

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 1534 (Irwin) – As Amended March 19, 2026

SUBJECT: Student financial aid: federal Workforce Pell Grant program

SUMMARY: Establishes a state approval and oversight process for California postsecondary educational institutions seeking to participate in the federal Workforce Pell Grant program.

Specifically, **this bill:**

- 1) Prohibits a postsecondary educational institution, with or without a physical presence in the state, from disbursing federal Workforce Pell Grant program funds or advertising their availability to students unless the institution has:
 - a) Obtained authorization from the Governor; and,
 - b) Received all required approvals and met all requirements established by the United States Department of Education (USDE).
- 2) Requires the Governor to determine whether a postsecondary educational institution's short-term program meets the requirements established pursuant to this measure, and authorizes the Governor to consult with relevant entities to make that determination.
- 3) Requires a postsecondary educational institution seeking approval for a short-term program to provide specified documentation to the Governor, including:
 - a) Documentation demonstrating that the program meets specified requirements, including alignment with high-skill, high-wage, or in-demand occupations, as specified, as well as leads to a recognized postsecondary credential that is stackable and portable.
 - b) Certification that the program meets all of the following:
 - i) A completion rate of at least 70 percent within 150 percent of the normal time for completion of the program; and
 - ii) A job placement rate of at least 70 percent within 180 days of completion.
 - iii) For the 12 months preceding the date that the institution applied for approval, the institution offered the short-term program and it met the requirements in (3)(a) above.
 - c) Program-level and student-level data related to enrollment, costs, completion, and employment outcomes, and any other data requested by the Governor related to the short-term program.
- 4) Prohibits the Governor from authorizing a postsecondary educational institution to receive Workforce Pell Grant program funds unless additional conditions are met, including:
 - a) The Governor determines that the short-term program meets the federal Workforce Pell Grant program requirements.

- b) The Governor has consulted with the Labor and Workforce Development Agency (LWDA) and the advisory board.
 - c) The postsecondary educational institution has met the requirements of (3) above.
 - d) The postsecondary educational institution does not do any of the following:
 - i) Partner, affiliate, contract, or use any institution, company, or service provider to offer instruction for the short-term program that is not accredited by an accrediting agency recognized and approved by the USDE.
 - ii) Offer or affiliate with any company that offers financing for the short-term program using a private educational loan, including an income share agreement or a similar type of credit product, other than loans or payment plans that charge no interest to a student.
 - iii) Charge tuition and fees to a student for the short-term program that is more than the maximum amount of Workforce Pell Grant funds available for a student in the short-term program, as specified.
 - e) The postsecondary educational institution is accredited by an accrediting agency recognized and approved by the USDE and that reviews and provides approval for short-term programs.
 - f) The short-term program is offered using only credit-bearing courses that are reviewed by the postsecondary educational institution's accrediting agency.
- 5) Requires the Governor to revoke the approval of a postsecondary educational institution related to the Workforce Pell Grant program if it fails to annually meet the requirements of (3) above, or if there is a court determination that the institution engaged in unlawful, unfair, or fraudulent business acts or practices.
- 6) Authorizes the Governor to enter into data-sharing agreements with the LWDA to evaluate employment outcomes.
- 7) Establishes the California Workforce Pell Grant Advisory Board to provide guidance on program approval, data collection, and student protections. Provides that the advisory board must consist of all of the following:
- a) A representative from the LWDA;
 - b) A representative from the California Workforce Development Board;
 - c) A representative from the Employment Training Panel;
 - d) A representative from the Employment Development Department;
 - e) A representative from the Division of Apprenticeship Standards (DAS);
 - f) The University of California (UC) President;

- g) The California State University (CSU) Chancellor;
 - h) The California Community Colleges (CCC) Chancellor;
 - i) A representative from the Student Aid Commission (CSAC);
 - j) A representative from the Bureau for Private Postsecondary Education;
 - k) A representative from the Association of Independent California Colleges and Universities;
 - l) A representative from the State Department of Education;
 - m) A representative from the California Health and Human Services Agency;
 - n) A representative from the Governor's Office of Business and Economic Development;
 - o) A representative from the Office of Cradle-to-Career Data;
 - p) Industry leaders;
 - q) Nonprofit leaders; and,
 - r) Other representatives designated by the Governor.
- 8) Requires postsecondary educational institutions to protect confidential student data submitted under the program, as specified.
- 9) Authorizes the LWDA to adopt rules and regulations necessary to implement the program.
- 10) Adds an urgency clause and provides that the measure takes effect on July 1, 2026.
- 11) Defines the following for purposes of this measure:
- a) "Advisory board" to mean the California Workforce Pell Grant Advisory Board.
 - b) "Postsecondary educational institution" to mean a campus of the UC, the CSU, the CCC, a private postsecondary educational institution, or an independent institution of higher education that receives state financial assistance.
 - c) "Short-term program" to mean an educational program offered by a postsecondary educational institution that includes 150 to 599 inclusive hours of instruction, or an equivalent number of credit hours, over 8 to 14 weeks, inclusive.
 - d) "Workforce Pell Grant program" to mean the federal program established pursuant HR 1 (Public Law 119-21), under which federal Workforce Pell Grants may be awarded to students enrolled in a short-term program at a postsecondary educational institution.

EXISTING FEDERAL LAW:

- 1) Establishes the federal Pell Grant to provide aid to students who demonstrate financial need and authorizes the Pell Grant award to be used for tuition and fees, books, and supplies,

transportation, and living expenses for the equivalent of up to six years of full-time enrollment. 20 U.S.C. § 1070(a) et seq.

- 2) Establishes the federal Workforce Pell Grant program, beginning July 1, 2026, to provide federal Pell Grant funding for eligible students enrolled in short-term workforce training programs aligned with high-skill, high-wage, or in-demand industries. 20 U.S.C. § 1070(k).

EXISTING STATE LAW:

- 1) Establishes the LWDA to coordinate workforce development programs and support workforce policy in California. Government Code § 15550 et seq.
- 2) Establishes the Donahoe Higher Education Act, setting forth the mission of the UC, CSU, and CCC; defines "independent institutions of higher education" to mean nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in California and are accredited by an agency recognized by the USDE. Specifies that, for purposes of any code or statute, a national or regional accrediting agency recognized by the USDE as of January 1, 2025, shall retain that recognition until July 1, 2029, provided that the accrediting agency continues to operate in substantially the same manner as it did on January 1, 2025. Education Code § 66010 et seq.
- 3) Establishes the CSAC as the state agency charged with administering state financial aid programs to qualifying students enrolled in qualifying institutions of higher education throughout the State; requires the CSAC to prescribe the use of standardized student financial aid applications for California. Education Code §§ 69433 and 69510, et seq.

FISCAL EFFECT: Unknown

COMMENTS:

The federal Workforce Pell Grant program established by HR 1 (Public Law 119-21):

As stated in the Assembly Higher Education Committee's analysis of this bill:

“The Congress enacted H.R. 1, in the Summer of 2025. Among the many provisions contained in the measure is a section that expands Pell Grant eligibility to students enrolled in short-term, career-focused training programs that meet defined quality requirements and lead to industry-recognized credentials. The workforce training programs tend to be between 8 and 15 weeks in length and are intended to provide rapid pathways to employment in high-demand industries. This expansion is commonly referred to as “Short-Term Pell” or “Workforce Pell.”

According to the National Governors Association and America Achieves, in their *Workforce Pell: An Overview for Governors* March 2026 policy memo, ‘the Congressional Budget Office estimates that over the next ten years, the federal government will invest approximately \$1.5 billion in Workforce Pell Grants of about \$2,200 per recipient, although awards will vary as they are prorated based on program length and student need. However, research on such short-term programs demonstrates that while some programs deliver strong labor market returns, many do not. This new funding stream represents an opportunity for Governors to drive resources to the strongest programs to address critical workforce development needs and better align

postsecondary training to high-skill, high-wage, and in-demand jobs through their implementation decisions.’

The Workforce Pell goes into effect on July 1, 2026, the USDE proposed regulations in March 2026, and is expected to finalize regulations later this Spring. Presently, the draft regulations leave Governors with considerable leeway in the details of implementation.”

Existing state processes for approving workforce training programs:

Registered preapprenticeship and apprenticeship programs

Apprenticeship is a system of training in a trade or profession that combines both classroom study and on-the-job training. The DAS within the Department of Industrial Relations administers California apprenticeship law and establishes apprenticeship standards for wages, hours, working conditions and the specific skills required for state certification. It promotes apprenticeship training, consults with program sponsors, and monitors programs to ensure high standards for on-the-job training and supplemental classroom instruction. Although “traditional” apprenticeship programs are in the building and construction trades, registered apprenticeship programs now exist in a wide variety of industries, including healthcare, technology, advanced manufacturing, public service and more.

Preapprenticeship programs also exist and in many cases are registered by the DAS. These programs are geared toward preparing enrollees to subsequently enter into a registered apprenticeship program.

Employment Training Provider List (ETPL)

The federal Workforce Innovation and Opportunity Act (WIOA) requires states to establish and maintain a list of training providers that are eligible to receive WIOA funds for training services, including classes, online courses, apprenticeships and more. This list is known as the ETPL. There is a statewide California ETPL as well as local ETPLs. The goal of the ETPL is to ensure that federal workforce training funds only support programs with strong employment outcomes.

Author’s Statements:

According to the author, “Californians looking to gain new skills or advance in their careers by enrolling in short-term workforce training programs may be eligible for new financial assistance. Starting in July, the federal government is set to begin rolling out Workforce Pell Grants for eligible Californians seeking to enroll in short-term programs lasting 8 to 15 weeks. These programs will lead to industry-recognized credentials in sectors like healthcare, IT and skilled trades, and will train participants for high-wage and in-demand jobs.

While Pell Grant assistance has historically been limited to students seeking an undergraduate degree, these new grants will be available for entry-level to mid-career adults wishing to upskill and move up in their careers.

Legislation is necessary for the state to create an approval process to ensure only the highest quality programs are offered to prospective students. This ensures students use their limited Pell Grant eligibility on programs that deliver real opportunities for them and their families, and prevent them from wasting resources on unproductive or fraudulent programs.

This type of investment in our workforce will strengthen California’s economy by ensuring workers have the skills to meet the demands of employers, and businesses can continue to evolve in a 21st century market.”

The author adds that the measure promotes equity, per HR 39 (Gipson, 2021) in that “traditional Workforce Pell Grants have historically excluded short-term programs. These programs often serve working adults and students who cannot afford multi-year degree pathways. This bill ensures low-income students who qualify for Pell Grants will have access to training that leads to high-demand, high-wage jobs, providing them and their families stability and economic security. Since Workforce Pell will apply to programs 8 to 15 weeks in length, underrepresented students will likely need to borrow less, minimizing financial risk.

Some short-term programs have been marred by deceptive and fraudulent practices that target vulnerable, underrepresented students desperate for career advancement. This bill includes robust quality assurance measures that ensure underrepresented students are only accessing high-quality education that will advance their careers and economic security.”

Committee Comments:

There is some concern that the language in Section 69872(c)(4)(C) prohibiting the approval of short-term programs that cost more than the maximum Workforce Pell Grant awards could exclude some important programs such as trucking, welding, and heating, ventilation, and air conditioning (HVAC). However, the sponsor conveys that this language is intended to discourage institutions from artificially inflating tuition now that federal grant dollars are available. Given that the aforementioned types of programs that could potentially be excluded have historically resulted in positive employment outcomes, Committee staff recommends the author continue to engage with interested stakeholders on the issue.

Additionally, the multicraft core curriculum (MC3) – a comprehensive pre-apprenticeship training curriculum developed and approved by the Building Trades National Apprenticeship and Training Committee – would currently be excluded under the language of this bill due to the shorter duration of the program. The MC3 is 120 hours, but the minimum number of hours for a program eligible for the Workforce Pell Grant is 150 hours. However, this minimum hour requirement was established in the federal law so it is unclear if there is any ability for the state to authorize eligibility for shorter programs.

Lastly, given the state’s vast efforts to bolster registered apprenticeship programs, it might make sense to somehow expedite approval for these already-vetted programs.

Arguments in Support

The Institute for College Access & Success writes in support that “while federal implementation of Workforce Pell is still evolving through negotiated rulemaking, AB 1534 (Irwin) provides a strong policy framework that can be refined as federal guidance becomes clearer. At the same time, it is critical for California to begin building the state-level infrastructure needed to responsibly implement this major expansion of federal financial aid. This bill builds on federal requirements by establishing important guardrails to ensure Workforce Pell-eligible programs in California are high quality and aligned with student success. The bill strengthens institutional accountability and accreditation safeguards, protects students against predatory financing, promotes program affordability, prohibits schools from partnering or contracting with

unaccredited companies related to the instruction, and establishes data collection and transparency to evaluate program outcomes. These guardrails are especially important since research shows that many individuals with short-term certificates earn \$30,000 or less annually, and Black and Latino workers often see lower earnings than White workers with similar credentials.”

Arguments in Opposition

None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Blu Educational Foundation
California Competes: Higher Education for a Strong Economy
California Opportunity Youth Network
Campaign for College Opportunity
Children Now
John Burton Advocates for Youth
Public Advocates
Rancho Santiago Community College District
The Century Foundation
The Institute for College Access & Success
Tri County Chamber Alliance
Unite-LA

Opposition

None on file.

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