

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 3, 2008
POSITION: Oppose unless amended

BILL NUMBER: SB 1437
AUTHOR: A. Padilla

BILL SUMMARY: Education Technology: California Virtual Campus

This bill would establish in statute the California Virtual Campus (CVC) and identifies California Community Colleges (CCC) as eligible entities to receive funding from the California Teleconnect Fund program (CTF), administered by the California Public Utilities Commission (CPUC). Further, beyond requiring various functions and duties for the CVC, this bill requires the CVC, to establish a plan to address workforce shortages, to establish a memorandum of understanding (MOU) with at least 10 community-based organizations (CBO's) that provide residents in low-income neighborhoods with access to high-speed networking and computers, requires the Board of Governor's (BOG) to contract for an independent evaluation, and submit a report to the CPUC on the achievements of the CVC's joint efforts with the CBO's by December, 2013.

FISCAL SUMMARY

The authorization to make CCC eligible for the CTF funding would provide up to \$7.3 million annually to colleges by providing a 50 percent discount on telephone and internet charges. According to the Chancellor's Office, this will result in Proposition 98 local assistance cost savings in the Telecommunications and Technology Services Program budget (TTP) of approximately \$2.5 million and the resulting savings of about \$4.8 million would accrue to colleges statewide. Of the amount of state savings, the Chancellor's Office indicates they plan to allocate most all of the savings for adding redundant circuits to the existing connectivity for colleges to minimize disruption in the case of the current connectivity system's failure.

The Chancellor's Office also estimates costs to implement the community-based pilot at approximately \$98,000. They indicate this will be funded through a competitive grant application that would be funded with a portion of the Proposition 98 savings accruing to the TTIP program.

Additionally, from \$100,000 to \$500,000 of the TTIP savings would likely be used to contract with a reputable third party to conduct the required evaluation by 2013.

The Chancellor's Office indicates that articulating the CVC's authorized duties in statute should not drive new costs for the CVC program as the duties are all consistent with what the CVC does now under the TTIP program's allocation of approximately \$1.4 million. This assertion cannot be confirmed and, as currently written with many requirements, the lengthy list of required duties may drive additional Proposition 98 cost pressure to increase funding for it.

SUMMARY OF CHANGES

The following significant changes have been made since the April 22, 2008 analysis that does not change our position:

- Because the CPUC has recently voted to approve CCC's as eligible recipients of CTF discounts, provisions declaring CCC's as eligible have been revised to simply amend existing Public Utilities Code 280 that specifies entities eligible for discount.
Deleted new Section 280.1 to the Public Utilities Code that would have made CCC's eligible if barriers to CBOs participation in CTF discounts have been removed.

COMMENTS

The Department of Finance is Opposed unless the bill is amended for the following reasons:

Analyst/Principal Date Program Budget Manager Date
(0343) T. Todd Jeannie Oropeza

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

A. Padilla

July 3, 2008

SB 1437

- In conjunction with the Chancellor's Office interpretation of how the bill's pilot program and evaluations would be funded, this bill could authorize expenditures from Proposition 98 funds that would be inappropriate. Proposition 98 funds may only be provided for assistance to eligible entities, which would not include CBO's. Use of Proposition 98 funds would also be inappropriate for the Chancellor's Office or Board of Governor's to meet this bill's stated responsibilities to conduct evaluations because they would supplant a General Fund responsibility. To the extent the funding mechanisms for the above tasks are not appropriately specified, the Department of Finance must oppose this bill.
- By codifying prescriptive required purposes and activities for the CVC, this bill will likely create unknown but potentially significant cost pressure on Proposition 98 resources to the extent expectations by policy makers require more progress. Authorized purposes and activities should be permissive and should only be authorized to the extent of funds available through the annual Budget Act.
- Notwithstanding the potential for cost savings to districts by including CCC as eligible for the CTF funding, this bill would also create a potential \$2.4 million savings in a Proposition 98 program that would be used for purposes that may not reflect the highest and best use of limited funds. The Department of Finance remains concerned that the intended expenditures for any savings have not been prioritized through the budget process, particularly during a time of significant fiscal uncertainty that does not allow a full cost of living adjustment for existing programs.

Amendments attached to this analysis would alleviate our concerns.

ANALYSIS

A. Programmatic Analysis

The California Virtual University, now California Virtual Campus (CVC), is a separately funded categorical program within the Telecommunications and Technology Services Program in the CCC local assistance budget that supports the development and provision of on-line courses for the community college system. Funds are allocated to four locally-based regional centers and one statewide center for staff development. The four locally-based regional centers provide direct support to the colleges and faculty within their respective regions to assist in training faculty and staff in putting curricula online. The statewide professional development center does the following: (a) provides a web site for students to access course data, (b) conducts training and workshops, (c) maintains an electronic library, and (d) coordinates an annual conference on virtual instruction. These activities are intended to provide greater student access to higher education. The Governor's budget proposes \$1.2 million for the CVC in 2008-09.

This bill would codify and enhance the operations of the current CVC program, and prescribe the following statutory functions to be performed by the program:

- Support research-based innovations in teaching and learning in K-12 public schools, the California State University (CSU), and the University of California (UC).
- Enhance access to online courses.
- Support education research, and promote economic development through advanced network infrastructure, services, and network technologies that enable collaboration and resource sharing between the K-12 public schools, the CSU and the UC.
- Increase access to Internet services for specified individuals.
- Enhance access to health care education and training programs to current or future health care workers.
- Manage digital assets to maximize the benefits of the high-speed, high-bandwidth network infrastructure available to public education entities in California.
- Provide education entities with technical assistance.
- Specifies the duties and responsibilities of the CVC grant recipient relating to education technology and requires the BOG to contract with an independent third party to evaluate the CVC.
- Requires the CVC to form a business advisory group to develop a plan for implementing the responsibilities of the CVC and to submit that plan to the Legislature and the Governor by March 1, 2009.

This bill also requires the CVC to establish MOU's with ten community-based organizations, with the express purpose of: (1) providing high-speed network connectivity to the site, (2) providing access to online courses of study and tutoring, and (3) working with community-based organizations and local educational agencies to plan and promote joint education offerings that are delivered online. This bill would also require

A. Padilla

July 3, 2008

SB 1437

the BOG to submit a report to the CPUC on the extent to which those MOUs have achieved specified goals by July 1, 2013. We understand these provisions were added to the bill in response to opposition by CBOs to including CCCs as eligible to receive CTF discounts.

The California Public Utilities Commission (CPUC) established the California Teleconnect Fund (CTF) in 1996 to provide a 50% discount on selected telecommunications for specific community based organizations. These discounts are intended to reduce the "digital divide" by ensuring widespread access to technologies. This bill would include the California Community Colleges as eligible entities to receive funding from the California Teleconnect Fund program to conform to the recent determination of eligibility made by the CPUC.

The author's office notes that the primary intent of the bill is to recognize the CVC in law. The recognition of CVC in law protects the allowable activities of the CVC and ensures the appropriate use of funding for those activities. We note that the CVC is an uncodified program that is provided funding in the annual Budget Act and was primarily funded to assist colleges in providing on-line or distance education courses to maximize access to community college instruction. Provisional language requires the Chancellor to develop criteria for the allocation of funds and requires grant recipients to document the value and productivity of the program, the numbers and nature of courses converted to online and the amount of distance education instructional workload services provided as a result of these courses. This bill's duties appear to go beyond what was initially envisioned.

B. Fiscal Analysis

The TTIP program provides \$26.2 million for a variety of expenditures to assist local colleges with technology improvements. Included in the 2007-08 budget were allocations of \$12.5 million for connecting colleges to the internet; \$2 million for state wide digital uplinks; \$2.3 million for audio bridging and telephony capability; \$6 million to fund various activities including regional coordination and technical assistance, planning, cooperative purchase agreements and faculty and staff development; \$2 million for ongoing support to California Partnership for Achieving Student Success (Cal-PASS), and \$1.35 million for supporting the CVC. Currently, the pending budget includes revised budget bill language approved by the Legislature which provides the Chancellor's office more flexibility in the allocation of the TTIP funding. Thus, that language would allow CCC's to redirect any surplus Proposition 98 funding that would be made possible by the recent eligibility of colleges for California Teleconnect Funds, to be used for other technology purposes.

The authorization to make CCC eligible for the CTF funding would, according to the Chancellor's Office, provide up to \$7.3 million annually for community colleges by providing a 50 percent discount on telephone and internet charges. This will result in Proposition 98 cost savings in the Telecommunications and Technology Services Program budget (TTP) of approximately \$2.5 million and the resulting savings of about \$4.8 million would accrue to colleges statewide.

The Chancellor's Office indicates that articulating the CVC's authorized duties in statute will not drive new costs for the CVC program as the duties are all consistent with what the CVC does now under the TTIP program's allocation of approximately \$1.35 million.

The Chancellor's Office also estimates costs to implement the community-based pilot at approximately \$98,000. They indicate this will be funded through a competitive grant application that would be funded with a portion of the Proposition 98 savings accruing to the TTIP program. Components are as follows:

- Additional bandwidth at 10 sites from site to local node X \$2,400 per site per year = \$24,000.
- One-time install costs for 10 sites X \$1,500 per site = \$15,000
- Stipend to CalREN sites connecting in CBO sites X \$2,400 per site per year= \$24,000
- 0.5 Full Time Equivalent (FTE) Coordinator to provide tech and other support to sites = \$35,000

Additionally, from \$100,000 to \$500,000 of the TTIP savings would be used to contract with a reputable third party to conduct the required evaluation by 2013.

According to the Chancellor's Office, the TTIP program would expend the remainder of the \$2.5 million TTIP savings for costs to set up redundant circuits for community colleges to ensure network connectivity between the California Research and Education Network (CalREN), an advanced network-services fabric serving the vast majority of K-20 educational and research institutions in the state, and local college districts sites. This is intended to resolve recurrence of a problem that shut down services in the past to a significant number of colleges.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

**Form DF-43
BILL NUMBER**

AUTHOR

AMENDMENT DATE

A. Padilla

July 3, 2008

SB 1437

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
6870/Comm College	LA	Yes		-----	See Fiscal Analysis	-----			0001
6870/Comm College	SO	No		-----	See Fiscal Analysis	-----			0001

Suggested Amendments
SB 1437 (As amended July 3, 2008)

SECTION 1. Article 2 (commencing with Section 78910.10) is added to Chapter 7 of Part 48 of Division 7 of Title 3 of the Education Code, to read:

Article 2. California Virtual Campus

78910.10. (a) (1) The California Virtual Campus, pursuant to funding provided to the Board of Governors of the California Community Colleges ***for this purpose*** in the annual Budget Act, ~~is hereby recognized and shall have~~ ***is authorized to pursue*** all of the following purposes ***to the extent of funding available***:

(A) To enrich formal and informal educational experiences and improve students' academic performance by supporting the development of highly engaging, research-based innovations in teaching and learning in K-12 public schools and the California Community Colleges, the California State University, and the University of California.

(B) To enhance the awareness of, and access to, highly engaging online courses of study, emphasizing courses of study that support a diverse and highly skilled science, technology, engineering, and mathematics workforce.

(C) To support education research, the implementation of research-based practices, and promote economic development through the use of next generation advanced network infrastructure, services, and network technologies that enable collaboration and resource sharing between formal and informal educators in K-12 public schools, the California Community Colleges, the California State University, the University of California, independent colleges and universities, public libraries, and community-based organizations at locations across the state.

(D) To increase access to next generation Internet services, 21st century workforce development programs, and e-government services for students and staff served or employed by education entities and students served primarily online through partnerships with public libraries and community-based organizations.

(E) To enhance access to health care education and training programs to current or future health care workers.

(F) To manage digital assets and develop contracts for services necessary to provide the technical and management support needed to maximize the benefits of the high-speed, high-bandwidth network infrastructure available to public higher education entities in California.

(G) Through the aggregation of demand for network enabled technologies and related services from public education entities, and through partnerships with the private sector, to provide education entities with access to technical support and staff who can facilitate statewide efforts that support innovations in teaching and learning that are necessary to provide for a well-educated citizenry, and economic and 21st century workforce development.

(2) To accomplish the purposes of paragraph (1), the California Virtual Campus ~~shall~~ ***may*** facilitate ongoing collaboration and joint efforts among local educational agencies, the California Community Colleges, the California State University, the University of California, independent colleges and universities, public libraries, and community-based organizations relating to the use of technology resources and high-speed Internet connectivity to support teaching, learning, workforce development, and research.

(b) For purposes of this article, the following terms have the following meanings:

(1) "Online courses of study" means any of the following:

(A) Online teaching, learning, and research resources, including,

but not necessarily limited to, books, course materials, video materials, interactive lessons, tests, or software, the copyrights of which have expired, or have been released with an intellectual property license that permits their free use or repurposing by others without the permission of the original authors or creators of the learning materials or resources.

(B) Professional development opportunities for formal and informal educators who desire to use the resources in subparagraph (A).

(C) Online instruction.

(2) "Online instruction" means technology enabled online real time (synchronous) interaction between the instructor and the student, near time (asynchronous) interaction between the instructor and the student, or any combination thereof.

(c) The California Virtual Campus grant recipient ~~may shall~~ accomplish all of the following:

(1) Convene at least four meetings annually with representatives from the State Department of Education and related programs administered through the department, local education agencies, the California Community Colleges, the California State University, the University of California, independent colleges and universities, the California State Library, and representatives from community-based organizations to coordinate and obtain assistance with the implementation of efforts delineated in this article, to identify and maintain an up-to-date list of the technology resources and tools that are necessary to support innovation in teaching and learning, and to identify opportunities for leveraging resources and expertise for meeting those needs in an efficient and cost-effective manner.

(2) Lead efforts to make online courses of study available across the state that include, but are not limited to, the following:

(A) Developing online courses of study that are pedagogically sound and fully accessible, in compliance with the federal Americans with Disabilities Act (Public Law 101-336), by students with varying learning styles and disabilities.

(B) Overseeing the development of at least 12 model online courses of study that, collectively, would allow students to meet the requirements of the Intersegmental General Education Transfer Curriculum (IGETC) and at least two courses that support basic skills education courses in English, English as a second language, or mathematics.

(C) Encouraging the entities listed in paragraph (1) to do both of the following:

(i) Make accessible to each other their courses of study that are funded by the state.

(ii) Allow their courses of study to be accessible to the general public if they determine access would not inhibit their ability to provide appropriate protection of the state's intellectual property rights.

(3) Ensure that the learning objects created as part of the California Virtual Campus online courses of study with state General Fund revenues are linked to digital content libraries that include information about course content freely available to California educators and students.

(4) Develop formal partnership agreements between the entities listed in paragraph (1) and the California Virtual Campus, including course articulation agreements that allow qualified high school students to accelerate the completion of requirements for a high school diploma and a two-year or four-year degree, agreements that allow students' transcripts to be aggregated and accessed through the California Virtual Campus, and agreements that provide opportunities for part-time faculty teaching online to obtain full-time employment teaching online.

(5) Develop formal partnership agreements with the entities listed in paragraph (1) and others to enhance access to professional development courses that introduce faculty, teachers, staff, and college course developers to the conceptual development, creation, and production methodologies that underlie the development of online courses of study and support students' successful completion of those

courses. The professional development opportunities **may shall** include, but not necessarily be limited to, all of the following:

(A) Addressing issues relating to copyright, permission for the use or reuse of material, use of resources in the public domain, and other intellectual property concepts.

(B) Accessibility for students with disabilities.

(C) Factors to ensure that content is culturally relevant to a diverse student body.

(D) Delivery options that incorporate multiple learning styles and strategies.

(6) Develop formal partnership agreements with entities, including, but not limited to, those listed in paragraph (1), to ensure access to online professional learning communities that incorporate the use of Internet-based collaboration tools and to support joint discussions between K-12 educators, higher education faculty and staff, and others to examine student performance data, student learning objectives, curriculum, and other issues that relate to students' academic success and preparation for the workforce.

(7) In partnership with entities, including those listed in paragraph (1), develop an e-portfolio system that allows enrolled students to demonstrate their attainment of academic learning objectives, skills and knowledge that relate to their career interests, and completion of prerequisites for enrollment in courses or training programs. The e-portfolio system **may shall** do all of the following:

(A) Ensure that student privacy is protected in accordance with existing law.

(B) Comply with accessibility laws for students with disabilities.

(C) Be designed in a manner that supports the use of e-portfolio content in the accreditation requirements of schools, colleges, and universities.

(8) In partnership with entities, including those listed in paragraph (1), identify opportunities to enhance students' access to medical education and medical services through the use of high-speed Internet connections to the campuses, and opportunities for education programs and services to support the telemedicine efforts taking place within the state.

(d) The **lead agency for the California Virtual Campus** board shall contract with an independent third party with expertise in online teaching, learning, and the development of online courses of study, **as approved by the Board of Governors**, to evaluate the California Virtual Campus. The evaluation shall include, but not be limited to, an assessment of the number of faculty, teachers, consortia, informal educators, and students that use the online courses of study, the quality of students' experiences, student grades earned, and the cost of the online course content, comparing the online course content with traditional textbooks. The board may require additional information that it determines to be necessary to evaluate the effectiveness and viability of the California Virtual Campus. This evaluation shall be submitted to the Legislature no later than three years **from enactment of this act**, after funding ~~has been provided to enable the California Virtual Campus to develop and promote the availability of the online courses of study.~~

78910.15. (a) By February 28, 2009, the board shall require the California Virtual Campus to establish memorandums of understanding with at least 10 community-based organizations specified in paragraph (2) of subdivision (c) of Section 280.5 of the Public Utilities Code, that provide residents in low-income neighborhoods with access to high-speed networking and computers. The memorandum of understanding shall document the California Virtual Campus' commitment to do all of the following:

(1) Provide high-speed network connectivity to the site.

(2) Provide access to online courses of study and tutoring services.

(3) Work with the community-based organization and local educational agencies to plan and promote joint educational offerings that are delivered online and supported by the staff of a

community-based organization that can facilitate student use of technology.

(b) The 10 community-based organizations shall be selected on a competitive basis by a six-member selection committee convened by the California Virtual Campus. Members of the selection committee shall include:

(1) Two representatives of community-based organizations appointed by the Chancellor of the California Community Colleges.

(2) One community college representative appointed by the Chancellor of the California Community Colleges.

(3) One representative from a K-12 school district appointed by the Superintendent of Public Instruction.

(4) One representative from the California State University appointed by the Chancellor of the California State University system.

(5) One representative appointed by the California Emerging Technologies Fund Committee.

(c) The selection committee convened pursuant to subdivision (b) shall ensure that no less than one community-based organization is selected from each of the nine economic regions identified by the California Economic Strategy Panel, and that all sites are willing and able to support academic offerings as outlined in the request for proposals.

(d) The California Virtual Campus shall ensure that pilot project participants have access to adequate technical and operational support from an individual or entity under contract with the California Virtual Campus with expertise in the operation and management of community-based organizations to enable the site to successfully meet obligations set forth in the memorandum of understanding.

(e) On or before July 1, 2013, the board ***lead agency for the California Virtual Campus*** shall contract for an independent evaluation ***as approved by the Board of Governors***, and shall submit a report to the Public

Utilities Commission, or its designee, that documents the extent to which the California Virtual Campus' joint efforts with the 10 community-based organizations have achieved all of the following:

(1) Increased the range of offerings available at each site to address the digital divide in accordance with subdivision (e) of Section 280.5 of the Public Utilities Code.

(2) Provided for equity of access to high-speed communications networks, the Internet, and other services that provide social benefits in accordance with the legislative findings and declarations contained in Section 871.7 of the Public Utilities Code, including, but not necessarily limited to, all of the following:

(A) Improving the quality of life among the residents of California.

(B) Expanding access to public and private resources for education, training, and commerce.

(C) Increasing access to public resources enhancing public health and safety.

(D) Assisting in bridging the digital divide through expanded access to new technologies by low-income, disabled, or otherwise disadvantaged Californians.

(E) Shifting traffic patterns by enabling telecommuting, thereby helping to improve air quality in all areas of the state and mitigating the need for highway expansion.

(3) Supported participation in online offerings provided by the California Virtual Campus in accordance with Section 78910.10.

(f) In the event that the board determines that the joint efforts of the California Virtual Campus and the community-based organizations have been successful pursuant to subdivision (e), the board shall submit a plan to the Legislature and the Governor by January 1, 2015, which contains recommendations for expanding the number of sites partnering with the California Virtual Campus, conditions for expansion, and recommendations for ways of addressing any potential funding requirements.

(g) Any funding provided to the 10 community-based organizations necessary for the pilot program specified in this section shall be paid from rebates received from the California Teleconnect Fund program pursuant to Section 280 of the Public Utilities Code as amended by Section 2 of this Article. No more than \$100,000 of such funding is authorized for this purpose.

78910.20. (a) The California Virtual Campus shall **may** form a business advisory group that shall **to** assist with the development of a plan which outlines methods for the California Virtual Campus and the entities listed in paragraph (1) of subdivision (c) of Section 78910.10 to work together to strengthen the preparation of a diverse and highly skilled science, technology, engineering, and mathematics workforce, and to address workforce shortages. The plan shall identify existing resources and programs that will be more accessible due to the use of network enabled technologies, and methods that are effective due to the use of network enabled technologies.

(b) By March 1, 2009, the California Virtual Campus shall **may** submit the plan developed in accordance with subdivision (a) to the board, the Legislature, and the Governor.

78910.25. No provision of this article shall apply to the University of California except to the extent that the Regents of the University of California, by appropriate resolution, make the provision applicable.

78910.30. This article shall remain in effect until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

SEC. 2. Section 280 of the Public Utilities Code is amended to read:

280. (a) The commission shall develop, implement, and administer a program to advance universal service by providing discounted rates to qualifying schools maintaining kindergarten or any of grades 1 to 12, inclusive, community colleges, libraries, hospitals, health clinics, and community organizations, consistent with Chapter 278 of the Statutes of 1994.

(b) There is hereby created the California Teleconnect Fund Administrative Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of a program to advance universal service by providing discounted rates to qualifying schools maintaining kindergarten or any of grades 1 to 12, inclusive, community colleges, libraries, hospitals, health clinics, and community organizations, consistent with Chapter 278 of the Statutes of 1994, and to carry out the program pursuant to the commission's direction, control, and approval.

(c) All revenues collected by telephone corporations in rates authorized by the commission to fund the program specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. The commission shall transfer the moneys received to the Controller for deposit in the California Teleconnect Fund Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

(d) Moneys appropriated from the California Teleconnect Fund Administrative Committee Fund to the commission shall be utilized exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

(e) Moneys loaned from the California Teleconnect Fund Administrative Committee Fund in the Budget Act of 2003 are subject to Section 16320 of the Government Code. If the commission determines a need for moneys in the California Teleconnect Fund Administrative Committee Fund, the commission shall notify the Director of Finance of the need, as specified in Section 16320 of the Government Code. The commission may not increase the rates authorized by the

commission to fund the program specified in subdivision (b) while moneys loaned from the California Teleconnect Fund Administrative Committee Fund in the Budget Act of 2003 are outstanding unless both of the following conditions are satisfied:

(1) The Director of Finance, after making a determination pursuant to subdivision (b) of Section 16320 of the Government Code, does not order repayment of all or a portion of any loan from the California Teleconnect Fund Administrative Committee Fund within 30 days of notification by the commission of the need for the moneys.

(2) The commission notifies the Director of Finance and the Chairperson of the Joint Legislative Budget Committee in writing that it intends to increase the rates authorized by the commission to fund the program specified in subdivision (a). The notification required pursuant to this paragraph shall be made 30 days in advance of the intended rate increase.

(f) Subdivision (e) shall become inoperative upon full repayment or discharge of all moneys loaned from the California Teleconnect Fund Administrative Committee Fund in the Budget Act of 2003.

(g) Discounts authorized by this section for the community colleges that reduce local college district costs and those that have the affect of reducing the Proposition98 funded cost of local assistance provided by the Chancellor's Office for maintaining connectivity for the colleges in the 2007-08 fiscal year, shall be reported by the Chancellor's Office to the Department of Finance no later than September 1 of each year for the immediately preceding fiscal year.

