

Date of Hearing: April 19, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2263 (Villapudua) – As Introduced February 16, 2022

SUBJECT: Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program

SUMMARY: Establishes the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program under the administration of the California Student Aid Commission (CSAC) to provide one-time grants to California residents in financial need. Specifically, **this bill:**

- 1) Establishes that the article will be known, and may be cited, as the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program.
- 2) Makes the following definitions:
 - a) “Apprenticeship or vocational program” means an apprenticeship or vocational program included on the state’s Eligible Training Provider List established and maintained by the California Workforce Development Board.
 - b) “Grant” means an award under the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program under this article.
 - c) “Program” means the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program established by this article.
- 3) Specifies that the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program is established under the administration of CSAC. Under the program, CSAC will make available one-time grants to applicants who meet the requirements, as specified.
- 4) Stipulates that the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Fund is established as the initial depository of all moneys appropriated, donated, or otherwise received for the program. Upon appropriation by the Legislature, the commission will distribute moneys in the fund to eligible recipients, as specified.
- 5) Requires CSAC to determine the amount of each grant award under the program so that each grant is not less than one thousand dollars (\$1,000) and not more than three thousand dollars (\$3,000). In determining the amount of a grant, the CSAC must consider the eligible recipient’s financial need and apprenticeship or vocational program costs. CSAC will only award a grant to an eligible recipient in financial need, as determined by the commission. CSAC must give grant priority to applicants with the greatest financial need.
- 6) Requires CSAC to use one-half of the funding appropriated for purposes of the program to award grants to eligible recipients with one or more dependent children who are under 18 years of age in the calendar year of the application.

- 7) In awarding grants to eligible applicants under the program, CSAC will do all of the following:
 - a) Develop an application for a prospective applicant to request a grant;
 - b) Require an applicant to meet all of the following in order to receive a grant:
 - i) Is a California resident;
 - ii) Is enrolled in an apprenticeship or vocational program;
 - iii) Meets the financial need requirements determined by CSAC, as specified;
 - iv) Self-certifies their financial need at the time of application;
 - v) Is not enrolled in any postsecondary educational institution at the time the applicant applied; and,
 - vi) Agrees to use the grant to pay for education-related expenses associated with the applicant's apprenticeship or vocational program of participation, including, but not limited to, food, clothing, housing, tools, training manuals, and childcare.
 - c) CSAC will verify that the applicant satisfies the requirements of b) above before awarding the grant.
- 8) Specifies that a grant recipient may opt to exit the applicant's apprenticeship or vocational training program to attend a public postsecondary educational institution. The grant provided to an applicant described in this subdivision must be used to supplement and not supplant other sources of student financial aid.
- 9) Stipulates that a grant recipient may request and receive no more than one grant under the program.
- 10) Requires that an eligible recipient shall have their grant provided directly to the recipient.
- 11) Requires the commission to collaborate with providers of apprenticeships and vocational programs to solicit grant applicants and facilitate the awarding of grants under the program.
- 12) Authorizes the commission may use up to one percent of the amount appropriated for purposes of the program to support its direct costs of administering the program.
- 13) Finds and declares that undocumented persons, as specified, will be eligible to receive grants.
- 14) Establishes the intent of the Legislature to appropriate state funding in the annual Budget Act or another statute to support the provision of a grant to an eligible recipient who meets, or could meet in a future year, the requirements for an exemption from nonresident tuition as specified.

- 15) Authorizes CSAC to adopt regulations it deems necessary for the implementation of the program. If CSAC adopts regulations, these regulations will be adopted on or before December 31, 2023, and must be adopted as emergency regulations as specified.
- 16) Specifies that on or before December 31, 2023, the CSAC will report to the Legislature and to the Governor on the number of grants provided directly to recipients, providers of apprenticeships and vocational programs on behalf of recipients, and public postsecondary educational institutions on behalf of a recipient. Information reported pursuant to this section must be disaggregated by the categories described in this section.
- 17) Specifies that the provisions of this bill will only become operative only upon an appropriation by the Legislature in the annual Budget Act or another statute for its purposes.

EXISTING LAW:

- 1) Authorizes the California Community Colleges (CCC) Chancellor's office (CCCCO) to allocate funds to local education agencies who contract with apprenticeship programs for the reimbursement of related and supplemental instruction. The rates for related and supplemental instruction reimbursement are set forth each year in the annual budget act. Requires the Chancellor of the CCC to consultation with the Division of Apprenticeship Standards of the Department of Industrial Relations (DASDIR) and the Superintendent for Public Instruction (SPI) to jointly develop a model format for agreements between apprenticeship and local education agencies for instruction. Enables apprenticeship programs offered through local education agencies to maintain curriculum and have an instructor who is qualified journeyperson with experience and knowledge of the trade (Education Code (EDC) Section 8150 et. seq.).
- 2) Authorizes the Board of Governors of the California Community Colleges to utilize resources to establish specified internship training programs and to support approved apprenticeship and preapprenticeship training programs in collaboration with DASDIR. Authorizes to the DASDIR to collaborate with the CCCCCO, if federal funds or resources are available, to develop and implement innovative apprenticeship and preapprenticeship programs in high-growth industries in emerging or transitioning occupations that meet local labor market needs (EDC Sections 79146 and 79148).
- 3) Establishes the California Apprenticeship Initiative (CAI) New and Innovative Grant Program administered by the CCCCCO, as specified, for the purpose of creating new and innovative apprenticeship opportunities in new and emerging industry sectors where apprenticeship training is not utilized to meet workforce needs (EDC Section 79148.1).
- 4) Clarifies the CCCCCO will allocate reimbursements to community colleges who partner with apprenticeship sponsors for instruction provided by an apprenticeship program approved by the DASDIR. The reimbursement rate is established annually in the Budget Act and allocation per program will be based on instructional hours and will be allocated to the partnering community college for disbursement, as specified, to the approved apprenticeship sponsors (EDC Section 79149.3).
- 5) Requires the CCCCCO to collaborate and consult with the DASDIR, the California Apprenticeship Council, and the Superintendent for Public Instruction to develop reporting

protocols for CCC and local education agencies who contract with apprenticeship program sponsors to measure the apprenticeship programs efficiency and success, as specified. (EDC Section 79149.7).

- 6) Requires all apprenticeship programs to be approved by the Chief of the Division of Apprenticeship Standards. Empowers the Chief to approve apprenticeship programs of any trade in the state if the apprenticeship program is needed to meet a workforce need. Establishes additional criteria which must be met for the chief to approve apprenticeship programs related to building and construction trades (Labor Code Section 3075).

FISCAL EFFECT: Unknown.

COMMENTS: *Purpose.* According to the author, “Apprenticeships and vocational training programs are a good way to increase work skills, and our workforce, but more needs to be done to ensure participants in these programs have the financial assistance they need in order to successfully complete these programs. According to the Department of Labor, there continues to be a high demand of apprentices and there are more openings in fields requiring vocational training than there are qualified applicants. AB 2263 will establish the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program, which will provide one-time emergency grants to individuals enrolled in an apprenticeship or a vocational training program. AB 2263 will ensure individuals who are facing financial hardship while starting or doing an apprenticeship or a vocational training program have the financial assistance they need in order to successfully complete the program.”

Background. Apprenticeship is one of the oldest forms of training. It involves learning on the job under the direction of a master or senior worker. In the U.S., registered apprenticeship has a defined meaning and a long, rich history. The registered apprenticeship system dates back to 1937 with the passage of the Fitzgerald Act—national legislation that lays the foundation for the federal-state system that exists today.

The Fitzgerald Act, also known as the National Apprenticeship Act, officially authorized and established the national apprenticeship system. This Act gave the U.S. Secretary of Labor authority over apprenticeship programs, established an office of apprenticeship within the U.S. Department of Labor (DOL), and provided for the recognition of state agencies to register and administer apprenticeship programs. Twenty-five states plus the District of Columbia and Puerto Rico have recognized state apprenticeship operations. In the remaining states, DOL administers apprenticeship. DOL also recognizes apprenticeship occupations and maintains records on all apprenticeship programs and registered apprentices.

According to data published by the Division of Apprenticeship Standards, there are currently 88,111 individuals registered in apprenticeship programs, with carpentry (13,496), firefighter (9,716), and electrical – electronic (7,752) being the top three apprenticeships by enrollment.

According to the Division of Apprenticeship Standards, “California's apprenticeship system represents a partnership among industry, labor, education, and government. DAS promotes apprenticeship training through the creation of partnerships, consults with program sponsors and monitors programs to ensure high standards for on-the-job (OJT) training and supplemental classroom instruction. Through this effort, the retiring skilled workforce is replenished with new skilled workers to keep California's economic engine running strong.”

“This system of training is efficient and cost effective because it eliminates expensive recruitment programs for people who are already trained, creates a diversified and flexible pool of employees with desired skills, and reduces costs of high labor turnover. Employees show high morale and company loyalty when an apprenticeship program offers upward mobility through career development and adapts to include training for new skills in demand by industry.”

Need for emergency assistance? According to the author, “...apprentices may typically receive 40 to 50 percent of a professional's wages, with increases every six months, but not all hours apprentices spend learning entitle them to compensation. Time spent in a classroom, or other form of instruction in which they are not actually working, does not necessarily entitle them to compensation. Therefore, apprentices have to find another source of income to pay for their other expenses such as transportation, textbooks, and childcare. This can often times prevent someone from starting or successfully completing the program if they do not have the financial resources to cover all these costs.”

To note, the 2021-22 State Budget included \$472.5 million in one-time American Rescue Plan Act of 2021 funds and \$27.5 million one-time General Fund for CSAC to establish a one-time grant program to support displaced workers seeking reskilling and up-skilling, and educational opportunities. While this one-time program would provide up to \$2,500 in assistance, it requires that the recipient was displaced from employment due to the COVID-19 pandemic And was not enrolled in a training program or institution of higher education at the time they were displaced from employment.

The new program established in the 2021-22 State Budget, the Golden State Education and Training Grant, will almost certainly provide assistance in the short term to individuals who enroll in apprenticeship programs and otherwise meet the displacement criteria. The Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program established in AB 2263, however, seeks to serve those currently enrolled in an apprenticeship or vocational program. This fundamental difference could be the difference between financial aid in a period of career transition and early career development.

Overtasking CSAC? California is home to the largest postsecondary system in the nation; serving millions of students a year; many whom rely on the services of CSAC in order to receive various forms of state financial aid. Yet, as of 2021-22, CSAC only has 137.5 authorized ongoing staff positions, as well as 2.2 temporary positions. These positions span seven divisions, the largest of which are program administration and services, information technology (IT), fiscal and administrative services, and the executive division. As of January 2022, CSAC reported that 16% (or 22.5 positions) were vacant, with the IT division accounting for 40% of the vacancies. Committee Staff understands that the majority of CSAC's vacant positions have been unfilled for less than three months and CSAC is actively recruiting to fill the vacant positions.

Committee comments. Though the program is called the Golden State Apprenticeship and Vocational Training Emergency Assistance Grant Program, the bill currently lacks provisions that would allow for aid to be quickly distributed to applicants who, by virtue of the eligibility, has a defined and established financial need. To appropriately address the author's concern about emergency grants awarded to apprentices during times of significant need, *the author may wish to modify AB 2263 in the following ways:*

- 1) Require CSAC to consider grant applications on a flowing basis.
- 2) Authorize CSAC to determine what constitutes an emergency that would explicitly grant an applicant access to emergency funds.
- 3) Specify how quickly funds should be dispersed from CSAC to the qualifying grantee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Dental Association
Ember Education

Opposition

None on file.

Analysis Prepared by: Kevin J. Powers / HIGHER ED. / (916) 319-3960