

## CONCURRENCE IN SENATE AMENDMENTS

AB 1098 (Fong and Padilla)

As Amended September 5, 2025

Majority vote

**SUMMARY**

*NOTE:* This bill has been amended to replace its contents and this is the first time the bill is being heard in its current form.

AB 1098 (Fong) establishes the California Education Interagency Council (Council) within the Government Operations Agency (GovOps) to align education and workforce systems, support adult skill development, and address the changing nature of work and the economy. The Council would adopt strategic and workforce plans, issue recommendations to the Governor and Legislature, and create a faculty and employer advisory committee. The bill also creates the Office of the California Education Interagency Council (managing entity) as a neutral administrative body.

**Senate Amendments**

Amendments taken in the Senate replace the previous contents of the bill, and instead:

- 1) Enacts the California Education Interagency Council Act and establishes the Council in GovOps.
- 2) Charges the Council with evaluating the changing nature of work, aligning education and workforce systems, supporting adult skill development, ensuring regional supply meets workforce demand, and serving as a forum on cross-sector education and workforce issues.
- 3) Specifies council membership to include leaders of K–12, higher education, workforce, and finance agencies, plus one nongovernmental representative, and requires open meetings.
- 4) Establishes the managing entity as a neutral administrative body, overseen by an executive officer appointed by the Governor.
- 5) Requires the Council to meet regularly, adopt strategic and work plans, and submit biennial reports to the Governor and Legislature on outcomes and recommendations for cross-sector initiatives.
- 6) Authorizes the Council to create advisory committees, including a principal advisory committee and, upon appropriation, a faculty and employer advisory committee, to ensure stakeholder and industry input.
- 7) Requires collaboration with state data systems, including the Labor and Workforce Development Agency and Cradle-to-Career, to inform planning and alignment efforts.
- 8) Makes the bill operative only if SB 638 (Padilla) is enacted.

## COMMENTS

*Background on the California Postsecondary Education Commission (CPEC).* The Legislature created CPEC in 1973 as successor to the Coordinating Council for Higher Education, part of the state's 1960 Master Plan for Higher Education. CPEC was established to coordinate postsecondary education in California and to provide independent policy analyses and recommendations to the Legislature and the Governor on postsecondary education issues.

However, CPEC's budget and responsibilities were reduced over time, casting doubt on its effectiveness and triggering calls for its restructuring. In the 2011-12 Budget Act, Governor Brown vetoed funding for CPEC citing the agency's ineffectiveness in higher education oversight. In his veto message, the Governor acknowledged the well-established need for coordinating and guiding state higher education policy and requested that stakeholders explore alternative ways these functions could be fulfilled. In fall 2011 CPEC shut down, transferring its federal Teacher Quality Improvement grant program to the California Department of Education (CDE) and extensive data resources to the CCC Chancellor's Office. Currently no coordinating entity for higher education in California exists.

*Post-CPEC.* Statewide higher education goals and objectives have been considered by the Legislature for over a decade; in recent years, despite the absence of CPEC, some progress has been made on this front. The 2013-14 Budget Act education trailer bill (AB 94, Chapter 50) required UC and CSU to report annually on specified performance measures, in order to inform budget and policy decisions and promote effective and efficient use of resources. SB 195 (Liu, Chapter 367, Statutes of 2013), established general statewide goals for higher education, and legislative intent to identify specific metrics for measuring progress toward statewide goals.

The 2014-15 Budget Act (SB 852, Chapter 25) required UC and CSU to approve three-year "sustainability plans" that use funding projections to establish projections of enrollment and the university's goals for the performance measures that are required to be adopted pursuant to AB 94; this requirement was continued in the 2015-16 and 2016-17 Budget Acts. The CCCs were required, pursuant to the 2014-15 Budget higher education trailer bill (SB 860, Chapter 34), to adopt goals and targets for student performance by June 30, 2015, and to establish and report on Student Equity Plans designed to ensure equal educational opportunities and to promote student success for all students.

More recently, the UC and CSU entered into multi-year formal Compacts with the Governor's Office, and the CCC and the Governor's Office multi-year roadmap between the Administration and the CCC system outlines mutually prioritized goals, expectations, and accompanying outcome measures. Each of these agreements include reporting requirements and set goals across a variety areas through the 2026-27 fiscal and academic years.

*Need for a statewide higher education coordinating body?* According to the March 2019, California Competes report, *The Case for a Statewide Higher Education Coordinating Entity*, California is one of two states without a central organizing body to guide the unique challenges the postsecondary institutions of higher education face. The report finds that in the absence of coordination, each of the state's public higher education segments (the CCC, CSU, and UC) function in siloes. Further, the report finds that the lack of a statewide coordinating body for higher education has resulted in no authority for statewide goal-setting, no comprehensive strategic planning, no longitudinal education data system, and inadequate mechanisms to assist

students' progress as they matriculate through and between systems. Additionally, the report contends that, without a coordinating entity:

- 1) California will continue to lag in degree production;
- 2) Planning for the future will continue to be clumsy and inadequate;
- 3) Higher education data systems will remain fragmented and incomplete; and,
- 4) Students will continue to slip through the cracks.

Finally, the report finds that California needs an independent, statewide coordinating entity to uphold a public agenda for higher education that links the needs of the state's economy to experiences and outcomes of California's students.

According to the March 2019, Public Policy Institute of California (PPIC) report, *Coordinating California's Higher Education System*, receiving postsecondary education continues to become increasingly important to California's economy and quality of life. The PPIC report suggests that in order to help state leaders determine how to best design a more effective coordinating body (to note, PPIC contends a coordinating body is definitely needed in this state), it is important to understand the struggles CPEC faced. The report finds that effective coordination must reflect the reality of higher education in the state – the governance challenges, campus and segment incentives, and other factors that influence institutional decisions. Further, the report finds that, several factors reduced CPEC's ability to effectively coordinate the state's higher education system, in part:

- 1) A lack of clear state goals for higher education;
- 2) A lack of a clear mission in CPEC's statutory charter; and,
- 3) It was designed for consensus, not leadership.

Further, the report finds that an effective coordinating body needs to be a part of state government, subject to all state rules and procedures regarding transparency and accountability. Finally, the report finds that the best approach to a new higher education coordinating body is to have such a body that operates independently and advises both the Governor and the Legislature; this would strengthen the Legislature's capacity to address important higher education issues and having an independent entity could provide the Legislature an objective view on current issues and assist in developing solutions to resolving the issues.

*Alignment with SB 638.* This bill is now part of a coordinated effort with SB 638 (Padilla, 2025), which recasts the Career Technical Education Incentive Grant (CTEIG) program beginning in 2026. As amended, SB 638 requires the Department of Education to consult with the California Education Interagency Council when developing and awarding CTEIG grants, ensuring that program standards and priorities are informed by a cross-sector perspective. SB 638 also charges the Council with advisory responsibilities related to career technical education, career pathways, and workforce development. Together, AB 1098 and SB 638 create an integrated framework in which the Council serves as both an advisory and consultative body to help connect education programs to labor market needs.

Unlike past efforts, the Council is advisory in nature and housed within GovOps, an agency that already plays a cross-cutting coordination role. This approach balances the need for statewide alignment with the importance of maintaining legislative oversight and avoiding duplication of authority. The council's membership consists of the state's major education and workforce leaders, ensuring that the agencies best positioned to implement reforms are directly engaged in developing recommendations.

*Budget includes \$1.5 million to support this bill.* The 2025 Budget Act includes \$1.5 million General Fund in Item 0511-001-0001 for the GovOps to support an Education and Workforce Development Coordinating Council — the entity that, upon enactment of this bill, would be established as the California Education Interagency Council. This funding provides baseline resources to launch the Council and its supporting office.

### **According to the Author**

According to the author, "California values workforce development and career technical education to ensure that students and adults are equipped to meet changing labor needs, and has an annual allocation of a billion dollars for various K-12, higher education and workforce development programs. However, these programs work independently and not based on an overall plan that is data driven. California is the only state without a coordinating body, which has resulted in the fragmented structure of individual programs. AB 1098 establishes the California Education Interagency Council that will bring together K-12, higher education, and labor/workforce agencies to help improve cross-sector collaboration, drive data-informed policy, and build transparent pathways that meet the needs of students, workers, and employers across the state. The bill aims to eliminate duplicative efforts and ensure public investments yield equitable and effective outcomes for all Californians."

### **Arguments in Support**

California Competes wrote in support of AB 1098 (Fong), and noted that "Each year, our state invests billions in higher education and workforce programs, yet these efforts remain siloed—resulting in fragmented student services, inefficient use of resources, and complex systems that are especially burdensome for low-income Californians, adult learners, student parents, and job seekers. AB 1098 is a critical step toward addressing this fragmentation. The bill would create a dedicated council composed of state education and workforce leaders tasked with developing statewide plans, evaluating data, and providing oversight. Through regular reporting, accountability mechanisms, and strategic funding, the Council will ensure public investments yield equitable, effective outcomes. This proposal reflects longstanding calls for greater interagency collaboration and builds on the vision of California's Master Plan for Career Education. It offers the infrastructure needed to drive transparent, data-informed decisions that connect students and workers with high-quality education and employment opportunities."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

According to the Senate Committee on Appropriations:

The 2025 Budget Act includes a General Fund appropriation of \$1.5 million to support an Education and Workforce Development Coordinating Council. However, the Council would likely require a funding level exceeding that amount at full implementation. The extent of these

costs is unknown and would be deliberated as part of future budget negotiations. Staff notes that GovOps submitted a Budget Change Proposal (for consideration as part of the 2025 Governor's Budget) requesting an augmentation of \$5 million (General Fund) and 16.0 positions to establish and operate the Council.

**VOTES:****ASM HIGHER EDUCATION: 10-0-0**

**YES:** Fong, DeMaio, Boerner, Jeff Gonzalez, Jackson, Muratsuchi, Patel, Celeste Rodriguez, Sharp-Collins, Tangipa

**ASM JUDICIARY: 12-0-0**

**YES:** Kalra, Dixon, Bauer-Kahan, Bryan, Connolly, Harabedian, Macedo, Pacheco, Lee, Sanchez, Stefani, Zbur

**ASM APPROPRIATIONS: 14-0-1**

**YES:** Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

**ABS, ABST OR NV:** Sanchez

**ASSEMBLY FLOOR: 79-0-0**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

**UPDATED**

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