
UNFINISHED BUSINESS

Bill No: SB 638
Author: Padilla (D) and Fong (D), et al.
Amended: 10/7/25
Vote: 21

SENATE EDUCATION COMMITTEE: 7-0, 4/30/25
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/23/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Seyarto, Dahle

SENATE FLOOR: 30-3, 6/4/25
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNERney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Jones, Niello
NO VOTE RECORDED: Choi, Dahle, Ochoa Bogh, Reyes, Seyarto, Strickland, Valladares

ASSEMBLY FLOOR: 72-6, 9/12/25 - See last page for vote

SUBJECT: California Education Interagency Council: California Career Technical Education Incentive Grant Program

SOURCE: Author

DIGEST: This bill revises the California Career Technical Education Incentive Grant (CTEIG) Program and establishes a new statewide coordinating entity, the California Education Interagency Council (Council), to strengthen alignment of career technical education (CTE) and workforce development efforts.

Assembly Amendments: (1) delete provisions establishing a new Career Technical Education and Career Pathways Grant Program and instead revise and recast the

existing CTEIG Program, (2) rename and restructure the California Education and Workforce Development Coordinating Entity as the California Education Interagency Council, shift its role from grant approval to an advisory function, require the Superintendent to consult with the Council rather than the Chancellor of the California Community Colleges in developing the grant application process, and codify the Council's alignment with the Governor's Master Plan for Career Education, and (3) establish an Office of the California Education Interagency Council to support the Council's operations and transparency requirements.

ANALYSIS:

Existing law:

- 1) Establishes CTEIG to support high-quality CTE programs in grades 7 to 12, inclusive, through ongoing state funding, in partnership with local educational agencies (LEAs) and regional consortia. (Education Code (EC) §§ 53070–53076)
- 2) Establishes the K-12 Strong Workforce Program (SWP) to expand high-quality CTE in K-12 schools through regional planning and funding aligned with California's community college SWP. (EC § 88827)
- 3) Establishes the Golden State Pathways Program to promote college and career readiness by funding partnerships between K-12 schools and community colleges that integrate academic coursework with college credit and workforce preparation. (EC § 53010 et seq.)
- 4) Establishes the Teacher Residency Grant Program, which provides funding to LEAs to develop and implement teacher residency programs in partnership with institutions of higher education. These programs support teacher candidates in completing coursework while receiving intensive mentoring in a school setting. (EC § 44393)
- 5) Establishes the School Counselor Residency Grant Program, modeled after the teacher residency framework, which provides grants for LEAs to develop and support school counselor preparation programs that integrate academic coursework with on-site training. (EC § 44394)
- 6) Creates the California Workforce Development Board (CWDB) as the state's primary workforce policy board, responsible for developing, implementing, and overseeing California's workforce development strategy. (Unemployment Insurance Code § 14010 et seq.)

- 7) Creates the California Community Colleges Chancellor's Office (CCCCO) to provide leadership and technical assistance to the state's 116 community colleges and administer programs that enhance access to higher education and vocational training. (EC §§ 78015–78017)
- 8) Creates the California State University (CSU) and University of California (UC) systems, as California's two public university systems, providing undergraduate, graduate, and professional education across dozens of campuses. Both systems offer CTE-aligned programs, particularly in fields such as education, health care, and engineering, and participate in efforts to expand access to applied learning and workforce training. (EC § 66010 et seq.)
- 9) Creates the Bureau for Private Postsecondary Education (BPPE), within the Department of Consumer Affairs, to license and regulate private postsecondary institutions in California. (EC § 94800 et seq.)
- 10) Creates the California Cradle-to-Career Data System to link educational, social service, and workforce data to support student success, policy analysis, and program improvement. (EC §§10850–10889)
- 11) Creates the Government Operations Agency (GovOps), responsible for improving government efficiency, effectiveness, and accountability. (Government Code § 12803.2)

This bill:

- 1) Expresses the intent of the Legislature to allocate any one-time funds for CTE appropriated in the 2024-25 Budget Act to the CTEIG program.
- 2) Authorizes CTEIG grants to fund the establishment of new or expanded career pathways in the following industries, including, but not limited to, green technology, health care, information technology, education and artificial intelligence.
- 3) Authorizes CTEIG grants to support collaboration with labor and business entities to place pupils in apprenticeships, pre-apprenticeships, dual enrollment, service learning, and work-based learning activities.
- 4) Requires that CTEIG grants provide opportunities for pupils from historically underrepresented communities that struggle to access CTE and career pathway programs.

- 5) Adds to data elements on CTE programs to be reported annually to the Superintendent of Public Instruction (SPI) the number of pupils earning dual credit through CTE courses and the number of pupils participating in work-based learning or service learning linked to CTE courses.
- 6) Requires that successful applicants to the CTEIG program to demonstrate a holistic approach to providing CTE courses and pathways, including the involvement of employers, providing wraparound services for pupils, and aligning with current and projected labor market demand.
- 7) Requires the CDE to give positive consideration to applicants in areas of high poverty and defines both “high unemployment rate” and “high poverty rate” for purposes of determining priority for applicants to the CTEIG program.
- 8) Requires the Council, as proposed to be established by AB 1098 (Fong and Padilla, 2025) to develop recommendations regarding CTE, college and career pathways, and workforce development recognizing existing segmental plans; provide advice on supporting students across their educational careers; and serve as a central planning and coordinating hub for statewide education-to-career efforts by providing accessible information about strategic plans, alignment efforts, and available resources.
- 9) Requires the managing entity to support the Council by, among other things, supporting and staffing meetings of the Council, gathering necessary research, and developing and maintaining a website providing access to the Council’s agendas, reports, work products, and resources.
- 10) Authorizes the managing entity to hire staff or enter into contracts for professional services to support the Council.
- 11) Requires the Council to operate in an advisory capacity.
- 12) Includes double-jointing language with AB 1098 (Fong and Padilla, 2025).

Comments

- 1) *Need for the bill.* According to the author, “Too many Californians are struggling to access a high quality job. Seventy percent of Californians think that when children in California today grow up, they will be worse off financially than their parents. At the same time, if current trends continue, about 40% of jobs in California will require at least a bachelor’s degree by 2030. 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. Although the need for more education and training is clear, accessing education and training is hard because of an antiquated workforce development system that is too difficult to access. By establishing the California Education and Workforce Development Coordinating Entity, we can improve effectiveness of programming by reducing inefficiencies, increasing access by reducing bureaucratic hurdles, increasing the number of career pathways, and improving the evaluation of education and workforce development programming.”

- 2) *Background on the Career Technical Education Incentive Grant Program.* The CTEIG Program was originally established in 2015 as a \$900 million, three-year competitive grant initiative to help LEAs sustain high-quality CTE programs during the transition to the full implementation of the Local Control Funding Formula (LCFF). Framed as a joint education and workforce investment, the program aimed to provide students in kindergarten through grade twelve with the skills necessary to succeed in both postsecondary education and living-wage employment.

Although the program was initially conceived as a short-term bridge, it proved popular and has been sustained over time. In 2018, the state converted CTEIG into an ongoing program with a \$150 million annual appropriation. In 2021, that ongoing appropriation was doubled to \$300 million, reflecting growing interest in CTE as both a K–12 student engagement strategy and a means to meet workforce development needs. The program is administered by the California Department of Education (CDE) in consultation with other entities possessing CTE expertise.

- 3) *Master Plan for Career Education.* In April 2025, the Governor’s Office released California’s Master Plan for Career Education, following a 2023 executive order directing the development of a cross-sector strategy to improve education-to-employment outcomes. The report notes that the state’s current governance model—rooted in the 1960 Master Plan for Higher Education—was designed for a mid-20th-century labor market dominated by jobs requiring minimal formal education. In contrast, today’s economy demands ongoing upskilling, with increased emphasis on experiential learning and career-connected instruction.

The Master Plan for Career Education lays out six broad “courses of action” intended to modernize and better align California’s education and workforce systems. Chief among them is the creation of a statewide planning and

coordinating body that brings together education segments, workforce agencies, and employers. The Plan recommends this body develop and monitor progress toward statewide goals, coordinate federal and state planning efforts, streamline overlapping program requirements, align funding strategies, and support regional sector-based partnerships. The Plan also emphasizes responsiveness to emerging labor market trends, including those driven by artificial intelligence and automation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee:

- The bill incorporates a \$150 million investment for CTE in the Budget Act of 2025 into the CTEIG.
- Ongoing General Fund costs of \$187,000 for the CDE to hire one additional staff member to implement the additional requirements the bill adds to the CTEIG.
- Ongoing General Fund costs ranging from \$2 million to \$5 million for GovOps to operate the new California Education and Workforce Development Coordinating Entity. However, AB 102 (Gabriel), Chapter 5, Statutes of 2025, included \$1.5 million within GovOps' budget to support the Education Workforce Development Coordinating Council to improve planning and coordination aligned to recommendations of the Master Plan for Career Education. The Legislature could leverage these funds to support the Coordinating Entity established by this bill.
- Ongoing General Fund costs of \$150,000 for the UC to hire one additional staff necessary to support additional administrative workload associated with UC's membership in the Coordinating Entity.
- 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.

SUPPORT: (Verified 9/12/25)

Aspire Public Schools

Association of Independent California Colleges & Universities

CA Edge Coalition

Calbright College

California Competes: Higher Education for a Strong Economy
California Edge Coalition
Coalition of California Welfare Rights Organizations
GRACE - End Child Poverty CA
Hispanic Association of Colleges and Universities
Jobs for the Future
John Burton Advocates for Youth
Just Equations
National University
The California Alliance for Student Parent Success
Unite-LA

OPPOSITION: (Verified 9/12/25)

None received

ASSEMBLY FLOOR: 72-6, 9/12/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Fariás, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, 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, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Davies, DeMaio, Dixon, Ellis, Hadwick, Sanchez

NO VOTE RECORDED: Castillo, Jeff Gonzalez

Prepared by: Ian Johnson / ED. / (916) 651-4105
7/15/26 13:10:04

**** **END** ****