousand dollars (\$180,000) for allocation to Los Medanos College.
- (6) One hundred thirty-two thousand dollars (\$132,000) for allocation to De Anza College.
- (7) One hundred thirty-two thousand dollars (\$132,000) for allocation to Foothill College.
- (8) Five hundred eighty thousand dollars (\$580,000) for allocation to Ohlone College for two projects.
- (9) One hundred ten thousand dollars (\$110,000) for allocation to Berkeley City College.
- (10) One hundred ten thousand dollars (\$110,000) for allocation to College of Alameda.

AB 123 — 18 —

- (11) One hundred ten thousand dollars (\$110,000) for allocation to Laney College.
- (12) One hundred ten thousand dollars (\$110,000) for allocation to Merritt College.
- (13) Two hundred thirty-five thousand dollars (\$235,000) for allocation to Evergreen Valley College.
- (14) Two hundred thirty-five thousand dollars (\$235,000) for allocation to San Jose City College.
- (15) Two hundred thousand dollars (\$200,000) for allocation to the College of San Mateo.
- (16) One hundred fifty thousand dollars (\$150,000) for allocation to Solano Community College.
- (17) Three hundred fourteen thousand dollars (\$314,000) for allocation to Cerro Coso Community College.
- (18) Three hundred fourteen thousand dollars (\$314,000) for allocation to Porterville College.
- (19) One hundred forty-five thousand dollars (\$145,000) for allocation to Merced College.
- (20) Five hundred sixty-four thousand dollars (\$564,000) for allocation to Merced College for an intersegmental project with the University of California, Merced.
- (21) Four hundred forty-nine thousand dollars (\$449,000) for allocation to Fresno City College.
- (22) Four hundred forty-nine thousand dollars (\$449,000) for allocation to Madera College.
- (23) One hundred fifty thousand dollars (\$150,000) for allocation to West Hills College Coalinga.
- (24) Seventy thousand dollars (\$70,000) for allocation to Copper Mountain College.
- (25) One hundred fifty-five thousand dollars (\$155,000) for allocation to Mt. San Jacinto College.
- (26) Five hundred forty thousand dollars (\$540,000) for allocation to Moreno Valley College.
- (27) Five hundred ninety thousand dollars (\$590,000) for allocation to Norco College.
- (28) Four hundred seventy thousand dollars (\$470,000) for allocation to Riverside City College.
- (29) Eight hundred forty-five thousand dollars (\$845,000) for allocation to Crafton Hills College.

-19 - AB 123

- (30) Eight hundred forty-five thousand dollars (\$845,000) for allocation to San Bernardino Valley College.
- (31) Two hundred thousand dollars (\$200,000) for allocation to Antelope Valley Community College.
- (32) Two hundred twenty-five thousand dollars (\$225,000) for allocation to Cerritos College.
- (33) One hundred ten thousand dollars (\$110,000) for allocation to El Camino College.
- (34) One hundred twenty thousand dollars (\$120,000) for allocation to Long Beach City College.
- (35) One hundred ten thousand dollars (\$110,000) for allocation to East Los Angeles College.
- (36) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles City College.
- (37) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles Harbor College.
- (38) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles Mission College.
- (39) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles Pierce College.
- (40) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles Southwest College.
- (41) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles Trade Technical College.
- (42) One hundred ten thousand dollars (\$110,000) for allocation to Los Angeles Valley College.
- (43) One hundred ten thousand dollars (\$110,000) for allocation to West Los Angeles College.
- (44) One hundred fifty thousand dollars (\$150,000) for allocation to Cypress College.
- (45) Fifty thousand dollars (\$50,000) for allocation to Pasadena City College.
- (46) Five hundred thousand dollars (\$500,000) for allocation to Rancho Santiago Community College District.
- (47) Five hundred twenty-two thousand dollars (\$522,000) for allocation to Rio Hondo College.
- (48) One hundred ten thousand dollars (\$110,000) for allocation to Santa Monica College.
- (49) Three hundred twenty-three thousand dollars (\$323,000) for allocation to Irvine Valley College.

AB 123 — 20 —

- (50) Four hundred eighty-three thousand dollars (\$483,000) for allocation to Saddleback College.
- (51) Five hundred thousand dollars (\$500,000) for allocation to Butte College for an intersegmental project with California State University, Chico.
- (52) Three hundred forty-nine thousand dollars (\$349,000) for allocation to Feather River College.
- (53) One hundred ten thousand dollars (\$110,000) for allocation to American River College.
- (54) One hundred ten thousand dollars (\$110,000) for allocation to Cosumnes River College.
- (55) One hundred ten thousand dollars (\$110,000) for allocation to Folsom Lake College.
- (56) One hundred ten thousand dollars (\$110,000) for allocation to Sacramento City College.
- (57) Two hundred fifty thousand dollars (\$250,000) for allocation to Mendocino College.
- (58) One hundred fifty-five thousand dollars (\$155,000) for allocation to Shasta College.
- (59) One hundred fifty-five thousand dollars (\$155,000) for allocation to Cuyamaca College.
- (60) One hundred fifty-five thousand dollars (\$155,000) for allocation to Grossmont College.
- (61) One hundred fifty thousand dollars (\$150,000) for allocation to MiraCosta College.
- (62) Eight hundred twenty thousand dollars (\$820,000) for allocation to Palomar College.
- (63) Three hundred forty-four thousand dollars (\$344,000) for allocation to San Diego City College.
- (64) Six hundred eighteen thousand dollars (\$618,000) for allocation to Southwestern College for five projects.
- (65) One hundred eighty-five thousand dollars (\$185,000) for allocation to Allan Hancock College.
- (66) Two hundred forty-two thousand dollars (\$242,000) for allocation to Cabrillo Community College.
- (67) Three hundred twenty-five thousand dollars (\$325,000) for allocation to Hartnell College.
- (68) One hundred fifty thousand dollars (\$150,000) for allocation to Santa Barbara City College.

—21— AB 123

(69) Two hundred fifty thousand dollars (\$250,000) for allocation to Moorpark College.

- (70) Two hundred forty-nine thousand dollars (\$249,000) for allocation to Oxnard College.
- (n) Commencing with the 2023–24 fiscal year all of the following shall apply:
- (1) (A) The General Fund support for the grants provided to campuses of the University of California and the California State University, as listed in this section pursuant to Chapters 54 and 572 of the Statutes of 2022, shall revert to the General Fund and the project grants shall instead be funded by revenue bonds issued by the University of California and the California State University.
- (B) In addition to the funding for projects pursuant to subparagraph (A) for the University of California, the University of California shall fund construction grants using revenue bond funding issued by the University of California for both of the following projects:
- (i) Forty-three million dollars (\$43,000,000) for allocation to the University of California, Davis, for the Segundo Infill Student Housing project.
- (ii) Forty-three million dollars (\$43,000,000) for allocation to the University of California, Santa Barbara, for the East Campus Student Housing project.
- (C) In addition to the funding for projects pursuant to subparagraph (A) for the University of California, the University of California shall allocate funding for capital outlay planning and construction to finance all of the following projects:
- (i) One hundred twenty-six million dollars (\$126,000,000) for allocation to the University of California, Riverside, for an intersegmental project with Riverside City College.
- (ii) One hundred million dollars (\$100,000,000) for allocation to the University of California, Merced, for an intersegmental project with Merced College.
- (iii) One hundred eleven million seven hundred eighty-seven thousand dollars (\$111,787,000) for allocation to the University of California, Santa Cruz, for an intersegmental project with Cabrillo Community College.
- (D) (i) In addition to the funding for projects pursuant to subparagraph (A) for the California State University, the California State University shall fund construction grants using revenue bond

AB 123 — 22 —

funding issued by the California State University for all of the following projects:

- (I) Eighty-nine million one hundred thousand dollars (\$89,100,000) for allocation to the California State University, San Jose.
- (II) Forty-one million three hundred forty thousand dollars (\$41,340,000) for allocation to the California State University, Sacramento.
- (III) Eighteen million eight hundred fifty thousand dollars (\$18,850,000) for allocation to the California State University, Stanislaus.
- (ii) The California State University shall use seven million four hundred eighty-nine thousand dollars (\$7,489,000) in revenue bond funding issued by the California State University to fund cost overruns associated with approved project grants described in subparagraph (A).
- (E) Projects funded by revenue bond funds pursuant to this paragraph shall meet all requirements of this chapter.
- (2) (A) The General Fund support for the grants provided to campuses of the California Community Colleges, as listed in this section pursuant to Chapters 54 and 572 of the Statutes of 2022, shall revert to the General Fund, and the grants may instead be funded by local financing issued by community college districts for specified projects. A community college that has already received an allocation of resources shall revert those General Fund resources upon the community college's receipt of proceeds derived from amounts borrowed by the State Public Works Board pursuant to any financing program established to support community college affordable student housing projects, or upon the appropriation of funds related to fulfilling the community college's obligation to revert the allocation it received pursuant to Chapters 54 and 572 of the Statutes of 2022.
- (B) In addition to the funding for projects pursuant to subparagraph (A), the California Community Colleges may fund construction grants using local financing issued by community college districts for all of the following projects:
- (i) Seventy-five million dollars (\$75,000,000) for allocation to San Diego City College.
- (ii) Sixty-seven million nine hundred ninety-five thousand dollars (\$67,995,000) for allocation to Cerritos College.

__23__ AB 123

- (iii) Fifty-five million eight hundred fifty-four thousand dollars (\$55,854,000) for allocation to the College of San Mateo.
- (iv) Twenty-eight million four hundred fifteen thousand dollars (\$28,415,000) for allocation to the College of the Redwoods.
- (C) In addition to the funding for projects pursuant to subparagraphs (A) and (B), the California Community Colleges may fund construction grants using local financing issued by local community college districts for an additional eighty-one million three hundred forty-three thousand dollars (\$81,343,000), subject to future legislation.
- (D) Projects funded by local financing pursuant to this paragraph shall meet all requirements of this chapter.
- (o) Any project receiving a grant pursuant to this section shall deliver, at a minimum, the number of beds for low-income students specified in its application when it was approved by the state. Rents for these beds shall not exceed the rates assumed in the project's application. A project may deliver more beds or charge lower rents than assumed in its application if financially feasible.
- (p) Intersegmental projects funded through the University of California shall divide the number of beds for low-income students between the participating campuses as specified in the Higher Education Student Housing Grant Program application approved by the state and further defined in the subsequent operating agreements between each University of California campus and the California Community College district partnership.
- (q) It is the intent of the Legislature that no later than the Budget Act of 2024, a statewide lease revenue bond or other statewide financing or fiscal approach be developed and included to support community college affordable student housing projects that have been approved pursuant to this section.
- SEC. 2. Section 51225.7 of the Education Code is amended to read:
- 51225.7. (a) For purposes of this section, the following definitions apply:
- (1) "Local educational agency" means a school district, county office of education, or charter school.
- (2) "Opt-out form" means a form developed by the Student Aid Commission that permits parents, legal guardians, a legally emancipated pupil, a pupil who is 18 years of age or older, or a local educational agency on a pupil's behalf to not fill out a Free

AB 123 — 24 —

Application for Federal Student Aid or California Dream Act Application for any reason.

- (3) "Outreach program" means a nonprofit entity that is exempt from taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code or a public entity with experience in either or both of the following:
 - (A) Assisting pupils with financial aid application completion.
- (B) Serving pupils who are eligible to submit a California Dream Act Application.
- (4) "Pupil" means a pupil in grade 12 attending a high school maintained by a local educational agency.
- (5) "Transcript-informed pupil accounts" means accounts available to grade 9 to 12, inclusive, pupils that use data provided to the California College Guidance Initiative by local educational agencies, in accordance with data specified in the California High School Transcript and Student Record Portability Standard, as acknowledged by the Office of Cradle-to-Career Data.
- (6) "Universal basic pupil accounts" means accounts available on the CaliforniaColleges.edu platform for grade 6 to 12, inclusive, pupils that use data provided to the California College Guidance Initiative by the department that are not inclusive of courses and grades.
- (b) (1) Commencing with the 2022–23 school year, except as provided in subdivisions (c) and (d), the governing body of a local educational agency shall confirm that a pupil complies with at least one of the following:
- (A) The pupil completes and submits to the United States Department of Education a Free Application for Federal Student Aid.
- (B) If the pupil is exempt from paying nonresident tuition pursuant to Section 68130.5, the pupil completes and submits to the Student Aid Commission a form established pursuant to Section 69508.5 for purposes of the California Dream Act.
- (2) Commencing with the 2025–26 school year, the governing body of a local educational agency shall provide each pupil and the pupil's parent or legal guardian with information about the California Kids Investment and Development Savings Program established pursuant to Article 19.5 (commencing with Section 69996) of Chapter 2 of Part 42 of Division 5 of Title 3 and the pupil's potential eligibility for that benefit.

__ 25 __ AB 123

- (c) The parent or legal guardian of the pupil, or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, may opt out of the requirements of this section by filling out and submitting an opt-out form, as defined in subdivision (a), to the local educational agency. The Student Aid Commission shall make the opt-out form available to all local educational agencies pursuant to subdivision (h).
- (d) (1) If the local educational agency determines that a pupil is unable to complete a requirement of this section, the local educational agency shall exempt the pupil or, if applicable, the pupil's parent or legal guardian from completing and submitting a Free Application for Federal Student Aid, a form established pursuant to Section 69508.5 for purposes of the California Dream Act, or an opt-out form pursuant to subdivision (c).
- (2) (A) A local educational agency, before exempting the pupil or the pupil's parent or legal guardian pursuant to paragraph (1), shall comply with both of the following:
- (i) Provide the information described in subparagraph (B) to the pupil through a meeting between a school counselor and the pupil or, if no school counselor is employed at the school, between the pupil and other school staff, through written material, or by other means of communication.
- (ii) Provide, to the pupil's parent or legal guardian or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, the information described in subparagraph (B) and notification of the date by which the pupil will be opted out by the local educational agency if no action is taken. This notice shall be provided with sufficient time for the parent or legal guardian or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, to act before the local educational agency opts out the pupil.
- (B) The information to be provided, as required in subparagraph (A), shall be all of the following:
- (i) The purposes and benefits of the Free Application for Federal Student Aid or a form established pursuant to Section 69508.5, which include consideration for financial aid.
- (ii) The consequences of not completing and submitting a Free Application for Federal Student Aid or a form established pursuant to Section 69508.5.

AB 123 -26-

(iii) The option to complete a Free Application for Federal Student Aid or a form established pursuant to Section 69508.5 after an opt-out form has been submitted.

- (3) If the local educational agency exempts the pupil from having to complete the requirements of this section, the local educational agency shall complete and submit the opt-out form, as defined in subdivision (a), on the pupil's behalf and notify the pupil's parent or legal guardian of the pupil's exemption.
- (e) The governing board or body of the local educational agency shall ensure both of the following:
- (1) The local educational agency directs each high school pupil and, if applicable, the pupil's parent or legal guardian to any support and assistance services necessary to comply with the requirement described in subdivision (b) that may be available through outreach programs, including, but not limited to, those programs operated by the Student Aid Commission, postsecondary immigration resource centers, college readiness organizations, community-based organizations, and legal resource organizations.
- (2) Information shared by parents, legal guardians, and pupils under this section is handled in compliance with the federal Family Educational Rights and Privacy Act of 2001 (20 U.S.C. Sec. 1232g) and applicable state laws, including Chapters 493 and 495 of the Statutes of 2017, regardless of any person's immigration status or other personal information, in order to protect all pupil and parent data to the fullest extent possible so that schools and all personal data remain safe.
- (f) It is the intent of the Legislature that high school pupils have the support and assistance services to help pupils successfully complete and submit a Free Application for Federal Student Aid and the form established pursuant to Section 69508.5 for purposes of the California Dream Act.
- (g) On or before September 1, 2022, and each year thereafter, the Student Aid Commission and the department shall facilitate the completion of the Free Application for Federal Student Aid and the form established pursuant to Section 69508.5 for purposes of the California Dream Act in the following manner:
- (1) The department shall share the current school year's roster of pupils with the Student Aid Commission.
- (2) The Student Aid Commission shall match the data described in paragraph (1) with a pupil's application status based on the data

__27__ AB 123

possessed by the Student Aid Commission related to submission of the Free Application for Federal Student Aid and the form established pursuant to Section 69508.5 for purposes of the California Dream Act.

- (3) The Student Aid Commission shall provide, to the extent permissible pursuant to state and federal law, the California College Guidance Initiative, described in Section 10861, with the data necessary, as determined by the California College Guidance Initiative, in consultation with the department, to inform the educator reports available through the CaliforniaColleges.edu platform to improve educator access to the information needed to determine whether each individual pupil has successfully completed and submitted their Free Application for Federal Student Aid or California Dream Act application.
- (4) Upon participation of a local educational agency in the California College Guidance Initiative's implementation of transcript-informed accounts for pupils in grades 9 to 12, inclusive, on the CaliforniaColleges.edu platform, and to the extent permissible pursuant to state and federal law, the California College Guidance Initiative shall provide pupil grade point average information necessary, for each participating pupil in the local educational agency, to ensure that each pupil successfully completes and submits their Free Application for Federal Student Aid or California Dream Act application, to the Student Aid Commission in accordance with the privacy requirements of the federal Family Educational Rights and Privacy Act of 2001 (20 U.S.C. Sec. 1232g).
- (h) The Student Aid Commission shall, on or before July 1, 2022, adopt regulations that include, but are not limited to, model opt-out forms and acceptable use policies for the purpose of providing guidance on the requirements relating to state law in paragraph (2) of subdivision (e). The Student Aid Commission shall post and make available any model opt-out forms and policies established pursuant to this subdivision on its internet website.
- (i) A pupil who does not fulfill the requirements of this section shall not be penalized or punished and this section shall not affect a pupil's ability to graduate.
- SEC. 3. Section 66205.5 of the Education Code is amended to read:

AB 123 — 28 —

- 66205.5. (a) The California State University shall, and the University of California is requested to, on or after October 1, 2025, begin work on all of the following:
- (1) (A) Establishing a model uniform set of academic standards for high school courses and college-level coursework taken for credit at a California public college or university by pupils simultaneously enrolled in high school, including career technical courses pursuant to subdivision (i) of Section 51220, for the purposes of recognition for admission to the California State University and to the University of California, respectively. In developing the model academic standards, the faculty of the postsecondary segments may work in consultation with administrators and faculty from schools maintaining any of grades kindergarten through 12, inclusive. Participating schools that maintain any of grades kindergarten through 12 shall consult with an advisory group that shall include, but need not be limited to, representatives from all of the following:
- (i) The University of California and the California State University.
- (ii) Business and industry, related to career technical programs in any of grades kindergarten through 12, inclusive.
 - (iii) Classroom teachers in career technical education.
 - (iv) School administrators.
 - (v) Parents.
- (B) It is the intent of the Legislature that the model academic standards provide clarity as to their applicability to a given course to ensure suitability for electronic transmission of coursework to and between California's public education systems and CaliforniaColleges.edu.
- (2) Developing and implementing a speedy process whereby high schools may obtain approval of their courses to satisfy specified admissions requirements of the California State University and the University of California, respectively, by January 1, 2006. The approval process shall, by August 1 of each school year, notify applying schools whether the application for approval has been approved or denied.
- (3) Developing a simple procedure to evaluate a career technical education course submitted by a high school that identifies it as a duplicate of a course offered by another high school that is approved by and satisfies the admissions criteria of the California

-29- AB 123

State University or the University of California. The procedure shall ensure that a duplicated course shall be approved as satisfying the admissions criteria of the California State University or the University of California, respectively, to the same extent as the original course if the review determines that the course successfully duplicates the content and requirements of the original course. If a course is not approved as a duplicate, the California State University or the University of California shall inform the applicant high school of the reasons why the course was not approved and shall provide the applicant with a specific list of requirements that the course must meet in order to be approved as a duplicate. In the event an applicant high school, whose course was not approved as a duplicate, revises the course and resubmits its application, the California State University or the University of California shall respond as expeditiously as possible so that if the course meets the necessary requirements for approval it may be offered in the next fall term.

- (4) Taking into consideration any previous work completed or policies adopted regarding matters related to paragraphs (1) to (3), inclusive, by the California State University or the University of California, respectively.
- (5) Developing guidelines for high school computer science courses that may be approved for the purposes of recognition for admission, as provided in paragraph (1). For computer science courses determined to satisfy mathematics subject area requirements, the University of California is encouraged to ensure that these courses build upon fundamental mathematics content provided in courses that satisfy the requirements of subdivision (b).
- (6) Posting on its internet website the model uniform set of academic standards for the purpose of recognition for admission to the California State University and the University of California developed pursuant to paragraph (1).
- (b) It is the intent of the Legislature that the academic standards for a high school course, adopted pursuant to and for purposes outlined in paragraph (1) of subdivision (a), are aligned with the standards developed pursuant to Section 60605.8.
- (c) The office of the Chancellor of the California Community Colleges shall post on its internet website the model uniform set of academic standards for college-level coursework taken for credit

AB 123 -30-

at a California public college or university for the purposes of recognition for admission to the California State University and the University of California developed pursuant to paragraph (1) of subdivision (a).

- SEC. 4. Section 69432.7 of the Education Code is amended to read:
- 69432.7. As used in this chapter, the following terms have the following meanings:
- (a) An "academic year" is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included.
- (b) "Access costs" means living expenses and expenses for transportation, supplies, technology, and books.
- (c) "Award year" means one academic year, or the equivalent, of attendance at a qualifying institution.
- (d) "College grade point average" and "community college grade point average" mean a grade point average calculated on the basis of all college work completed, except for nontransferable units and courses not counted in the computation for admission to a California public institution of higher education that grants a baccalaureate degree.
 - (e) "Commission" means the Student Aid Commission.
 - (f) "Enrollment status" means part- or full-time status.
- (1) "Part time," for purposes of Cal Grant eligibility, means 6 to 11 semester units, inclusive, or the equivalent.
- (2) "Full time," for purposes of Cal Grant eligibility, means 12 or more semester units or the equivalent.
- (g) "Expected family contribution," with respect to an applicant, shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and regulations adopted by the commission.
- (h) "High school grade point average" means a grade point average calculated on a 4.0 scale, using all academic coursework, for the sophomore year, the summer following the sophomore year, the junior year, and the summer following the junior year, excluding physical education, Reserve Officers' Training Corps (ROTC), and remedial courses, and computed pursuant to regulations of the commission. However, for high school graduates

-31- AB 123

who apply after their senior year, "high school grade point average" includes senior year coursework.

- (i) "Instructional program of not less than one academic year" means a program of study that results in the award of an associate or baccalaureate degree or certificate requiring at least 24 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.
- (j) "Instructional program of not less than two academic years" means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.
- (k) (1) "Maximum household income and asset levels" means the applicable household income and household asset levels for participants, including new applicants and renewing recipients, in the Cal Grant Program, as defined and adopted in regulations by the commission for the 2001–02 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A,		
	C, and T	Cal Grant B	
Dependent and Independent students with dependents*			
Family Size			
Six or more	\$74,100	\$40,700	
Five	\$68,700	\$37,700	
Four	\$64,100	\$33,700	
Three	\$59,000	\$30,300	
Two	\$57,600	\$26,900	
Independent			
Single, no dependents	\$23,500	\$23,500	
Married	\$26,900	\$26,900	

^{*}Applies to independent students with dependents other than a spouse.

AB 123 -32-

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A,	
	C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

^{**}Applies to independent students with dependents other than a spouse.

- (2) The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. The maximum household income and asset levels applicable to a renewing recipient shall be the greater of the adjusted maximum household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award. For a recipient who was initially awarded a Cal Grant for an academic year before the 2011–12 academic year, the maximum household income and asset levels shall be the greater of the adjusted maximum household income and asset levels or the 2010-11 academic year maximum household income and asset levels. An applicant or renewal recipient who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Before disbursing any Cal Grant funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.
- (l) (1) "Qualifying institution" means an institution that complies with paragraphs (2) to (4), inclusive, and is any of the following:
- (A) A California private or independent postsecondary educational institution that participates in the Pell Grant Program and in at least two of the following federal student aid programs:
 - (i) Federal Work-Study Program.

-33- AB 123

- (ii) Federal Stafford Loan Program.
- (iii) Federal Supplemental Educational Opportunity Grant Program.
- (B) A nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the Cal Grant Program for the 2000–01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.
 - (C) A California public postsecondary educational institution.
- (2) (A) The institution shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the internet website of a California licensing or regulatory agency. For purposes of this paragraph, "provide" may exclusively include placement of an internet website address labeled as an access point for the data on the passage rates of recent program graduates on the internet website where enrollment information is also located, on an internet website that provides centralized admissions information for postsecondary educational systems with multiple campuses, or on applications for enrollment or other program information distributed to prospective students.
- (B) The institution shall be responsible for certifying to the commission compliance with the requirements of subparagraph (A).
- (3) (A) The commission shall certify by November 1 of each year the institution's latest official three-year cohort default rate and graduation rate as most recently reported by the United States Department of Education. For purposes of this section, the graduation rate is the percentage of full-time, first-time degree or certificate-seeking undergraduate students who graduate in 150

AB 123 -34-

percent or less of the expected time to complete degree requirements as most recently reported publicly in any format, including preliminary data records, by the United States Department of Education.

- (B) For purposes of the 2011–12 academic year, an otherwise qualifying institution with a three-year cohort default rate reported by the United States Department of Education that is equal to or greater than 24.6 percent shall be ineligible for initial and renewal Cal Grant awards at the institution.
- (C) For purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a three-year cohort default rate that is equal to or greater than 15.5 percent, as certified by the commission on October 1, 2011, and every year thereafter, shall be ineligible for initial and renewal Cal Grant awards at the institution.
- (D) (i) An otherwise qualifying institution that becomes ineligible under this paragraph for initial and renewal Cal Grant awards shall regain its eligibility for the academic year for which it satisfies the requirements established in subparagraph (B), (C), or (F), as applicable.
- (ii) If the United States Department of Education corrects or revises an institution's three-year cohort default rate or graduation rate that originally failed to satisfy the requirements established in subparagraph (B), (C), or (F), as applicable, and the correction or revision results in the institution's three-year cohort default rate or graduation rate satisfying those requirements, that institution shall immediately regain its eligibility for the academic year to which the corrected or revised three-year cohort default rate or graduation rate would have been applied.
- (E) An otherwise qualifying institution for which no three-year cohort default rate or graduation rate has been reported by the United States Department of Education shall be provisionally eligible to participate in the Cal Grant Program until a three-year cohort default rate or graduation rate has been reported for the institution by the United States Department of Education.
- (F) For purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a graduation rate of 30 percent or less, as certified by the commission pursuant to subparagraph (A), shall be ineligible for

-35- AB 123

initial and renewal Cal Grant awards at the institution, except as provided for in subparagraph (H).

- (G) Notwithstanding any other law, the requirements of this paragraph shall not apply to institutions with 40 percent or less of undergraduate students borrowing federal student loans, using information reported to the United States Department of Education for the academic year two years before the academic year in which the commission is certifying the three-year cohort default rate or graduation rate pursuant to subparagraph (A).
- (H) Notwithstanding subparagraph (F), an otherwise qualifying institution that maintains a three-year cohort default rate that is less than 15.5 percent and a graduation rate above 20 percent for students taking 150 percent or less of the expected time to complete degree requirements, as certified by the commission pursuant to subparagraph (A), shall be eligible for initial and renewal Cal Grant awards at the institution through the 2016–17 academic year.
- (I) Notwithstanding subparagraph (D), for the 2024–25 academic year, the commission shall use the three-year cohort default rate certified in 2020 to certify an otherwise qualifying institution pursuant to this paragraph.
- (J) Notwithstanding subparagraph (D), for the 2025–26 and 2026–27 academic years, the commission shall use the three-year cohort default rate certified in 2020 to certify an otherwise qualifying institution pursuant to this paragraph.
 - (K) The commission shall do all of the following:
- (i) Notify initial Cal Grant recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Cal Grant awards under subparagraph (C) or (F) that the institution is ineligible for initial Cal Grant awards for the academic year for which the student received an initial Cal Grant award.
- (ii) Notify renewal Cal Grant recipients attending an institution that is ineligible for initial and renewal Cal Grant awards at the institution under subparagraph (C) or (F) that the student's Cal Grant award will be reduced by 20 percent, or eliminated, as appropriate, if the student attends the ineligible institution in an academic year in which the institution is ineligible.
- (iii) Provide initial and renewal Cal Grant recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Cal Grant awards at the institution under subparagraph (C) or (F) with a complete list of all California postsecondary

AB 123 -36-

educational institutions at which the student would be eligible to receive an unreduced Cal Grant award.

- (iv) (I) Establish an appeal process for an otherwise qualifying institution that fails to satisfy the three-year cohort default rate and graduation rate requirements in subparagraphs (C) and (F), respectively.
- (II) The commission may grant an appeal for an academic year only if the commission has determined the institution has a cohort size of 20 individuals or less and the cohort is not representative of the overall institutional performance.
- (4) By the start of the 2024–25 academic year, the institution shall develop and implement policies defining "satisfactory academic progress" in a manner that is consistent with the federal standards published in Title 34 of the Code of Federal Regulations. The institution shall also comply with all of the following requirements:
- (A) Set the standards for grade point average and pace of completion at the minimum federal standards as determined by Section 668.34(a) of Title 34 of the Code of Federal Regulations.
- (B) Provide information to students about the institution's "satisfactory academic progress" standards and financial aid appeals process during new student orientation and include student-friendly language on the institution's internet website and financial aid award letters regarding the standards and appeals process. The institution shall request its faculty to include student-friendly language on course syllabi regarding the standards and appeals process.
- (C) Notify a student when the student has not achieved the "satisfactory academic progress" standards following every term of enrollment, regardless of the frequency at which "satisfactory academic progress" is formally evaluated. This subparagraph does not preclude an institution from conducting the formal evaluation annually.
- (D) Evaluate whether a student satisfies the grade point average and pace of completion standards set forth in subparagraph (A) based on cumulative measures. An institution shall not require a student to satisfy the minimum grade point average and pace of completion standards for each individual term. This paragraph does not preclude an institution from requiring a student on "financial aid probation" as defined by Section 668.34(b) of Title

_37 _ AB 123

34 of the Code of Federal Regulations to comply with the terms of the student's academic plan in order to maintain financial aid eligibility.

- (E) Exclude remedial coursework from maximum timeframe calculations if the institution offers remedial coursework.
- (F) Allow a student who fulfills the terms and conditions of the student's academic plan to remain on "financial aid probation" as defined by Section 668.34(b) of Title 34 of the Code of Federal Regulations, including continuing to receive financial aid for any term for which the student fulfills the terms and conditions of the student's academic plan.
- (G) In the case of a "satisfactory academic progress" determination for a transfer student, when calculating maximum timeframe as defined by Section 668.34(b) of Title 34 of the Code of Federal Regulations, only include those credits from other institutions that count towards the student's current program of study.
- (H) Accept both electronic and hard copy financial aid appeals for any student who is ineligible to receive financial aid due to the determination that the student did not meet "satisfactory academic progress," as defined by the institution where the student is enrolled, subject to all of the following:
- (i) A student who loses financial aid eligibility may appeal the determination during any subsequent term following loss of financial aid eligibility. The institution shall not limit the total number of appeals that may be submitted by a student throughout the duration of the student's enrollment. The institution may limit the number of appeals per term, but each appeal that is denied shall be subject to the second review process pursuant to clause (vi). The institution shall not impose deadlines for submitting an appeal that are earlier than three weeks before the end of each term.
- (ii) A student who previously disenrolled while being ineligible to receive financial aid may appeal the loss of financial aid upon reenrollment, and the timing for consideration of the appeal shall allow the student, if the student meets the criteria for financial aid reinstatement, to qualify for reinstatement upon the first term of reenrollment.
- (iii) The institution shall provide a student who is ineligible to receive financial aid with written notice of the financial aid appeals process, including the process for a student to file an appeal,

AB 123 -38-

information about the second review process for an appeal that is denied as described in clause (vi), and how a student may request a second review.

- (iv) In reviewing a student's appeal, the institution may consider any additional special circumstances that the institution deems appropriate, and shall consider a broad range of special circumstances, including, but not limited to, any of the following:
 - (I) Death of a relative or other significant person.
- (II) Injury or illness, including, but not limited to, behavioral health conditions, of the student or a relative or other significant person.
 - (III) Pregnancy or birth of a child.
 - (IV) Homelessness.
 - (V) Loss of childcare.
 - (VI) Loss or change in employment.
 - (VII) Loss of access to personal or public transportation.
- (VIII) Being a victim of a serious crime, including, but not limited to, domestic abuse, even if the crime was not reported or did not result in criminal prosecution or civil liability.
 - (IX) Natural disaster.
 - (X) Change of major.
- (v) The institution shall review a student's appeal and notify the student of the appeal decision within 45 days of submission of a complete appeal. The institution shall not disenroll a student for nonpayment of tuition and fees while the student's appeal is pending.
- (vi) The institution shall provide a second review process for an appeal that is denied if requested by the student. The second review shall be conducted by a reviewer who did not participate in the first review.
- (vii) The institution shall waive any requirement for third-party written documentation of the special circumstances forming the basis of an appeal if that documentation cannot be reasonably obtained by the student and the student signs a statement attesting to the veracity of the special circumstances presented as the grounds for appeal.
- (viii) This subparagraph shall not be interpreted to require institutions to provide retroactive financial aid for a term preceding the term in which a student reenrolls.

-39- AB 123

(m) "Satisfactory academic progress" means those criteria required by applicable federal standards published in Title 34 of the Code of Federal Regulations.

- SEC. 5. Section 69433.2 of the Education Code is amended to read:
- 69433.2. (a) As a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution, or the systemwide central office of the public postsecondary educational institution acting on behalf of the participating institution, shall, on or before March 31, 2026, and on or before March 31 of each year thereafter, annually report to the commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs in order for the commission to meet the requirements of subdivision (b):
- (1) (A) Enrollment, persistence, and graduation data for all students, disaggregated by gender, ethnicity, Pell Grant status, first generation status, transfer status, student parent status, foster youth status, and eligibility used of state financial aid received, including Cal Grant A, Cal Grant B, Cal Grant C, Cal Grant Access Awards, and Middle Class Scholarship, to the extent data is available. Data shall be redacted when the number of students is insufficient to ensure student privacy under the federal Family Educational Rights and Privacy Act (Public Law 93-280, as amended).
- (B) To the extent feasible, Cal Grant participating institutions or the systemwide central office of the public postsecondary educational institution acting on behalf of the participating institution, may satisfy the reporting requirements of subparagraph (A) by submitting that data to the Cradle-to-Career Data System, and subsequently having the Cradle-to-Career Data System share the aggregated data with the commission, subject to privacy protection protocols that prevent redisclosure of individuals pursuant to clause (ii) of subparagraph (C) of paragraph (3) of subdivision (b) of Section 10867.
- (2) The job placement rate and salary and wage information for each program that is either designed or advertised to lead to a particular type of job or advertised or promoted with a claim regarding job placement.

AB 123 — 40 —

(b) The commission shall post both of the following on its internet website on or before August 1, 2026, and on or before August 1 of each year thereafter:

- (1) The information submitted by a Cal Grant participating institution pursuant to subdivision (a), which shall be made available in a searchable database.
- (2) Other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but not be limited to, local occupational profiles available through the Employment Development Department's Labor Market Information Data Library.
- (c) Data reported to the commission pursuant to subdivision (a) by postsecondary educational institutions shall be reported in a manner that complies with applicable federal and state laws to protect individual privacy, as determined by the postsecondary educational institution. The applicable federal and state laws to protect individual privacy shall include, but are not limited to, all of the following:
- (1) The federal Family Education Rights and Privacy Act of 1974 (Public Law 93-280, as amended).
- (2) The federal Higher Education Act of 1965 (Public Law 89-329, as amended).
- (3) The federal Privacy Act of 1974 (Public Law 93-579, as amended).
- (4) The information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).
- (d) Data reported to the commission pursuant to subdivision (a) by the Cradle-to Career Data System shall be reported in a manner that complies with federal and state privacy laws applicable to the system, as described in Section 10860.
- SEC. 6. Section 69617 of the Education Code is amended to read:
- 69617. (a) (1) (A) Subject to moneys appropriated by the Legislature for purposes of this section, the commission shall administer the Golden State Teacher Grant Program. Under the program, the commission shall provide one-time grant funds of up to twenty thousand dollars (\$20,000) to each student enrolled, or who has applied for enrollment, on or after January 1, 2020, to

-41- AB 123

June 30, 2024, inclusive, in a professional preparation program leading to a preliminary teaching credential or a pupil personnel services credential, at either a qualifying institution, as defined in subdivision (*l*) of Section 69432.7, or a professional preparation program approved by the Commission on Teaching Credentialing that has a main campus location or administrative entity that resides in California, including professional preparation programs operated by local educational agencies in California, if the student commits to working at a priority school or a California preschool program for four years within the eight years following the date the student completes the professional preparation program.

- (B) For applications received under the program on July 1, 2024, to June 30, 2026, inclusive, the commission shall provide reduced one-time grant funds of up to ten thousand dollars (\$10,000) to each student eligible for a grant pursuant to subparagraph (A), except intern credential program participants, if the student commits to working at a priority school or a California preschool program for two years within the four years following the date the student completes the professional preparation program.
- (2) (A) Under the program, the commission shall provide one-time grant funds of up to ten thousand dollars (\$10,000) to each California resident student enrolled, or who has applied for enrollment, on or after January 1, 2020, to June 30, 2024, inclusive, in a professional preparation program leading to a preliminary teaching credential or pupil personnel services credential at a qualified institution, as determined by the commission pursuant to Section 69617.5, if the student commits to working at a priority school or a California preschool program for four years within the eight years following the date the student completes the professional preparation program. Of the funds appropriated in support of the program, no more than 8 percent of the total funding may be allocated for the purpose of awards provided pursuant to this paragraph.
- (B) For applications received on July 1, 2024, to June 30, 2025, inclusive, under the program, the commission shall provide reduced one-time grant funds of up to five thousand dollars (\$5,000) to each student eligible for a grant pursuant to subparagraph (A), except intern credential program participants, if the student commits to working at a priority school or a California preschool

AB 123 — 42 —

program for two years within the four years following the date the student completes the professional preparation program.

- (3) (A) Funds appropriated for the Golden State Teacher Grant Program in the Budget Act of 2020 and the Budget Act of 2021 shall be available for encumbrance or expenditure by the commission until June 30, 2026.
- (B) For applications submitted to the commission in the 2023–24 fiscal year, the commission shall issue no more than fifty million dollars (\$50,000,000) in grants pursuant to this section.
- (4) Grant funds shall be used to supplement and not supplant other sources of grant financial aid, and may be disbursed in more than one academic year, provided that the total amount of funds granted to an applicant does not exceed the applicable amount specified in this section.
- (b) The one-time grant funds issued pursuant to this section shall not exceed the amount appropriated for the Golden State Teacher Grant Program in the Budget Act of 2020 and the Budget Act of 2021.
- (c) Commencing July 1, 2024, the commission shall prioritize awards to eligible applicants with the lowest income and asset levels at the time of application. Income and asset levels shall be calculated using the same methodology set forth for the Student Aid Index.
- (d) (1) A grant recipient shall agree to serve at a priority school or a California preschool program for two or four years, as applicable, and shall have four or eight years, as applicable, upon completion of the recipient's professional preparation program, to meet that obligation. Except as provided in paragraph (4), a grant recipient shall agree to repay the state 50 or 25 percent, as applicable, of the total received grant funds annually, up to full repayment of the received grant funds, for each year the recipient fails to do one or more of the following:
- (A) Be enrolled in or have successfully completed a professional preparation program approved by the Commission on Teacher Credentialing.
- (B) While enrolled in the professional preparation program, maintain good academic standing.
- (C) Before or upon completion of the professional preparation program, complete a baccalaureate degree program from a regionally accredited institution of higher education.

__43__ AB 123

- (D) Complete the required teaching service or clinical practice following completion of the recipient's professional preparation program.
- (E) Complete their teacher preparation program and earn a preliminary credential within six years after the first distribution of grant funds.
- (2) Nonperformance of the commitment to serve at a priority school or a California preschool program for the applicable two or four years shall be certified by the commission.
- (3) Nonperformance of the commitment to earn a preliminary teaching credential or pupil personnel services credential shall be certified by the Commission on Teacher Credentialing to the Student Aid Commission.
- (4) Any exceptions to the requirement for repayment shall be defined by the commission, and may include, but shall not necessarily be limited to, counting a school year towards the required applicable service requirement at a priority school or a California preschool program if a grant recipient is unable to complete the school year when any of the following occur:
- (A) The grant recipient has completed at least one-half of the school year or preschool program year, as applicable.
- (B) The employer deems the grant recipient to have fulfilled the grant recipient's contractual requirements for the school year or preschool program year, as applicable, for purposes of salary increases, probationary or permanent status, and retirement.
- (C) The grant recipient was not able to serve due to the financial circumstances of the school district, including a decision to not reelect the employee for the next succeeding school year.
- (D) The grant recipient has a condition covered under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.) or similar state law.
- (E) The grant recipient was called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces of the United States.
- (e) The commission may use up to 1.5 percent of funding appropriated for purposes of this section for outreach and administration.
- (f) The commission shall develop a process by which students interested in a professional preparation program leading to a preliminary teaching credential or a pupil personnel services

AB 123 — 44 —

credential may submit a request for a preenrollment conditional award notice from the commission. The notice shall provide information regarding the Golden State Teacher Grant Program award amount the student may be eligible to receive upon enrollment in the professional preparation program and formal application to the commission to participate in the Golden State Teacher Grant Program.

- (g) (1) A "priority school" means a school with 55 percent or more of its pupils being unduplicated pupils, as defined in subdivision (b) of Section 42238.02.
- (2) The commission, in coordination with the State Department of Education, shall publish a list of priority schools by April 15 of each year.
- (3) For purposes of satisfying the service requirement, a grant recipient may use service at a school listed on the most recent list of priority schools published by the commission that is available when the grant recipient seeks employment at a priority school. Further service at that school shall continue to satisfy the applicable service requirement, even if the school is no longer included on future priority school lists.
- (h) (1) The commission may adopt regulations, including any amendments to regulations, necessary for the implementation of the Golden State Teacher Grant Program. The commission may adopt emergency regulations it deems necessary for the implementation of this program, in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). For purposes of the Administrative Procedure Act, including Section 11349.6 of the Government Code, the adoption of those regulations or amendments to those regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare, notwithstanding subdivision (e) of Section 11346.1 of the Government Code.
- (2) Notwithstanding any other law and without further compliance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), any emergency regulations and amendments to the emergency regulations adopted pursuant to paragraph (1) shall remain in force and effect until June 30, 2026.

45 AB 123

- (3) No rule, policy, or standard of general application issued by the commission in implementing this section shall be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
- (i) The commission shall conduct, in partnership with the Commission on Teacher Credentialing, an evaluation of the Golden State Teacher Grant Program to determine the effectiveness of the program in recruiting credential candidates and employing credentialholders at priority schools and California preschool programs. The commission is encouraged to use qualitative and quantitative measures to quantify the number of credential candidates the program recruited into professional preparation programs, disaggregated by program and institution type, and the number of credentialholders employed at priority schools and California preschool programs, disaggregated by subject matter placement, and to describe the effects of the program on the decisions of credential candidates to enter and remain in the education field. The commission shall provide, with respect to the evaluation, a report to the Department of Finance and the appropriate fiscal and policy committees of the Legislature on or before December 31, 2025, and every two years thereafter.
- (j) (1) The commission shall accept applications for the Golden State Teacher Grant Program beginning on September 1 for the following academic year and shall establish a process and timeline that allows institutions of higher education to provide applicants with grant eligibility determinations before the deadline for enrolling in their professional preparation program.
- (2) Commencing July 1, 2024, the commission shall establish up to three application periods each year, consistent with subdivision (a).
- (k) The commission shall permit grant recipients to receive funds in more than one academic year, provided the total amount of funds granted to any applicant does not exceed the applicable amount specified in this section.
- (*l*) As used in this section, "California preschool program" means a state-funded or federally funded preschool program in the state, including California state preschool programs, tribal preschool programs, and Head Start programs.

AB 123 — 46—

- SEC. 7. Section 69996.9 of the Education Code is amended to read:
- 69996.9. (a) (1) For the 2021–22 fiscal year, through the program, all of the following shall occur:
- (A) Each pupil enrolled in grades 1 to 12, inclusive, on the State Department of Education's official census day in the 2021–22 fiscal year who meets the requirements to be considered an unduplicated pupil for purposes of paragraph (2) of subdivision (b) of Section 2574 or paragraph (1) of subdivision (b) of Section 42238.02 and who is enrolled at a school district, public charter school, state special school, or other local educational agency, shall have a KIDS Account established on the pupil's behalf, unless the pupil's KIDS Account has already been established pursuant to Section 69996.3, and shall receive an enhanced deposit into the pupil's KIDS Account in the amount of five hundred dollars (\$500).
- (B) In addition to the amount allocated pursuant to subparagraph (A), the KIDS Account of each eligible pupil who is also a foster youth, as defined under subdivision (b) of Section 42238.01, shall receive an enhanced deposit of an additional five hundred dollars (\$500).
- (C) In addition to the amount allocated pursuant to subparagraphs (A) and (B), the KIDS Account of each eligible pupil who is also a homeless pupil meeting the definition of "homeless children and youths" in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)) shall receive an enhanced deposit of an additional five hundred dollars (\$500).
- (2) Commencing with the 2022–23 fiscal year, through the program, all of the following shall occur:
- (A) Each pupil who meets all of the following conditions shall have a KIDS Account opened on their behalf, unless their account has already been established pursuant to Section 69996.3, and shall receive an enhanced deposit into their KIDS Account in the amount of five hundred dollars (\$500):
- (i) The pupil is enrolled in first grade on the State Department of Education's official census day in the applicable fiscal year.
- (ii) The pupil meets the requirements to be considered an unduplicated pupil for purposes of paragraph (2) of subdivision

47 AB 123

(b) of Section 2574 or paragraph (1) of subdivision (b) of Section 42238.02.

- (iii) The pupil is enrolled at a school district, public charter school, state special school, or other local educational agency.
- (B) In addition to the amount allocated pursuant to subparagraph (A), the KIDS Account of each pupil who meets the requirements of subparagraph (A) and is also a foster youth, as defined under subdivision (b) of Section 42238.01, shall receive an enhanced deposit of an additional five hundred dollars (\$500).
- (C) In addition to the amount allocated pursuant to subparagraphs (A) and (B), the KIDS Account of each pupil who meets the requirements of subparagraph (A) and is also a homeless pupil under the definition of "homeless children and youths" in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)) shall receive an enhanced deposit of an additional five hundred dollars (\$500).
- (D) For pupils for whom a KIDS Account has already been established pursuant to Section 69996.3 and who are also eligible for an enhanced deposit pursuant to this paragraph, the enhanced deposit shall be deposited in the KIDS Account in which funding for that pupil is currently held.
- (3) (A) Commencing with the 2025–26 fiscal year, and subject to an appropriation by the Legislature, through the program, both of the following shall occur:
- (i) (I) Each pupil who is a foster youth, as defined under subdivision (b) of Section 42238.01, and is enrolled in any of grades 1 to 12, inclusive, at a school district, public charter school, state special school, or other local educational agency, shall have a KIDS Account opened on their behalf, unless their account has already been established pursuant to Section 69996.3, and shall receive an enhanced deposit of an additional five hundred dollars (\$500).
- (II) Each foster youth pupil described in subclause (I) who did not previously receive a deposit pursuant to either subparagraph (A) of paragraph (1), or subparagraph (A) of paragraph (2), shall further receive an enhanced deposit of five hundred dollars (\$500) in addition to the deposit pursuant to subclause (I).
- (III) Upon receiving an enhanced deposit pursuant to subclause (I) or (II) in any fiscal year, a pupil shall not be eligible for an

AB 123 — 48 —

enhanced deposit pursuant to subclause (I) or (II) in any subsequent fiscal year.

- (ii) For pupils for whom a KIDS Account has already been established pursuant to Section 69996.3 and who are also eligible for an enhanced deposit pursuant to this subparagraph, the enhanced deposit shall be deposited in the KIDS Account in which funding for that pupil is currently held.
 - (B) This paragraph shall become inoperative on January 1, 2029.
- (4) (A) A pupil who receives an enhanced deposit into their KIDS Account pursuant to paragraph (1) or (2) may only have one enhanced deposit made into their existing or newly established KIDS Account pursuant to this article, except as provided for in subparagraph (B). A pupil shall not have more than one KIDS Account established for them pursuant to this article.
- (B) Notwithstanding subparagraph (A), a pupil who receives an enhanced deposit into their KIDS Account pursuant to subparagraph (A) or (C) of paragraph (1), or a pupil who receives an enhanced deposit pursuant to subparagraph (A) or (C) of paragraph (2), may also receive enhanced deposits pursuant to paragraph (3).
- (b) (1) The board shall collaborate with the State Department of Education, or other relevant governmental agencies, to identify eligible pupils for the purpose of establishing KIDS Accounts or making an enhanced deposit into existing KIDS Accounts pursuant to this section. To the extent feasible, the State Department of Education shall annually provide necessary data using census day data in a secure manner for the board to fulfill its obligations pursuant to this article, including, but not necessarily limited to, eligible pupils' names, pupil identification, birth dates, grade levels, contact information of parents or legal guardians, and eligibility information. For purposes of this subdivision, the information received by the board shall be considered necessary to facilitate the establishment or enhancement of KIDS Accounts, or the establishment of a notification process for parents or legal guardians of eligible pupils.
- (2) The board shall comply with federal and state laws to protect individual privacy, including, but not limited to, the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code) and all of the following federal statutes:

—49 — AB 123

- (A) The federal Family Educational Rights and Privacy Act of 1974 (Public Law 93-380, as amended).
- (B) The federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, as amended).
- (C) The federal Higher Education Act of 1965 (Public Law 89-329, as amended).
- (3) Notwithstanding any other law, individual records or source data associated with the establishment of a KIDS Account pursuant to this article shall not be subject to disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).
- (c) The Legislature finds and declares that undocumented persons are eligible for KIDS Accounts within the meaning of subsection (d) of Section 1621 of Title 8 of the United States Code.
- (d) It is the intent of the Legislature to appropriate state funding in the annual Budget Act to support the establishment of a KIDS Account for any eligible pupil who meets, or could meet in a future year, the requirements to be exempt from nonresident tuition pursuant to subdivision (a) of Section 68130.5.
- (e) (1) For the 2024–25 to 2029–30 fiscal years, inclusive, the board shall partner with the Riverside County Office of Education, including the 23 school districts in the County of Riverside, to explore ways to increase participation in the KIDS Program. For the 2025–26 to 2029–30 fiscal years, inclusive, the board shall partner with the San Diego Unified School District to explore ways to increase participation in the KIDS Program.
- (2) As permissible under federal and state data privacy and data security laws, the board shall provide the local educational agencies specified in paragraph (1) with the statewide student identifiers of pupils within their respective jurisdictions who have not yet engaged with the KIDS Account established on their behalf commencing with the 2021–22 fiscal year. The board shall provide data at least three times per year to the extent feasible. Upon receipt of this data, the local educational agencies shall be responsible for complying with all applicable federal and state data privacy and data security laws relating to pupil record information.
- (3) The board shall comply with federal and state laws to protect individual privacy, including, but not limited to, the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798)

AB 123 — 50 —

of Title 1.8 of Part 4 of Division 3 of the Civil Code) and all of the following federal statutes:

- (A) The federal Family Educational Rights and Privacy Act of 1974 (Public Law 93-380, as amended).
- (B) The federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, as amended).
- (C) The federal Higher Education Act of 1965 (Public Law 89-329, as amended).
- (4) (A) On or before September 30, 2025, and on or before September 30, 2029, the board, in collaboration with the local educational agencies specified in paragraph (1), shall submit a report to the Department of Finance and the Legislature, pursuant to Section 9795 of the Government Code. The report shall include, at a minimum, all of the following:
- (i) The number of KIDS Program participants within the jurisdictions of the partnering local educational agencies that have registered on the program's online portal and the number that have linked their KIDS Account to a Scholarshare 529 account.
- (ii) The number of KIDS Program participants within the jurisdictions of the partnering local educational agencies that have requested a distribution of funds for qualified higher education expenses and the total amount of those payments.
- (iii) A comparison of the rates specified in clauses (i) and (ii) with the rates of KIDS Program participants statewide.
- (iv) As provided by the partnering local educational agencies, a description of the outreach strategies they implemented that were aimed at increasing participation in the KIDS Program, along with any information available on the direct impact of each of those strategies.
- (v) Recommendations for improving KIDS Program structure and outreach in collaboration with local educational agencies.
- (B) The board may include this information in its annual report on the KIDS Program pursuant to subdivision (c) of Section 69996.6.
- (5) This subdivision shall become inoperative on July 1, 2030. SEC. 8. Section 78071 of the Education Code is amended to read:
- 78071. (a) The office of the Chancellor of the California Community Colleges may establish a program to enter into agreements with community colleges to provide additional funds

_51 _ AB 123

for services in support of postsecondary education for justice-involved students. This program shall be known as the Rising Scholars Network, and shall expand the number of justice-involved students participating and succeeding in the community colleges and shall not displace other students.

- (b) A community college district that wishes to participate in the Rising Scholars Network shall apply to the board of governors for funding pursuant to this article. The application of each participating community college district shall identify the Rising Scholars college or colleges in the district, and shall include, but not be limited to, the number of justice-involved students who will be served. The application shall also describe the extent of cooperation between the college and local criminal justice stakeholders, including, as applicable, wardens, county sheriffs, juvenile facilities, and probation departments. Beginning in the 2025–26 fiscal year, the board of governors may prioritize funding provided in the annual Budget Act for applications submitted pursuant to this article that demonstrate positive student outcomes consistent with the goals and guidance described in Section 78072.
- (c) To the maximum extent feasible, funds received by a community college under this article shall be used for, but not be limited to, any of the following supports and services:
- (1) Providing any of the following for programs serving all justice-involved students, whether on campus or in custody:
- (A) Academic counseling or advising that provides clear pathways.
 - (B) Academic tutoring.
 - (C) Financial aid information and application assistance.
 - (D) Frequent in-person contact.
 - (E) Professional development for faculty and staff.
- (2) Providing any of the following for programs serving formerly incarcerated students on campus:
 - (A) Peer-to-peer support or mentoring.
- (B) Assistance with accessing campus resources, including admissions, financial aid, and student services.
 - (C) Career counseling and, as feasible, placement services.
- (D) Assistance with accessing community resources, including record clearance, housing assistance, mental health support, and social services.

AB 123 — 52 —

(3) Providing either of the following for programs serving currently incarcerated or detained students:

- (A) Transitional materials and services to support students in enrollment and persistence in higher education upon release.
- (B) Parity of academic supports and services as provided on campus.
- SEC. 9. Section 78082 of the Education Code is amended to read:
- 78082. (a) (1) The Chancellor of the California Community Colleges shall submit a report to the Legislature on or before March 1, 2025, and annually thereafter until a final report is submitted on March 1, 2029, on the implementation of the pilot program, including, but not limited to, all of the following information:
- (A) The number of students receiving a stipend pursuant to this article.
- (B) The degree or training program the student has completed or is participating in.
- (C) The name of each community college district participating pursuant to this article.
- (D) The outcomes for all participants, including employment, additional education, or business startups.
- (E) The percentage of students employed in the field in which they received a degree or completed training.
- (F) The degree to which Hire UP supportive services acknowledge and address historic racial inequity and socioeconomic barriers to workforce participation for the target population groups.
- (G) The impact of the pilot program on the target population groups, including key conclusions and policy recommendations to provide guidance to the Legislature and the Governor.
- (2) The report submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.
- (b) Participating community college districts shall provide all of the information in subdivision (a) to the chancellor's office to facilitate pilot program evaluation.
- (c) Participating community college districts and community partners may be required to participate in technical assistance activities, including, but not limited to, convening practice communities to identify and help replicate evidence-based practices

53 AB 123

and facilitate an assessment and evaluation of the performance and success of the pilot program.

- SEC. 10. Section 78084 of the Education Code is amended to read:
- 78084. This article shall become inoperative on March 15, 2029, and as of January 1, 2030, is repealed.
- SEC. 11. Section 79520 of the Education Code is amended to read:
- 79520. (a) The Native American Student Support and Success Program is hereby established under the administration of the office of the Chancellor of the California Community Colleges to accomplish all of the following:
- (1) To strengthen K–12 pathways to and through the California Community College system for Native American students, including student transfer to the University of California and the California State University systems.
- (2) To ensure the educational success of Native American students.
 - (3) To develop Native American leaders.
- (4) To increase the number of Native American mentors to empower future generations.
- (b) A grant provided to a community college pursuant to this article is intended to establish a local Native American student support and success program to provide all of the following services to support Native American students:
- (1) Integration of peer mentorship with other student success services.
- (2) Development of clearly structured, coherent course-specific cohorts.
- (3) Building capacity for counseling and wraparound student services offering culturally responsive resources.
- (4) Development and integration of faculty and staff professional development training.
- (c) (1) The chancellor's office may enter into agreements with up to 20 community colleges to provide grants to those participating colleges for the purpose of developing local Native American student support and success programs and delivering the services described in Section 78212 to Native American students. A community college that receives a grant shall consult

AB 123 — 54 —

with California tribes in their service and surrounding area to design their local program.

- (2) Each local program shall provide the services described in subdivision (b) and may direct financial support to enrolled first-time Native American students before their courses have commenced, and who have completed required matriculation activities as described in paragraph (2) of subdivision (a) of Section 78212, if those services are necessary to enable the student to be successful upon the commencement of the academic term.
- (3) In addition to the services provided in subdivision (b), the local program may also provide additional services to Native American students, including program outreach and recruitment, program consultation and eligibility verification, career development, basic need service coordination, offering culturally responsive resources, transfer and career counseling, book and supply grants, tutoring, and other related services to ensure the educational success of Native American students.
- (4) A community college that receives a one-time grant pursuant to this article shall use a portion of the grant to establish a full-time program coordinator and tribal liaison position for the purpose of implementing the services described in this article. The coordinator shall also act as a liaison between the community college and local Native American tribes for the creation and implementation of the program. In hiring this position, preference shall be given to qualified candidates of Native American or Alaska Native heritage in a manner similar to preference provided in the federal Indian Preference Act of 1990.
- (d) (1) A community college may apply for a program grant by submitting a letter of interest to the chancellor's office pursuant to this article. An applying community college shall certify that its services provided pursuant to this article to Native American students are coordinated with, and do not supplant, other services provided by the county or state.
- (2) If the number of requests to participate exceeds the amount of available grant funding for the program, the chancellor's office shall prioritize awarding grants to community colleges with the highest number of Native American students. Identifying Native American students eligible for the program should be based on state and federal tribal recognition, linear descendancy, and community involvement. A participating community college is

55 AB 123

encouraged to request additional data to determine the eligibility of student participants and potential student participants from local tribal communities and local educational agencies.

- (e) (1) A community college that receives a grant pursuant to this article shall annually report to the chancellor's office, on or before July 1 of each year following receipt of the grant, information, including, but not limited to, all of the following:
 - (A) A summary of services supported with the grant.
- (B) The number of students supported by services provided with the grant.
- (C) Academic progress and outcomes of students who received support services provided with the grant, including course completion rates, persistence data, transfer rates, and career placement outcomes.
- (2) The chancellor's office shall develop and submit to the Governor and the Legislature, pursuant to Section 9795 of the Government Code, on or before September 1, 2024, on or before September 1, 2027, and on or before September 1, 2030, a report based on the data and information reported by participating community colleges pursuant to paragraph (1) and information on the use of funds made available for the program.
- (3) A report submitted pursuant to this subdivision shall include information from the academic year immediately preceding the reporting deadline.
- (f) As used in this section, unless the context requires otherwise, the following definitions apply:
- (1) "Chancellor's office" means the office of the Chancellor of the California Community Colleges.
- (2) "Program" means the Native American Student Support and Success Program established pursuant to this article.
- SEC. 12. Section 84321.65 is added to the Education Code, to read:
- 84321.65. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to community college districts pursuant to Section 84320 shall be adjusted, for the 2025–26 fiscal year, as follows:
- (1) For the month of June, three hundred million dollars (\$300,000,000) shall be deferred to July.

AB 123 — 56 —

- (2) For the month of May, one hundred eight million three hundred sixty-three thousand dollars (\$108,363,000) shall be deferred to July.
- (b) The sum of four hundred eight million three hundred sixty-three thousand dollars (\$408,363,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure in the 2026–27 fiscal year to be expended in accordance with the applicable schedules of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2025.
- (c) (1) The chancellor may adjust the monthly schedule described in subdivision (a) for the 2025–26 fiscal year to increase the amount deferred in the months of May and June if it ensures a shorter time between a deferred payment and repayment.
- (2) If adjusting the monthly schedule, the chancellor shall not exceed the total amount of deferred payments described in subdivision (a).
- (d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202, for the 2026–27 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2026–27 fiscal year.
- SEC. 13. Part 53.8 (commencing with Section 88780) is added to Division 7 of Title 3 of the Education Code, to read:

PART 53.8. CALIFORNIA CAREER PASSPORT PROGRAM

- 88780. This part shall be known, and may be cited, as the California Career Passport Program.
- 88781. For purposes of this part, unless the context requires otherwise, the following definitions apply:
- (a) "Chancellor's office" means the office of the Chancellor of the California Community Colleges.
- (b) "Program" means the California Career Passport Program established pursuant to this part.

_57 _ AB 123

- 88782. (a) (1) The California Career Passport Program is hereby established. The program shall be administered by the chancellor's office, in partnership with the Office of Cradle-to-Career Data and the Labor and Workforce Development Agency, for the purpose of developing a Career Passport that provides an individual a secure digital tool displaying their preparation for employment, academic records, and credit for prior learning, which may include, but is not limited to, military service.
- (2) An individual may use their Career Passport to curate their relevant validated skills, which may include skills attributable to verifiable credentials and academic records, in a shareable format for skills-based and competency-informed hiring by employers. An individual may share all or part of their Career Passport with outside entities.
- (b) The program shall be developed by leveraging existing statewide tools for documenting academic learning, including, but not limited to, eTranscript California and other electronic transcript tools, and existing tools for validating learning in nonacademic contexts, including, but not limited to, providing credit for prior learning and the California Mapping Articulated Pathways Initiative, and combining those tools into the Career Passport that can be integrated with employer-based hiring systems to support skills-based hiring.
- (c) The program shall at least accomplish all of the following goals:
- (1) Enable the linkage, management, and monitoring of information of an individual's verified academic and third-party records of education, training, and development of validated skills for the purposes of hiring by employers.
- (2) Ensure that information contained in, and available through, the secure digital tool is kept secure and that individual privacy, including, but not limited to, personally identifiable information, is protected.
- (3) Provide individuals access to their aggregated information for use in applying for employment and in training at no or low cost to the individual.
- (d) The chancellor's office, in collaboration with the Office of Cradle-to-Career Data, shall convene agency and employer representatives to identify technical and policy considerations for building the secure digital tool described in subdivision (a).

AB 123 — 58 —

- (e) The chancellor's office, in collaboration with the Labor and Workforce Development Agency, shall engage with business and industry leaders collaboratively to ensure Career Passports are useful to, and used by, California's employers, and shall work closely with the Department of Human Resources as a possible early adopter of Career Passports.
- (f) The program shall serve the public good and remain accountable to it.
- (g) The program shall comply with federal and state laws to protect individual privacy, including, but not limited to, all of the following:
- (1) The federal Family Education Rights and Privacy Act of 1974 (Public Law 93-380, as amended).
- (2) The federal Higher Education Act of 1965 (Public Law 89-329, as amended).
- (3) The federal Privacy Act of 1974 (Public Law 93-579, as amended).
- SEC. 14. Section 94923 of the Education Code is amended to read:
- 94923. (a) The Student Tuition Recovery Fund relieves or mitigates economic loss suffered by a student while enrolled in an institution not exempt from this article pursuant to Article 4 (commencing with Section 94874), who, at the time of the student's enrollment, was a California resident or was enrolled in a California residency program, prepaid tuition, and suffered economic loss.
- (b) (1) The bureau shall adopt, by regulation, procedures governing the administration and maintenance of the Student Tuition Recovery Fund. The fund shall be used to provide awards to students who suffer economic loss.
- (2) The following students, and any other students deemed appropriate, are eligible for payment from the Student Tuition Recovery Fund:
- (A) Any student who was enrolled at an institution, at a location of the institution, or in an educational program offered by the institution, at the time that institution, location, or program was closed or discontinued, as applicable, who did not choose to participate in a teach-out plan approved by the bureau or did not complete a chosen teach-out plan approved by the bureau.
- (B) Any student who was enrolled at an institution or a location of the institution within the 120-day period before the closure of

-59- AB 123

the institution or location of the institution, or who was enrolled in an educational program within the 120-day period before the program was discontinued.

- (C) Any student who was enrolled at an institution or a location of the institution more than 120 days before the closure of the institution or location of the institution, in an educational program offered by the institution as to which the bureau determines there was a significant decline in the quality or value of the program more than 120 days before closure.
- (D) A student to whom an institution has been ordered to pay a refund by the bureau but has failed to do so.
- (E) A student to whom an institution has failed to pay or reimburse loan proceeds under a federal student loan program as required by law, or has failed to pay or reimburse proceeds received by the institution in excess of tuition and other costs.
- (F) A student who has been awarded restitution, a refund, or other monetary award by an arbitrator or court, based on a violation of this chapter by an institution or representative of an institution, but who has been unable to collect the award from the institution. The bureau shall review the award or judgment and shall ensure the amount to be paid from the fund does not exceed the student's economic loss.
- (G) Notwithstanding the definition of economic loss in subdivision (f), for purposes of recovery from the Student Tuition Recovery Fund, a student who has sought legal counsel that resulted in the cancellation of one or more student loans in connection with the student's Student Tuition Recovery Fund claim may seek reimbursement for legal services rendered in an amount up to five hundred dollars (\$500). The bureau shall review the invoice of the legal services rendered and evidence of the cancellation of the student loan or loans, and upon verifying that cancellation, pay the claim directly to the student.
- (3) Notwithstanding the requirement that a student attend an institution that is not exempt from this article as provided in subdivision (a), the following students who either were enrolled at a California campus of a Corinthian Colleges, Inc., institution or who were California students enrolled in an online program offered by an out-of-state campus of a Corinthian Colleges, Inc., institution are eligible for payment from the Student Tuition Recovery Fund:

AB 123 -60-

- (A) A student who meets one of the eligibility requirements in paragraph (2), if the student also was residing in California and was attending a campus of a Corinthian Colleges, Inc., institution on or after January 1, 2010.
- (B) A student who was enrolled as of June 20, 2014, or withdrew within 120 days of that date, and did not complete the student's program at the institution.
- (c) Any student who is required to pay a Student Tuition Recovery Fund assessment who pays tuition equal to or greater than the required assessment shall be deemed to have paid the required assessment, whether or not the student's enrollment agreement specifies collection of the required assessment, and whether or not the institution identifies any money collected from the student as a Student Tuition Recovery Fund assessment.
- (d) A student who suffers educational opportunity losses, whose charges are paid by a third-party payer, is eligible for educational credits under the fund.
- (e) The bureau may seek repayment to the Student Tuition Recovery Fund from an institution found in violation of the law for which a student claim was paid. An institution shall not be eligible to renew its approval to operate with the bureau if the repayment is not made to the bureau as requested.
- (f) (1) For purposes of this section, "economic loss" includes, but is not limited to, any of the following:
- (A) All cash or other consideration paid by the student to the institution.
- (B) All expenses related to private or government student loans, including retail installment contracts made by the institution, paid to the student or to the institution in connection with the student's attendance at the institution, including related principal, interest, and any fees.
- (C) All third-party payments, including government grants, paid to the student or to the institution in connection with the student's attendance at the institution.
- (2) Economic loss does not include Student Tuition Recovery Fund assessments, unless the student is entitled to a full refund under Section 94919 or 94920, or nonpecuniary damages such as inconvenience, aggravation, emotional distress, or punitive damages. Economic loss does not include legal fees, attorney fees, court costs, or arbitration fees. This subdivision shall not prevent

-61 - AB 123

the bureau from further defining economic loss to include loss of educational opportunity.

- (g) As a condition of the bureau satisfying a student loan obligation on behalf of a Student Tuition Recovery Fund applicant, the loan servicer or debtholder shall submit a letter stating that the servicer or holder will no longer collect on the debt and shall report the debt as "paid in full" to all credit reporting agencies. The bureau shall retain a copy of that letter and provide the original to the applicant.
- (h) Except as provided in subdivision (i), the bureau shall require a student seeking reimbursement from the Student Tuition Recovery Fund to file a written application that shall be received by the bureau no later than four years after the date of the action that made the student eligible for recovery from the Student Tuition Recovery Fund.
- (i) Any student whose loan is revived by a loanholder or debt collector after a period of noncollection by the holder or collector may, at any time, file a written application for recovery from the Student Tuition Recovery Fund for the debt that would have been otherwise eligible for recovery under this section.
- (j) The bureau may use the moneys in the Student Tuition Recovery Fund to cover the costs of both of the following:
 - (1) Student Tuition Recovery Fund claim administration.
 - (2) Positions of the Office of Student Assistance and Relief.
- SEC. 15. Section 68926.2 is added to the Government Code, to read:
- 68926.2. (a) Notwithstanding any other law, sixty-five dollars (\$65) of each fee collected in a civil case by the clerk of each court of appeal pursuant to subdivision (a) of Section 68926 shall be paid into the State Treasury for deposit in a special account in the General Fund to be known as the California State Law Library Special Account, which is hereby established.
- (b) Moneys deposited in the California State Law Library Special Account shall be available for the support of the California State Law Library upon appropriation by the Legislature in the annual Budget Act.
- (c) It is the intent of the Legislature that this section shall apply retroactively to January 1, 2025.
- (d) This section shall become inoperative on July 1, 2030, and, as of January 1, 2031, is repealed.

AB 123 — 62 —

SEC. 16. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2023 is amended to read:

6870-101-0001—For local assistance, Board of					
of the California Community Colleges (Proposition					
98)		5,192,817,000			
Schedule:					
(1) 5670015-Apportionments					
(2) 5670019-Apprenticeship					
(3) 5670023-Apprenticeship Training and					
Instruction	65,431,000				
(4) 5675040-Student Equity and Achieve-					
ment Program	523,981,000				
(5) 5675019-Student Financial Aid Admin-					
istration	78,489,000				
(6) 5675027-Disabled Students	172,820,000				
(7) 5675031-Student Services for Cal-					
WORKs Recipients	55,053,000				
(8) 5675035-Foster Care Education Pro-					
gram	6,154,000				
(9) 5675045-Legal Services	10,000,000				
(10) 5675061-Academic Senate for the					
Community Colleges	1,796,000				
(11) 5675069-Equal Employment Opportu-					
nity	12,767,000				
(12) 5675073-Part-Time Faculty Health					
Insurance	200,490,000				
(13) 5675077-Part-Time Faculty Compensa-					
tion	26,542,000				
(14) 5675081-Part-Time Faculty Office	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
Hours	23,626,000				
(15) 5670035-Expand the Delivery of					
Courses through Technology					
(16) 5675119-Economic Development	313,329,000				
(17) 5675123-Transfer Education and Artic-	213,227,000				
ulation	2,079,000				
(18) 5675023-Extended Opportunity Pro-	2,077,000				
grams and Services	216,561,000				
(19) 5675115-Fund for Student Success	272,711,000				
(17) 5075115-1 und for Student Success	212,111,000				

-63- AB 123

(20)	5675150-Campus (Childcare	Tax	
	Bailout			4,275,000
(21)	5675156-Nursing Prog	gram Suppor	rt	13,378,000
(22)	5675109-Institutional	Effectivenes	S	27,500,000
(23)	5675098-Integrated Te	echnology		89,503,000
(24)	5675042-Community	College Sum	mer	
	Assistance Program			10,000,000
(25)	5675117-AANHPI St	udent Achi	eve-	
	ment Program			8,000,000

Provisions:

- 1. The funds appropriated in this item are for transfer by the Controller during the 2023–24 fiscal year to Section B of the State School Fund.
- 1.5. (a) The funds appropriated in Schedule (1) reflect a deferral of \$446,427,000 to the 2024–25 fiscal year.
 - (b) (1) To implement the monthly deferral schedule for community college districts pursuant to the 2024 Higher Education Omnibus Trailer Bill, the Chancellor's Office of the California Community Colleges may transfer appropriations from schedules within this item that provide categorical program funding and that are being deferred to Schedule (1) of this item.
 - (2) If exercising the authority described in paragraph (1), the Chancellor's Office of the California Community Colleges shall first defer appropriations from apportionments in Schedule (1) before transferring appropriations from schedules within this item that provide categorical program funding.
 - (c) The transfers authorized by this provision shall be implemented through notification to appropriate staff at the Controller's Office and the Department of Finance.
- 2. (a) The funds appropriated in Schedule (1) shall be allocated using the budget formula established pursuant to Section 84750.4 of the Education Code. The budget formula shall be adjusted to reflect the following:
 - (1) Of the funds appropriated in Schedule (1), \$26,407,000 shall be used to increase statewide growth of full-time equivalent students (FTES) by 0.50 percent.

AB 123 -64-

- (2) Of the funds appropriated in Schedule (1), \$678,022,000 shall be used to reflect a cost-of-living adjustment of 8.22 percent.
- (3) Notwithstanding paragraph (1), the Chancellor's Office of the California Community Colleges may allocate unused growth funding to backfill any unanticipated shortfalls in the total amount of funding appropriated and support the budget formula established pursuant to Section 84750.4 of the Education Code.
- (b) Funds allocated to a community college district from funds included in Schedule (1) shall directly offset any mandated costs claimed for the Minimum Conditions for State Aid (02-TC-25 and 02-TC-31) program or any costs of complying with Section 84754.5 of the Education Code.
- (c) Of the funds appropriated in Schedule (1):
 - (1) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.
 - (2) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date pursuant to Section 58508 of Title 5 of the California Code of Regulations.
- (d) Of the funds appropriated in Schedule (1), \$91,207,000 shall be allocated to support the California College Promise pursuant to Article 3 (commencing with Section 76396) of Chapter 2 of Part 47 of Division 7 of Title 3 of the Education Code.
- (e) (1) Of the funds appropriated in Schedule (1), \$50,000,000 shall be used to hire new fulltime faculty for community college districts to increase their percentage of full-time faculty toward meeting the 75 percent full-time faculty target. The Chancellor's Office of the

-65 - AB 123

California Community Colleges shall consult with representatives from the Department of Finance, the Legislature, and the Legislative Analyst's Office before distributing these funds to community college districts.

- (2) Of the funds appropriated in Schedule (1), \$100,000,000 shall be used to hire new fulltime faculty for participating community college districts to increase their percentage of full-time faculty toward meeting the 75 percent full-time faculty target. The Chancellor's Office of the California Community Colleges shall consult with representatives from the Department of Finance, the Legislature, and the Legislative Analyst's Office before distributing these funds to community college districts. It is the intent of the Legislature that the funding available pursuant to this paragraph be used to increase a district's hiring of full-time faculty above the level that the district would have otherwise employed each year.
- 3. (a) (1) The funds appropriated in Schedule (2) shall be available pursuant to Article 3 (commencing with Section 79140) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2026.
 - (2) Pursuant to Section 79149.3 of the Education Code, the reimbursement rate shall be \$9.98 per hour.
 - (b) Of the funds appropriated in Schedule (2), \$30,000,000 shall be used for the California Apprenticeship Initiative pursuant to Section 79148.1 of the Education Code. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2029.
- 4. (a) The funds appropriated in Schedule (3) shall be available pursuant to Article 8 (commencing with

AB 123 -66-

Section 8150) of Chapter 1 of Part 6 of Division 1 of Title 1 of the Education Code. Of the funds appropriated in Schedule (3), \$819,000 is available for allocation for related and supplemental instruction hours for the 2022–23 fiscal year, and \$5,514,000 is available for allocation for related and supplemental instruction hours for the 2023–24 fiscal year. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2026.

- (b) Pursuant to Section 8152 of the Education Code, the reimbursement rate shall be \$9.98 per hour.
- 5. The funds appropriated in Schedule (4) shall be apportioned to community college districts pursuant to Section 78222 of the Education Code.
- 6. (a) Of the funds appropriated in Schedule (5):
 - (1) Not less than \$11,432,000 is available to provide \$0.91 per unit reimbursement to community college districts for the provision of California College Promise Grants pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
 - (2) Not less than \$11,557,000 is available for the Board Financial Assistance Program to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of California College Promise Grants pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
 - (3) (A) \$5,300,000 shall be allocated to a community college district to conduct a statewide outreach, marketing, and paid media campaign to promote the following messages: (i) many types of financial aid are available year-round to cover fees and help with college costs, such as books, housing, and other educational costs; (ii) students can contact their local community college financial aid office

-- 67 -- AB 123

to get one-on-one assistance with completing and submitting financial aid applications and forms; and (iii) a community college education can improve the life of students' and their families by providing financial aid, as well as career training and guaranteed transfer opportunities to get into a rewarding, good-paying career. The campaign should target efforts to reach ethnically diverse, lowincome students in primarily underresourced communities who must overcome barriers in accessing postsecondary education. The Chancellor's Office of the California Community Colleges shall apprise the Student Aid Commission of ongoing outreach and marketing efforts.

(B) Of the amount identified in subparagraph (A), \$2,500,000 shall be allocated to: (i) expand outreach for students from non-English speaking households and bilingual households; (ii) tie financial aid messaging to enrollment messaging where applicable to encourage current and potential students to enroll or continue their education at a California Community College and apply for financial aid; and (iii) marketing and outreach aimed at increasing current and potential student awareness of the California College Promise Grant and other types of financial aid available for California Community College students. Bilingual efforts shall target areas of the state that meet at least one of the following conditions: (i) have concentrations of non-English speaking and bilingual households, or (ii) have underserved populations, a history of declining community college attendance, or both.

AB 123 -68-

- (4) Not more than \$45,200,000 shall be for direct contact with potential and current financial aid applicants. Each California Community College campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting full-time equivalent students (FTES) weighted by a measure of low-income populations demonstrated by the California College Promise Grant program participation within a district.
- (5) Funds allocated to a community college district pursuant to paragraphs (1) and (2) shall supplement, not supplant, the level of funds allocated for the administration of student financial aid programs during the 2001–02 or 2006–07 fiscal year, whichever is greater.
- (6) Funding allocated to a community college district pursuant to paragraphs (1) and (2) shall directly offset any costs claimed by that district for any of the following mandates: Enrollment Fee Collection (99-TC-13), Enrollment Fee Waivers (00-TC-15), Cal Grants (02-TC-28), and Tuition Fee Waivers (02-TC-21).
- (7) Notwithstanding subdivision (m) of Section 76300 of the Education Code or any other law, the amount of funds appropriated for the purpose of administering fee waivers for the 2023–24 fiscal year shall be determined in this act.
- (8) Not more than \$5,000,000 shall be for ongoing maintenance, subscription, and training costs for financial aid technology advancements and innovations that streamline the financial aid verification process and enable colleges to more efficiently process state and federal financial aid grants. It is the intent of the Legislature that system improvements supported by this funding have the effect of

-69- AB 123

reducing the manual processing of financial aid applications, thereby enabling financial aid program staff to provide additional technical assistance and guidance to students seeking financial aid. The Chancellor's Office of the California Community Colleges shall determine the methodology for allocating these funds to community college districts.

- 7. (a) The funds appropriated in Schedule (6) shall be used to assist districts in funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges and for state hospital programs, as mandated by federal law.
 - (b) Of the amount appropriated in Schedule (6):
 - At least \$3,945,000 shall be used to address deficiencies identified by the United States Department of Education Office for Civil Rights.
 - (2) At least \$943,000 shall be used to support the High Tech Centers for activities including, but not limited to, training of district employees, staff, and students in the use of specialized computer equipment for the disabled
 - (3) At least \$9,600,000 shall be allocated to community college districts for sign language interpreter services, real-time captioning equipment, or other communication accommodations for hearing-impaired students. A community college district is required to spend \$1 from local or other resources for every \$4 received pursuant to this paragraph.
- 8. (a) The funds appropriated in Schedule (7) shall be allocated pursuant to Article 5 (commencing with Section 79200) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.
 - (b) Of the amount appropriated in Schedule (7):

AB 123 — 70 —

- (1) \$11,127,000 shall be for childcare, except that a community college district may request that the chancellor approve the use of funds for other purposes.
- (2) No less than \$5,934,000 shall be used to provide direct workstudy wage reimbursement for students served under this program, and \$744,000 is available for campus job development and placement services.
- 9. The funds appropriated in Schedule (8) shall be allocated to community college districts to provide foster and relative or kinship care education and training pursuant to Article 8 (commencing with Section 79420) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. A community college district shall ensure that education and training required pursuant to paragraphs (12) and (13) of subdivision (g) of Section 16519.5 of the Welfare and Institutions Code receive priority.
- 10. The funds appropriated in Schedule (9) shall be allocated to a community college district to contract with the State Department of Social Services in order to contract with organizations qualified pursuant to Chapter 5.6 (commencing with Section 13300) of Part 3 of Division 9 of the Welfare and Institutions Code to provide services pursuant to that chapter to persons on California Community College campuses. Use of these funds shall be included in updates provided to the Legislature on the State Department of Social Services' immigration programs.
- 11. Of the amount appropriated in Schedule (10), \$685,000 is available to support the Academic Senate for California Community Colleges course identification numbering system efforts and shall be subject to the requirements of subparagraph (B) of paragraph (5) of subdivision (b) of Section 70901 of the Education Code.
- 12. Of the amount appropriated in Schedule (11), \$10,000,000 shall be allocated to community college districts to support the continued implementation of

__71__ AB 123

equal employment opportunity plans and to enable campuses to engage in sustainable practices to diversify faculty, staff, and administrators, including the continued use of best practices and tools identified by office of the Chancellor of the California Community Colleges' Equal Employment Opportunity and Diversity Advisory Committee.

- 13. The funds appropriated in Schedule (12) shall be allocated to community college districts for the purpose of providing a state incentive program to encourage community college districts to offer health insurance for part-time faculty pursuant to Article 9 (commencing with Section 87860) of Chapter 3 of Part 51 of Division 7 of Title 3 of the Education Code.
- 14. The funds in Schedule (13) shall be allocated to increase compensation for part-time faculty. Funds shall be allocated to districts based on the total actual number of full-time equivalent students (FTES) in the previous fiscal year, with an adjustment to the allocations provided to small districts. These funds shall be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through collective bargaining in each community college district. If a community college district achieves parity between compensation for full-time faculty and part-time faculty, funds received pursuant to this provision may be used for any other educational purpose.
- 15. Of the funds appropriated in Schedule (15):
 - (a) \$20,000,000 shall be allocated to the Chancellor of the California Community Colleges to increase the number of courses available through the use of technology, provide alternative methods for students to earn college credit, and support the California Virtual Campus Distance Education Program. These funds may be used to pay for a consistent learning management system to help implement this program. The chancellor shall ensure, to the extent possible, that the following conditions are satisfied:

AB 123 — 72 —

- (1) These courses can be articulated across all community college districts.
- (2) These courses are made available to students systemwide, regardless of the campus at which a student is enrolled.
- (3) Students who complete these courses are granted degree-applicable credit across community colleges.
- (4) These funds shall be used for those courses that have the highest demand, fill quickly, and are prerequisites for many different degrees.
- (b) By September 1 of each fiscal year, up to \$3,000,000 shall be disbursed by the Office of the Chancellor of the California Community Colleges to one or more community college districts to provide textbooks or digital course content to students incarcerated or detained in federal or state prison, county jail, juvenile facility, or other correctional institutions who are enrolled in one or more California Community College courses. The provision of this material is expected to enable community college districts to provide instruction to incarcerated or detained students.
 - To the extent possible, community college districts providing textbooks or digital course content pursuant to this subdivision are encouraged to first use open educational resources.
 - (2) Notwithstanding any other law, a contract between the Office of the Chancellor of the California Community Colleges 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.
- 16. Of the funds appropriated in Schedule (16):
 - (a) \$22,929,000 is available for the following purposes:

__73__ AB 123

- Up to 10 percent may be allocated for statelevel technical assistance, including statewide network leadership, organizational development, coordination, and information and support services.
- (2) All remaining funds shall be allocated for programs that target investments in priority and emergent sectors, including statewide or regional centers, hubs, collaborative communities, advisory bodies, and short-term grants. Short-term grants may include industrydriven regional education and training, Responsive Incumbent Worker Training, and Job Development Incentive Training. Funds allocated pursuant to this provision may be used to provide substantially similar services in support of the Strong Workforce Program.
- (3) Funds applied to performance-based training shall be matched by a minimum of \$1 contributed by private businesses or industry for each \$1 of state funds. The chancellor shall consider the level of involvement and financial commitments of business and industry in making awards for performance-based training.
- (b) \$290,400,000 shall be available to support the Strong Workforce Program pursuant to Part 54.5 (commencing with Section 88820) of Division 7 of Title 3 of the Education Code.
- 17. Of the funds provided in Schedule (17):
 - (a) \$1,381,000 shall be used to support the Historically Black Colleges and Universities (HBCU) Transfer Pathway program, which helps develop transfer guarantee agreements that help facilitate a smooth transition for students from the California Community Colleges to partnered HBCU institutions.
 - (b) (1) \$698,000 shall be used to support transfer and articulation projects and common course numbering projects.

AB 123 — 74 —

(2) Funding provided to community college districts shall directly offset any costs claimed by community college districts to be mandates pursuant to Chapter 737 of the Statutes of 2004.

- 18. (a) Of the funds appropriated in Schedule (18):
 - (1) \$183,083,000 shall be used pursuant to Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for Extended Opportunity Programs and Services shall be available to students on all campuses within the California Community Colleges system.
 - (2) \$33,478,000 shall be used for funding, at all colleges, the Cooperative Agencies Resources for Education program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The Chancellor of the California Community Colleges shall allocate these funds to local programs on the basis of need for student services.
 - (b) Of the amount allocated pursuant to subdivision (a), no less than \$4,972,000 shall be available to support additional textbook assistance grants to community college students.
- 19. The funds appropriated in Schedule (19) shall be used for the following purposes:
 - (a) \$13,326,000 shall be used for the Puente Project to support up to 115 colleges. These funds are available if matched by \$200,000 of private funds and if the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project.
 - (1) Of the funds provided in subdivision (a), \$5,331,000 shall be allocated to a community college district to contract with the Puente Project to support the general operation of,

—75— AB 123

and direct services delivered through central administration which includes, but is not limited to, professional development, program data collection, program research and evaluation, and initiatives to improve student transfer rates.

- (2) Of the funds provided in subdivision (a), \$7,995,000 shall be allocated directly to participating districts in accordance with their participation agreement.
- (3) (A) If the appropriation provided in this subdivision is increased from the funding level provided in the 2022–23 fiscal year, funding allocated to districts as described in paragraphs (1) and (2) shall be adjusted consistent with their percentage share of total funding in this subdivision.
 - (B) Notwithstanding paragraphs (1) and (2), if the appropriation provided in this subdivision is reduced from the funding level provided in the 2022–23 fiscal year, the Puente Project, in consultation with the Chancellor's Office of the California Community Colleges, will determine the funding allocation to support services and programs provided in paragraphs (1) and (2).
- (4) In any fiscal year in which districts have any unexpended or unencumbered funds allocated pursuant to paragraph (2) by June 30, the Puente Project will determine a reallocation of funds that may include, but not be limited to, maintaining the allocation level for a participating site or reallocating funds to another participating site.
- (b) (1) \$39,423,000 is to allow all colleges to establish and support California Community College Mathematics, Engineering, Science Achievement (MESA) programs. Funds provided in this item for MESA programs shall

AB 123 — 76—

- be available to students on all campuses within the California Community Colleges system to enhance California's STEM workforce, while aiding the state and nation in reducing equity and achievement gaps.
- (2) The Office of the Chancellor of the California Community Colleges shall award each MESA program ongoing annual funding to meet the program's goals, at a minimum allocation of \$280,000 per college. Colleges receiving an allocation shall use the funding to supplement, but not supplant, local sources of funding supporting MESA programs.
- (3) In any fiscal year in which districts have any unexpended or unencumbered funds allocated pursuant to subprovision (2) by June 30 of that year, MESA shall make a determination regarding the reallocation of funds that shall include maintaining the allocation level for a participating MESA program or reallocating funds to another participating MESA program.
- (c) No less than \$1,836,000 is for the Middle College High School Program. With the exception of special part-time students at the community colleges pursuant to Sections 48802 and 76001 of the Education Code, student workload based on participation in the Middle College High School Program shall not be eligible for community college state apportionment.
- (d) (1) (A) No less than \$9,178,000 is for the Umoja program.
 - (B) Of funds provided in subparagraph (A), \$3,671,000 shall be allocated to a community college district to contract with the Umoja Statewide program office to provide additional resources to facilitate the capacity building and development of the statewide office in an effort to expand the Umoja program, build a data

—77— AB 123

- support system, target the needs of special populations in the African American community, improve tutoring and mental health resources, enhance STEM/STEAM and career opportunities, and improve outcomes for students enrolled in Umoja campus programs.
- (C) Of the funds provided in subparagraph (A), \$5,507,000 shall be allocated by the Office of the Chancellor of the California Community Colleges directly to participating districts in accordance with their Umoja Statewide participation agreement for campuses with Umoja programming. Umoja Statewide, in consultation with the Chancellor's Office, shall determine the allocation of resources to campuses. The Umoja Statewide program shall annually report, by July 30, updates on the status of Umoja's capacity building and expansion plan to the Office of the Chancellor of the California Community Colleges and the budget committees of the Senate and Assembly. Of the funds provided in this subparagraph, 1 percent shall be allocated directly to the community college district contracting with the Umoja Statewide program office for purposes related to this subparagraph.
- (e) Consistent with the intent of Article 7 (commencing with Section 79220) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code, the chancellor shall enter into agreements with community college districts to provide additional services in support of postsecondary education for foster youth. Up to \$54,110,000 of the funds appropriated in this item shall be prioritized for services pursuant to Article 7 (commencing with Section 79220) of Chapter 9 of Part 48 of Division

AB 123 — 78 —

7 of Title 3 of the Education Code. Further, the chancellor shall ensure that the list of eligible expenditures developed pursuant to subdivision (d) of Section 78221 of the Education Code includes expenditures that are consistent with the intent of Article 7 (commencing with Section 79220) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.

- (f) \$10,822,000 of the funds shall be for support of Veteran Resource Centers. To the extent funding is provided in the annual Budget Act, the chancellor shall only allocate funding to community colleges that commit to either meeting or making progress towards meeting the minimum standards developed by the Office of the Chancellor of the California Community Colleges.
- (g) (1) Colleges shall establish ongoing partnerships with community organizations that have a tradition of helping populations experiencing homelessness to provide wraparound services and rental subsidies for homeless and housing insecure students. \$20,562,000 of the funds appropriated in Schedule (19) may be used for, but are not limited to, the following authorized activities:
 - (A) Connecting students with community case managers who have knowledge and expertise in accessing safety net resources.
 - (B) Establishing ongoing emergency housing procedures, including on-campus and off-campus resources.
 - (C) Providing emergency grants that are necessary to secure housing or to prevent the imminent loss of housing.
 - (2) Funding shall be allocated to campuses based on demonstrated need.
 - (3) "Homeless" and "housing insecure" mean students who lack a fixed, regular, and ade-

-79 - AB 123

quate nighttime residence. This includes students who are:

- (A) Sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason.
- (B) Living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations.
- (C) Living in emergency or transitional shelters.
- (D) Abandoned in hospitals.
- (E) Living in a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings.
- (F) Living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.
- (4) By July 15 of each year, the Office of the Chancellor of the California Community Colleges shall submit a report to the Director of Finance and, in conformity with Section 9795 of the Government Code, to the Legislature regarding the prior year use of these funds, including the number of coordinators hired, the number of students served by campus, the distribution of funds by campus, a description of the types of programs funded, and other relevant outcomes, such as the number of students who were able to secure permanent housing, and whether students receiving support remained enrolled at the institution or graduated.
- (h) \$11,600,000 shall be allocated by the Chancellor's Office of the California Community Colleges to community colleges to support Dreamer Resource Liaisons and student support services, including those related to career pathways and economic

AB 123 — 80 —

- mobility, for immigrant students, pursuant to Section 66021.8 of the Education Code.
- (i) \$75,754,000 shall be available to support the basic needs of community college students.
 - (1) (A) Of the amount allocated for this subdivision, \$32,466,000 shall be available to provide for student mental health resources.
 - (B) The Chancellor's Office of the California Community Colleges shall submit a report to the Department of Finance and relevant policy and fiscal committees of the Legislature by January 1, 2025, and every three years thereafter, regarding the use of funds specified in this paragraph. The report shall include, but not necessarily be limited to, all of the following information:
 - (i) The amount of funds provided for each community college district.
 - (ii) A description of how the funds were used for the purposes reflected in this paragraph.
 - (iii) A description of the types of programs in which districts invested.
 - (iv) The number of students receiving mental health services on campus disaggregated by race/ethnicity, gender, age group, and type of service received.
 - (v) The average wait time for initial routine mental health counseling appointments.
 - (vi) The average number of campus mental health counseling appointments per student.
 - (vii) The number of students referred to offcampus providers for mental health services.
 - (vi- Total spending on student mental health
 - services, by fund source, including spending covered by insurance providers.

-- 81 -- AB 123

- (ix) Other findings and best practices implemented by districts.
- (2) Of the amount made available by this subdivision, \$43,288,000 shall be allocated by the Chancellor's Office of the California Community Colleges for colleges to establish and operate basic needs centers as a centralized location on campus where students experiencing basic needs insecurity can be identified, supported, and linked to on- and off-campus resources to support timely program completion pursuant to Section 66023.5 of the Education Code. Colleges shall also designate or hire dedicated basic needs coordinators for the basic needs centers who will serve as a single point of contact for students.
- (j) (1) \$25,000,000 shall be available to support the Rising Scholars Network pursuant to Article
 6 (commencing with Section 78070) of Chapter 1 of Part 48 of Division 7 of Title 3 of the Education Code.
 - (2) (A) Of the funds provided for in paragraph (1), \$15,000,000 annually shall support ongoing implementation of model programming for juvenile justice-impacted students, as a grant program administered and supported by the Rising Scholars Network of the Chancellor's Office of the California Community Colleges. Funds shall be used for model college programming with key components based on the Project Change model, to be offered both within juvenile facilities and on the community college campus, to establish a direct pathway to college for juvenile justice-impacted young people.
 - (B) Of the funds provided for in subparagraph (A), at least \$13,000,000 annually shall support a maximum of 45 community colleges on 5-year grant cycles to implement model programming to serve

AB 123 -82-

juvenile justice-impacted students, incorporating the three following core Project Change program components:

- (i) College programming that is: (I) offering University of California and California State University transferable courses and comprehensive student support programming; (II) provided by a California Community College through instruction; and (III) offered both on campus at a community college and in local juvenile detention facilities.
- (ii) Comprehensive support to assist students with the transition to on-campus higher education, including: (I) wraparound student support services that address basic needs such as books and supplies, tuition, fees, stipends, housing, food, and transportation; and (II) educational transition plans for students, outlining their multiyear framework from high school through college completion.
- (iii) Staffing and space commitments, including: (I) dedicated staffing of a program lead, counselor, and retention specialist; (II) dedicated space on the college campus for the program; and (III) formal partnerships with key stakeholders, including, but not limited to, the local county office of education, probation department, local high school districts, and community-based organizations.
- (C) Community colleges may implement model program components on a phased timeline. Model programs must utilize both Dual Enrollment and Guided Pathways frameworks. At the conclusion of the 5-year cohort, community colleges may reapply for continued funding support.
- (D) Colleges may be funded on a tiered model. Tiered model funding may consider the number of core program com-

-83- AB 123

ponents a college can implement; student counts; whether the college already has an established or funded Rising Scholars program; and other metrics determined by the Rising Scholars Network of the Office of the Chancellor of the California Community Colleges.

- (E) Of the funds provided in subparagraph (A), \$1,250,000 annually shall support technical assistance for successful implementation of model programming overseen by the Rising Scholars Network of the Office of the Chancellor of the California Community Colleges. Technical assistance includes contract staffing positions to oversee the project implementation, in-person trainings, and support.
- (k) (1) \$1,100,000 shall be allocated by the Chancellor's Office for the expansion of African American Male Education Network and Development (A2MEND) student charters at up to 50 colleges to improve academic success and develop a student support structure for African American male students attending community colleges.
 - (2) In considering an allocation methodology to community colleges, the office of the Chancellor of the California Community Colleges shall consider a factor that allocates funds to community colleges that have submitted work plans pursuant to paragraph (3) of subdivision (c) of Section 88922 of the Education Code, including considering the community college's guided pathways activities and practices.
- (l) (1) (A) \$10,000,000 shall be allocated by the Chancellor's Office to participating community college districts to provide additional funds to support LGBTQ+ students. For the purposes of allocating

AB 123 — 84 —

- and expending this funding, the Chancellor's Office and participating community college districts shall follow the requirements as stipulated in Section 89 of Chapter 144 of the Statutes of 2021
- (B) Notwithstanding paragraph (2) of subdivision (b) in Section 89 of Chapter 144 of the Statutes of 2021, the Chancellor's Office shall provide grants of up to \$900,000 for participating community college districts based on the proportional share of students they serve and equity metrics to ensure that small rural colleges are also able to access to the grants. Participating community college districts may encumber the funds over a five-year period.
- (2) It is the intent of the Legislature to appropriate \$10,000,000 for the purpose described in paragraph (1) on a one-time basis in each of the 2024–25 fiscal year and the 2025-26 fiscal year.
- 20. The funds appropriated in Schedule (20) shall be allocated by the chancellor to community college districts that levied childcare permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8272 and 8272.5 of the Education Code in an amount proportional to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its childcare and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased or decreased by any cost-of-living adjustment granted in subsequent fiscal years. These funds shall be used only for the purpose of community college childcare and development programs.
- 21. Of the funds appropriated in Schedule (21):
 - (a) \$8,475,000 shall be used to provide support for nursing programs.

—85 — **AB 123**

(b) \$4,903,000 shall be used for diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.

- 22. Of the amount appropriated in Schedule (22):
 - (a) (1) \$7,500,000 may be used by the Chancellor of the California Community Colleges to provide technical assistance to community college districts that demonstrate low performance in any area of operations. It is the intent of the Legislature that technical assistance providers be contracted in a cost-effective manner, that they primarily consist of experts who are current and former employees of the California Community Colleges, and that they provide technical assistance consistent with the vision for the California Community Colleges.
 - (2) Technical assistance funded pursuant to this paragraph that is initiated by the chancellor may be provided at no cost to the community college district. If a community college district requests technical assistance, the district is required to spend at least \$1 from local or other resources for every \$2 received, as determined by the chancellor.
 - (b) (1) \$20,000,000 may be used by the chancellor to provide regional and online workshops and trainings to community college personnel to promote statewide priorities, including, but not limited to, strategies to improve student achievement; strategies to improve community college operations; and system leadership training to better coordinate planning and implementation of statewide initiatives in alignment with the Board of Governors of the California Community Colleges' Vision for Success. To the extent possible, the chancellor shall partner with existing

AB 123 -86-

statewide initiatives with proven results of improving student success and institutional effectiveness. Each fiscal year, the chancellor shall submit a report on the use of funds appropriated pursuant to this provision in the prior year to the Department of Finance and the Joint Legislative Budget Committee no later than December 31 of each year. This report shall include information regarding California Community Colleges' participation in the activities funded pursuant to this provision.

- (2) Funding available pursuant to this paragraph may be used by the chancellor to coordinate with community college districts to conduct policy research, and develop and disseminate effective practices through the establishment of an online clearinghouse of information. The development of effective practices shall include, but not be limited to, statewide priorities such as the development of educational programs or courses for the incarcerated adults in prisons and jails, and the formerly incarcerated, educational programs or courses for California Conservation Corps members, and other effective practices. The online clearinghouse of information shall also reflect effective practices, guidance, policies, curriculum, courses, and programs developed by local community colleges in support of the Strong Workforce Program established pursuant to Part 54.5 (commencing with Section 88820) of Division 7 of Title 3 of the Education Code.
- (3) It is the intent of the Legislature to encourage the chancellor to facilitate the development of local community college courses for the California Conservation Corps and the incarcerated adults in prisons and jails, and the formerly incarcerated. The Department of

—87 — **AB 123**

Corrections and Rehabilitation and the California Conservation Corps are encouraged to partner with the chancellor's office in the development and dissemination of local community college courses and effective practices pursuant to this paragraph and paragraph (2).

- 23. Of the funds appropriated in Schedule (23):
 - (a) \$10,613,000 shall be allocated to continue providing a systemwide and integrated online infrastructure that supports the continuity of education and quality distance learning across the community college system. These infrastructure investments may include, but are not limited to, access to online tutoring and counseling, ensuring available and accessible technical support, and providing mental health services and other student support services.
 - (b) \$8,000,000 shall be provided to cover increased administrative costs related to the Corporation for Education Network Initiatives in California.
 - (c) \$41,890,000 shall be allocated by the Chancellor of the California Community Colleges for the following purposes:
 - (1) Procurement, development, evaluation, and upgrading of high priority systemwide technology tools and infrastructure including, but not limited to, e-transcript, e-planning, and other tools to assist colleges to implement multiple measures of assessment pursuant to Chapter 745 of the Statutes of 2017, and technologies that facilitate portability of education credentials.
 - (2) Provision of access to statewide multimedia hosting and delivery services for colleges and districts.
 - (3) Provision of systemwide internet, audio bridging, data security, and telephony.

AB 123 — 88 —

(4) Services related to technology use, including accessibility guidance and information security.

- (5) Technology product development and program management, technical assistance and planning, and cooperative purchase agreements.
- (6) Ongoing faculty and staff development related to technology use and adoption.
- (7) Ongoing support of the California Partnership for Achieving Student Success (Cal-PASS) program.
- (8) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K-20 segments in California, as well as to support integration and interoperability toward an improved student experience.
- (9) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system toward improving learning outcomes.
- (10) Up to 5 percent of the funds may be allocated by the chancellor to a community college district for statewide activities, not limited to statewide technical assistance to evaluate, plan, and continuously improve the system's data and technology roadmap and deployment.
- (d) Any funds not allocated pursuant to subdivision
 (c) shall be available for allocations to districts to maintain technology capabilities.
- (e) \$4,000,000 shall be used to expand the implementation of the systemwide technology platform for library services to better manage and deliver digital information to support teaching and learning, including for students enrolled in distance education.

—89 — AB 123

- (f) (1) \$25,000,000 shall be provided for community college districts to implement local and systemwide technology and data security measures that support improved oversight of fraud mitigation, online learning quality, and cybersecurity efforts. Funds shall be used by community college districts to hire local cybersecurity staff, and funds shall also be used for systemwide measures, including, but not limited to, security upgrades for CCCApply and education technology platforms and the establishment of systemwide cybersecurity teams.
 - (2) As a condition of receiving funds pursuant to this subdivision, a community college district shall do all of the following:
 - (A) Complete an annual cybersecurity selfassessment of their information technology infrastructure to determine their National Institute of Standards and Technology (NIST) Computer Systems Laboratory (CSL) score and report their current phase in Cal-Secure standards.
 - (B) Participate in the following regularly scheduled cybersecurity reporting:
 - (i) Submit remediation updates twice per year, for the fall and spring semester terms, on vulnerability and other issues identified in the previous self-assessment or triennial assessment.
 - (ii) Submit detailed after-action reports of all cybersecurity incidents that either lead to a breach of personally identifiable information or lead to the disruption of services, including, but not limited to, a breach of student identification numbers, distributed denial-of-service attacks, and ransomware.
 - (iii) The total number of admission applications received from CCCApply that are determined to be fraudulent, including appli-

AB 123 -90-

cations marked as "likely fraud" within CC-CApply, on an annual basis.

- (iv) Information requested on suspected fraudulent enrollments, and fraudulent receipt of financial aid, on an annual basis.
- (C) Reporting required by this section shall not be duplicated by other reporting required by the Office of the Chancellor of the California Community Colleges.
- (3) If the reporting required pursuant to paragraph (2) is duplicative of other reports provided by a community college district, a community college district may submit those reports in lieu of the reporting required by paragraph (2).
- 24. The funds appropriated in Schedule (24) shall be allocated to support the Classified Community College Employee Summer Assistance Program established pursuant to Article 11 (commencing with Section 88280) of Chapter 4 of Part 51 of Division 7 of Title 3 of the Education Code.
- 25. The funds appropriated in Schedule (25) shall be allocated on an ongoing basis by the Office of the Chancellor to support the California Community Colleges Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program pursuant to Article 10 (commencing with Section 79510) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.
- 26. Beginning on October 1, 2022, and annually thereafter, the Chancellor of the California Community Colleges shall provide the Legislature and Department of Finance a list of all statewide or regional projects, initiatives, and services administered by districts in partnership with the Office of the Chancellor. The list shall include the amount of each agreement from the prior fiscal year, the categorical program funding source, the name of the fiscal agent, the contractor, and a brief description of the services provided by and the deliverables expected of the contractor to the Office of the

—91 — **AB 123**

Chancellor or other districts. The list shall be comprehensive, including all grants and contracts.

SEC. 17. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2024 is amended to read:

6870-101-0001—For local assistance, Board of Governors
of the California Community Colleges (Proposition
98)
Schedule:
(1) 5670015-Apportionments 3,915,714,000
(2) 5670019-Apprenticeship 64,690,000
(3) 5670023-Apprenticeship Training and
Instruction
(4) 5675040-Student Equity and Achieve-
ment Program
(5) 5675019-Student Financial Aid Admin-
istration
(6) 5675027-Disabled Students 174,669,000
(7) 5675031-Student Services for Cal-
WORKs Recipients 55,642,000
(8) 5675035-Foster Care Education Pro-
gram
(9) 5675045-Legal Services 10,000,000
(10) 5675061-Academic Senate for the
Community Colleges
(11) 5675069-Equal Employment Opportu-
nity 12,767,000
(12) 5675073-Part-Time Faculty Health
Insurance
(13) 5675077-Part-Time Faculty Compensa-
tion
(14) 5675081-Part-Time Faculty Office
Hours
(15) 5670035-Expand the Delivery of
Courses through Technology 23,000,000
(16) 5675119-Economic Development 313,329,000
(17) 5675123-Transfer Education and Artic-
ulation

— 92 — AB 123

(18) 5675023-Extended Opportunity Pro-	
grams and Services	218,878,000
(19) 5675115-Fund for Student Success	272,711,000
(20) 5675150-Campus Childcare Tax	
Bailout	4,321,000
(21) 5675156-Nursing Program Support	13,378,000
(22) 5675109-Institutional Effectiveness	27,500,000
(23) 5675098-Integrated Technology	89,503,000
(24) 5675042-Community College Summer	
Assistance Program	10,000,000
(25) 5675117-AANHPI Student Achieve-	
ment Program	8,000,000
Provisions:	

- The funds appropriated in this item are for transfer by the Controller during the 2024–25 fiscal year to Section B of the State School Fund.
- 1.5. (a) The funds appropriated in Schedule (1) reflect a deferral of \$243,693,000 to the 2025-26 fiscal
 - (b) (1) To implement the monthly deferral schedule for community college districts pursuant to the higher education omnibus trailer bill identified in Section 39.00 as providing for appropriations related to this act, the Chancellor's Office of the California Community Colleges may transfer to Schedule (1) of this item appropriations from schedules within this item that provide categorical program funding and that are being deferred.
 - (2) If exercising the authority described in paragraph (1), the Chancellor's Office of the California Community Colleges shall first defer appropriations from apportionments in Schedule (1) before transferring appropriations from schedules within this item that provide categorical program funding.
 - (c) The transfers authorized by this provision shall be implemented through notification to appropriate staff of the Controller and the Department of Finance

-93- AB 123

- 2. (a) The funds appropriated in Schedule (1) shall be allocated using the budget formula established pursuant to Section 84750.4 of the Education Code. The budget formula shall be adjusted to reflect the following:
 - (1) (A) Of the funds appropriated in Schedule (1), \$128,094,000 shall be used to increase statewide growth of full-time equivalent students (FTES) by 2.28 percent.
 - (B) The amount allocated pursuant to this paragraph reflects an increase of \$100,000,000 above the level available as of July 1, 2024. It is the intent of the Legislature that the additional \$100,000,000, when combined with enrollment growth funding provided in the Budget Act of 2025, will support a combined growth percentage of 2.35 percent in the 2025–26 fiscal year.
 - (2) Of the funds appropriated in Schedule (1), \$100,216,000 shall be used to reflect a cost-of-living adjustment of 1.07 percent.
 - (3) Notwithstanding paragraph (1), the Chancellor's Office of the California Community Colleges may allocate unused growth funding to backfill any unanticipated shortfalls in the total amount of funding appropriated and support the budget formula established pursuant to Section 84750.4 of the Education Code.
 - (b) Funds allocated to a community college district from funds appropriated in Schedule (1) shall directly offset any mandated costs claimed for the Minimum Conditions for State Aid (02-TC-25 and 02-TC-31) program or any costs of complying with Section 84754.5 of the Education Code.
 - (c) Of the funds appropriated in Schedule (1):
 - (1) Up to \$100,000 is for a maintenance allowance, pursuant to Section 54200 of Title 5 of the California Code of Regulations.

AB 123 — 94 —

- (2) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date pursuant to Section 58508 of Title 5 of the California Code of Regulations.
- (d) Of the funds appropriated in Schedule (1), \$91,207,000 shall be allocated to support the California College Promise pursuant to Article 3 (commencing with Section 76396) of Chapter 2 of Part 47 of Division 7 of Title 3 of the Education Code
- (e) (1) Of the funds appropriated in Schedule (1), \$50,000,000 shall be used to hire new full-time faculty for community college districts to increase their percentage of full-time faculty toward meeting the 75 percent full-time faculty target. The Chancellor's Office of the California Community Colleges shall consult with representatives from the Department of Finance, the Legislature, and the Legislative Analyst's Office before distributing these funds to community college districts.
 - (2) Of the funds appropriated in Schedule (1), \$100,000,000 shall be used to hire new fulltime faculty for participating community college districts to increase their percentage of full-time faculty toward meeting the 75 percent full-time faculty target. The Chancellor's Office of the California Community Colleges shall consult with representatives from the Department of Finance, the Legislature, and the Legislative Analyst's Office before distributing these funds to community college districts. It is the intent of the Legislature that the funding available pursuant to this paragraph be used to increase a district's hiring of full-time faculty above the level that

-95- AB 123

the district would have otherwise employed each year.

- (f) Of the funds appropriated in Schedule (1), \$3,804,000 is available on a one-time basis to backfill affected community college districts for property tax revenue losses as a result of fires leading to any states of emergency declared by the Governor in January 2025.
- (a) (1) The funds appropriated in Schedule (2) shall be available pursuant to Article 3 (commencing with Section 79140) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2027.
 - (2) Pursuant to Section 79149.3 of the Education Code, the reimbursement rate shall be \$10.05 per hour.
 - (b) Of the funds appropriated in Schedule (2), \$30,000,000 shall be used for the California Apprenticeship Initiative pursuant to Section 79148.1 of the Education Code. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2030.
- 4. (a) The funds appropriated in Schedule (3) shall be available pursuant to Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of Division 1 of Title 1 of the Education Code. Funds appropriated pursuant to this subdivision shall be available for encumbrance or expenditure until June 30, 2027.
 - (b) Pursuant to Section 8152 of the Education Code, the reimbursement rate shall be \$10.05 per hour.
 - (c) Of the funds appropriated in Schedule (3), \$1,133,000 is provided on a one-time basis to reimburse local educational agencies for eligible related and supplemental instruction hours from the 2021–22 and 2022–23 fiscal years.

AB 123 -96-

 The funds appropriated in Schedule (4) shall be apportioned to community college districts pursuant to Section 78222 of the Education Code.

- 6. (a) Of the funds appropriated in Schedule (5):
 - (1) Not less than \$12,390,000 is available to provide \$0.91 per unit reimbursement to community college districts for the provision of California College Promise Grants pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
 - (2) Not less than \$12,526,000 is available for the Board Financial Assistance Program to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of California College Promise Grants pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
 - (3) (A) \$5,300,000 shall be allocated to a community college district to conduct a statewide outreach, marketing, and paid media campaign to promote the following messages: (i) many types of financial aid are available year-round to cover fees and help with college costs, such as books, housing, and other educational costs; (ii) students can contact their local community college financial aid office to get one-on-one assistance with completing and submitting financial aid applications and forms; and (iii) a community college education can improve the lives of students and their families by providing financial aid, as well as career training and guaranteed transfer opportunities to get into a rewarding, good-paying career. The campaign should target efforts to reach ethnically diverse, low-income students in primarily underresourced communities who must overcome barriers in accessing postsecondary education. The Chancellor's Office of the

—97— AB 123

California Community Colleges shall apprise the Student Aid Commission of ongoing outreach and marketing efforts.

- (B) Of the amount identified in subparagraph (A), \$2,500,000 shall be allocated to: (i) expand outreach for students from non-English speaking households and bilingual households; (ii) tie financial aid messaging to enrollment messaging where applicable to encourage current and potential students to enroll or continue their education at a California Community College and apply for financial aid; and (iii) marketing and outreach aimed at increasing current and potential student awareness of the California College Promise Grant and other types of financial aid available for California Community College students. Bilingual efforts shall target areas of the state that meet at least one of the following conditions: (i) have concentrations of non-English speaking and bilingual households, or (ii) have underserved populations, a history of declining community college attendance, or both.
- (4) Not more than \$45,200,000 shall be for direct contact with potential and current financial aid applicants. Each California Community College campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting full-time equivalent students (FTES) weighted by a measure of low-income populations demonstrated by the California College Promise Grant program participation within a district.
- (5) Funds allocated to a community college district pursuant to paragraphs (1) and (2) shall supplement, not supplant, the level of funds

AB 123 — 98 —

- allocated for the administration of student financial aid programs during the 2001–02 or 2006–07 fiscal year, whichever is greater.
- (6) Funding allocated to a community college district pursuant to paragraphs (1) and (2) shall directly offset any costs claimed by that district for any of the following mandates: Enrollment Fee Collection (99-TC-13), Enrollment Fee Waivers (00-TC-15), Cal Grants (02-TC-28), and Tuition Fee Waivers (02-TC-21).
- (7) Notwithstanding subdivision (m) of Section 76300 of the Education Code or any other law, the amount of funds appropriated for the purpose of administering fee waivers for the 2024–25 fiscal year shall be determined in this act.
- (8) Not more than \$5,000,000 shall be for ongoing maintenance, subscription, and training costs for financial aid technology advancements and innovations that streamline the financial aid verification process and enable colleges to more efficiently process state and federal financial aid grants. It is the intent of the Legislature that system improvements supported by this funding have the effect of reducing the manual processing of financial aid applications, thereby enabling financial aid program staff to provide additional technical assistance and guidance to students seeking financial aid. The Chancellor's Office of the California Community Colleges shall determine the methodology for allocating these funds to community college districts.
- (9) \$20,000,000 is provided on a one-time basis to immediately support financial aid offices with increased workload due to Free Application for Federal Student Aid (FAFSA) delays and to assist students in completing the

-99- AB 123

FAFSA. Each community college campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting full-time equivalent students weighted by a measure of low-income populations demonstrated by Pell Grant program participation within a district.

- 7. (a) The funds appropriated in Schedule (6) shall be used to assist districts in funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges and for state hospital programs, as mandated by federal law.
 - (b) Of the amount appropriated in Schedule (6):
 - At least \$3,945,000 shall be used to address deficiencies identified by the United States Department of Education Office for Civil Rights.
 - (2) At least \$943,000 shall be used to support the High Tech Centers for activities, including, but not limited to, training of district employees, staff, and students in the use of specialized computer equipment for the disabled.
 - (3) At least \$9,600,000 shall be allocated to community college districts for sign language interpreter services, real-time captioning equipment, or other communication accommodations for hearing-impaired students. A community college district is required to spend \$1 from local or other resources for every \$4 received pursuant to this paragraph.
- 8. (a) The funds appropriated in Schedule (7) shall be allocated pursuant to Article 5 (commencing with Section 79200) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.
 - (b) Of the amount appropriated in Schedule (7):
 - (1) \$11,246,000 shall be for childcare, except that a community college district may request

AB 123 -100-

- that the Chancellor of the California Community Colleges approve the use of funds for other purposes.
- (2) No less than \$5,997,000 shall be used to provide direct workstudy wage reimbursement for students served under this program, and \$752,000 is available for campus job development and placement services.
- 9. The funds appropriated in Schedule (8) shall be allocated to community college districts to provide foster and relative or kinship care education and training pursuant to Article 8 (commencing with Section 79420) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. A community college district shall ensure that education and training required pursuant to paragraphs (12) and (13) of subdivision (g) of Section 16519.5 of the Welfare and Institutions Code receive priority.
- 10. The funds appropriated in Schedule (9) shall be allocated to a community college district to contract with the State Department of Social Services in order to contract with organizations qualified pursuant to Chapter 5.6 (commencing with Section 13300) of Part 3 of Division 9 of the Welfare and Institutions Code to provide services pursuant to that chapter to persons on California Community College campuses. Use of these funds shall be included in updates provided to the Legislature on the State Department of Social Services' immigration programs.
- 11. Of the amount appropriated in Schedule (10), \$685,000 is available to support the Academic Senate for California Community Colleges course identification numbering system efforts and shall be subject to the requirements of subparagraph (B) of paragraph (5) of subdivision (b) of Section 70901 of the Education Code.
- 12. Of the amount appropriated in Schedule (11), \$10,000,000 shall be allocated to community college districts to support the continued implementation of equal employment opportunity plans and to enable

-101 - AB 123

campuses to engage in sustainable practices to diversify faculty, staff, and administrators, including the continued use of best practices and tools identified by office of the Chancellor of the California Community Colleges' Equal Employment Opportunity and Diversity Advisory Committee.

- 13. The funds appropriated in Schedule (12) shall be allocated to community college districts for the purpose of providing a state incentive program to encourage community college districts to offer health insurance for part-time faculty pursuant to Article 9 (commencing with Section 87860) of Chapter 3 of Part 51 of Division 7 of Title 3 of the Education Code.
- 14. The funds in Schedule (13) shall be allocated to increase compensation for part-time faculty. Funds shall be allocated to districts based on the total actual number of full-time equivalent students (FTES) in the previous fiscal year, with an adjustment to the allocations provided to small districts. These funds shall be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through collective bargaining in each community college district. If a community college district achieves parity between compensation for full-time faculty and part-time faculty, funds received pursuant to this provision may be used for any other educational purpose.
- 15. Of the funds appropriated in Schedule (15):
 - (a) \$20,000,000 shall be allocated to the Chancellor of the California Community Colleges to increase the number of courses available through the use of technology, provide alternative methods for students to earn college credit, and support the California Virtual Campus Distance Education Program. These funds may be used to pay for a consistent learning management system to help implement this program. The chancellor shall ensure, to the extent possible, that the following conditions are satisfied:

AB 123 — 102 —

(1) These courses can be articulated across all community college districts.

- (2) These courses are made available to students systemwide, regardless of the campus at which a student is enrolled.
- (3) Students who complete these courses are granted degree-applicable credit across community colleges.
- (4) These funds shall be used for those courses that have the highest demand, fill quickly, and are prerequisites for many different degrees.
- (b) By September 1 of each fiscal year, up to \$3,000,000 shall be disbursed by the Office of the Chancellor of the California Community Colleges to one or more community college districts to provide textbooks or digital course content to students incarcerated or detained in federal or state prison, county jail, juvenile facility, or other correctional institutions who are enrolled in one or more California Community College courses. The provision of this material is expected to enable community college districts to provide instruction to incarcerated or detained students.
 - To the extent possible, community college districts providing textbooks or digital course content pursuant to this subdivision are encouraged to first use open educational resources.
 - (2) Notwithstanding any other law, a contract between the Office of the Chancellor of the California Community Colleges 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.
- 16. Of the funds appropriated in Schedule (16):
 - (a) \$22,929,000 is available for the following purposes:

—103 — AB 123

- Up to 10 percent may be allocated for statelevel technical assistance, including statewide network leadership, organizational development, coordination, and information and support services.
- (2) All remaining funds shall be allocated for programs that target investments in priority and emergent sectors, including statewide or regional centers, hubs, collaborative communities, advisory bodies, and short-term grants. Short-term grants may include industrydriven regional education and training, Responsive Incumbent Worker Training, and Job Development Incentive Training. Funds allocated pursuant to this provision may be used to provide substantially similar services in support of the Strong Workforce Program.
- (3) Funds applied to performance-based training shall be matched by a minimum of \$1 contributed by private businesses or industry for each \$1 of state funds. The Chancellor of the California Community Colleges shall consider the level of involvement and financial commitments of business and industry in making awards for performance-based training.
- (b) \$290,400,000 shall be available to support the Strong Workforce Program pursuant to Part 54.5 (commencing with Section 88820) of Division 7 of Title 3 of the Education Code. Of this amount, \$5,000,000 shall be available on a one-time basis to support a statewide education pathways for low-income workers demonstration project, and \$60,000,000 shall be available to support the Rebuilding Nursing Infrastructure Grant Program pursuant to Sections 88770, 88771, 88772, and 88773 of the Education Code. It is the intent of the Legislature to appropriate \$60,000,000 each fiscal year between 2025–26 through 2028–29,

AB 123 — 104 —

inclusive, to support the Rebuilding Nursing Infrastructure Grant Program.

- 17. Of the funds provided in Schedule (17):
 - (a) \$1,381,000 shall be used to support the Historically Black Colleges and Universities (HBCU) Transfer Pathway program, which helps develop transfer guarantee agreements that help facilitate a smooth transition for students from the California Community Colleges to partnered HBCU institutions.
 - (b) (1) \$698,000 shall be used to support transfer and articulation projects and common course numbering projects.
 - (2) Funding provided to community college districts shall directly offset any costs claimed by community college districts to be mandates pursuant to Chapter 737 of the Statutes of 2004.
- 18. (a) Of the funds appropriated in Schedule (18):
 - (1) \$185,042,000 shall be used pursuant to Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for Extended Opportunity Programs and Services shall be available to students on all campuses within the California Community Colleges system.
 - (2) \$33,386,000 shall be used for funding, at all colleges, the Cooperative Agencies Resources for Education program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The Chancellor of the California Community Colleges shall allocate these funds to local programs on the basis of need for student services.
 - (b) Of the amount allocated pursuant to subdivision (a), no less than \$4,972,000 shall be available to support additional textbook assistance grants to community college students.

-105- AB 123

- 19. The funds appropriated in Schedule (19) shall be used for the following purposes:
 - (a) \$13,326,000 shall be used for the Puente Project to support up to 115 colleges. These funds are available if matched by \$200,000 of private funds and if the participating community colleges and University of California campuses maintain their 1995–96 fiscal year support level for the Puente Project.
 - (1) Of the funds provided in subdivision (a), \$5,331,000 shall be allocated to a community college district to contract with the Puente Project to support the general operation of, and direct services delivered through, central administration which includes, but is not limited to, professional development, program data collection, program research and evaluation, and initiatives to improve student transfer rates.
 - (2) Of the funds provided in subdivision (a), \$7,995,000 shall be allocated directly to participating districts in accordance with their participation agreement.
 - (3) (A) If the appropriation provided in this subdivision is increased from the funding level provided in the 2022–23 fiscal year, funding allocated to districts as described in paragraphs (1) and (2) shall be adjusted consistent with their percentage share of total funding in this subdivision.
 - (B) Notwithstanding paragraphs (1) and (2), if the appropriation provided in this subdivision is reduced from the funding level provided in the 2022–23 fiscal year, the Puente Project, in consultation with the Chancellor's Office of the California Community Colleges, will determine the funding allocation to support services and programs provided in paragraphs (1) and (2).

AB 123 -106-

- (4) In any fiscal year in which districts have any unexpended or unencumbered funds allocated pursuant to paragraph (2) by June 30, the Puente Project will determine a reallocation of funds that may include, but not be limited to, maintaining the allocation level for a participating site or reallocating funds to another participating site.
- (b) (1) \$39,423,000 is to allow all colleges to establish and support California Community College Mathematics, Engineering, Science Achievement (MESA) programs. Funds provided in this item for MESA programs shall be available to students on all campuses within the California Community Colleges system to enhance California's STEM workforce, while aiding the state and nation in reducing equity and achievement gaps.
 - (2) The Office of the Chancellor of the California Community Colleges shall award each MESA program ongoing annual funding to meet the program's goals, at a minimum allocation of \$280,000 per college. Colleges receiving an allocation shall use the funding to supplement, but not supplant, local sources of funding supporting MESA programs.
 - (3) In any fiscal year in which districts have any unexpended or unencumbered funds allocated pursuant to subprovision (2) by June 30 of that year, MESA shall make a determination regarding the reallocation of funds that shall include maintaining the allocation level for a participating MESA program or reallocating funds to another participating MESA program.
- (c) No less than \$1,836,000 is for the Middle College High School Program. With the exception of special part-time students at the community colleges pursuant to Sections 48802 and 76001 of the Education Code, student workload based on

—107 — AB 123

participation in the Middle College High School Program shall not be eligible for community college state apportionment.

- (d) (1) (A) No less than \$9,178,000 is for the Umoja program.
 - (B) Of funds provided in subparagraph (A), \$3,671,000 shall be allocated to a community college district to contract with the Umoja Statewide program office to provide additional resources to facilitate the capacity building and development of the statewide office in an effort to expand the Umoja program, build a data support system, target the needs of special populations in the African American community, improve tutoring and mental health resources, enhance STEM/STEAM and career opportunities, and improve outcomes for students enrolled in Umoja campus programs.
 - (C) Of the funds provided in subparagraph (A), \$5,507,000 shall be allocated by the Office of the Chancellor of the California Community Colleges directly to participating districts in accordance with their Umoja Statewide participation agreement for campuses with Umoja programming. Umoja Statewide, in consultation with the Chancellor's Office, shall determine the allocation of resources to campuses. The Umoja Statewide program shall annually report, by July 30, updates on the status of Umoja's capacity building and expansion plan to the Office of the Chancellor of the California Community Colleges and the budget committees of the Senate and Assembly. Of the funds provided in this subparagraph, 1 percent shall be allocated directly to the community col-

AB 123 -108-

lege district contracting with the Umoja Statewide program office for purposes related to this subparagraph.

- (e) Consistent with the intent of Article 7 (commencing with Section 79220) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code, the chancellor shall enter into agreements with community college districts to provide additional services in support of postsecondary education for foster youth. Up to \$54,110,000 of the funds appropriated in this item shall be prioritized for services pursuant to Article 7 (commencing with Section 79220) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. Further, the chancellor shall ensure that the list of eligible expenditures developed pursuant to subdivision (d) of Section 78221 of the Education Code includes expenditures that are consistent with the intent of Article 7 (commencing with Section 79220) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.
- (f) \$10,822,000 of the funds shall be for support of Veteran Resource Centers. To the extent funding is provided in the annual Budget Act, the chancellor shall only allocate funding to community colleges that commit to either meeting or making progress towards meeting the minimum standards developed by the Office of the Chancellor of the California Community Colleges.
- (g) (1) Colleges shall establish ongoing partnerships with community organizations that have a tradition of helping populations experiencing homelessness to provide wraparound services and rental subsidies for homeless and housing-insecure students. \$20,562,000 of the funds appropriated in Schedule (19) may be used for, but are not limited to, the following authorized activities:
 - (A) Connecting students with community case managers who have knowledge and

—109 — AB 123

- expertise in accessing safety net resources.
- (B) Establishing ongoing emergency housing procedures, including on-campus and off-campus resources.
- (C) Providing emergency grants that are necessary to secure housing or to prevent the imminent loss of housing.
- (2) Funding shall be allocated to campuses based on demonstrated need.
- (3) "Homeless" and "housing-insecure" mean students who lack a fixed, regular, and adequate nighttime residence. This includes students who are:
 - (A) Sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason.
 - (B) Living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations.
 - (C) Living in emergency or transitional shelters.
 - (D) Abandoned in hospitals.
 - (E) Living in a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings.
 - (F) Living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.
- (4) By July 15 of each year, the Office of the Chancellor of the California Community Colleges shall submit a report to the Director of Finance and, in conformity with Section 9795 of the Government Code, to the Legislature regarding the prior year use of these funds, including the number of coordinators hired, the number of students served by

AB 123 — 110 —

campus, the distribution of funds by campus, a description of the types of programs funded, and other relevant outcomes, such as the number of students who were able to secure permanent housing, and whether students receiving support remained enrolled at the institution or graduated.

- (h) \$11,600,000 shall be allocated by the Chancellor's Office of the California Community Colleges to community colleges to support Dreamer Resource Liaisons and student support services, including those related to career pathways and economic mobility, for immigrant students, pursuant to Section 66021.8 of the Education Code.
- (i) \$75,754,000 shall be available to support the basic needs of community college students.
 - (1) (A) Of the amount allocated for this subdivision, \$32,466,000 shall be available to provide for student mental health resources.
 - (B) The Chancellor's Office of the California Community Colleges shall submit a report to the Department of Finance and relevant policy and fiscal committees of the Legislature by January 1, 2025, and every three years thereafter, regarding the use of funds specified in this paragraph. The report shall include, but not necessarily be limited to, all of the following information:
 - (i) The amount of funds provided for each community college district.
 - (ii) A description of how the funds were used for the purposes reflected in this paragraph.
 - (iii) A description of the types of programs in which districts invested.
 - (iv) The number of students receiving mental health services on campus disaggregated by race/ethnicity, gender, age group, and type of service received.

-111- AB 123

- (v) The average wait time for initial routine mental health counseling appointments.
- (vi) The average number of campus mental health counseling appointments per student.
- (vii) The number of students referred to offcampus providers for mental health services.
- (vi- Total spending on student mental health
- services, by fund source, including spending covered by insurance providers.
- (ix) Other findings and best practices implemented by districts.
- (2) Of the amount made available by this subdivision, \$43,288,000 shall be allocated by the Chancellor's Office of the California Community Colleges for colleges to establish and operate basic needs centers as a centralized location on campus where students experiencing basic needs insecurity can be identified, supported, and linked to on- and off-campus resources to support timely program completion pursuant to Section 66023.5 of the Education Code. Colleges shall also designate or hire dedicated basic needs coordinators for the basic needs centers who will serve as a single point of contact for students.
- (j) (1) \$25,000,000 shall be available to support the Rising Scholars Network pursuant to Article
 6 (commencing with Section 78070) of Chapter 1 of Part 48 of Division 7 of Title 3 of the Education Code.
 - (2) (A) Of the funds provided for in paragraph (1), \$15,000,000 annually shall support ongoing implementation of model programming for juvenile justice-impacted students, as a grant program administered and supported by the Rising Scholars Network of the Chancellor's Office of the California Com-

AB 123 — 112 —

munity Colleges. Funds shall be used for model college programming with key components based on the Project Change model, to be offered both within juvenile facilities and on the community college campus, to establish a direct pathway to college for juvenile justice-impacted young people.

- (B) Of the funds provided for in subparagraph (A), at least \$13,000,000 annually shall support a maximum of 45 community colleges on 5-year grant cycles to implement model programming to serve juvenile justice-impacted students, incorporating the three following core Project Change program components:
- (i) College programming that is: (I) offering University of California and California State University transferable courses and comprehensive student support programming; (II) provided by a California Community College through instruction; and (III) offered both on campus at a community college and in local juvenile detention facilities.
- (ii) Comprehensive support to assist students with the transition to on-campus higher education, including: (I) wraparound student support services that address basic needs such as books and supplies, tuition, fees, stipends, housing, food, and transportation; and (II) educational transition plans for students, outlining their multiyear framework from high school through college completion.
- (iii) Staffing and space commitments, including: (I) dedicated staffing of a program lead, counselor, and retention specialist;
 (II) dedicated space on the college campus for the program; and (III) formal partnerships with key stakeholders, in-

—113— AB 123

- cluding, but not limited to, the local county office of education, probation department, local high school districts, and community-based organizations.
- (C) Community colleges may implement model program components on a phased timeline. Model programs must utilize both Dual Enrollment and Guided Pathways frameworks. At the conclusion of the 5-year cohort, community colleges may reapply for continued funding support.
- (D) Colleges may be funded on a tiered model. Tiered model funding may consider the number of core program components a college can implement; student counts; whether the college already has an established or funded Rising Scholars program; and other metrics determined by the Rising Scholars Network of the Office of the Chancellor of the California Community Colleges.
- (E) Of the funds provided in subparagraph (A), \$1,250,000 annually shall support technical assistance for successful implementation of model programming overseen by the Rising Scholars Network of the Office of the Chancellor of the California Community Colleges. Technical assistance includes contract staffing positions to oversee the project implementation, in-person trainings, and support.
- (k) (1) \$1,100,000 shall be allocated by the Chancellor's Office for the expansion of African American Male Education Network and Development (A2MEND) student charters at up to 50 colleges to improve academic success and develop a student support structure for African American male students attending community colleges.

AB 123 — 114—

- (2) In considering an allocation methodology to community colleges, the Office of the Chancellor of the California Community Colleges shall consider a factor that allocates funds to community colleges that have submitted work plans pursuant to paragraph (3) of subdivision (c) of Section 88922 of the Education Code, including considering the community college's guided pathways activities and practices.
- (l) (1) (A) \$10,000,000 shall be allocated by the Chancellor's Office to participating community college districts to provide additional funds to support LGBTQ+ students. For the purposes of allocating and expending this funding, the Chancellor's Office and participating community college districts shall follow the requirements as stipulated in Section 89 of Chapter 144 of the Statutes of 2021.
 - (B) Notwithstanding paragraph (2) of subdivision (b) in Section 89 of Chapter 144 of the Statutes of 2021, the Chancellor's Office shall provide grants of up to \$900,000 for participating community college districts based on the proportional share of students they serve and equity metrics to ensure that small rural colleges are also able to access the grants. Participating community college districts may encumber the funds over a five-year period.
 - (2) It is the intent of the Legislature to appropriate \$10,000,000 for the purpose described in paragraph (1) on a one-time basis in the 2025–26 fiscal year.
- 20. The funds appropriated in Schedule (20) shall be allocated by the Chancellor of the California Community Colleges to community college districts that levied childcare permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8272 and 8272.5 of

-115- AB 123

the Education Code in an amount proportional to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its childcare and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased or decreased by any cost-of-living adjustment granted in subsequent fiscal years. These funds shall be used only for the purpose of community college childcare and development programs.

- 21. Of the funds appropriated in Schedule (21):
 - (a) \$8,475,000 shall be used to provide support for nursing programs.
 - (b) \$4,903,000 shall be used for diagnostic and support services, preentry coursework, alternative program delivery model development, and other services to reduce the incidence of student attrition in nursing programs.
- 22. Of the amount appropriated in Schedule (22):
 - (a) (1) \$7,500,000 may be used by the Chancellor of the California Community Colleges to provide technical assistance to community college districts that demonstrate low performance in any area of operations. It is the intent of the Legislature that technical assistance providers be contracted in a cost-effective manner, that they primarily consist of experts who are current and former employees of the California Community Colleges, and that they provide technical assistance consistent with the vision for the California Community Colleges.
 - (2) Technical assistance funded pursuant to this paragraph that is initiated by the chancellor may be provided at no cost to the community college district. If a community college district requests technical assistance, the district is required to spend at least \$1 from local or other resources for every \$2 received, as determined by the chancellor.

AB 123 -116-

- (b) (1) \$20,000,000 may be used by the chancellor to provide regional and online workshops and trainings to community college personnel to promote statewide priorities, including, but not limited to, strategies to improve student achievement; strategies to improve community college operations; and system leadership training to better coordinate planning and implementation of statewide initiatives in alignment with the Board of Governors of the California Community Colleges' Vision for Success. To the extent possible, the chancellor shall partner with existing statewide initiatives with proven results of improving student success and institutional effectiveness. Each fiscal year, the chancellor shall submit a report on the use of funds appropriated pursuant to this provision in the prior year to the Department of Finance and the Joint Legislative Budget Committee no later than December 31 of each year. This report shall include information regarding California Community Colleges' participation in the activities funded pursuant to this provision.
 - (2) Funding available pursuant to this paragraph may be used by the chancellor to coordinate with community college districts to conduct policy research, and develop and disseminate effective practices through the establishment of an online clearinghouse of information. The development of effective practices shall include, but not be limited to, statewide priorities such as the development of educational programs or courses for the incarcerated adults in prisons and jails, and the formerly incarcerated, educational programs or courses for California Conservation Corps members, and other effective practices. The online clearinghouse of information shall also reflect

—117— AB 123

effective practices, guidance, policies, curriculum, courses, and programs developed by local community colleges in support of the Strong Workforce Program established pursuant to Part 54.5 (commencing with Section 88820) of Division 7 of Title 3 of the Education Code.

(3) It is the intent of the Legislature to encourage the chancellor to facilitate the development of local community college courses for the California Conservation Corps and the incarcerated adults in prisons and jails, and the formerly incarcerated. The Department of Corrections and Rehabilitation and the California Conservation Corps are encouraged to partner with the Chancellor's Office in the development and dissemination of local community college courses and effective practices pursuant to this paragraph and paragraph (2).

23. Of the funds appropriated in Schedule (23):

- (a) \$10,613,000 shall be allocated to continue providing a systemwide and integrated online infrastructure that supports the continuity of education and quality distance learning across the community college system. These infrastructure investments may include, but are not limited to, access to online tutoring and counseling, ensuring available and accessible technical support, and providing mental health services and other student support services.
- (b) \$8,000,000 shall be provided to cover increased administrative costs related to the Corporation for Education Network Initiatives in California.
- (c) \$41,890,000 shall be allocated by the Chancellor of the California Community Colleges for the following purposes:
 - (1) Procurement, development, evaluation, and upgrading of high-priority systemwide technology tools and infrastructure, including,

AB 123 — 118 —

but not limited to, e-transcript, e-planning, and other tools to assist colleges to implement multiple measures of assessment pursuant to Chapter 745 of the Statutes of 2017, and technologies that facilitate portability of education credentials.

- Provision of access to statewide multimedia hosting and delivery services for colleges and districts.
- (3) Provision of systemwide internet, audio bridging, data security, and telephony.
- (4) Services related to technology use, including accessibility guidance and information security.
- (5) Technology product development and program management, technical assistance and planning, and cooperative purchase agreements.
- (6) Ongoing faculty and staff development related to technology use and adoption.
- (7) Ongoing support of the California Partnership for Achieving Student Success (Cal-PASS) program.
- (8) Ongoing support for programs designed to use technology in assisting accreditation and the alignment of curricula across K-20 segments in California, as well as to support integration and interoperability toward an improved student experience.
- (9) Support for technology pilots and ongoing technology programs and applications that serve to maximize the utility and economy of scale of the technology investments of the community college system toward improving learning outcomes.
- (10) Up to 5 percent of the funds may be allocated by the chancellor to a community college district for statewide activities, not limited to statewide technical assistance to evaluate, plan, and continuously improve the system's

-119 - AB 123

data and technology roadmap and deployment.

- (d) Any funds not allocated pursuant to subdivision
 (c) shall be available for allocations to districts to maintain technology capabilities.
- (e) \$4,000,000 shall be used to expand the implementation of the systemwide technology platform for library services to better manage and deliver digital information to support teaching and learning, including for students enrolled in distance education.
- (f) (1) \$25,000,000 shall be provided for community college districts to implement local and systemwide technology and data security measures that support improved oversight of fraud mitigation, online learning quality, and cybersecurity efforts. Funds shall be used by community college districts to hire local cybersecurity staff, and funds shall also be used for systemwide measures, including, but not limited to, security upgrades for CCCApply and education technology platforms and the establishment of systemwide cybersecurity teams.
 - (2) As a condition of receiving funds pursuant to this subdivision, a community college district shall do all of the following:
 - (A) Complete an annual cybersecurity selfassessment of their information technology infrastructure to determine their National Institute of Standards and Technology (NIST) Computer Systems Laboratory (CSL) score and report their current phase in Cal-Secure standards.
 - (B) Participate in the following regularly scheduled cybersecurity reporting:
 - (i) Submit remediation updates twice per year, for the fall and spring semester terms, on vulnerability and other issues

AB 123 — 120 —

- identified in the previous self-assessment or triennial assessment.
- (ii) Submit detailed after-action reports of all cybersecurity incidents that either lead to a breach of personally identifiable information or lead to the disruption of services, including, but not limited to, a breach of student identification numbers, distributed denial-of-service attacks, and ransomware.
- (iii) The total number of admission applications received from CCCApply that are determined to be fraudulent, including applications marked as "likely fraud" within CCCApply, on an annual basis.
- (iv) Information requested on suspected fraudulent enrollments, and fraudulent receipt of financial aid, on an annual basis.
- (C) Reporting required by this section shall not be duplicated by other reporting required by the Office of the Chancellor of the California Community Colleges.
- (3) If the reporting required pursuant to paragraph (2) is duplicative of other reports provided by a community college district, a community college district may submit those reports in lieu of the reporting required by paragraph (2).
- 24. The funds appropriated in Schedule (24) shall be allocated to support the Classified Community College Employee Summer Assistance Program established pursuant to Article 11 (commencing with Section 88280) of Chapter 4 of Part 51 of Division 7 of Title 3 of the Education Code.
- 25. The funds appropriated in Schedule (25) shall be allocated on an ongoing basis by the Office of the Chancellor to support the California Community Colleges Asian American, Native Hawaiian, and Pacific Islander Student Achievement Program pursuant to Article 10

—121 — AB 123

- (commencing with Section 79510) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code.
- 26. Beginning on October 1, 2022, and annually thereafter, the Chancellor of the California Community Colleges shall provide the Legislature and Department of Finance a list of all statewide or regional projects, initiatives, and services administered by districts in partnership with the Office of the Chancellor. The list shall include the amount of each agreement from the prior fiscal year, the categorical program funding source, the name of the fiscal agent, the contractor, and a brief description of the services provided by and the deliverables expected of the contractor to the Office of the Chancellor or other districts. The list shall be comprehensive, including all grants and contracts.
- SEC. 18. (a) For the 2025–26 fiscal year, the sum of six million five hundred fifty-eight thousand dollars (\$6,558,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges to support the development of e-Transcript California pursuant to Provision 3 of Item 6870-488 of the Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).
- (b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 19. (a) For purposes of this section, unless the context requires otherwise, the following definitions apply:
- (1) "Campus" means a campus of the California Community Colleges.
- (2) "Chancellor's office" means the office of the Chancellor of the California Community Colleges.

AB 123 — 122 —

- (3) "Program" means the California Career Passport Program established pursuant to Part 53.8 (commencing with Section 88780) of Division 7 of Title 3 of the Education Code.
- (b) (1) For the 2025–26 fiscal year, the sum of twenty-five million dollars (\$25,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges to support the development of the program.
- (2) The chancellor's office may allocate up to seven hundred fifty thousand dollars (\$750,000) of the total amount appropriated pursuant to paragraph (1) for state administrative operations to carry out the intent of the program.
- (3) The funds appropriated pursuant to paragraph (1) shall be available for encumbrance or expenditure until June 30, 2030.
- (4) The funds appropriated pursuant to paragraph (1) may be used for, but are not limited to, any of the following purposes, consistent with the purposes of the program:
- (A) Infrastructure necessary for the development and evaluation of the Career Passport.
- (B) Resources to ensure the security of an individual's data associated with their Career Passport.
- (C) Support for technology features that maximize the utility of the investment and scale the investment for the California Community Colleges.
- (D) Outreach campaign activities to raise awareness of and promote the use of the Career Passport.
- (c) The chancellor's office, in collaboration with Office of Cradle-to-Career Data and the Labor and Workforce Development Agency, shall comply with all of the following:
- (1) Develop a timeline establishing target dates for key deliverables for the program. The timeline shall include, but is not limited to, all of the following:
- (A) Testing a model of the Career Passport with a cohort of campuses and a potential early adopter of the Career Passport, such as the Department of Human Resources.
- (B) Identifying methods for defining skills obtained by individuals through verified credentials and academic records.
- (C) Broader implementation of the Career Passport with participating campuses.
- (2) Report, on or before, January 1, 2026, July 1, 2026, and December 31, 2026, to the Department of Finance, the relevant

—123 — AB 123

committees of the Legislature in compliance with Section 9795 of the Government Code, and the Legislative Analyst's Office, all of the following metrics:

- (A) A list and description of all measurable project milestones achieved during the previous reporting period, including the amount of funding expended to date and the specific project activities those expenditures supported.
- (B) A description of measurable project milestones anticipated to be met in the following reporting period, including projected expenditures and the specific project activities those expenditures are intended to support.
- (C) For purposes of this section, "measurable project milestones" may include implementation benchmarks, cost schedules identified by internal staff or external contracted project management, system development phases, and any additional project goals.
- (3) Report, on or before March 1, 2026, the timeline described in paragraph (1) to the Department of Finance and, in compliance with Section 9795 of the Government Code, the fiscal committees of the Legislature. The report shall also specify the project's scope, anticipated schedule, and estimated total cost upon full implementation.
- (4) The Department of Technology and the Department of Finance shall review the report submitted pursuant to paragraph (3) and as part of their review, the departments shall verify that the plan submitted pursuant to paragraph (3) is well planned and a reasonable use of resources. The chancellor's office shall provide the departments with additional information, as needed, for the departments to complete their review of the project. The Department of Technology and Department of Finance shall submit a report to the relevant policy and fiscal committees of the Legislature on or before May 31, 2026, and in compliance with Section 9795 of the Government Code, that includes recommendations related to the further development and expansion of the Career Passport.
- (d) (1) The chancellor's office shall collect data on development metrics for the Career Passport and submit a preliminary report on that data on or before December 31, 2027, and a final report on student and employer use data on or before December 31, 2031, to the Department of Finance and all relevant fiscal and policy

AB 123 — 124 —

committees of the Legislature, in compliance with Section 9795 of the Government Code.

- (2) The chancellor's office may request to design a vendor requirement as part of its procurement process for the Career Passport that facilitates the collection of the data described in paragraph (1).
- (3) The collected data for the preliminary report described in paragraph (1) shall include, but is not limited to, all of the following information:
- (A) A list of agencies and employers convened to facilitate the development and adoption of the Career Passport and a description of their engagement with the development process.
- (B) The number of employers that have expressed interest in using the Career Passport in their hiring processes.
- (C) Of those agencies and employers identified as early adopters of the Career Passport, qualitative information regarding suggestions for implementation of the Career Passport.
- (4) The collected data for the final report shall include, but is not limited to, all of the following information:
- (A) The number of individual users that have used their Career Passport for purposes of seeking employment, over time. This data shall be collected alongside demographic information for the individual user.
- (B) The number of individual users who have indicated that the Career Passport helped them secure an interview or employment, over time.
- (C) The types of validated skills that individual users choose to highlight in their Career Passport when seeking employment.
- (D) The number of employers using the Career Passport in their hiring processes, over time.
- (E) The number of employers that have indicated that the Career Passport helped them select a prospective candidate for an interview or employment, over time.
- (F) The types of industries with employers that use the Career Passport.
- (e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to paragraph (1) of subdivision (b) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the

— 125 — AB 123

Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.

- SEC. 20. (a) For the 2025–26 fiscal year, the sum of five million one hundred thousand dollars (\$5,100,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund to provide grants through a community college district to California community-based organizations for financial aid outreach and application assistance supporting current and prospective community college students.
- (b) (1) The office of the Chancellor of the California Community Colleges shall administer an application process to award the grants through a community college district to California community-based organizations with a proven record of providing student outreach and support relating to the Free Application for Federal Student Aid (FAFSA) and the California Dream Act application (CADAA). To be eligible for a grant under this section, a community-based organization shall have previously participated in the federal FAFSA Student Support Strategy initiative.
- (2) The chancellor's office may develop a method for evaluating applications and determining individual grant amounts. It is the intent of the Legislature that the selected methodology ensures grantees reflect the selection of community-based organizations in all regions of the state, including rural areas of the state.
- (3) The chancellor's office may allocate up to 5 percent of the total amount appropriated pursuant to subdivision (a) for state administrative operations to carry out the intent of this section.
- (c) A grantee shall use the grant funds for one or more of the following purposes:
- (1) Expanding the availability of advisors, counselors, and coaches to support students and families with financial aid applications, including during evenings, weekends, and summers.
- (2) Hosting recognition programs for school districts and cities to incentivize them to meet financial aid application submission targets.

AB 123 — 126 —

- (3) Hosting financial aid application submission clinics, including through partnerships with school districts when appropriate.
- (4) Expanding data sharing intended to increase financial aid application submission rates.
- (5) Communicating with parents through text messages, telephone calls, and video conferences to help them complete their portion of financial aid application forms.
- (6) Conducting financial aid outreach to students and families through telephone calls, social media, text messages, emails, paid advertising campaigns, and other means of communication.
 - (d) Grantees shall have up to two years to expend grant funds.
- (e) (1) On or before December 31, 2027, each grantee shall provide to the chancellor's office applicable information on the use of the funds, including the services provided, the number of students participating in those services, and the number of those students who completed a FAFSA or CADAA.
- (2) The chancellor's office shall submit report to the Department of Finance and the relevant policy and fiscal committees of the Legislature on or before March 1, 2028, and in compliance with Section 9795 of the Government Code, on the use of the funds. The report shall include a list of grantees and the information provided by the grantees pursuant to paragraph (1).
- (f) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 21. (a) For the 2025–26 fiscal year, the sum of twenty million dollars (\$20,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund to support emergency financial assistance grants to students attending a community college.

—127 — AB 123

- (b) The office of the Chancellor of the California Community Colleges shall allocate these funds to community college districts based on each district's share of total California Dream Act application (CADAA) filers that also received a Cal Grant systemwide. The Student Aid Commission shall provide the chancellor's office with the aggregate CADAA data needed to allocate these resources by district.
- (c) A community college district shall only provide grants to students who have filed a CADAA.
- (d) The maximum grant amount awarded to a student pursuant to this section shall be one thousand four hundred dollars (\$1,400) per academic year.
- (e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2023–24 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2023–24 fiscal year.
- SEC. 22. (a) For the 2025–26 fiscal year, the sum of fifteen million dollars (\$15,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund to support Dreamer Resource Liaisons in assisting students pursuant to Section 66021.8 of the Education Code.
- (b) (1) The office of the Chancellor of the California Community Colleges shall allocate funds to community college districts using the same allocation methodology applicable to ongoing funds provided for this purpose pursuant to subdivision (h) of Provision 19 of Item 6870-101-0001 of the Budget Act of 2025.
- (2) The chancellor's office may allocate up to 3 percent of the total amount appropriated pursuant to subdivision (a) for state administrative operations to provide technical assistance and carry out the intent of this section.
- (c) Community college districts may use the funds allocated pursuant to this section to deliver student support services,

AB 123 — 128 —

including, but not limited to, career pathways, legal services, basic needs, and outreach, pursuant to Section 66021.8 of the Education Code. Districts shall endeavor, to the extent feasible, to use a portion of these funds to provide emergency financial assistance directly to students meeting the requirements of Section 68130.5 of the Education Code. Emergency financial assistance provided pursuant to this subdivision shall not be treated as "other financial assistance" for the purposes of financial aid packaging, pursuant to Section 480 of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1087vv).

- (d) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 23. (a) For the 2025–26 fiscal year, the sum of ten million dollars (\$10,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund to support the California Healthy School Food Pathway program. Funds appropriated pursuant to this section shall be used for the same purpose as the funds appropriated in subdivision (d) of Provision 3 of Item 6870-101-0001 of the Budget Act of 2022 (Ch. 43, Stats. 2022).
- (b) Funds appropriated pursuant to this section shall be available for encumbrance or expenditure until June 30, 2027.
- (c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article

—129 — AB 123

XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.

- SEC. 24. (a) For the 2025–26 fiscal year, the sum of ten million dollars (\$10,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund to a community college for allocation to the California Firefighter Joint Apprenticeship Council to conduct Emergency Medical Technician and Paramedic Preapprenticeship Training Academies.
- (b) Funds appropriated pursuant to this section shall be available for encumbrance or expenditure until June 30, 2028.
- (c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 25. (a) For the 2025–26 fiscal year, the sum of one hundred twenty-five thousand dollars (\$125,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund for allocation on a one-time basis to Santa Rosa Junior College for the construction of a fire academy tower.
- (b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 26. (a) For the 2025–26 fiscal year, the sum of up to fifteen million dollars (\$15,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California

AB 123 — 130 —

Community Colleges to support the Credit for Prior Learning Initiative, a systemwide initiative to award degree-applicable or certificate-applicable credit for prior learning opportunities at each community college campus.

- (b) Funds appropriated pursuant to subdivision (a) shall be used to achieve all of the following objectives:
- (1) Developing a systemwide process to identify and notify students who may qualify for credit for prior learning, including during the college exploration and admission process.
- (2) Developing a systemwide process to award credits for industry certifications, military service, workplace training, and other sources of prior learning, including educational certificates or degrees earned in foreign countries.
- (3) Developing a systemwide technology infrastructure that can identify credit for prior learning opportunities and can facilitate the awarding of credit for prior learning.
- (4) Convening systemwide faculty discipline workgroups to develop and promote the adoption of systemwide credit recommendations for prior learning.
- (5) Leveraging partnerships with workforce agencies, industry organizations, and educational institutions to expand credit for prior learning opportunities.
- (6) Collaborating with systemwide leadership, the Academic Senate of the California State University, the Academic Senate of the University of California, and to the extent practicable, other interested independent and nonprofit postsecondary educational institutions to accept credit for prior learning as transfer credit, participate in intersegmental alignment of credit for prior learning policies, and include credit for prior learning opportunities in published transfer pathways.
- (7) Implementing the initiative at each community college district.
- (c) The office of the Chancellor of the California Community Colleges shall submit a report to the Department of Finance, the Legislative Analyst's Office, and the relevant policy and fiscal committees of the Legislature on or before March 1, 2026, and in compliance with Section 9795 of the Government Code, that includes, but is not limited to, all of the following information:

-131 - AB 123

- (1) A breakdown of expenditures for the existing credit for prior learning initiative supported by Provision 2 of Item 6870-488 of Section 2.00 of the Budget Act of 2024.
- (2) A description of the progress made under the existing credit for prior learning initiative toward meeting the objectives described in subdivision (b).
- (3) The outcomes of the existing credit for prior learning initiative, including the number of students awarded credit for prior learning and the total number of credits awarded, including the total number of credits awarded disaggregated by academic field and method of assessment. If this data is unavailable, the report shall include a plan for improving data collection on credit for prior learning.
- (4) Any remaining barriers to expanding credit for prior learning systemwide.
- (5) An expenditure plan for the funds appropriated pursuant to subdivision (a).
- (d) The chancellor's office shall submit a report to the relevant policy and fiscal committees of the Legislature on or before January 31, 2028, and in compliance with Section 9795 of the Government Code, that details the implementation and outcomes of the Credit for Prior Learning Initiative. The report shall include, but not be limited to, all of the following information:
- (1) A breakdown of expenditures for each objective specified in subdivision (b).
- (2) A description of the extent that each objective specified in subdivision (b) is met.
- (3) The outcomes of the initiative, including the number of students awarded credit for prior learning, the total number of credits awarded, including the total number of credits awarded disaggregated by academic field and method of assessment.
- (4) Information on the characteristics of students awarded credit for prior learning, including age, income, and prior work or military experience.
- (5) An analysis of the impact of credit for prior learning on student outcomes, including completion rates, time to earn a degree, transfer rates, and employment outcomes.
- (e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General

AB 123 -132-

Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.

- SEC. 27. (a) For the 2025–26 fiscal year, the sum of sixty million dollars (\$60,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for transfer to Section B of the State School Fund to establish the Student Support Block Grant.
- (b) The office of the Chancellor of the California Community Colleges shall allocate the funds appropriated in this section to community college districts. In determining each district's allocation, the chancellor's office shall first provide a base amount of one hundred fifty thousand dollars (\$150,000) for each college in the district. The chancellor's office shall then allocate any remaining funds based on a formula that places equal weight on the following two measures:
- (1) Student headcount for the most recent fiscal year in which the data is considered final.
 - (2) The sum of the following counts:
- (A) The number of students receiving fee waivers pursuant to Section 76300 of the Education Code for the most recent fiscal year in which the data is considered final.
- (B) The number of students receiving exemptions from nonresident tuition pursuant to Section 68130.5 of the Education Code for the most recent fiscal year in which the data is considered final.
- (c) The funds appropriated pursuant to this section may be expended for any of the following purposes:
- (1) Assistance to students with food, housing, transportation, and other basic needs.
 - (2) Childcare subsidies or other assistance for student parents.
 - (3) Financial aid advising or academic counseling.
 - (4) Legal and other support services.
 - (5) Mental health services.
- (6) Job placement, work-based learning, or reemployment support.

—133 — AB 123

- (d) It is the intent of the Legislature that community college districts align the uses of the funds appropriated in this section with existing student support programs.
- (e) Community college districts shall have until June 30, 2029, to expend the funds appropriated pursuant to this section.
- (f) (1) As a condition of receiving funds appropriated pursuant to this section, community college districts shall submit a report to the chancellor's office on or before December 31, 2026, and on or before December 31 of each year thereafter until December 31, 2029. Each report shall include both of the following for the previous fiscal year:
- (A) A summary of how the funds were used, including the types of services provided.
- (B) The outcomes of the funds, including the number of students receiving each type of service and any available data on their academic outcomes.
- (2) The chancellor's office shall make the reports submitted by districts pursuant to paragraph (1) available to the Legislature upon request.
- (3) The chancellor's office shall submit an interim report on or before July 1, 2028, and a final report on or before July 1, 2030, to the Department of Finance and the relevant policy and fiscal committees of the Legislature, in compliance with Section 9795 of the Government Code. Each report shall include the amount of funds provided to each community college district and a summary of the key information submitted by districts pursuant to paragraph (1) for the previous two fiscal years.
- (g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 28. (a) For the 2025–26 fiscal year, the sum of five million dollars (\$5,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California

AB 123 — 134 —

Community Colleges for transfer to Section B of the State School Fund for allocation to community colleges that are members of the Los Angeles Regional Consortium to assist with workforce recovery efforts and career technical education workforce development associated with the Los Angeles regions' recovery from the Palisades and Eaton fires.

- (b) Of the funds appropriated pursuant to subdivision (a), the office of the Chancellor of the California Community Colleges shall provide allocations to eligible community college districts to be used for any of the following:
- (1) To support workforce and economic development, retraining and training efforts, and associated wraparound services.
- (2) To support increasing the number of students completing construction pathways programs.
- (3) To create supportive services, including stipends of one thousand four hundred dollars (\$1,400) or less per student, for underemployed and unemployed low- to moderate-income individuals enrolled in construction pathways programs.
- (c) Allocations received by a community college district pursuant to subdivision (b) shall be used to create robust pipelines of skilled workers that have the essential skills needed to support the clean up and reconstruction of communities impacted by the Palisades and Eaton fires, with a specific focus toward supporting displaced workers, assisting businesses' recovery efforts, and supporting the development of a construction-ready workforce. It is the intent of the Legislature that districts receiving an allocation of funds also ensure their support for the recovery process is inclusive, is equitable, and engages local communities in the planning and prioritization of sustainable solutions for the impacted areas within the County of Los Angeles.
- (d) Of the funds appropriated pursuant to subdivision (a), one million dollars (\$1,000,000) shall be allocated by the chancellor's office to two community college districts selected by the chancellor's office in consultation with the Department of Finance. The selected community college districts shall be members of the Los Angeles Regional Consortium and satisfy both of the following conditions:
- (1) Are developing a regional initiative focused on community recovery, workforce development, and long-term resilience in response to the impacts of the Palisades and Eaton fires. The

__ 135 __ AB 123

initiative may include a wildfire recovery training program focused on regional rebuilding, partnering with area high schools to engage local high school pupils in intensive training, or the planning and development of a career technical education facility.

- (2) Have secured matching dollars to support the implementation of the initiative described in paragraph (1) at a match of at least four dollars (\$4) of matching funds for every one dollar (\$1) allocated pursuant to this subdivision. Matching dollars may include philanthropic or corporate donations.
- (e) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2024–25 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2024–25 fiscal year.
- SEC. 29. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
- SEC. 30. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

$\mathbf{A}_{\mathbf{j}}$	pproved	, 2025
_		Governor