

Date of Hearing: July 2, 2025

ASSEMBLY COMMITTEE ON EDUCATION

Al Muratsuchi, Chair

SB 638 (Padilla) – As Amended May 23, 2025

[Note: This bill was double referred to the Assembly Higher Education Committee and the Assembly Labor and Employment Committee and will be heard by those Committees as it relates to issues under their jurisdictions.]

SENATE VOTE:

SUBJECT: California Education and Workforce Development Coordinating Entity: Career Technical Education and Career Pathways Grant Program

SUMMARY: Creates the Career Technical Education and Career Pathways Grant Program (Program), administered by the Superintendent of Public Instruction (SPI), to support local educational agencies (LEAs) serving high-need areas. This bill also establishes the California Education and Workforce Development Coordinating Entity (Entity) within the Government Operations Agency (GovOps) to serve as the statewide planning and coordinating body for career technical education (CTE), career pathways, and workforce development. Specifically, **this bill:**

- 1) Requires the SPI, subject to an appropriation, to develop and administer the Program, in consultation with the Entity.
- 2) Establishes the Entity in the GovOps agency to serve as the statewide career technical education (CTE) planning and coordinating entity and requires the Entity to support implementation of the Master Plan for Career Education by facilitating strategic alignment across education, workforce, and economic development systems.
- 3) Requires a grant provided through this Program to be used for both of the following:
 - a) Providing apprenticeships, dual enrollment, earn and learn opportunities, pre-apprenticeships, service learning, or work-based learning; and
 - b) Addressing statewide and regional needs, including those provided by the Community Economic Resilience Fund Program, the state's workforce development plan, and other statewide and regional planning related to CTE and career pathways, including in areas of green technology, health care, information technology, and artificial intelligence.
- 4) Requires applicants for grants under this Program to commit to doing all of the following:
 - a) Collaborating with labor and business entities to ensure opportunities are aligned with regional workforce needs and labor market demand; and
 - b) Collecting and reporting data regarding the number of students and adult learners who receive high quality jobs from placement in apprenticeships, dual enrollment, earn and learn, pre-apprenticeships, service learning, and work-based learning.

- 5) Requires priority for grants to be provided to applicants demonstrating either or both of the following:
 - a) A commitment to provide CTE and career pathways to students from historically underrepresented communities, including foster youth, adult learners, people with children, low-income students, English language learners, and other populations that struggle to access CTE programs; and
 - b) A holistic approach to providing CTE and career pathways, including demonstrating involvement of employers, providing wraparound services for students, and aligning proposed programs and services with current or projected labor market demand within the applicant's region.
- 6) Requires applicants receiving a grant under this Program to enter into a partnership agreement with a California community college (CCC) district to establish new, or expand existing career pathways.
- 7) Requires the SPI to present a list of recommended applications to the coordinating Entity for review and approval before awarding grants.
- 8) Requires the Entity's membership to include all of the following members, or their designees who report directly to them, and to serve without compensation:
 - a) The President of the University of California (UC);
 - b) The Chancellor of the California State University (CSU);
 - c) The Chancellor of the California Community Colleges (CCC);
 - d) The President of the Association of Independent California Colleges and Universities;
 - e) The Chief of the Bureau for Private Postsecondary Education;
 - f) The President of the State Board of Education (SBE);
 - g) The Chair of the California Workforce Development Board;
 - h) The Chair of the Student Aid Commission (SAC);
 - i) The Director of the Governor's Office of Business and Economic Development (GO-Biz);
 - j) One representative of a local workforce development board, appointed by the Assembly;
 - k) One student enrolled at a CSU, UC, or a CCC campus, appointed by the Senate;
 - l) One representative of the California Apprenticeship Council, appointed by the Senate;
 - m) One student enrolled in a postsecondary CTE program, appointed by the Senate;

- n) A labor representative with workforce development experience, appointed by the Governor;
 - o) The SPI; and
 - p) The Secretary of Labor and Workforce Development.
- 9) Requires the Entity to be subject to the Bagley-Keene Open Meeting Act.
- 10) Requires the Entity to perform all of the following duties:
- a) Streamlining rules, allocations, and reporting requirements of CTE, career pathways, and workforce development programs administered by statewide or local economic, workforce development programs, or LEAs, including career exploration, work-based learning, dual enrollment, postsecondary transition, or job placement;
 - b) Evaluating the feasibility of adopting regulations for intersegmental programs, such as dual enrollment, dual admission, and cross-enrollment programs;
 - c) Providing recommendations to the Legislature that encourage streamlining application processes for financial aid, housing, campus support programs, or other public benefit programs;
 - d) Administering and monitoring state-adopted interagency programs and policies;
 - e) Adopting regulations and guidance for state-adopted interagency programs;
 - f) Coordinating learning opportunities across elementary, secondary, and postsecondary systems to enhance access to postsecondary education and workforce training opportunities for traditional students and adult workers seeking to upskill or reskill;
 - g) Developing a state plan regarding CTE, career pathways, and workforce development aligned with the Master Plan for Career Education and which includes segmental plans and other pertinent plans, including those of the California Workforce Development Board;
 - h) Requires the state plan to address at least all of the following:
 - i) Reducing bureaucratic inefficiencies and improving efficiencies by streamlining CTE, career pathways, and workforce development programs;
 - ii) Addressing the scope of CTE, career pathways, and workforce development programs at each public campus or public postsecondary education system;
 - iii) Assessing the budgetary priorities of all public campuses, each public postsecondary education system, and the California Workforce Development Board;
 - iv) Evaluating the impact of regional tuition and fee cost variations and students' ability to access and complete CTE, career pathways, and workforce development programs;
 - v) Determining appropriate levels of state-funded student financial aid;

- vi) Evaluating student access and admission to CTE, career pathways, and workforce development programs; and
- vii) Analyzing CTE, career pathways, and workforce development programs and resources offered by independent institutions of higher education.
- i) Differentiating the functions of the segments of public postsecondary education, the role of the workforce development systems in the state, and regional needs across the state;
- j) Advising the Legislature, Governor, and state agencies on segmental program compatibility during budget processes;
- k) Reviewing CTE, career pathways, and workforce development programs to analyze priorities, coordination, and overlaps;
- l) Establishing processes, adopting regulations, and seeking statutory changes to streamline CTE, career pathways, and workforce development programs;
- m) Reporting annually to the Governor and the Legislature on its findings and recommendations;
- n) Identifying and projecting evolving societal, regional, educational, and workforce needs, and stimulating adaptability of the TK-12 and postsecondary education systems;
- o) Using and disseminating existing research on labor market dynamics;
- p) Assessing the accessibility of CTE, career pathways, and workforce development programs for adult learners, student parents, first-generation students, and other nontraditional students;
- q) Maintaining an inventory of all state CTE, career pathway, and workforce development programs and maintain a comprehensive database that does all of the following:
 - i) Ensures compatibility of data from diverse sources;
 - ii) Supports students as they progress through the programs;
 - iii) Is compatible with the California School Information Services system and the student information systems developed and maintained by the public segments of postsecondary education;
 - iv) Provides internet access data to each educational segment; and
 - v) Provides each educational segment access to the information in the database to support educational research and informational needs.
- r) Sharing student's personally identifiable information only when consistent with state and federal privacy laws;
- s) Entering into a memorandum of understanding (MOU) with the Office of Cradle-to-Career (C2C) Data to access the data and tools in the C2C system;

- t) Developing a strategic plan to guide the performance of its duties within three months of its first meeting;
 - u) Consulting with appropriate representatives of the segments of public, independent, and private postsecondary education in performing its duties; and
 - v) Establishing a diversity, equity, and inclusion standing subcommittee to develop, promote, and guide the implementation of strategic and operational goals regarding underserved populations, and requires the subcommittee to perform all of the following duties:
 - i) Evaluate the development and delivery of CTE, career pathways, and workforce development programs, and provide recommendations to the entity to ensure reporting requirements are aligned across those programs, including reporting on specific populations served;
 - ii) Developing metrics across CTE, career pathways, and workforce development programs, to evaluate program effectiveness in serving underserved populations; and
 - iii) Leveraging existing data analysis and databases to inform the entity and policymakers of patterns and trends regarding how education and workforce programming and policies are mitigating or reinforcing barriers to improved outcomes for underserved populations.
- 11) Performing other duties as determined by the Entity;
- 12) Authorizes the Entity to submit a report to the Governor and the Legislature, if sufficient resources are available, to report on any matter consistent with the Entity's purpose, including recommendations related to the functions, policies, and programs of the segments of public, independent, and private postsecondary education;
- 13) Requires the entity to prioritize its duties, if they are unable to perform any duty outlined due to a lack of funding; and
- 14) Defines the following terms:
- a) "Applicant" as an LEA serving students in a high unemployment area or a high poverty area that submits an application for a grant under this program;
 - b) "Application" as an official written request submitted by an applicant for a grant under this Program;
 - c) "High poverty area" as a city or county within California with a poverty rate of at least 150% of the California statewide poverty rate;
 - d) "High unemployment area" as a city or county within California with an unemployment rate of at least 150% of the California statewide unemployment rate; and
 - e) "Local education agency" as a school district, charter school, or county office of education (COE).

EXISTING LAW:

- 1) Authorizes the Career Technical Incentive Grant (CTEIG) program as a state education, economic, and workforce development initiative with the goal of providing students in kindergarten through 12th grade with the knowledge and skills necessary to transition to employment and postsecondary education, and:
 - a) Identifies the purpose of the competitive CTEIG program as the encouragement and maintenance of the delivery of career technical education (CTE) programs by school districts and charter schools.
 - b) Appropriates funding for the CTEIG program as follows: \$400 million for 2015-16; \$300 million for 2016-17; \$200 million for 2017-18; and \$150 million per year for 2018-19 to 2020-21; and \$300 million per year beginning in the 2021-22 fiscal year and every year thereafter.
 - c) Specifies the distribution of the funds appropriated by school size as follows: 4% to applicants with an average daily attendance (ADA) of 140 or less; 8% to applicants with an ADA of 141 to 550; and 88% to applicants with an ADA of more than 550.
(Education Code (EC) 53070)
- 2) Requires applicants for the CTEIG Program to demonstrate that their CTE programs provide all of the following to meet minimum eligibility standards:
 - a) High-quality curriculum and instruction aligned with the California CTE Model Curriculum Standards, including a coherent sequence of CTE courses that enable students to transition to postsecondary education programs, that lead to a career pathway or attain employment or industry certification upon graduation from high school, including programs that integrate academic and CTE and that offer the opportunity for participants to prepare for postsecondary enrollment and to earn postsecondary credits through Advanced Placement courses, International Baccalaureate courses, or dual enrollment opportunities;
 - b) Career exploration, guidance, and a continuum of work-based learning opportunities aligned with academic coursework, which may include paid internships;
 - c) Student support services, including counseling and leadership development to address students' social, emotional, career, and academic needs;
 - d) System alignment, coherence, and articulation with postsecondary institutions, allowing for dual enrollment opportunities;
 - e) Ongoing and meaningful industry and labor partnerships, evidenced by written agreements and through participation on advisory committees and collaboration with business and labor organizations to provide opportunities for students to gain access to pre-apprenticeships, internships, industry certifications, and work-based learning opportunities as well as opportunities for industry to provide input to the CTE programs and curriculum;

- f) Opportunities for students to participate in after-school, extended day, and out-of-school internships, competitions, leadership development opportunities, and other work-based learning opportunities;
 - g) Connection to regional or local labor market demands and a focus on current or emerging high-skill, high-wage, or high-demand occupations and is informed by the regional plan of the local Strong Workforce Program consortium;
 - h) Pathway to an industry-recognized credential or certificate, or appropriate postsecondary education or training, employment, or a postsecondary degree;
 - i) Staffing by skilled teachers or faculty and the provision of professional development opportunities for any teachers or faculty members supporting students in those programs;
 - j) Opportunities for students with exceptional needs to participate in all programs; and
 - k) Annual data reporting to allow for an evaluation of the program. (EC 53071)
- 3) Requires the California Department of Education (CDE) to annually submit the list of recommended new and renewal CTEIG grant recipients to the SBE for review and approval prior to making annual grant awards. CDE and SBE, in determining proposed grant recipients, are required to give positive consideration and the greatest weight to those applicants who:
- a) Serve unduplicated students or subgroups with higher than average dropout rates;
 - b) Are located in an area of the state with a high unemployment rate; and
 - c) Offer an existing high-quality regional-based CTE program as a joint powers authority (JPA) or COE.
- Requires the CDE and the SBE, in determining proposed grant recipients, to also give positive consideration to those applicants who:
- a) Successfully leverage existing CTE resources and funding, including Perkins, California Partnership Academies, or Agricultural CTE Incentive Grants, as well as contributions from industry, labor, and philanthropic sources;
 - b) Engage in regional collaborations with postsecondary education or LEAs, including the Strong Workforce Program (SWP) consortium operating in their areas, as well as pathway programs provided under an adopted California and Career Access Pathways partnership agreement;
 - c) Make significant investments in CTE infrastructure, equipment, and facilities; and
 - d) Operate within rural districts. (EC 53075)
- 4) Authorizes the K-12 component of the SWP to create, support, or expand high-quality CTE programs at the K-12 level that are aligned with the workforce development efforts occurring

through the SWP, and authorizes, commencing with the 2018-19 fiscal year, and subject to an annual appropriation, \$150 million to be apportioned annually by the California Community College Chancellor's Office (CCCCO) to local consortia. (EC 88827)

- 5) Establishes the California Golden State Pathways Program (GSPP) to provide LEAs with the resources to promote pathways in high-wage, high-skill, high-growth areas, including technology, health care, education, and climate-related fields that, among other things, allow students to advance seamlessly from high school to college and career and provide the workforce needed for economic growth. (EC 53020)
- 6) Establishes the regional K-16 Education Collaboratives Grant Program with a one-time \$250 million appropriation in the 2021 Budget Act to the Department of General Services (DGS). Requires the formation of a collaborative in each region made up of at least one of each of the following: a K-12 school district; a University of California (UC) campus; and a Community College District. The collaborative must also establish a steering committee with at least 25% of the members being local employers and commit to creating occupational pathways in at least two of the following four sectors: healthcare, education, business management, and engineering or computing.
- 7) Establishes the California Partnership Academies as a three-year program for students enrolled in grades 10 through 12, with a curriculum focused on a career theme related to the local labor market and coordinated with related academic classes. Requires at least 50% of the students to be "at-promise". (EC 54690)
- 8) Federal law, the Strengthening Career and Technical Education for the 21st Century Act, reauthorizes the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins), provides federal support for CTE programs and focuses on improving the academic and technical achievement of CTE students, strengthening the connections between secondary and postsecondary education and improving accountability. (Public Law 115-224)
- 9) Requires the SBE and the Board of Governors of the CCC to enter into a MOU to provide for an advisory committee on vocational education composed of an equal number of members of each board to provide review and recommendations on proposed policies, procedures, or allocation of funds. (EC 12053)

FISCAL EFFECT: According to the Senate Appropriations Committee:

- While the establishment of the CTE and Career Pathways Grant Program would be contingent upon an appropriation, it could result in significant Proposition 98 General Fund cost pressures for the state to fund it. The bill does not specify the size of the grant amounts nor the number of grants to be awarded, so it is difficult to quantify the range of costs for the new program. However, based on the size of the existing Career Technical Education Incentive Grant Program (CTEIG) and K-12 Strong Workforce Program, it could be in the tens of millions to low hundreds of millions of dollars each year.
- The CDE estimates General Fund costs of \$1.35 million and 9.0 positions to administer the program. This estimate is based on the program structure of the CTEIG and the Golden State Pathways Program and includes the costs necessary for changes to the

California Longitudinal Pupil Achievement Data System and the development of an MOU with the Cradle-to-Career Data System.

- The Government Operations Agency estimates General Fund costs ranging from \$2 million to \$5 million to operate the new California Education and Workforce Development Coordinating Entity. Staff notes that when the California Postsecondary Education Commission (CPEC) was defunded in 2011, it had an operating budget of about \$1.9 million.
- The Chancellor’s Office estimates General Fund costs of up to \$20,000 each year to participate in the California Education and Workforce Development Coordinating Entity.

COMMENTS:

Need for the bill. According to the author, “The California Dream shouldn’t be limited to narrow paths to achieve the knowledge and skills needed to contribute to California’s economy. Too many young people are channeled into low-wage service jobs while thousands of skilled, high-wage jobs go unfilled. Our economy is reliant upon those skilled tradespeople, but our educational system isn’t designed for those demands. That must change. Senate Bill 638 will finally focus and broaden state efforts to ensure Californians have access to the training and opportunities they need to succeed.”

Master plan identifies need for streamlined funding. In August 2023, Governor Newsom issued an Executive Order calling for a new Master Plan for Career Education to increase equitable access to living wage jobs by creating and strengthening education and training pathways specific to sectors, regions, and individuals’ skills and experience. Initial input from the agencies focused on four primary concepts: creating stronger coordination mechanisms, building skills-based pathways, expanding work-based learning, and increasing access to public benefits and career pathways.

Additional input gained from numerous stakeholder input sessions held around the state identified numerous barriers to achieving the goals of universal access to high quality CTE opportunities within the TK-12 education system. The lack of sustained and coordinated funding for programs was identified as a key barrier. Participants noted that siloed funding streams, “nonsustainable funding sources,” and “competitive/unpredictable funding” for career education posed challenges to long-term planning, collaboration, and sustained programming. Participants reported a need for long-term, “sustained, consistent funding” for college and career readiness programs, as opposed to relying on annual one-time grants or competitive funding.

As noted below, the state currently offers a wide range of programs to provide funding to K-12 CTE programs. This bill would establish yet another standalone program with many of the same goals and priorities as existing programs. ***The Committee may wish to consider*** whether the establishment of another grant program to fund CTE courses and pathways is duplicative of existing sources and would further burden applicants by requiring them to apply to and report on, another program.

Master plan identifies need for statewide coordination. The Master Plan for Career Education proposes creating a state planning and coordinating body and recommends that this new body bring together the state’s education segments, workforce training providers, and employers. The

report suggested that the coordinating body should evaluate changing economic needs and demand for skills, develop sector-based and cross-sector strategies, create statewide goals, align federal and state plans, coordinate efforts to maximize funding, coordinate implementation of specific federal and state programs, co-design programs to address workforce opportunities, and connect with regions.

The Governor's Budget proposed \$5 million ongoing General Fund to GovOps to operate a council consisting of leaders of the state's college systems and workforce agencies. Under the proposal, the council would receive 16 positions to support the council's broad scope: assessing workforce needs, aligning efforts across state bodies, fostering collaboration between state bodies, working with regional education and workforce entities, and creating a forum to discuss other cross-sector issues. The proposed trailer bill language would require the council to meet at least twice per year and report its findings to the Governor and Legislature. This proposal was withdrawn with the May Revise, but was subsequently adopted by the Legislature in the budget presented to the Governor. This bill does not include any provisions for staffing the Entity.

Defining Career Technical Education. CTE prepares students for the world of work by introducing them to workplace competencies and makes academic content accessible to students by providing it in a hands-on context. Along the way, students develop career-relevant, real-world 21st Century skills.

CTE is a program of study that involves a multiyear sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers. CTE programs in California are organized into 15 industry sectors, covering 58 pathways that identify the knowledge and skills students need. Partnerships are usually developed between high schools, businesses, and postsecondary institutions, providing pathways to employment and associate, bachelor's, and advanced degrees.

CTE courses and pathways may be offered in comprehensive high schools with CTE programs, as well as through regional CTE programs or centers operated by JPAs or COEs. Some CTE programs are blended with academic programs in what is known as a "linked learning model." Community colleges and technical institutes also offer CTE at the postsecondary level.

Improved outcomes for CTE students. A wide body of research indicates that involvement in CTE coursework provides improved academic outcomes and other benefits to students, with findings such as the following:

- Students with greater exposure to CTE are more likely to graduate from high school, enroll in a two-year college, be employed, and earn higher wages;
- The average high school graduation rate for students concentrating in CTE programs is 93%, compared to an average national graduation rate of 80%;
- Students taking more CTE classes are just as likely to pursue a four-year degree as their peers;
- 91% of high school graduates who earned 2-3 CTE credits enrolled in college;

- CTE provides the greatest boost to students who need it most – boys and students from low-income families; and
- 80% of students taking a college preparatory academic curriculum with rigorous CTE met college and career readiness goals, compared to only 63% of students taking the same academic core who did not experience rigorous CTE.

A multitude of current K-12 CTE programs. This bill proposes to create a new CTE grant program. *The Committee may wish to consider* whether a new program is appropriate given the following existing CTE programs supported by state and federal funds, including, but not limited to, the following:

- 1) **The Career Technical Education Incentive Grant Program** was originally established in 2015 as a one-time investment of \$900 million to cover a three-year span, and acted as a bridge for LEAs to support CTE programs until the Local Control Funding Formula (LCFF) was fully funded. It was created as a state education, economic, and workforce development initiative to provide students in kindergarten through grade twelve with the knowledge and skills necessary to transition from secondary education to postsecondary education and living-wage employment. The purpose of the program is to encourage, maintain, and strengthen the delivery of high-quality CTE programs. The program is administered by the CDE. In 2018, ongoing funding of \$150 million for CTEIG was appropriated. In 2021, the annual funding for CTEIG was increased to \$300 million.

Prior to the adoption of the LCFF, the state provided funding for CTE through a number of categorical programs, including the Regional Occupational Centers/Programs (ROC/P), which was funded at \$400 million at the time. This funding was folded into the Local Control Funding Formula (LCFF), increasing the LCFF base rate for high schools by 2.6%.

Grants are awarded under the CTEIG program by CDE, in consultation with the SBE, in response to applications submitted by LEAs outlining the ways in which they meet the statutorily defined requirements, including a 2:1 match of local to state funding.

Priorities for funding include LEAs or consortia located in areas of the state with high unemployment rates, as well as those in rural areas. Funding is specifically set aside for small LEAs.

- 2) **The K-12 Strong Workforce Program (K-12 SWP)** was established in 2018 as a component of the Community Colleges SWP to create, support, or expand high-quality CTE programs at the secondary level that are aligned with the workforce development efforts occurring through the SWP. As is the case for CTEIG, the K-12 SWP is meant to support the overall development of high-quality K-12 CTE programs, courses, course sequences, programs of study, and pathways. The program is administered by the California Community College Chancellor's Office (CCCCO). The program is currently funded at \$150 million per year for the LEAs, as well as \$12 million for 72 K-12 Pathway Coordinators and 8 regional K-14 Technical Assistance Providers, and \$1.5 million for consortia administrative costs, for a total of \$163.5 million.

Unlike the CTEIG program, which is administered at the state level, the CCCCCO allocates K-12 SWP grant funding to eight regional consortia according to a statutory formula. Each

regional consortium is required to administer a competitive grant program to allocate the funding it receives to LEAs in the region. Each consortium establishes a selection committee made up of individuals with expertise in K-12 CTE and workforce development, including teachers, administrators, community college faculty or administrators, and other K-12 education stakeholders. Employees of LEAs applying for grants under the program may serve as members of the selection committees. Each selection committee has exclusive authority under state law to determine the recipients of K-12 SWP grants in its region and the specific amount for each grant.

Funds are allocated to each of the identified regions based upon the region's unemployment rate and the proportion of projected job openings, among other factors. 4% of the funds in each region are designated for small LEAs (<140 students) and 8% for LEAs with 141-550 students. Selection committees in each region are required to give consideration to LEAs serving unduplicated pupils (low income, English learners, foster youth), schools with higher than average dropout rates, those located in areas of high unemployment, and those with high rates of mobility of the student population

3) Golden State Pathways Program (GSPP) was established in 2022 with a one-time appropriation of \$500 million to provide grants to LEAs to promote pathways in high-wage, high-skill, high-growth areas, including technology, healthcare, education, and climate-related fields, as well as to provide regional and statewide technical assistance. High priority LEAs are defined, for the purposes of eligibility, as an LEA that meets any of the following criteria:

- Fifty percent or more of the enrolled pupils are unduplicated pupils;
- Higher than state average dropout rate;
- Higher than state average rate of suspension and expulsion;
- Higher than state average rates of child homelessness, foster youth, or justice-involved youth; or
- Lower than state average rate of pupils completing all of the A–G courses required to be eligible for admission to the UC or CSU.

4) K-16 Regional Education Collaboratives Grant Program was established in 2021 with a \$250 million one-time appropriation to the Department of General Services (DGS). The stated aim of the program is to help California's economy recover from the COVID-19 pandemic while addressing long-standing social and economic inequities in higher education and workforce participation. In order to be eligible for funding, a collaborative must meet all of the following:

- Include at least one of each of the following: a K-12 school district, a UC campus, a CSU campus, and a Community College district;
- Establish a steering committee comprising at least 25 percent of local employers;

- Commit to participate in the California Cradle-to-Career data system;
- Commit to implement at least four of the recommendations of the Recovery with Equity 2021 report (which focused on the need to redesign key elements of California’s postsecondary system); and
- Commit to creating occupational pathways incorporating work-based learning in at least two sectors in the four identified fields, including healthcare, education, business management, and engineering or computing.

5) **California Partnership Academies** is a three-year “school within a school” program for students enrolled in grades 10 through 12, with a curriculum focused on a career theme related to the local labor market and coordinated with related academic classes. Requires at least 50% of the students to be “at-risk”, defined as a student who is at risk of dropping out of school as indicated by at least three of the following; a past record of irregular attendance, underachievement, low motivation, being disadvantaged economically, scoring very low on standardized tests, or maintaining a grade point average or 2.2 or below.

6) **Strengthening Career and Technical Education for the 21st Century Act (Perkins V)** provides funding to LEAs as part of the state’s award from the U.S. Department of Education to expand opportunities for students to explore, choose, and follow CTE programs of study and career pathways to earn credentials of value.

As noted earlier, there is clearly a wide range of CTE programs available to provide funding for CTE programs serving K-12 students. In most cases, LEAs must submit an annual application, provide matching funds (in some cases), meet specified quality metrics, and provide regular reports. Requiring LEAs to apply to yet another program may be counter to the Master Plan’s focus on the need to streamline access to CTE funding.

The Education omnibus budget trailer bill proposes to appropriate \$150 million in one-time funds in 2025-26 to the CDE for career technical education, subject to pending legislation. If legislation is not enacted by January 1, 2026, the funds would be allocated for the CTEIG program.

Coordinating Entity’s role in K-12 education. This bill also proposes the creation of a body to oversee career education and workforce training of LEAs as well as workforce development agencies. Of the 16 members identified to be appointed to the Entity being proposed in this bill, only two have direct responsibility for K-12 education. These are the President of the SBE and the SPI. ***The Committee may wish to consider*** whether there is a need for broader representation of K-12 stakeholders given the Entity’s responsibilities related to K-12 CTE programs and administration.

As it relates to K-12 education, the Entity’s responsibilities include, but are not limited to, the following:

- Streamlining rules, allocations, and reporting requirements of CTE, career pathways, and workforce development programs administered by statewide or local economic, workforce development, or educational agencies, including those programs supporting

career exploration, work-based learning, dual enrollment, postsecondary transition, or job placement;

- Evaluating the feasibility of adopting regulations for intersegmental programs, such as dual enrollment, dual admission, and cross-enrollment programs;
- Adopting regulations and guidance for administration of state-adopted interagency programs;
- Coordinating learning opportunities across the elementary, secondary, and postsecondary education systems to ensure students can easily navigate across postsecondary education systems;
- Developing, in consultation with the segments of public postsecondary education, a state plan regarding CTE, career pathways, and workforce development that includes segmental plans;
- Reducing bureaucratic inefficiencies and improving bureaucratic efficiencies by streamlining CTE, career pathways, and workforce development programs;
- Reviewing career technical education, career pathways, and workforce development programs to analyze priorities, coordination, and overlaps;
- Adopting regulations to streamline CTE, career pathways, and workforce development programs;
- Seeking the support of the Legislature and the Governor for necessary statutory changes to CTE, career pathways, and workforce development programs;
- Developing a process for the approval, review, and disestablishment of CTE, career pathways, and workforce development programs for the purpose of streamlining these programs and ensuring alignment with statewide priorities;
- Maintaining an inventory of all state CTE, career pathways, and workforce development programs and serving as a clearinghouse for CTE, career pathways, and workforce development information, and serving as a primary source of that information for the Legislature, the Governor, and state agencies;
- Developing and maintaining a comprehensive database of CTE, career pathways, and workforce development information;
- Establishing a diversity, equity, and inclusion standing subcommittee to develop, promote, and guide the implementation of strategic and operational goals regarding underserved populations; and
- Developing metrics across career technical education, career pathways, and workforce development programs to evaluate program effectiveness in serving underserved populations. The metrics shall include, but are not limited to, outreach, job placement and

retention, and addressing labor market inequalities, with the intent to use data to better inform decision-making.

The Committee may wish to consider whether this Entity, made up of appointed individuals, should have the authority beyond that of an advisory body to adopt regulations and approve programs, as these types of functions generally reside within agencies established pursuant to statute. Similarly, as there is no clear provision for funding staff, *the Committee may wish to consider* whether this Entity would have the capacity to accomplish the multitude of tasks being assigned to it, including the development and maintenance of a database and/or clearinghouse of every CTE and workforce development program or pathway offered by LEAs, institutions of higher education, and workforce agencies.

Is this Entity duplicative of existing bodies? At the K-14 level, the California Workforce Pathways Joint Advisory Committee (CWPJAC) is formed through a MOU between the SBE and the Board of Governors of the CCCC to provide recommendations to the SBE on the California State Plan for CTE, the Federal Perkins V State Plan, and other K-14 CTE issues and programs.

The Assembly Higher Education Committee may propose amendments to the provisions relating to the coordinating entity to address these and other relevant questions regarding the establishment and scope of responsibility of the Entity. The 2026 Budget proposes \$1.5 million to the GovOps to fund an education and workforce interagency entity to improve planning and coordination in higher education and workforce development.

Arguments in support. California Competes writes, “Our state is at a critical juncture – more Californians need access to a pathway that leads to a quality job, and our economy needs a workforce ready to meet the needs of a rapidly changing labor market. In the 1960s, California developed the Master Plan for Higher Education, which provided an inter-segmental roadmap for our higher education system. Similarly, California’s workforce development system historically has focused on training that leads to quick job placement. Today’s needs are vastly different. Californians need more education and training to access jobs that provide a decent standard of living with minimal formal education.

Although the need for more education and training is clear, accessing education and training is difficult because of California’s complex workforce development and career educational training programming. California spends billions of dollars on workforce development but many of these programs are administered by multiple agencies and postsecondary institutions with “various goals, eligibility criteria, spending rules, and administrative and implementation complexities”. There are multiple programs, funding streams, and state and federal requirements. In order to improve outcomes for Californians, more coordination and alignment between our education and workforce system is needed to ensure Californians are getting the education and training necessary to meet the workforce needs of our economy.

In order to improve outcomes for Californians and meet the need of our rapidly changing economy, California needs to break down silos, improve efficiencies, and address bureaucratic hurdles. The California Master Plan for Career Education calls for the development of a state planning and coordinating body to bring together the state’s education segments, workforce training providers, and employers. Similarly, the California Youth Apprenticeship Committee calls for “statewide system and resource alignments to make work-based learning and youth

apprentice opportunities widely available for in-school and out-of-school youth.” California Competes also calls for the reestablishment of a higher education coordinating entity. Improving coordination can improve effectiveness of programming by reducing inefficiencies, increasing access by reducing hurdles, increasing the number of career pathways, and improving the evaluation of education and workforce development programming.”

Recommended Committee Amendments. *Staff recommends that the bill be amended as follows:*

- 1) Remove reference to the Career Technical Education and Career Pathways Grant Program and instead incorporate key elements of the program into the existing CTEIG program, including the following:
 - a) Includes as minimum eligibility standards for CTEIG, programs that integrate academic and CTE and offer opportunities to earn postsecondary credits; as well as those allowing pupils to attain employment upon graduating from high school; collaboration with labor and business to provide work-based learning and apprenticeship opportunities for pupils and address workforce needs; the development of partnerships with higher education to establish partnerships in key emerging industries; and the provision of opportunities for historically underrepresented communities;
 - b) Adds data metrics to be reported annually to include pupils earning dual credit through CTE and pupils participating in work-based learning activities through CTE;
 - c) Requires the CWPJAC to consult with the coordinating Entity in providing recommendations on appropriate data metrics and changes the date to January 1st each year;
 - d) Requires the CDE to consult with the coordinating Entity in the development of the request for grant applications; and
 - e) Defines high unemployment and high poverty and adds these as positive considerations for receipt of CTEIG grants.
- 2) Expresses the intent of the Legislature to allocate one-time funding appropriated in the 2026 Budget Act for CTE to the CTEIG program.
- 3) Remove reference to an outdated requirement for the SPI to report to the DOF and the Legislature prior to awarding grants for the 2018-19 fiscal year.
- 4) Removes a limitation on CTEIG awards higher than the amount determined by the allocation formula.
- 5) Other technical amendments.

Related legislation. AB 401 (Muratsuchi) of the 2025-26 Session, would require CTEIG program recipients to be granted renewal grants for a total of four years, subject to specified conditions, and requires the SPI to designate 90% of the CTEIG funds for renewal grants and 10% for new applicants; adds a cost-of-living adjustment (COLA) to the CTEIG appropriation;

and removes a limitation on grant awards above a specified level. This bill was held in the Assembly Appropriations Committee.

AB 95 (Fong) of the 2025-26 Session, would require the establishment of the California Education Interagency Council within the GovOps for the purpose of aligning educational attainment with California workforce goals and needs and integrating efforts across elementary, secondary, and postsecondary education by providing a forum for discussion of issues and proposals with impacts across educational and workforce sectors. This bill was held in the Assembly Appropriations Committee.

SB 790 (Cabaldon) of the 2025-26 Session, would eliminate the California Postsecondary Education Commission (CPEC) and instead would require the Governor to designate a state agency, department, or office as the principal state operating and coordinating entity for postsecondary education with duties including implementation, coordination, and evaluation of the Master Plan for Career Education, coordination and evaluation of postsecondary implementation of intersegmental state policies and initiatives, and implementation of an interstate reciprocity agreement for distance education if the Governor enters into such agreement, as provided.

SB 612 (Valladares) of the 2025-26 Session would require, subject to an appropriation, a one-semester course in CTE as a graduation requirement beginning with students graduating in the 2031-32 school year and require LEAs serving students in grades 9 to 12 to offer at least one course in CTE at all of its high schools.

SB 845 (Pérez) of the 2025-26 Session would require the CDE to coordinate the updating of CTE model curriculum standards and framework at least every 5 years, convene CTE industry advisory groups for each CTE subject area including specified representatives, to provide input to the updating of the standards and frameworks, identify various work-based learning opportunities, including apprenticeship and pre-apprenticeship programs, as well as outlining the responsibilities of the LEA in sponsoring work-based learning.

SB 721 (Dahle) of the 2025-26 Session would include participation in CTE enhancement, as defined, as an excused absence.

AB 1929 (McKinnor) Chapter 145, Statutes of 2024, requires that LEAs receiving specified CTE state grants and the California Community College Chancellor's Office disaggregate program and performance accountability outcome data by race and gender.

AB 3131 (McCarty) Chapter 434, Statutes of 2024, requires that LEAs receiving Equity Multiplier funding through the LCFF be given positive consideration for the K-12 SWP, a career technical education initiative.

AB 377 (Muratsuchi) of the 2023-24 Session, would have required the consolidation of specified K-12 CTE programs, increased ongoing funding for the CTEIG, administered by the CDE, to \$450 million per year; requires specified CTE staffing at the state and regional level to support local CTE programs and pathways; and deletes authorization for the K-12 SWP administered by the Chancellor of the California Community Colleges (CCCCO). Also, requires the CDE to establish a stakeholder workgroup to consider improvements to the CTEIG program.

AB 181 (Committee on Budget) Chapter 52, Statutes of 2022, appropriates \$500 million in one-time Proposition 98 funding for the Golden State Pathways Program to support the development and implementation of college and career educational pathways in critically needed sectors of the economy. Authorizes the CDE to contract with up to 10 LEAs for the provision of technical assistance to LEAs, applicants, and grant recipients.

AB 1923 (Mathis) Chapter 114, Statutes of 2022, requires the SPI to prioritize proposals for new California Partnership Academies based on a school district's enrollment of socioeconomically disadvantaged students, and for school districts located in a rural or economically disadvantaged area.

AB 130 (Committee on Budget) Chapter 44, Statutes of 2021, provides that, for the 2021–22 fiscal year and each fiscal year thereafter, \$300 million would be made available to the CDE, upon appropriation for the CTEIG program. Also makes adjustments to program provisions relating to eligibility requirements for grant applicants, and for ensuring compliance with program requirements.

AB 1808 (Committee on Budget) Chapter 32, Statutes of 2018, appropriates in the 2018–19 fiscal year and each fiscal year thereafter, \$150 million to the CTEIG program administered through CDE. Also establishes a K–12 component of the SWP to create, support, or expand high-quality CTE programs at the K–12 level aligned with the workforce development efforts and, commencing with the 2018–19 fiscal year, requires the CCCCO to allocate \$150 million for this program to regional CTE consortia.

AB 1743 (O'Donnell) of the 2017-18 Session would have extended funding for the CTEIG Program by providing ongoing funding of \$500 million per year with a 1:1 local match and \$12 million per year for regional K-12 CTE coordinators to provide technical assistance and support to local CTE providers. This bill was held in the Senate Education Committee.

AB 104 (Committee on Budget) Chapter 13, Statutes of 2015, establishes the CTEIG, a competitive grant program administered by the CDE, to provide support for career technical education in grades K-12, and provides \$400 million in 2015-16, \$300 million in 2016-17, and \$200 million in 2017-18 for this program.

REGISTERED SUPPORT / OPPOSITION:

Support

Aspire Public Schools
Association of Independent California Colleges and Universities
California Edge Coalition
Calbright College
California Competes: Higher Education for a Strong Economy
California Edge Coalition
Coalition of California Welfare Rights Organizations
Grace Institute - End Child Poverty in California
Hispanic Association of Colleges and Universities
Jobs for the Future
John Burton Advocates for Youth

Just Equations
Long Beach Community College District
National University
The California Alliance for Student Parent Success
Unite-LA
United Ways of California

Opposition

None on file

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