An act to add Article 17 (commencing with Section 69870) to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, relating to student financial aid.

SECURED COPY

2614775395 19BILL

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 17 (commencing with Section 69870) is added to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, to read:

Article 17. Federal Workforce Pell Grant Program

69870. For purposes of this article, the following definitions apply:

(a) "Commission" means the Student Aid Commission.

(b) "Participating institution" means a federal Workforce Pell Grant-eligible public postsecondary educational institution that offers a short-term program.

(c) "Public postsecondary educational institution" means a campus of the University of California, the California State University, or the California Community Colleges.

(d) "Short-term program" means an educational program offered by a participating institution that includes 150 to 599, inclusive, hours of instruction, or an equivalent number of credit hours, over 8 to 15 weeks, inclusive.

(e) "Workforce Pell Grant program" means the federal program established pursuant to the One Big Beautiful Bill Act (Public Law 119-21), under which federal Workforce Pell Grants may be awarded to students enrolled in a short-term program at a participating institution.

69871. (a) The commission, on behalf of the Governor, shall determine whether a participating institution's short-term program meets the requirements established pursuant to this article and shall consult with the California Workforce Development Board on the process that will be used to make those determinations.

(b) Before approving any short-term program pursuant to this article, the commission shall consult with the California Workforce Development Board on the short-term programs that the commission is proposing to approve, which may include, but not be limited to, presenting at a meeting of the California Workforce Development Board a list of short-term programs that the commission is proposing to approve.

(c) A participating institution seeking a determination that one or more of its short-term programs meets the requirements of the Workforce Pell Grant program shall provide all of the following to the commission in a manner prescribed by the commission:

(1) Documentation that the short-term program meets all requirements set forth in Section 83002(b) of Public Law 119-21 and any applicable federal or state law or regulation.

(2) Documentation that demonstrates the methodology and implementation plan for maintaining ongoing compliance with all requirements set forth in Section 83002(b) of Public Law 119-21, including a description of how and what data will be collected to demonstrate ongoing compliance.

(3) A completed Workforce Pell Grant program participation agreement, as developed by the commission, and any associated documentation, data, and certifications that are required as part of its submission in accordance with regulations adopted by the commission pursuant to Section 69872.

(4) Documentation that the short-term program does all of the following:

2614775395 19BILL

(A) Meets the hiring requirements of employers in the sectors or occupations identified pursuant to Section 69874.

(B) Leads to a recognized postsecondary credential that is stackable and portable across more than one employer or prepares students enrolled in the short-term program for employment in an occupation for which there is only one recognized postsecondary credential and that awards students the credential upon completion of the short-term program.

(C) Prepares students to pursue one or more certificates or degrees at a postsecondary educational institution by ensuring that, upon completion of the short-term program and enrollment in a related certificate or degree program, a student will receive academic credit that an institution will accept toward that certificate or degree and the academic credit will be accepted toward meeting the certificate or degree program requirements.

(d) (1) A participating institution seeking a determination that one or more of its short-term programs meets the requirements of the Workforce Pell Grant program shall, in a manner and frequency prescribed by the Office of Cradle-to-Career Data, provide to the Office of Cradle-to-Career Data all of the following data necessary for determining Workforce Pell Grant eligibility:

(A) Program-level data, including all of the following:

(i) The name of the short-term program.

(ii) The Classification of Instructional Programs code and title.

(iii) The total number of students that enrolled in the short-term program during the previously completed federal financial aid award year, the students' state of residence for financial aid purposes, and the number of those students that completed the short-term program.

(iv) The total cost of attendance, including tuition and fees, and the average cost of the short-term program.

(v) Information that can be used to calculate the median earnings and percentage of graduates who are employed. If the information is not available, the participating institution may request the Office of Cradle-to-Career Data to consider using available data in its possession.

(vi) The number of students who completed the short-term program that are employed in a position related to the short-term program and a list of the positions and employers that are considered to be in the program's field of study, if available.

(B) Student-level data, including the following:

(i) Demographic information, including, but not limited to, student identifiers, names, dates of birth, gender, and race or ethnicity.

(ii) Financial aid information, including dependency status, family income, aid amounts, including federal, state, and institutional aid, Pell Grant recipient status, net cost, tuition, and fees.

(2) The office of the Chancellor of the California State University and the office of the Chancellor of the California Community Colleges shall, and the office of the President of the University of California is requested to, coordinate with the Office of Cradle-to-Career Data to fulfill the data-sharing provisions of this subdivision on behalf of their respective participating institutions by submitting that data to the California Cradle-to-Career Data System using existing legal and data-sharing agreements.

2614775395 19BILL

(3) To the extent necessary to fulfill its duties and responsibilities pursuant to this section, the Office of Cradle-to-Career Data shall use existing legal and data-sharing agreements with the Labor and Workforce Development Agency, or any applicable departments, division, commissions, boards, or agencies within the Labor and Workforce Development Agency, to facilitate data reporting and analysis for the Workforce Pell Grant program.

(4) The manner and procedure, and any related guidance or manuals, outlined by the Office of Cradle-to-Career Data to implement this subdivision is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(e) The commission shall not authorize a participating institution to receive Workforce Pell Grant program funds for a short-term program unless all of the following conditions have been met:

(1) The commission determines that the short-term program meets the requirements set forth in Section 83002(b) of Public Law 119-21, and as implemented through any applicable federal or state law or regulation.

(2) The participating institution has met the requirements of subdivisions (c) and (d).

(3) The participating institution is accredited by an agency that is recognized and approved by the United States Department of Education and that reviews and provides accreditation for short-term programs.

(4) The short-term program has been offered by the participating institution for at least one year before the date that the participating institution submitted its request for an eligibility determination pursuant to this article.

(f) (1) The commission shall make a determination on the approval of a participating institution's eligibility for the Workforce Pell Grant program and provide written notice of its decision, including any reasons for disapproval, within 90 days of receiving the participating institution's request for an eligibility determination and completed participation agreement.

(2) (A) (i) The commission shall establish an appeal process for an otherwise qualifying institution that fails to satisfy the requirements of subdivision (c) or (d), or both, for participation in the Workforce Pell Grant program.

(ii) The commission shall only consider an appeal on the basis of a technical error in the reporting of data required for an eligibility determination for participation in the Workforce Pell Grant program pursuant to subdivision (c).

(B) The commission shall respond to an appellant within 60 days of receiving the appeal and all associated documentation that is relevant to the appeal. The commission may request additional information from the institution as necessary to complete its review of the appeal. The 60-day deadline may be extended upon agreement of the commission and the appellant, or upon a demonstration of good cause by the commission.

(g) The commission shall revoke the approval of a short-term program related to the Workforce Pell Grant program if either of the following occurs:

(1) The participating institution fails to meet the requirements of subdivision (c) or (d), or both, in any award year.

SECURE
2614775395 19BILL

(2) The participating institution is determined by a court to have engaged in unlawful, unfair, or fraudulent business acts or practices, including unfair, deceptive, untrue, or misleading statements related to the short-term program.

(h) The commission shall publicly notify students enrolled in qualifying short-term programs of their rights as recipients of a Workforce Pell Grant.

(i) For purposes of seeking reimbursement from state and local agencies for services rendered, the commission may enter into related interagency agreements and shall maintain any reimbursements in an offset account established by the commission.

69872. (a) The commission shall adopt regulations, including any amendments to regulations, necessary to implement the Workforce Pell Grant program.

(b) The commission may adopt emergency regulations it deems necessary to implement the Workforce Pell Grant program, in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). For purposes of the Administrative Procedure Act, including Section 11349.6 of the Government Code, the adoption of those regulations or amendments to those regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare, notwithstanding subdivision (e) of Section 11346.1 of the Government Code.

(c) Notwithstanding any other law and without further compliance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), any emergency regulations and amendments to the emergency regulations adopted pursuant to subdivision (b) shall remain in force and effect until December 1, 2027, or until the commission adopts permanent regulations pursuant to subdivision (a).

69873. (a) (1) The commission shall submit a report to the Department of Finance, the Assembly Committee on Budget, and the Senate Committee on Budget and Fiscal Review on or before October 1, 2027, and on or before October 1 of each year thereafter, that lists all institutions seeking an eligibility determination pursuant to this article, the specific short-term programs assessed for eligibility, and the final eligibility determination for each program assessed.

(2) The commission shall distinguish between preeligibility and validation of federal and state eligibility requirements in the reports submitted pursuant to paragraph (1).

(b) (1) The commission shall present an interim report on or before August 30, 2028, and a final report on or before August 30, 2030, at a meeting of the commission that evaluates the Workforce Pell Grant program and includes the following information:

(A) A list of institutions and programs that the commission has determined as meeting federal and state eligibility requirements for participation in the Workforce Pell Grant program.

(B) An assessment of the amount of Workforce Pell Grant moneys benefitting California, program completion rates, and job placement rates reported by institution, program type, and year.

(2) The commission shall submit the reports described in paragraph (1) to the Department of Finance, the Assembly Committee on Budget, and the Senate Committee on Budget and Fiscal Review no later than one week after each report is presented at a meeting of the commission.

2614775395 19BILL

69874. The Employment Development Department shall provide a list of high-skill, high-wage, and in-demand industry sectors and occupations to the Labor and Workforce Development Agency every two years concurrent with the development and modification of the State plan required by the federal Workforce Innovation and Opportunity Act (Public Law 113-128). After providing the list to the California Workforce Development Board at a meeting of the board, the Labor and Workforce Development Agency shall provide the list to the commission for its consideration in determining whether to approve a short-term program pursuant to this article.

69875. (a) (1) A participating institution shall ensure that any confidential student information collected for purposes of this article is only disclosed to the Office of Cradle-to-Career Data, consistent with applicable federal and state laws regarding access to and confidentiality of student record information, including, but not limited to, the federal Family Educational Rights and Privacy Act (20 U.S.C. Sec. 1232g) and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

(2) Pursuant to Section 10872, information disclosed to the Office of Cradle-to-Career Data is not subject to disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(b) The Office of Cradle-to-Career Data may publicly disclose any information submitted by a participating institution subject to, and in compliance with, all applicable state and federal privacy law.

69876. (a) In addition to its authority under existing state law, the Office of Cradle-to-Career Data may carry out its duties under the Workforce Pell Grant program.

(b) The Office of Cradle-to-Career Data shall provide the data necessary to carry out its duties under this article to either the participating institutions or the commission, consistent with applicable federal and state laws concerning access to and confidentiality of student record information, to implement the Workforce Pell Grant program.

261477539519BILL

LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Student financial aid: federal Workforce Pell Grant program.

2614775395 19BILL

Beginning on July 1, 2026, for the financial aid award year of 2026–27 and each award year thereafter, existing federal law establishes the federal Workforce Pell Grant program to award grants to eligible students who are enrolled, or accepted for enrollment, in a short-term educational program that, among other things, provides an education aligned with the requirements of high-skill, high-wage, or in-demand industry sectors or occupations, as provided.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

Existing law establishes the Labor and Workforce Development Agency, which is composed of various departments and boards responsible for protecting and promoting the rights and interests of workers in California, including the Employment Development Department and the California Workforce Development Board.

Existing law establishes the California Cradle-to-Career Data System to be a source for actionable data and research on education, economic, and health outcomes for individuals, families, and communities, and to provide for expanded access to tools and services that support the navigation of the education-to-employment pipeline. Existing law establishes the Office of Cradle-to-Career Data as the managing entity of the system.

This bill would require the commission, on behalf of the Governor, to determine whether a short-term program offered by a campus of the University of California, the California State University, or the California Community Colleges meets specified requirements in order to receive federal Workforce Pell Grant program funds for students enrolled in the short-term program. The bill would require the commission to consult with the California Workforce Development Board on the process for making those determinations and the short-term programs that the commission is proposing to approve, as specified. The bill would require a public postsecondary educational institution seeking a determination that one or more of its short-term programs meets the requirements of the federal Workforce Pell Grant program to provide to the commission, among other things, a completed participation agreement, and to provide to the Office of Cradle-to-Career Data the data necessary for determining eligibility. The bill would require the Employment Development Department to provide a list of high-skill, high-wage, and in-demand industry sectors and occupations to the Labor and Workforce Development Agency, as specified. The bill would require the Labor and Workforce Development Agency, after presenting the list to the California Workforce Development Board, to provide the list to the commission for the commission's consideration in determining whether to approve a short-term program.

This bill would prohibit the commission from authorizing a participating institution to receive federal Workforce Pell Grant program funds for a short-term program unless the commission determines, among other things, that the short-term program meets the requirements of the above-described federal provisions. The bill would require the commission to determine a participating institution's eligibility and provide written notice of its decision within 90 days of receiving a request for an eligibility determination and a completed participation agreement, as specified. The bill would require the commission to submit specified reports to the Department of Finance, the Assembly Committee on Budget, and the Senate Committee on Budget and Fiscal Review with, among other things, a list of all institutions seeking an eligibility determination and an evaluation of the federal Workforce Pell Grant program. The bill would require the commission to adopt rules and regulations, and would authorize the commission to adopt emergency regulations, to implement the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

SECURE COPY

2614775395 19BILL