

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 3131 (McCarty) – As Amended April 15, 2024

SUBJECT: California Career Technical Education Incentive Grant Program: Strong Workforce Program: equity multiplier: historically redlined communities

SUMMARY: Adds additional criteria to be considered when the California Department of Education (CDE) or the K-12 Selection Committee select applicants for career technical education funds. Specifically, **this bill:**

- 1) Adds whether a local education agency (LEA) is receiving funding through the Local Control Funding Formula Equity Multiplier to the positive considerations the California Department of Education (CDE) and the executive director of the California State Board of Education must consider when determining whether a local education agency will receive a Career Technical Education Incentive Grant (CTEIG) for career education programs.
- 2) Adds whether a LEA is located in a historically redlined community, as determined by the CDE, to the positive considerations a K-12 selection committee for the Strong Workforce Program must consider when determining whether a LEA will receive grant funding for career education programs.
- 3) Makes technical and conforming changes.

EXISTING LAW:

- 1) Establishes the California Community Colleges (CCC) under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this state. The CCC shall be comprised of community college districts (Education Code (EDC) Section 70900).
- 2) Establishes the CTEIG program administered by the CDE as a state education, economic, and workforce development initiative with the goal of providing K-12 students with the knowledge and skills necessary to transition to employment and postsecondary education. Establishes the minimum standards for eligibility including, but not limited a two-dollar matching fund requirement and reporting requirement for the use of funds. Allocates in the funds provided in the annual budget act, as of 2022, \$300,000,000 to districts based on their average daily attendance. Stipulates the technical supports for the CCTEIG will be the same technical support coordinators as provided in the K-12 Strong Workforce Program (EDC Section 53070 et. seq.).
- 3) Establishes the Strong Workforce Program as a K-14 state education, economic, and workforce development initiative for the purpose of expanding the availability of high-quality, industry-valued career technical education and workforce development courses. Establishes the Strong Workforce Program Consortia comprised of local education agencies, community college districts, and other entities who collaborate with local and regional governments, and industry partners to meet the career technical educational workforce needs of a given region. Funds are allocated to consortia members with a specified amount to

community college districts and a specified amount to K-12 partners. The funding for K-12 consortia members is divided amongst districts based on their average daily attendance. Local education agencies are required to provide matching funds for the Strong Workforce Program with local education agencies providing two-dollars match for every dollar of funding and regional occupational centers providing one dollar for every dollar received. Funding must be used as specified for career technical education programs. (EDC Section 88820 et. seq.).

FISCAL EFFECT: Unknown

COMMENTS: *Double Referral.* AB 3131 (McCarty) was heard in the Assembly Committee on Education on April 10, 2024, where it passed with 7-0 vote. A review on the issues of the measure germane to education is addressed in the Committee's analysis.

Author's intent. As conveyed by the Author, "As part of the California Legislative Black Caucus (CLBC) reparations bill package, AB 3131 ensures that school districts within historically redlined communities are first in line for career technical education grants. Students enrolled in high-quality career technical education programs have higher graduation rates, college attendance, earnings, and soft skills. But Black students are not benefiting from these programs like their white peers. By prioritizing historically redlined communities when awarding career technical education grants, we can ensure that Black students are able to benefit from high-quality vocational programs."

The Author further contends, "AB 3131 is intended to directly improve the education of Black students, particularly through the investment of career technical education. Career technical education is known career technical education to help students obtain several positive educational outcomes. Black students have historically been tracked to enter into lower quality vocational programs as the result of persisting racial inequities. AB 3131 seeks to minimize the racial gap amongst career technical education enrollment, by ensuring school districts in historically redlined communities are first in line for career technical education grants."

AB 3131 (McCarty) seeks to address inequities in career technical education by creating additional criteria for consideration when the decision makers determine which LEA will receive funding for career technical education programs through the Career Technical Education Incentive Grant and the K-12 Strong Workforce Program.

Committee Staff note the provisions of AB 3131 (McCarty) only affect K-12 career education grant funding and do not impact the Strong Workforce Grant Programs for community colleges.

Career Technical Education Incentive Grant (CTEIG) and the Strong Workforce Program. In 2015, as part of the annual Education Finance Omnibus Trailer Bill, the CTEIG was established for the purpose of providing funding to K-12 schools to help onboard and sustain high-quality career technical education programs for K-12 students. Five years after transitioning from categorical type funding to the local control funding formula (LCFF), K-12 school districts were struggling to maintain their career technical programs due to the loss of a designated funding source. With so many demands on LCFF funds, the Legislature infused K-12 school districts with three years of funding for career technical education programs with the hopes this would protect and insulate the programs from local budget reductions. After the three-year period, the Legislature approved an annual apportion of \$150 million beginning in 2018-2019, and in 2021, the annual CTEIG appropriation was increased to \$300 million. In the 2018-2019 school year,

according to the CDE Data Quest, there were 57,236 career technical education courses offered throughout the state. In the current fiscal year 2023-2024, the CDE has allocated CTEIG funds to 399 LEAs throughout the state. CTEIG is administered by the CDE and is a competitive grant process. Criteria is listed in EDC Section 53075 is the criteria the CDE must consider when determining whether funding should be allocated to an LEA. AB 3131 (McCarty) would add whether an applicant received funding through the local control funding formula equity multiplier as one of the determining criteria for the CDE to consider when determining who receives CTEIG funding.

The Strong Workforce Program was established in the annual Budget Act in 2016. The program was originally a recommendation from the CCC Board of Governors and was adopted by the Legislature and the Governor in order to create one million more middle-skill or career technical education workers to meet workforce demands. The original allocation for the Strong Workforce Program was \$248 million and was reserved for student success, career pathways, workforce data outcomes, career technical education faculty, and regional coordination. Funding for community colleges is dispersed with 60% being given to each community college district, and 40% to regional consortia for distribution in order to focus on the workforce needs of the state’s eight regions: Far North, Bay Area, Central/Motherlode, South Central Coast, Los Angeles, Orange County, Inland Empire/Desert, and San Diego/Imperial.

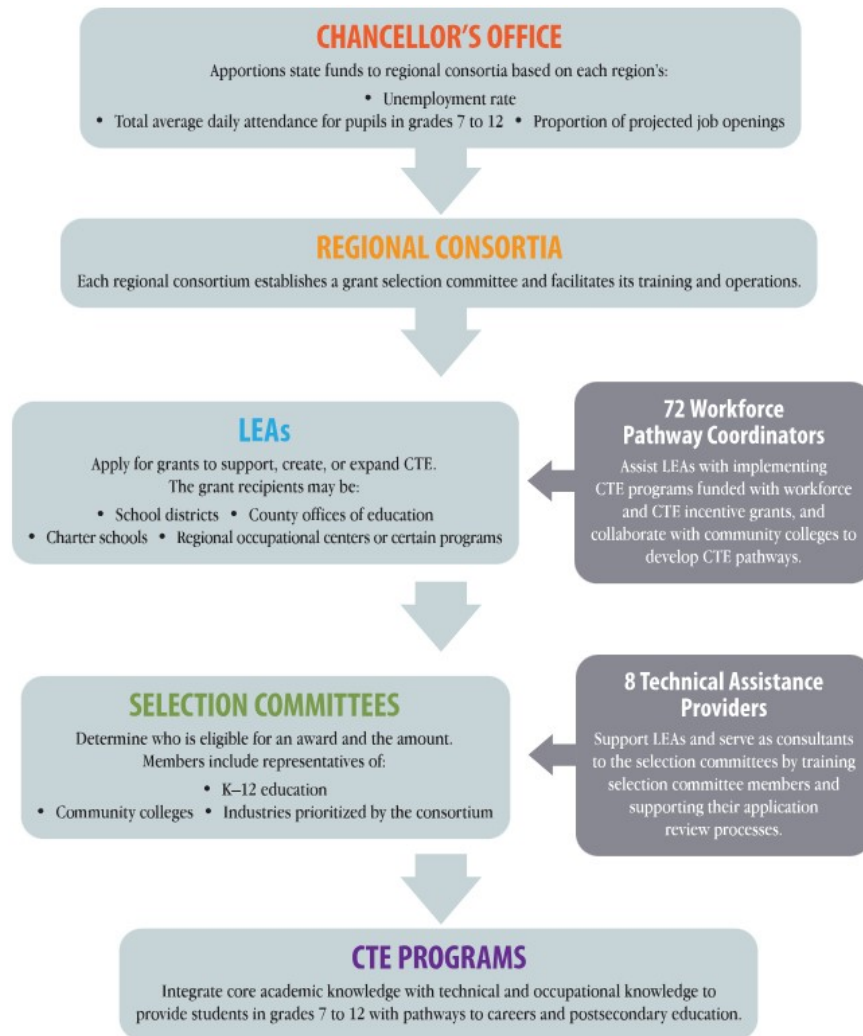
In 2018, the annual Budget Act expanded the Strong Workforce Program to include a K-12 LEAs. As explained by the State Auditor, in a 2022 report on K-12 Strong Workforce Program, the program is divided as follows:

K-12 Component	Community College Component
<ul style="list-style-type: none"> • Competitive grant process to create, support, or expand K-12 career technical education programs. • \$150 million in grants and \$14 million for technical assistance. • Requires grant applicants to align K-12 career technical education programs with regional plans that the regional consortia must submit. 	<ul style="list-style-type: none"> • Funds allocated to improve and implement community college career technical education programs • \$248 million in grants and administrative costs. • Requires each regional consortium to submit a regional plan, updated each year, that analyzes labor market needs, including wage data, and prioritizes projects and programs that close relevant labor market and employment gaps.

Source: State Auditor’s report, February 2022¹.

¹ <https://www.auditor.ca.gov/reports/2021-101/index.html>

According to the CCC Chancellor’s Office, the CDE and the Chancellor’s Office share the managerial duties of the K-12 Strong Workforce initiative. Funds are dispersed from the Chancellor’s Office to the eight regional consortia. Each regional consortia will create a K-12 Selection Committee, who then provide the funds to eligible and qualifying LEAs through the competitive grant process. See the below diagram for a further understanding of the structure and funding stream of the K-12 Strong Workforce initiative:²



Source: State law and Chancellor’s Office guidance.

AB 3131 (McCarty) adds to the criteria by which a K-12 selection committee considers applicants for Strong Workforce Funds, the criteria of a program residing in a historically redlined community, as defined by the CDE.

A redlined community. The Federal Reserve History defines redlining as a past practice of denying persons access to credit because of where they live, even if the persons were qualified for loans. The practice was outlawed by the Fair Housing Act in 1968, which banned

² <https://www.auditor.ca.gov/reports/2021-101/index.html>

discrimination in real estate and mortgage lending.³ Mapping Inequality, Redlining in New Deal America, explains redlining in more explicit terms:

“In the 1930s the federal government created redlining maps for almost every major American city. Redlining was the practice of categorically denying access to mortgages not just to individuals, but to whole neighborhoods. Between 1935 and 1940, an agency of the federal government, the Home Owners' Loan Corporation (HOLC), graded the ‘residential security’ of thousands of American neighborhoods. By ‘security,’ they meant the relative security or riskiness of those areas for banks, saving and loans, and other lenders who made mortgages.

For each of these cities, they produced maps showing those grades. Neighborhoods they deemed ‘best’ and safe investments were given a grade of A and colored green. Those that were deemed ‘hazardous’ were given a grade of ‘D’ and colored red. In most cases they also generated an ‘area description’ for each of these neighborhoods providing descriptions of the houses, the sales and rental history, and of the residents. If those residents were African Americans or, to a lesser extent, immigrants or Jews, HOLC deemed them a threat to the stability of home values and described their presence as an ‘infiltration.’ Redlining was legal and practiced for decades. It dramatically affected the relative wealth—as well as the health—of different racial groups in America. Its impact is still with us today.”⁴

While the Mapping Inequity Tool developed by the University of Richmond has examined maps of over 200 cities and estimates that approximately 11 million Americans once lived in redlined areas, the Mapping Inequity tool only has maps from eight cities within California.⁵ Furthermore, according to the Mapping Inequity Tool, only cities whose population was over 40,000 or more were surveyed by the federal government and “redlined.” California’s population has dramatically changed since 1968. Redlined communities have been gentrified and in some cases, like in Los Angeles, the redlined communities are no longer predominately African American, but instead encompass more Hispanic residents than African American residents.

The Author may wish re-examine the use of historically redlined communities as a criteria to help K-12 school districts receive Strong Workforce funds. The positive consideration of the “redlined community” may not help achieve the author’s goal of addressing under-enrollment of African American students in career education courses.

Arguments in Support. The Alameda County Office of Education expresses their support of AB 3131 (McCarty) as, “CTE programs have grown exponentially and have broadened to include courses specifically designed to prepare students for higher education and jobs in science, technology, engineering, and mathematics (STEM) fields such as engineering and healthcare. However, these STEM courses have primarily benefited white students in wealthier districts. Research shows that while white and Black students participate in at least one CTE course at roughly the same rate, there is a wide racial discrepancy in who enrolls in STEM-oriented CTE courses. These disparities in students’ upper-level coursework, as well as access to and

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<https://www.federalreservehistory.org/essays/redlining#:~:text=Redlining%20is%20the%20practice%20of,Black%20populated%20neighborhoods%20in%20particular.>

⁴ [Mapping Inequality \(richmond.edu\)](https://www.mappinginequality.com/)

⁵ <https://www.brookings.edu/articles/americas-formerly-redlines-areas-changed-so-must-solutions/>

participation in career education, only reinforce existing inequities in college and workforce readiness. Persisting inequalities in educational attainment and employment for Black Americans is the direct result of centuries of discriminatory policies, such as redlining. Redlining is the discriminatory practice that consists of the systematic denial of services such as mortgages, insurance loans, and other financial services to residents of certain areas, like Oakland or Inglewood, based on their race. The Center for American Progress notes that schools have historically tracked Black students into low-quality vocational programs ‘as an extension of Jim Crow-era segregation.’ Investments into high quality CTE programs that combine academic education with occupational training offers an essential tool against persisting inequities. AB 3131 requires CDE to identify school districts within historically redlined communities and for these school districts to be prioritized in receiving funding from the CTEIG and the SWP. This requirement will help ensure that the students who most need targeted investments into high-quality CTE programs will benefit from CTE grants.”

Committee comments. Proposition 209 from 1996, prohibits discrimination or any preferential treatment by the State or other public entities towards individuals based on their race or gender. The prohibition also meant that colleges and universities could not use affirmative action programs or provide scholarships, tutoring, or outreach that targeted marginalized or underrepresented groups, such a minorities or women. AB 3131 (McCarty) establishes a workaround Proposition 209, by permitting the CDE and the K-12 Selection Committees to provide additional positive consideration to K-12 school districts who either:

- 1) Are located in a historically redlined community for the K-12 Strong Workforce funding and;
- 2) Receive funding through the Local Control Funding Formula Equity Multiplier for the CTEIG funding.

SB 114 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2024, established the “Local Control Funding Formula Equity Multiplier,” in order to provide local education agencies who have a high number of students who do not receive a “full year” of learning and whose student population are primarily comprised of socio-economically disadvantaged students. The Assembly Committee on Education removed “historically redlined community” from the list of criteria for CTEIG and replaced it with local education agencies who receive funding through the Local Control Funding Formula Equity Multiplier.

To provide parity between the two programs, which both provide career technical education funding for K-12 districts, Committee Staff have suggested and the Author has agreed to amend “redlined communities” out of the Strong Workforce Section and to replace it with Local Control Funding Formula Equity Multiplier as follows:

- 1) Education Code Section 88830, subdivision (b), paragraph (1), subparagraph (E):

(E) Programs serving pupils located at a local educational agency receiving Local Control Funding Formula Equity Multiplier funding pursuant to Section 42238.024, as identified through the stability rate data file produced by the State Department of Education in the prior fiscal year. ~~located in a historically redlined community, as determined by the department.~~

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda County Office of Education
California African American Chamber of Commerce
California Dental Association
California-Hawaii State Conference of The NAACP
Californians for Justice
Democrats of Rossmoor
Greater Sacramento Urban League
Individual Letters (3)
Santa Monica Democratic Club

Opposition

None on file.

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