

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee:	Higher Education	Vote:	8 - 2
	Labor and Employment		7 - 0

Urgency: Yes State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill prohibits a postsecondary educational institution offering short-term programs from disbursing federal Workforce Pell Grant program funds to students unless the institution receives authorization from the Governor and necessary approvals by the United States Department of Education (USDE). The bill also establishes the California Workforce Pell Grant Advisory Board to review short-term programs potentially eligible for Workforce Pell Grant funds and make recommendations to postsecondary educational institutions, or the Governor, regarding necessary processes and policies for programs deemed ineligible for funds.

FISCAL EFFECT:

- 1) One-time Proposition 98 General Fund costs of approximately \$20 million to \$40 million, roughly \$15 million of which would be ongoing annual costs, for community college districts (CCDs), collectively statewide, establish the necessary infrastructure to participate in the Workforce Pell Grant program.

There are 72 CCDs and this estimate assumes an average one-time cost of \$276,000 to \$513,000 per CCD.

- 2) One-time General Fund costs of an unknown amount, at least in the tens of thousands of dollars, for the California Community Colleges Chancellor’s Office (CCCCO) to develop systemwide procedures, update information management systems for required reporting, and provide technical assistance.

The CCCCCO also indicates ongoing General Fund costs between \$100,000 and \$250,000 annually to continue to provide technical assistance, coordinate with the Governor’s Office and Labor and Workforce Development (LWDA) and manage data-sharing processes.

- 3) Ongoing General Fund costs of approximately \$1.3 million annually for the California Cradle-to-Career Data System to hire additional staff and expand capacity for data collection and matching to perform the calculation of return on investment of specific training and education programs.
- 4) One-time General Fund costs of \$167,000 and \$100,000 ongoing annually for the California Workforce Development Board to support implementation of the bill.
- 5) Ongoing General Fund costs in the tens of thousands of dollars annually for the Employment Training panel to support implementation of the bill.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

Given the recent enactment of H.R. 1 by Congress, the federal government will begin implementing the Workforce Pell Grant program on July 1, 2026, to provide financial assistance to students enrolling in short-term programs lasting eight to 15 weeks at eligible postsecondary educational institutions. The USDE proposed draft regulations in March 2026 and leave considerable discretion to participating states. Therefore, according to the author:

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 bill, as an urgency measure, proposes several consumer protection provisions to protect participating students and their privacy, establishes an advisory board comprised of representatives from California's higher education system, workforce agencies, and industry to make recommendations regarding program approval and oversight, and requires data sharing to facilitate evaluation of student outcomes and workforce benefit.

Analysis Prepared by: Aaron Heredia / APPR. / (916) 319-2081