

Date of Hearing: March 17, 2026

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 1534 (Irwin) – As Amended March 5, 2026

[Note: This bill is double referred to the Assembly Committee on Labor and Employment and will be heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: Student financial aid: federal Workforce Pell Grant program.

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

- 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;

EXISTING LAW:*Federal.*

- 1) Establishes the federal Pell Grant to provide aid to students who demonstrate financial need. The Pell Grant award can 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. The maximum Pell Grant for the 2025-26 academic year (which covers the period from July 1, 2025 – June 30, 2026) is \$7,395. The minimum Pell Grant award for the same time frame is \$740 (20 U.S.C. Section 1070).
- 2) Establishes the federal Workforce Pell Grant program (via H.R. 1, Public Law 119-21), 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.

State.

- 1) Establishes the Donahoe Higher Education Act, setting forth the mission of the UC, CSU, and CCC; and, defines "independent institutions of higher education" as 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 United States Department of Education. 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 (EC) Section 66010, et seq.).
- 2) Establishes 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. Existing law requires CSAC to prescribe the use of standardized student financial aid applications for California (EC Section 69433 and Section 69510, et seq.).
- 3) Establishes the Labor and Workforce Development Agency to coordinate workforce development programs and support workforce policy in California (Government Code Section 15550, et seq.).

FISCAL EFFECT: Unknown

COMMENTS: *Purpose of the measure.* 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 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.”

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.”

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.

Committee comments and amendments. Committee Staff understands that some stakeholders are concerned that the language in this measure could prohibit the approval of short-term programs that cost more than the maximum Workforce Pell awards; if the State ties the maximum tuition to Workforce Pell, it may prohibit some short-term programs, from being approved. Some of these programs could include, trucking, welding, and heating, ventilation, and air conditioning (HVAC) programs.

Committee Staff further understands that other stakeholders believe that tying tuition to Workforce Pell eligible programs to the maximum Pell Grant amount is intended to discourage institutions from artificially inflating tuition simply because federal grant dollars are now available. Students who enroll in these short-term programs and get a Workforce Pell cannot access other forms of federal aid such as loans, so the only option to bridge costs will be private loans.

According to the Institute for College Access & Success (TICAS), “the ceiling is also meant to ensure that students with the greatest financial need can complete the program without needing to take on debt. Because these short-term programs draw from students’ limited lifetime Pell eligibility, we do not want students to exhaust that aid on expensive programs that may not deliver strong returns.”

Further, TICAS states that, “federal statute itself already tries to address pricing indirectly. One of the federal eligibility requirements is that median earnings gains for program completers must exceed the program’s tuition and fees. The state-level pricing provision essentially tries to accomplish a similar consumer protection goal more directly on the front end.”

Keeping the aforementioned concerns in mind, moving forward, the author may wish to continue to work with all stakeholders in order to ensure that, to the extent feasible, all concerns are addressed.

Additionally, this measure establishes the California Workforce Pell Grant Advisory Board that is currently comprised of at least 18 specified entities; however, a representative from the recently created, California Education Interagency Counsel, which will bring together TK-12 education, higher education, and state economic and workforce development agencies to improve planning and coordination across state government, is not included. Further, the composition of many of the advisory board members allows for a representative of the specified entity; but not for the UC President, CSU Chancellor, or CCC Chancellor.

Moving forward, the author may wish to include a representative from the interagency counsel to the advisory board. The author may also wish to consider authorizing a representative from the Offices of the UC President, CSU Chancellor, and CCC Chancellor to be part of the advisory board, or allow the UC President, CSU Chancellor, and CCC Chancellor to name a designee.

Lastly, the Workforce Pell goes into effect on July 1, 2026, the USDE released proposed regulations this month and is expected to finalize regulations later this Spring. In order for California to have its students benefit from the Workforce Pell, this measure needs to contain an urgency clause. *The Committee recommends, and the author has agreed to accept, the following amendment:*

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are: In order to effectively implement the expansion of the Pell Grant program for students enrolled in short-term programs by July 1, 2026, it is essential to safeguard Californians from depleting their limited lifetime Pell Grant eligibility on low-quality, overly expensive, or fraudulent programs that fail to provide genuine opportunities for economic mobility and allow quality short-term programs the ability to provide Pell Grants so more students may access and benefit from career training, and therefore, it is necessary for this act to take effect immediately.

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.”

REGISTERED SUPPORT / OPPOSITION:

Support

BLU Educational Foundation
California Competes: Higher Education for a Strong Economy
Campaign for College Opportunity
Children Now
John Burton Advocates for Youth
Public Advocates
The Century Foundation
The Institute for College Access & Success
UNITE-LA
Young Invincibles

Opposition

None on file.

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