

ASSEMBLY THIRD READING
AB 1534 (Irwin)
As Amended March 19, 2026
2/3 vote

SUMMARY

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

Major Provisions

- 1) Prohibits a campus of the University of California (UC), the California State University (CSU), the California Community Colleges (CCC), a private postsecondary educational institution, or an independent institution of higher education receiving state financial assistance from disbursing federal Workforce Pell Grant funds or advertising their availability 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 institutions seeking approval for a short-term program to submit documentation demonstrating that the program meets federal Workforce Pell Grant requirements, including alignment with high-skill, high-wage, or in-demand occupations.
- 3) Requires institutions to certify, under penalty of perjury, that the program meets specified outcomes, including:
 - a) A completion rate of at least 70%; and,
 - b) A job placement rate of at least 70% within 180 days of completion.
- 4) Requires postsecondary educational institutions to provide program-level and student-level data related to enrollment, costs, completion, and employment outcomes.
- 5) Prohibits authorization for programs unless additional conditions are met, including accreditation requirements, credit-bearing instruction, and program operation for at least one year prior to approval.
- 6) Prohibits institutions from:
 - a) Contracting with unaccredited instructional providers;
 - b) Offering certain private financing arrangements, including income share agreements; and,
 - c) Charging tuition exceeding the maximum Workforce Pell Grant amount.

- 7) Establishes the California Workforce Pell Grant Advisory Board to provide guidance on program approval, data collection, and student protections. Stipulates that the advisory board must consist of all of the following:
 - a) A representative from the Labor and Workforce Development Agency;
 - 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;
 - f) The UC President;
 - g) The CSU Chancellor;
 - h) The CCC Chancellor;
 - i) A representative from the California 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) Authorizes the state to enter into data-sharing agreements with the Labor and Workforce Development Agency to evaluate employment outcomes.
- 9) Requires institutions to protect confidential student data submitted under the program.
- 10) Authorizes the Labor and Workforce Development Agency to adopt rules and regulations necessary to implement the program.
- 11) Defines the following for purposes of this measure:
 - a) "Advisory board" means the California Workforce Pell Grant Advisory Board;

- b) "Postsecondary educational institution" means a campus of the UC, CSU, or the CCC, a private postsecondary educational institution, or an independent institution of higher education that receives state financial assistance;
- c) "Short-term program" means 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; and,
- d) "Workforce Pell Grant program" means the federal program established pursuant H.R. 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.

COMMENTS

Urgency clause. The Workforce Pell goes into effect on July 1, 2026, the USDE released proposed regulations in April of 2026, and is expected to finalize regulations later this Spring. In order for California to have its students benefit from the Workforce Pell, this measure contains an urgency clause.

Workforce Pell. 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 14 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.

This measure seeks to establish a state-level approval process for institutions seeking to offer programs eligible for these funds.

Program accountability. This measure requires participating institutions to demonstrate measurable outcomes, including minimum completion and job placement rates. Institutions must also provide program and student-level data to enable the state to evaluate program performance and workforce outcomes.

Consumer protection provisions. This measure contains several provisions intended to protect students, including restrictions on tuition levels, limitations on private financing arrangements, and requirements that programs be offered through accredited institutions using credit-bearing coursework.

Advisory board. This measure establishes the California Workforce Pell Grant Advisory Board, composed of representatives from higher education systems, workforce agencies, and industry stakeholders. The advisory board is tasked with providing recommendations related to program approval, data reporting, and student transition policies.

Data collection and workforce alignment. This measure authorizes data sharing between the designated state entity and the California Labor and Workforce Development Agency to evaluate employment outcomes, including occupation, industry, and earnings data. These data are intended to inform program oversight and workforce development policy.

Student privacy. Provisions are included in this measure to protect confidential student information submitted to the state and requires institutions to designate such information accordingly. Legislative findings note that protecting student privacy is necessary to support program administration while safeguarding sensitive information.

According to the Author

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 [2026], the federal government is set to begin rolling out Workforce Pell Grants for eligible Californians seeking to enroll in short-term programs lasting eight 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."

The author contends that, "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."

Lastly, the author states that, "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."

Arguments in Support

According to the Century Foundation (TCF), "AB 1524 establishes a framework for California to implement the expansion of federal Pell Grant eligibility to short-term workforce training programs. The expansion of Pell Grants to short-term workforce programs has the potential to create meaningful new opportunities for students to pursue job training, but it also poses significant risks."

Further, TCF states that, "short-term workforce programs include programs offered by for-profit providers, and have a mixed track record when it comes to student outcomes. While some programs lead to positive outcomes, others fail to provide upward economic mobility and even

worse, may leave students with debt. In addition, Workforce Pell programs count toward students' limited Pell Grant eligibility, and students are at risk of using this eligibility for low-quality, expensive, or even fraudulent programs. As a result, it is critical that California establish strong safeguards that protect both students and public investment in the program. AB 1534 does just that."

Lastly, according to TCF, "the bill includes important student protections, including a provision that will help ensure that program instruction is provided by accredited institutions, rather than outsourced to unaccredited providers. The bill also prohibits participating programs from charging tuition and fees above the maximum amount of Workforce Pell Grant funds available and prohibits institutions from entering into arrangements with private lenders to offer loans to students. These provisions will help to protect students from taking on debt while also helping to ensure that these programs remain affordable. California remains a national leader in expanding college access while maintaining strong consumer protections for students. AB 1534 lays the groundwork for an approach to Workforce Pell that would prioritize quality, affordability, and protecting students from taking on risky debts."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 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.
- 3) 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.
- 4) 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.
- 5) 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.

- 6) 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.

VOTES

ASM HIGHER EDUCATION: 8-2-0

YES: Fong, Boerner, Jeff Gonzalez, Jackson, Kalra, Muratsuchi, Patel, Sharp-Collins

NO: DeMaio, Tangipa

ASM LABOR AND EMPLOYMENT: 7-0-0

YES: Ortega, Alanis, Chen, Elhawary, Kalra, Lee, Ward

ASM APPROPRIATIONS: 12-1-2

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Dixon

ABS, ABST OR NV: Ta, Tangipa

UPDATED

VERSION: March 19, 2026

CONSULTANT: Jeanice Warden / HIGHER ED. / (916) 319-3960

FN: 0003020