

California State Assembly



Assembly Budget Agenda

Assembly Budget Subcommittee No. 3 on Education Finance

Assemblymember David Alvarez, Chair

Tuesday, April 8, 2025
9:00 A.M. – State Capitol, Rm 447

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Public Comment will be taken in person before or after the completion of all panels and any discussion from the Members of the committees.

Items To Be Heard

0559 Labor and Workforce Development Agency

Issue 1: Governor's Master Plan for Career Education

This panel will hear an update on the Administration's Master Plan for Career Education.

Panel

- Secretary Stewart Knox, Labor and Workforce Development Agency
- Jessica Holmes, Department of Finance (DOF)

Background

In August 2023, Governor Gavin Newsom called for a new Master Plan for Career Education. He urged state agencies and institutions of higher education to increase equitable access to well-paid jobs by creating and strengthening education and training pathways that are specific to 1) sectors, 2) regions, and 3) individuals' skills and experience. The effort's intent was that these pathways will ensure that all Californians can find opportunities that for high-paying and fulfilling career paths that don't require college degrees.

The Master Plan was released on April 2 and calls for six specific actions:

- Create a State Planning and Coordinating Body
- Strengthen Regional Coordination
- Support Skills-Based Hiring Through a Career Passport
- Develop Career Pathways for High School and College Students
- Strengthen Workforce Training for Young People and Adults
- Increase Access to and Affordability of Education and Workforce Training

Panelists will provide an update on the final Master Plan, and key recommendations relevant to the Governor's Budget.

The Master Plan can be found here: <https://www.gov.ca.gov/wp-content/uploads/2025/04/2025-CA-Master-Plan-for-Career-Education.pdf> .

Staff Comments

Staff Recommendation: Information Only.

6100 California Department of Education
6870 California Community Colleges

Issue 2: Career Technical Education Investments Oversight

This panel will provide an update on key Career Technical Education (CTE) investments in TK-12 schools, community colleges, and regional CTE pathways and partnerships.

Panel

- Michael Alferes, Legislative Analyst's Office (LAO)
- Mary Nicely, California Department of Education (CDE)
- Chris Ferguson, California Community Colleges Chancellor's Office
- Alaina Powell, Department of Finance (DOF)

Background

Prior to the adoption of the Local Control Funding Formula, the state provided funding for career technical education (CTE) through a number of categorical programs, including the Regional Occupational Centers/Programs (ROC/P), which was funded at \$400 million at the time. This funding was folded into the Local Control Funding Formula (LCFF), increasing the LCFF base rate for high schools by 2.6%.

The LAO has recently published an overview of key state investments in CTE, which can be found as Attachment A to this agenda:

Schools Provide Career Technical Education (CTE) Programs for Students. CTE courses generally are designed to teach technical skills that can lead to further postsecondary education or employment, and to help produce skilled workers to meet industry needs. Local governing boards determine the courses that they offer students. The specific offerings vary based on several factors, such as student interest and local workforce needs.

Most Targeted CTE Funding Comes From the State. The primary source of funding for schools is the Local Control Funding Formula (LCFF). Schools use LCFF to pay for most of their general operating expenses. This typically includes costs associated with CTE programs. The state also provides roughly \$500 million in ongoing funding specifically for CTE, primarily from two competitive grant programs. Additionally, in recent years, the state has provided almost \$1 billion in total one-time funding to support a variety of CTE initiatives.

State Collects Various Data on CTE Programs. The state annually collects a variety of CTE-related information from school districts, county offices of education (COEs), and charter schools. This includes course offerings and course completion. These data show a significant increase in the share of CTE courses that fulfill the college preparatory coursework required to be eligible for freshman admission at the state’s public universities. As part of the state’s school accountability system, the state tracks performance on the College and Career Indicator, which combines information about a student’s course completion and test scores to determine whether a student is prepared for college and career. Additionally, all schools operating CTE programs are required to submit postsecondary status data for students who complete CTE pathways.

State Has Several K-12 Programs Focused on CTE. As the LAO figures below show, the state provides almost \$500 million in ongoing funding for six K-12 CTE programs. The state also has provided one-time funding for a variety of CTE initiatives.

K-12 Career Technical Education Categorical Programs		
Ongoing Proposition 98 General Fund (in Millions), 2024-25		
Program	Description	Funding
Career Technical Education Incentive Grants (CTEIG)	Supports establishing or maintaining K-12 CTE programs aligned with state's model CTE standards. Grants are allocated competitively, with amounts based on a formula that considers the size of the CTE program. Priority given in eight different categories, including whether the program is in a rural area and whether it already uses other CTE funding, such as federal grants.	\$300
California Partnership Academies	Supports small learning cohorts that integrate a career theme with academic education in grades 10 through 12. Funding is based on the number of students served, up to \$81,000 per partnership academy. (Schools may operate more than one partnership academy.)	21
CTE Initiative	Funding is for a variety of projects intended to improve linkages between CTE programs at schools, community colleges, universities, and local businesses.	15
Agricultural CTE Incentive Grant	Supports agricultural vocational education programs. Funds can be used for the purchase of non-salary items for agricultural education. Funds are commonly used to purchase equipment and pay for student field trips.	6
Specialized Secondary Programs	Competitive grants that provide seed money to pilot programs that prepare students for college and careers in specialized fields (\$3.4 million). Funding also supports two high schools specializing in math, science, and the arts (\$1.5 million).	5
Total		\$347

Source: LAO

Major Ongoing CTE Programs

State Provides Most CTE Funding Through Two Programs. The vast majority of state funding targeted for CTE is provided through two programs: the CTE Incentive Grant (CTEIG) program, administered by CDE, and the K-12 Strong Workforce Program (SWP), administered by the California Community Colleges Chancellor's Office. CTEIG applications are reviewed by CDE, with final approvals made by the State Board of Education. For K-12 SWP, funding is allocated from the California Community Colleges Chancellor's Office to eight SWP regional consortia based on each region's unemployment rate, share of statewide attendance in grades 7-12, and share of projected job openings. Each consortium has a K-12 selection committee that reviews applications and awards grants. (These regional consortia were initially established to administer community college CTE programs.) For both programs, school districts, charter schools, COEs and ROCPs that serve students in grades 7-12 can apply for funding.

The state's two major CTE programs have several key similarities, which are outlined in the LAO report, including basic goals and program rules, and program minimum eligibility standards.

CCC Career Technical Education Categorical Programs^a

Ongoing Proposition 98 General Fund (in Millions), 2024-25

Program	Description	Funding
Adult Education Program	Supports precollegiate adult education (including English as a second language, basic skills, and CTE) provided by K-12 adult schools and community colleges. Funds are allocated by formula to 71 regional consortia of adult education providers.	\$659
Strong Workforce Program	Supports community college CTE programs. About 40% of program funds are allocated by formula to eight regional consortia, and about 60% are allocated by formula directly to community college districts.	290 ^b
High School Strong Workforce Program	Supports high school CTE programs. Funds are allocated by formula to eight regional consortia that, in turn, award funding to high schools in the region on a competitive basis.	164
Apprenticeships	Supports programs that provide paid on-the-job training and related classroom instruction. Most of the funds are allocated by formula to reimburse program sponsors for classroom instruction. In addition, \$30 million is awarded competitively to school and community college districts to support new apprenticeship programs in nontraditional fields.	124
Economic and Workforce Development Program	Supports efforts to align community college CTE programs with industry needs. Funds go toward statewide and regional activities, including employer engagement, labor market research, and technical assistance.	23
Nursing Program Support	Supports efforts to expand nursing program enrollment and provide supplemental student support. Funding is awarded through grants to nearly all community college nursing programs.	13
Total		\$1,274

^a Figure includes CTE programs in the CCC budget. Some of these programs also support instruction provided by K-12 school districts, as the descriptions note.

^b Of this amount, the 2024-25 budget package designates \$60 million annually for five years for a new nursing initiative and \$5 million one time for developing new education pathways for low-income workers.

CCC = California Community Colleges. CTE = career technical education.

Source: LAO

Many Grantees Receive Funding From Both CTEIG and K-12 SWP. In 2023-24, 132 grantees (school districts, charter schools, COEs, and ROCPs) received funding from both CTEIG and K-12 SWP. This represents 71 percent of the K-12 SWP grantees and 32 percent of CTEIG grantees. Grantees that receive funding from both programs must set aside local matching funds for each program, as funding from one program cannot be counted as a local match for the other. (Both programs allow grantees to use other CTE categorical funding as a local match.)

State Funds One System of Technical Assistance for Both Programs. The state provides \$13.5 million annually to the California Community College Chancellor's Office for a system of technical assistance to support both CTEIG and K-12 SWP. Specifically, each K-12 SWP region has a K-14 technical assistance provider that, among other responsibilities, serves as a liaison between the consortia and CDE and convenes grantees to share best practices. In addition, there are 72 K-12 pathway coordinators across the eight regions that, among other things, facilitate collaboration between grantees and industry.

Other Ongoing CTE Programs

California Partnership Academies. The state provides \$21 million ongoing to high schools to operate small learning communities that integrate a career theme with academic education in grades 10 through 12. Grantees must meet certain requirements, such as provide a local match from the district and business partners from direct and/or in-kind supports, offer an internship or work experience for students, and establish a common planning period for academy teachers. Currently, the state funds over 300 programs across the state. Grant amounts are based on the number of students served, up to a maximum grant of \$81,000 per program.

CTE Initiative (Career Pathways Program). The state provides \$15 million ongoing for funding intended to improve linkages between CTE programs at schools, community colleges, universities, and local businesses. The state has funded a variety of projects with this funding, including additional partnership academies, online curriculum and resources for CTE courses (CTE Online) administered by Butte COE, a virtual platform for career exploration and counseling (California Career Center) administered by the San Joaquin COE, and various grants for CTE-related professional development.

Agricultural CTE Incentive Grant. The state provides \$6.1 million ongoing directly to schools to improve the quality of their agricultural vocational education programs. To qualify, programs must offer three instructional components: classroom instruction, a supervised agricultural experience program, and student leadership development opportunities. In addition, grantees must provide matching funds. To receive a grant renewal, high schools must agree to be evaluated annually on 12 program quality indicators (such as curriculum and instruction requirements, leadership development, industry involvement, career guidance, and accountability). As part of this process, six regional supervisors conduct on-site reviews and provide ongoing technical assistance to grantees. In 2024-25, CDE awarded grants to 232 school districts. Funds typically are used by grant recipients for instructional equipment and supplies. Other allowable uses of the funds include paying for field trips and student conferences.

Specialized Secondary Programs (SSP). The state provides \$4.9 million ongoing for SSP to encourage high schools to create curriculum and pilot programs in specialized fields, such as technology and the performing arts. The program also funds two high schools that are affiliated with the CSU system. (This includes an arts-themed high school affiliated with CSU Los Angeles and a math- and science-themed high school affiliated with CSU Dominguez Hills.) Of the total provided, \$3.4 million is awarded in competitive grants as “seed” funding for the development of specialized instruction and \$1.5 million supports the state’s two SSP-funded high schools. The SSP seed funding is distributed in four-year grant cycles. School districts initially apply for a one-year planning grant. Applicants then reapply for three-year implementation grants. Funds are permitted to cover various costs, including equipment and supplies, instructor and staff compensation, and teacher release time to develop curriculum. After the grant cycle is complete, recipients are ineligible to reapply for SSP grants.

Recent One-Time Spending on CTE

Since 2021, the state has provided a total of \$950 million (\$700 million Proposition 98 General Fund and \$250 million non-Proposition 98 General Fund) for various one-time CTE initiatives. These funds are intended to provide start-up funding to develop and establish new CTE pathways and programs locally.

Golden State Pathways Program. The state provided \$500 million for a competitive grant program intended to improve college and career readiness. Specifically, the program is intended to increase the number of CTE-aligned pathways for high-wage, high-demand jobs that incorporate A-G course requirements and/or provide students with an opportunity to earn college credits. Grantees are expected to collaborate with employers and institutions of higher education to develop these pathways. Of the total amount provided, \$425 million is for implementation grants to support grantees to collaborate with their program partners. Up to \$50 million is for regional consortium development and planning grants (for grantees to collaboratively plan with their program partners).

As of February 2025, CDE has awarded 367 implementation grants totaling \$374 million, 149 planning grants totaling \$30 million, and 20 consortium grants totaling \$19 million. Grant recipients are required to annually report a variety of outcome data disaggregated by student subgroups. An evaluation of the program is required to be completed by June 30, 2028.

CDE was also given authority to use up to \$25 million to establish a system of technical assistance. CDE selected Tulare COE as the lead technical assistance provider, and selected eight COEs to serve as regional technical assistance centers.

K-16 Education Collaboratives. The 2021-22 budget package provided \$250 million non-Proposition 98 General Fund to the Department of General Services for a competitive grant program to support regional collaboratives. Each collaborative must include at least one school district, community college district, CSU campus, and UC campus. To receive grants,

collaboratives must commit to creating new intersegmental academic pathways in at least two of the following occupational areas: health care, education, business management, and engineering/computing. Grant recipients must also adopt at least four of seven identified educational best practices, establish a steering committee that includes local employers, participate in the state's Cradle-to-Career longitudinal data system (currently in development), and participate in a statewide evaluation of the collaboratives. Grants were awarded to 13 collaboratives across the state, totaling \$243 million. The remaining funds were encumbered for administrative costs.

Federal Funding

Perkins V Funding. The Strengthening Career and Technical Education for the 21st Century Act (Perkins V) was signed into law in July 2018, reauthorizing the federal Perkins Career and Technical Education Act. To receive funding, a state must submit a plan to the Secretary of Education that outlines the state's approach to CTE and confirms that the state complies with certain federal regulations. For example, states must ensure CTE programs are aligned with math and English language arts standards, agree to provide technical assistance to school districts, and submit student outcome data (such as pathway completion). Of the \$142 million that California received in 2024-25, \$64 million was made available to CDE to allocate directly to schools that serve high school students, which CDE does via competitive grant. The remaining funds were provided to postsecondary CTE programs and for state-level activities.

For a comprehensive overview of Career Technical Education programs, see the full LAO report here: <https://lao.ca.gov/Publications/Report/5021> and as Attachment A to this agenda.

LAO Comments

How Should the Legislature Monitor Progress on CTE-Related Goals? To the extent the Legislature wants to more closely monitor specific CTE outcomes, it could require that more detailed information be publicly reported. It also could require the collection of additional data that would help it monitor progress on key objectives. For example, the state could require district-level reporting of data for students who complete CTE pathways.

Is Categorical Funding an Effective Way to Achieve the Legislature's Key Goals? Unlike other areas in K-12 education, the state has largely retained its categorical funding structure for CTE after the enactment of LCFF. The Legislature may want to consider whether this approach has been effective in helping the state make progress on its key education goals.

What Are the Benefits of Having Multiple Categorical Programs? If the Legislature wants to maintain CTE categorical funding, it may want to consider whether having multiple CTE categorical programs is an effective way to make progress on key CTE goals and whether modifications to the structure of these programs could help achieve these goals more effectively.

Staff Comments & Questions

1. Beyond proposals in the Governor's Budget, what more is needed to provide coherence between the largest CTE investments, including Perkins, CTEIG, and K12 Strong Workforce?
2. What are the hardships caused to LEA implementation, with the annual grant design?
3. Are these large categorical programs leveraging LCFF funding, or only using each other as match to fund CTE? How is this tracked?
4. What more can be done to strengthen these programs' student career outcomes?
5. Is there sufficient support for CTE approaches in middle school?
6. What efforts are underway to make the Golden State Pathways one-time investments have an ongoing impact on local CTE capacity?
7. What types of activities do regional CCC Strong Workforce consortia engage in?
8. What types of new apprenticeship programs have been created through the CCC Apprenticeship Initiative?

Staff Recommendation: Information Only

6100 California Department of Education

Issue 3: Career Technical Education Consolidated Application Proposal

This panel will present the Governor's Budget Proposal to create a consolidated application proposal for several ongoing Career Technical Education programs.

Panel

- Alaina Powell, DOF
- Michael Alferes, LAO
- Mary Nicely, CDE

Background

California Partnership Academies. The state provides \$21 million ongoing to high schools to operate small learning communities that integrate a career theme with academic education in grades 10 through 12. Grantees must meet certain requirements, such as provide a local match from the district and business partners from direct and/or in-kind supports, offer an internship or work experience for students, and establish a common planning period for academy teachers. Currently, the state funds over 300 programs across the state. Grant amounts are based on the number of students served, up to a maximum grant of \$81,000 per program.

CTE Initiative (Career Pathways Program). The state provides \$15 million ongoing for funding intended to improve linkages between CTE programs at schools, community colleges, universities, and local businesses. The state has funded a variety of projects with this funding, including additional partnership academies, online curriculum and resources for CTE courses (CTE Online) administered by Butte COE, a virtual platform for career exploration and counseling (California Career Center) administered by the San Joaquin COE, and various grants for CTE-related professional development.

Specialized Secondary Programs (SSP). The state provides \$4.9 million ongoing for SSP to encourage high schools to create curriculum and pilot programs in specialized fields, such as technology and the performing arts. The program also funds two high schools that are affiliated with the CSU system. (This includes an arts-themed high school affiliated with CSU Los Angeles and a math- and science-themed high school affiliated with CSU Dominguez Hills.) Of the total provided, \$3.4 million is awarded in competitive grants as "seed" funding for the development of specialized instruction and \$1.5 million supports the state's two SSP-funded high schools. The SSP seed funding is distributed in four-year grant cycles. School districts initially apply for a one-year planning grant. Applicants then reapply for three-year implementation grants. Funds are permitted to cover various costs, including equipment and

supplies, instructor and staff compensation, and teacher release time to develop curriculum. After the grant cycle is complete, recipients are ineligible to reapply for SSP grants.

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California Partnership Academies	Supports small learning cohorts that integrate a career theme with academic education in grades 10 through 12. Funding is based on the number of students served, up to \$81,000 per partnership academy. (Schools may operate more than one partnership academy.)	21
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Specialized Secondary Programs	Competitive grants that provide seed money to pilot programs that prepare students for college and careers in specialized fields (\$3.4 million). Funding also supports two high schools specializing in math, science, and the arts (\$1.5 million).	5
Total		\$347

CTE = career technical education.

Source: LAO

LAO Comments

What Are the Benefits of Having Multiple Categorical Programs? If the Legislature wants to maintain CTE categorical funding, it may want to consider whether having multiple CTE categorical programs is an effective way to make progress on key CTE goals. The state's existing programs have different requirements that align with different CTE goals. For example, the K-12 SWP is connected to regional workforce demand, while the California Partnership Academies provide specific funding to integrate CTE into core academic coursework. Creating distinct categorical programs ensures that some amount of funding is set aside for a particular priority, but provides districts with less flexibility to determine the best approach for their specific students. Moreover, several programs have very similar or overlapping requirements.

For example, both K-12 SWP and CTEIG require districts to work with regional higher education partners and align their programs with local labor market demands (though the exact requirements somewhat differ). If the Legislature is interested in modifying its current approach, it could consider consolidating programs and setting a uniform set of requirements. Alternatively, it could explore options to further distinguish programs so they each serve a distinct purpose.

Governor's 2025-26 January Budget

The Governor's Budget proposes that CDE determine the feasibility of a single application process for the California Partnership Academies, Career Pathways Program, and Specialized Secondary Programs.

Staff Comments

There is merit to considering a consolidated application for various categorical programs of similar design and desired outcomes. The Subcommittee may want to consider whether this proposal goes far enough to create more coherence across Career Education programs. As demonstrated in prior panels, the myriad of CTE programs and agencies are confusing at best for administering schools and community colleges.

The Subcommittee may also consider recommendations from prior hearing to streamline, consolidate, and create coherence between CTE programs, including:

- 1) Shift grant cycles to at least three years, instead of annually.
- 2) Align program reporting, for LEAs with multiple funding sources.
- 3) Better support technical assistance for regional efforts in CTE, through the K12 Strong Workforce program.
- 4) Align Perkins funding with CTEIG design and requirements.

Questions:

1. Why is this proposal constructed as a CDE study and not a requirement to consolidate program applications? What other statutory changes could be necessary to support this actual consolidation?
2. Does CDE believe the proposed consolidation is feasible?
3. Why does this proposal not consolidate more programs? For example, Perkins, CTEIG, and K12 Strong Workforce requirements have considerable overlap and LEAs could benefit from a consolidated planning and application process if they receive more than one of these funding sources.
4. Could this proposal also consolidate program reporting and evaluation?

Staff Recommendation: Hold Open.

0511 Government Operations Agency

Issue 4: California Education Interagency Council

The Subcommittee will discuss the Governor's Budget proposal to provide the Government Operations Agency (GovOps) \$5 million ongoing General Fund to establish the Office of the California Education Interagency Council (Council) to bring together TK-12 education, higher education, and state economic and workforce development agencies to improve planning and coordination across state government. This proposal is part of the Administration's Master Plan for Career Education.

Panel

- Natalie Griswold, Department of Finance
- Alexander Bentz, Legislative Analyst's Office
- Justyn Howard, Government Operations Agency

Background

Workforce and Education Efforts Encompass Many Services. The goal of education and training programs is to assist individuals in obtaining skills, in most cases tied to a career. As part of these efforts, the state funds schools and universities; provides grants, scholarships, or loan repayment to organizations and individuals; and conducts outreach and engagement efforts to both individuals and employers. These efforts serve a variety of populations and therefore the programs and services offered vary widely based on individuals' interests and goals.

Programs Are Administered by Education Systems and Many Agencies. The higher education system, K-12 schools, the Labor and Workforce Development Agency (LWDA), and the local workforce development boards as well as other agencies with overlapping priorities run education and training programs. California's workforce efforts involve many agencies and programs in part because people in the various populations served tend to be looking for somewhat different outcomes.

Postsecondary Commission exists in statue but has not been funded since the Great Recession. Education Code Sections 66900-66906 establish the California Postsecondary Education Commission (CPEC), composed of 17 members representing the higher education segments, the State Board of Education, and nine representatives appointed by the Governor, Senate Rules Committee, and Assembly Speaker. The commission's purpose was to coordinate public, independent, and private postsecondary education in California and to provide independent policy analyses and recommendations to the Legislature and the

Governor on postsecondary education issues. At its peak, CPEC had 51 positions, but the commission's budget and responsibilities were reduced over time, casting doubt on its effectiveness and triggering calls for its restructuring. In the 2012 Budget Act, Governor Jerry Brown vetoed funding for CPEC, citing the agency's ineffectiveness in higher education oversight. In his veto message, the Governor acknowledged the well-established need for coordinating and guiding state higher education policy and requested that stakeholders explore alternative ways these functions could be fulfilled.

Numerous efforts have sought to revive a postsecondary commission. Multiple efforts have been made in the last decade to revive or recreate some type of higher education coordinating body. Candidate Gavin Newsom called for a new commission when he first ran for Governor in 2018. AB 130 (Low) in 2019, which was approved by the Legislature but vetoed by Gov. Newsom, established the Higher Education Performance, Accountability and Coordination Commission. AB 1142 (Fong), introduced in January 2024, created the Coordinating Commission for Postsecondary Education in California but was not advanced out of the Assembly.

This year, multiple bills, including AB 95 (Fong), SB 638 (Padilla), and SB 790 (Cabaldon) all create some kind of higher education coordinating commission.

GovOps is the state agency responsible for coordinating state operations, including procurement, information technology, and human resources. The agency oversees and supports 13 departments, boards, and offices, including the Department of General Services, the California Department of Technology, the California Department of Human Resources, and more. The Agency also plays a coordinating role across all state agencies to accelerate government innovation and best practices.

Governor's 2025-26 Budget

The Governor's Budget proposes \$5 million ongoing General Fund to GovOps to operate a council consisting of leaders of the state's college systems and workforce agencies. Specifically, the council would include the President of the State Board of Education, the State Superintendent of Public Instruction, the President of the University of California, the Chancellor of the California State University, the Chancellor of the California Community Colleges, the Chief of the Bureau for Private Postsecondary Education, the Secretary of the Labor and Workforce Development Agency, and the Director of the Governor's Office of Business and Economic Development. Under the proposal, the council would receive 16 positions to support the council's broad scope: assessing workforce needs, aligning efforts across state bodies, fostering collaboration between state bodies, working with regional education and workforce entities, and creating a forum to discuss other cross-sector issues. The proposed trailer bill language would require the council to meet at least twice per year and report findings to the Governor and Legislature.

This proposal is part of the Administration's Master Plan for Career Education.

LAO Comments

Current Structure Creates Challenges for Implementing Statewide Workforce Strategy.

The spread of career education and workforce programs across many systems and agencies—which have different priorities, funding sources, and governance structures—creates friction for implementing a statewide workforce strategy. To be most effective, education and workforce providers need to adapt to a changing economy and population being served—e.g., adopting new technologies required by industry or offering new ways for students to receive training or other services. Within the current structure, if the administration wants to implement a unified state workforce strategy, it must work with many agencies and systems to realize its vision. At each point, the administration can face challenges that lead to delay or limited adoption of the strategy.

Existing Entities Provide Venues for Statewide Coordination. Currently, the state has two entities responsible for statewide coordination and planning with the potential to ease these challenges, one for workforce issues—the California Workforce Development Board (CWDB), and one for higher education issues—the Intersegmental Coordinating Committee (ICC).

Workforce Development Board Guides State Workforce Policy. The mission of the CWDB, which receives about 100 positions and \$43 million (including \$20 million General Fund and \$10 million federal funds) in the proposed budget—currently includes labor market assessment and planning activities, which also would be included in activities for the proposed council. As part of the state plans required by the federal *Workforce Innovation and Opportunity Act* (WIOA), CWDB undertakes a comprehensive assessment of the state's workforce needs and education and training capabilities. This effort identifies growth sectors, assesses the role of existing programs and services, and outlines strategies for improvement. The [latest report](#) cites the recent creation of partnerships between agencies that run programs funded under WIOA, including many of the agencies that would report to the proposed council.

Education Systems Have Venue for Coordination and Multi-sector Initiatives. The ICC was created in 1987 by leaders of California's public and private education systems and agencies to serve as a forum for cross-sector education issues, an activity outlined for the proposed council. This organization currently includes members from the proposed council: the Chancellor of California Community Colleges, the Chancellor of California State University, the President of the University of California, and the State Superintendent of Public Instruction. The committee has worked on many crosscutting issues and has received state and federal funding for initiatives aimed at improving coordination and student outcomes—for example, improving transfer experiences and data sharing.

State and Regional Entities Collaborate on Regional Workforce and Education Issues.

Additionally, existing efforts focus on regional workforce and education coordination. In addition to local workforce development boards and LWDA, major workforce development programs funded in recent budgets and proposed in the current budget contain regional coordination objectives. For example, CA Jobs First (formerly the Community Economic Resilience Fund), which will provide grants for regional workforce partnerships, recently undertook broad planning efforts to identify high-need areas and populations as well as target sectors within their respective regions. The Strong Workforce Program and California Adult Education Program also require regional collaboration between community colleges and employers. In the current budget, the Governor proposes one-time \$4 million for the Labor and Workforce Development Agency to contract for an external evaluation of coordination models among regional workforce and education entities.

Proposed Council Provides New Venue for Both Workforce and Education Entities.

While the existing entities described above provide venues for statewide workforce and education planning and coordination, no one body provides for all of the functions that would be given to the proposed council. In contrast to the existing entities, the proposed council would include members from both the CWBD and the ICC and add the Bureau for Private Postsecondary Education and The Governor's Office of Business and Economic Development.

Barrier to Coordination: Lack of Venue or Differences in Goals? The Governor's proposal requires education and workforce agencies to meet twice per year and come to agreement on a strategic plan for the council but does not change the underlying priorities of the various agencies. These priorities are the result of the missions of each organization, their funding sources, and the existing structure in which they operate. The Governor's proposal points to a dissatisfaction with existing efforts—including those outlined above—to develop the state's workforce and with the state's responsiveness to changing labor market conditions. However, it is difficult to know whether the primary barrier to collaboration—with the goal of improving services—is the lack of an existing venue or differences in the goals of the respective sectors. If the former, then the proposed council has promise. If the latter, then the council is unlikely to lead to fruitful partnerships without other changes to workforce and education entities.

No Built in Mechanisms to Judge Success. The Governor proposes ambitious objectives for the new council—including coordination and planning activities that will lead to changes at agencies and systems with combined budgets exceeding \$100 billion—but does not propose a way for the Legislature to determine whether the new venue is leading to improved coordination between its members. The proposed trailer bill language for the council provides only process-related outcomes—scheduled meetings, a memorandum of understanding with the state's centralized education and workforce data system, a strategic plan, and an annual report. This leaves the articulation of more concrete goals to the proposed council itself,

presumably in its first strategic plan. However, without more details on the types of successful initiatives that are foreseen with leadership from the proposed council—that cannot happen under the current structure—we cannot fully assess whether the council is likely to have any success or whether resources could be better spent on other initiatives.

Recommend Limited Term Funding. If the legislature would like to prioritize creating a venue for statewide coordination between both statewide education and workforce entities, we recommend providing limited-term funding of 3 years. The proposed council provides a venue that does not currently exist within state government and it is possible that such a venue could lead to coordination that better serves the state’s education and workforce goals. However, it is difficult to assess whether this proposal will lead to the intended effects. As such, if the Legislature would like to pursue this proposal, we recommend designating a natural time to assess whether the new approach has shown the potential to lead to improved outcomes. After 3 years, the proposed council would be required to have submitted its first strategic plan and annual reports. At this point, it should be equipped to provide specific examples of how it can use its resources and unique position—as a single statewide planning body with membership from the state’s primary education and workforce entities—to create unified initiatives that address the state’s workforce challenges.

Staff Comments

California is one of the only states in the country without a functioning state agency geared toward coordinating higher education systems, policies and goals. Reports from both the Public Policy Institute of California and California Competes, both released in 2019, noted that in the absence of coordination, each of the state’s public higher education segments function in silos, and the lack of a coordinating agency has resulted in no authority for statewide goal-setting, no comprehensive strategic planning, and inadequate mechanisms to assist students’ progress as they matriculate through and between systems.

This proposal seeks to address a piece of this problem, by providing specific coordination around education and workforce issues. The proposal has support from several higher education advocacy organizations, including the Campaign for College Opportunity, The Institute for College Access and Success (TICAS), California Competes, and Ed Trust West.

However, staff notes that this proposal comes amid major ongoing proposed cuts to the University of California and California State University that are part of an overall effort to cut state costs and state government positions in light of a very constrained state General Fund. Is this the right year for a new agency with 16 new positions? In addition, this proposal seeks to create coordination and oversight of a somewhat narrow portion of education, although trailer bill language appears to give the council much broader tasks, including improving transfer, serving as a forum to discuss impacts to education systems in California when there

is a proposed change to graduation or admissions requirements, and providing advice on issues such as financial aid or other public benefit programs that support students.

Ed Trust West is recommending amendments to the proposal, to focus the new Council on addressing the state's chronic educator workforce shortage and interagency pipeline dysfunction. Recommendations include:

- Establish an advisory committee on a diverse and well-prepared educator workforce (Section 11904) that is tasked with: Identifying where there is an undersupply of fully prepared, properly placed teachers; and
- Setting goals for rates of fully prepared, properly placed teachers for every district.
- Adding the Commission on Teacher Credentialing as a member of the Council [Section 11902
- Adding a "diverse educator workforce" to the scope of responsibilities in Section 11905 (b) or (c).

Among the issues for the Subcommittee to consider are whether a council is a good idea this year, and what types of activities and issues a new council should focus on. Staff notes that this issue will overlap with multiple pieces of legislation that will be considered in policy committees this year.

Suggested Questions:

1. What specific activities and actions does the Administration expect this council to accomplish next year?
2. What is the range of specific outcomes the Administration expects from this Council?
3. How would this council interact with the California Workforce Development Board, or regional consortia such as through the Adult Education or Strong Workforce programs?
4. Should this proposal be broadened to address other statewide higher education issues?
5. How does this differ from the existing Governor's Council for Career Education which has the same membership list as the proposal? Will that Council be disbanded?

Staff Recommendation: Information Only.

Subcommittee No.5 on State Administration will act on this issue, informed by the Subcommittee No. 3 discussion and concerns.

0680 Governor's Office of Service and Community Engagement

Issue 5: California College Corps Program.

The Subcommittee will discuss a Governor's Budget proposal to provide the Governor's Office of Service and Community Engagement (GO-SERVE) with \$5 million one-time General Fund in 2025-26, and \$83.6 million ongoing General Fund and 48 positions in 2026-27 for the College Corps Program.

Panel

- Henry Ng, Department of Finance
- Natalie Gonzalez, Legislative Analyst's Office
- Anthony Chavez, Governor's Office of Service and Community Engagement

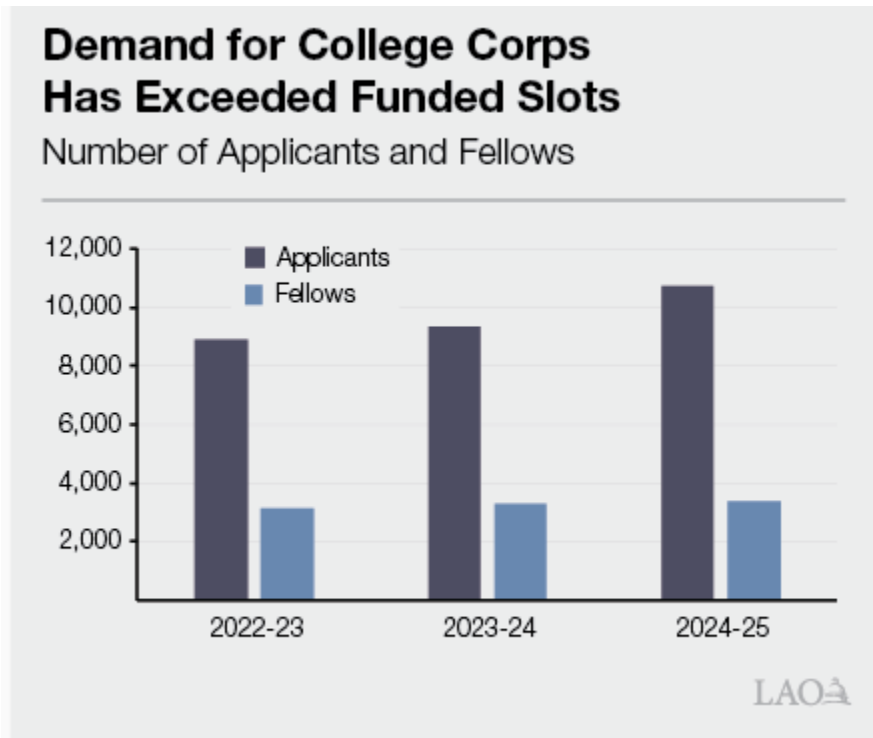
Background

GO-SERVE Was Established Through Recent Reorganization. The 2024 Budget Act established GO-SERVE as part of a reorganization of the former Governor's Office of Planning and Research. GO-SERVE oversees three notable programs: the California Volunteers, the Office of Community Partnerships and Strategic Communications (OCPSC), and the Youth Empowerment Commission. The Governor's proposed budget includes \$225 million for GO-SERVE in 2025-26 including \$184 million from the General Fund, \$28 million in federal funds, \$9.4 million from the Greenhouse Gas Reduction Fund, and the remainder coming from reimbursements.

College Corps Is Administered by California Volunteers. California Volunteers is the largest program within GO-SERVE. It received \$275 million in total funding from all sources in 2024-25, reflecting 95 percent of GO-SERVE's funding. California Volunteers engages Californians in service, volunteering, and civic action through four programs. One of these programs is College Corps. College Corps provides university and community college students with the opportunity to serve their local communities while receiving financial aid support.

College Corps Was Created as a Pilot. The program was created in the 2022 Budget Act with the intention to run as a pilot. There is no authorizing legislation that sets forth basic programmatic details, including state policy objectives. California Volunteers launched its first College Corps cohort of students in 2022-23. Originally, the program was intended to run through 2023-24. However, California Volunteers received additional one-time funding to run the program through 2025-26. This brings total one-time funding for the program to \$288 million.

Program Is Serving Its Third Cohort of Students. Two cohorts of approximately 3,200 students each have completed their College Corps experience (in 2022-23 and 2023-24), and a third cohort (of about 3,400 students) is currently in progress for 2024-25. Students (known as Fellows) are able to participate in multiple cohorts, but they are limited to no more than four years in the program. The number of applicants exceeded 10,000 in 2024-25. Despite this level of demand, California Volunteers shared that at its current funding level, the program cannot expand the number of slots for Fellows.



Applicants Must Meet Program Eligibility. To qualify for the program, a candidate must be a full-time student enrolled in an undergraduate program at one of College Corps’ 45 partner institutions. California Volunteers currently partners with 18 community colleges; 16 California State University (CSU) campuses; 7 University of California (UC) campuses; and 4 private, nonprofit universities. Applicants must also meet one of the following conditions: (1) qualify for a Pell Grant, Cal Grant, or Middle Class Scholarship (MCS); (2) need to work part time to cover education costs; or (3) have borrowed student loans. Both U.S. citizens and California Dream Act students (sometimes referred to as AB 540 students) are able to participate in the program. (This latter group consists primarily of undocumented students.)

Fellows Receive Financial Aid While Working With Community Organizations. Once admitted to the program, Fellows must complete 450 service hours within one year by working for a local community-based organization (CBO). Students are primarily placed with CBOs focused on K-12 education, climate action, or food insecurity. They participate in activities such as tutoring, land restoration, and food distribution. Example partner CBOs include Big Brothers

Big Sisters, Reading Partners, and local food banks. While completing the program, Fellows receive a monthly living stipend (totaling \$7,000 throughout the duration of the program). At the end of the program, Fellows also receive a \$3,000 education award. In addition to financial support, Fellows receive service experience, career development opportunities, and academic credit (usually through a one-unit class) during their time in the program.

Campuses Are Responsible for Program Management. Campuses receive grants from California Volunteers that include funding for Fellows' living stipends. Campuses are responsible for distributing these living stipends to Fellows on a monthly basis. California Volunteers also gives campuses funding for some education award coverage. All Fellows receive at least a portion of their education award from their campus upon completion of their service hours. Some students receive part of their education award directly from the federal AmeriCorps program administered by the National Service Trust while other students (undocumented students) receive full education award coverage from the California Student Aid Commission (CSAC) but disbursed by their campus.

State Administers Other Financial Aid Programs. Most state financial aid programs are administered by CSAC. The largest of these programs are Cal Grants and MCS. Cal Grants provide both tuition and nontuition assistance to low-income students at public and private universities in California. Students with financial need enrolled at California Community Colleges (CCC) receive tuition waivers through another aid program, but they can receive Cal Grants for nontuition costs. MCS awards are available to help cover a student's total cost of attendance, both for Cal Grant recipients and higher-income resident students enrolled in a UC, CSU, or CCC bachelor's degree program. MCS award amounts reflect a certain percentage of students' remaining cost of attendance after accounting for other available resources. Unlike College Corps, these other programs (MCS, Cal Grants, and CCC tuition waivers) are all gift aid. Students do not have to complete a service or work requirement to receive these forms of aid.

California Has Financial Aid Opportunities for Undocumented Students. Undocumented students are eligible for College Corps as well as other financial aid programs, including Cal Grants and MCS awards. However, undocumented students are ineligible for federal Pell Grants and federal work-study. To provide additional financial aid options to undocumented students, the state created the California Dream Act Service Incentive Grant (DSIG) program, which CSAC administers. Similar to College Corps, DSIG provides students who have financial need with up to \$4,500 in financial aid per academic year for completing 300 service hours. The program is available at all schools with Cal Grant recipients.

Campuses Provide Community Service and Engagement Opportunities for Students. Most college campuses provide some community service and engagement opportunities for their students. For example, Associated Students of CSU Chico created Community Action Volunteers in Education (CAVE). CAVE's purpose is "to provide meaningful volunteer opportunities to students, develop student leaders, and serve a broad base of

community needs.” Established in 1966, CAVE existed long before CSU Chico became a College Corps partner in 2022. (CSU Chico also provides many opportunities for its faculty and staff to volunteer, such as creek clean ups and blood drives.) The CSU system indicates it has thousands of service-learning courses where students are able to volunteer with local organizations while receiving academic credit. Such efforts exist at the other public higher education segments too. For example, UC Los Angeles (UCLA) has a UCLA Volunteer Center that partners with local community and campus organizations to get students involved in civic engagement. Community engagement and service centers and opportunities exist at other UC campuses, as well as at community colleges and private universities.

Governor’s 2025-26 Budget

The Governor’s Budget includes a \$5 million one-time General Fund augmentation for College Corps in 2025-26. California Volunteers indicates the \$5 million is intended to help expand the program, such that more campuses could operate the program beginning in 2026-27. Over the course of 2025-26, California Volunteers would undertake the administrative activities required to expand the program to ten additional campuses, bringing the total number of participating campuses to 55 in 2026-27. Of the \$5 million, California Volunteers would retain \$1.8 million. It would use these funds for staffing to run a competitive grant process to select the ten additional campuses to participate in the program. After the new campuses are selected, California Volunteers would allocate the remaining \$3.2 million as grants to campuses for program staffing and start-up activities. With these funds, the new campuses would hire program staff, conduct marketing and outreach, recruit CBOs and Fellows, and undertake any other related activities to help launch the program on an ongoing basis starting in 2026-27.

The Governor’s Budget then includes \$84 million ongoing General Fund and 48 positions for College Corps in 2026-27. This proposed funding and positions would allow California Volunteers to operate the program on an ongoing basis at its proposed new level of 55 campuses. As part of the expansion, the program would support approximately 500 additional Fellows, for a total of 4,000 Fellows (a 15 percent increase). The additional slots would include 250 slots for students with less financial need. Students with less financial need could earn a \$3,000 education award but not the \$7,000 living stipend.

LAO Comments

Some Evidence Suggests College Corps Is Meeting Its Objectives. According to California Volunteers, College Corps has three primary objectives: (1) help low- to moderate-income students graduate college on time with less debt, (2) create a generation of civic-minded leaders, and (3) address societal challenges and build more equitable communities across California. As a pilot, College Corps underwent an external evaluation process during its first two years to examine how students benefited from the program both academically and

professionally. California Volunteers shared that students reported that the program strengthened their commitment to community service and contributed to their career development. By offering living stipends and education awards, the program also likely helps to reduce the level of college debt Fellows incur.

College Corps, However, Largely Operates Outside State's Higher Education System. California already has an extensive array of public and private campuses engaged in varying degrees of community service. California also already has an extensive network of state and campus financial aid offices that administer federal, state, and campus-based financial aid programs. CSAC regularly interacts with campus financial aid offices in the administration of state financial aid programs. California Volunteers has created its own staff and infrastructure to support College Corps, which largely operates outside this existing higher education system. Therefore, the program calls for additional staffing and funding when California's higher education system already has programs in place to help achieve College Corps' main objectives.

About Half of College Corps Funding Goes to Administrative Costs. College Corps has high administrative costs, in part because it operates a stand-alone infrastructure. Of the proposed \$84 million ongoing for the program in 2026-27, California Volunteers estimates that \$45 million would be used for administrative costs (rather than direct student financial aid). Of the \$45 million, about half would be for administrative costs at the state level (through California Volunteers) and half would be for administrative costs at the campus level. Under the Governor's proposal, California Volunteers would have about one-third the amount of staff as CSAC, despite College Corps equating to less than 3 percent of the state financial aid that CSAC administers.

Program Is Labor Intensive for Campuses to Administer. Unlike Cal Grant and MCS, which are disbursed to students twice a year (once in the fall and once in the spring for semester schools), Fellows receive a portion of their College Corps living stipend each month. We reached out to the three public higher education segments (UC, CSU, and CCC) to learn about campuses' experiences with this program. Several campuses responded with feedback. Campuses generally had positive feedback regarding the program. However, many shared that it is labor intensive to administer the living stipend given they must check that Fellows have completed their required monthly hours of service before manually distributing aid each month. The \$3,000 education award is disbursed at the end of the program, which requires additional administrative work. Furthermore, some campuses house the College Corps program in a public service or community engagement office rather than their financial aid office. This requires additional coordination between offices when distributing a students' total financial aid package. Though campuses receive funding for California Volunteers to help cover administrative costs, some campuses report they are not receiving enough given the additional effort required to administer the program and the complexity it adds to student financial aid packaging.

Other Financial Aid Programs Serve Undocumented Students. Some view the College Corps program as having the benefit of providing financial aid to undocumented students, who are ineligible for federal financial aid. However, as discussed in the “Background” section, undocumented students have the opportunity to participate in the DSIG program. That is, CSAC already administers a program that provides state financial aid to undocumented students given the lack of federal aid. In 2023-24, 750 students participated in the DSIG program. CSAC shared that the program is currently undersubscribed. Of the \$7.5 million provided for the program in 2023-24, \$4.5 million (60 percent) went unspent for that purpose. (In 2021-22, legislation was passed that required any unexpended or unencumbered funds appropriated for the DSIG program to be transferred to UC and CSU to support the California DREAM Loan Program.)

Recommend Rejecting Proposals. The state is facing an ongoing projected budget deficit. We recommend proposals for new spending meet a high benchmark, particularly as such spending requires reductions or solutions in other areas. Though we recognize the benefits College Corps can provide to students and communities, the program entails significant administrative costs, and students can already participate in volunteer opportunities and receive financial aid through the state’s established higher education system. Moreover, these existing community service and financial aid programs very likely are serving many more students at lower cost. As a result, we do not think this proposal meets the high benchmark needed to justify new spending. Therefore, we recommend rejecting the Governor’s proposals to expand College Corps and make it ongoing. Specifically, we recommend the Legislature reject both the \$5 million one-time General Fund augmentation in 2025-26 and the \$84 million ongoing General Fund augmentation (along with 48 positions) in 2026-27. Even if the Legislature rejected this additional funding, the program still would have \$63 million in one-time funding to support a final program cohort in 2025-26.

Staff Comments

The College Corps program has many supportable goals, including providing additional financial aid to low-income college students and encouraging students to engage in public service. However, this proposal creates a significant new state bureaucracy at a time when other budget proposals dramatically reduce funding for the University of California, the California State University, and the Middle Class Scholarship program. The Subcommittee, working with Subcommittee No. 5, may wish to consider where this program fits with other higher education and financial aid priorities.

In addition, the administrative costs and new positions associated with this proposal seem excessive. More than half of the ongoing funding proposed for 2026-27 would go to administrative costs, instead of to students. The Budget Change Proposal notes that for every Fellow, campuses would receive \$8,000 in administrative support, while the Fellow would

receive \$7,000. (Fellows are also eligible for the \$3,000 education award.) And while the BCP notes that “this is a statewide effort that requires robust programming, operations, communications and external affairs, digital, and marketing efforts,” it is not clear why 48 new state positions are needed.

The LAO rightly points out the comparison to the Student Aid Commission, which is distributing more than \$3.5 billion in financial aid this year with about 153 authorized staff positions and about \$23 million in ongoing state operations costs. CSAC’s main programs serve hundreds of thousands of students – more than 400,000 students receive a Cal Grant, while more than 300,000 students receive a Middle Class Scholarship. (Some students receive both a Cal Grant and a Middle Class Scholarship.) In contrast, this program would distribute \$39 million in direct aid to about 4,000 students with 48 staff under the Administration’s proposal.

Questions:

1. Given the proposed reductions to the UC, CSU and California Student Aid Commission and the fact that the College Corps program only covers about 3200 students at 45 campuses, is the funding better used for by other financial aid programs?
2. Why do administrative costs consist of more than half of the new proposed ongoing funding?
3. Why would the proposal only serve a few thousand students per year? Could it serve more students?

Staff Recommendation: Information Only.

Subcommittee #5 will act on this issue, informed by the Subcommittee #3 discussion and concerns.

0559 Labor and Workforce Development Agency

Issue 6: Regional Coordination for Career Education

The Subcommittee will discuss the Governor's Budget proposal to provide \$4 million one-time General Fund to the Labor and Workforce Development Agency to evaluate how regional education and workforce coordination models can be expanded to create sustainable forums where educators, workforce training providers, and employers can work to align programs with employer needs.

Panel

- Allison Hewitt, Department of Finance
- Grace Henry, Department of Finance
- Alexander Bentz, Legislative Analyst's Office
- Abby Snay, Labor and Workforce Development Agency
- Jay Sturges, Labor and Workforce Development Agency

Background

The Labor and Workforce Development Agency oversees seven departments, boards and panels that serve California workers and employers. The Departments include the Agricultural Labor Relations Board, the Department of Industrial Relations, the Employment Development Department, the Employment Training Panel, the Public Employment Relations Board, the Unemployment Insurance Appeals Board, and the Workforce Development Board.

Workforce and Career Education Efforts Encompass Many Education and Labor Services. The goal of workforce development is to connect individuals with jobs. As part of these efforts, the state funds schools and universities that facilitate skill development; provides grants, scholarships, or loan repayment to organizations and individuals; and conducts outreach and engagement efforts to both individuals and employers. These efforts serve a variety of populations and therefore the programs and services offered vary widely based on individuals' interests and goals.

Programs Are Administered by Education Systems and Many Agencies. The higher education system, K-12 schools, the Labor and Workforce Development Agency (LWDA), and the local workforce development boards as well as other agencies with overlapping, but often differing, priorities run workforce development programs. California's workforce efforts involve many agencies and programs in part because people in the various populations served tend to be looking for somewhat different outcomes.

State Currently Funds One System of Regional Technical Assistance K-12 and Community College CTE. The state provides \$13.5 million annually to the California Community College Chancellor's Office for a system of technical assistance to support both CTEIG and K-12 SWP. Specifically, each K-12 SWP region has a K-14 technical assistance provider that, among other responsibilities, serves as a liaison between the consortia and CDE and convenes grantees to share best practices. In addition, there are 72 K-12 pathway coordinators across the eight regions that, among other things, facilitate collaboration between grantees and industry.

Governor's 2025-26 Budget

The Governor's Budget provides \$4 million one-time General Fund to allow the Labor and Workforce Development Agency, with input from the State Board of Education, to hire an external evaluator who would study existing practices and provide recommendations for developing effective regional coordination models. The findings could inform LWDA and regional partners in future initiatives and may provide guidance to the legislature on how to prioritize future resources. This proposal is part of the Administration's Master Plan for Career Education.

LAO Comments

Regional Coordination Has Potential... Given the breadth of programs and services provided by the state, there is significant overlap in efforts. Alignment between regional workforce development boards, community colleges, and workforce training programs has the potential to improve service delivery for individuals and to make existing programs more effective and efficient. For example, local workforce development boards can identify occupations with strong employment opportunities, identify or help develop education and training programs whose graduates can fill these jobs, and share resources across schools and training programs to offer programs more efficiently.

...But Previous State-Led Efforts Have Faced Resistance. While identifying and scaling effective regional coordination models could improve service delivery, evaluations of previous state initiatives report pushback from local workforce development boards. For example, the March 2022 evaluation of the California Workforce Development Board's "Regional Plan Implementation 3.0" documented that less than half of the local workforce regions "appeared to be willing to engage" on the board's requirement that regions identify ways to quantify the benefits of their regional work—a key component of the board's vision. The evaluation quotes the director of one local workforce board as saying, "The state sometimes seems to think it gets to decide what the goals are, and we just carry them out."

Recent Initiatives Have Required Collaboration. Despite this pushback, major workforce development programs funded in recent budgets require some regional coordination. For example, CA Jobs First (formerly the Community Economic Resilience Fund), which will provide grants for regional workforce partnerships, recently undertook broad planning efforts to identify high-need areas and populations as well as target sectors within their respective regions. The Strong Workforce Program and California Adult Education Program also require regional collaboration between community colleges and employers. These efforts are ongoing but have demonstrated some degree of regional collaboration—e.g., between community colleges who have shared resources to create new programs.

Recommend Focus on Achievable Goals. For the proposed evaluation to lead to improved programs and services, lessons must be adopted by stakeholders. If the legislature would like to prioritize studying regional coordination models, we recommend that the legislature ask the department to identify specific ways that state policy can incentivize or require specific regional collaboration models. Then, we recommend that the legislature include language that requires the proposed evaluation to focus on the effects of specific choices made by local stakeholders that the state can incentivize or require in future initiatives.

Staff Comments

Studying regional labor and education governance models could be important and eventually lead to improved programs. But this proposal seems redundant with some of the work done by the Administration during its two-year process that led to the Master Plan for Career Education. It also seems somewhat redundant to work that could be done by the new Education Interagency Council proposed in the Governor's Budget. It is unclear why \$4 million is needed.

Suggested Questions:

1. How does this proposal relate to the work that the proposed California Education Interagency Council would do?
2. How will this evaluation build on existing research undertaken in the Master Plan on Career Education?
3. How can this evaluation build on the K16 Collaboratives evaluation?
4. How will this evaluation be sure to leverage large existing investments in career technical education and career education regional efforts, including K12 Strong Workforce, county Workforce Investment Boards, and K16 Collaboratives?
5. Can Perkins state administrative funds be used to facilitate an independent evaluation for regional CTE support and alignment across all agencies?
6. What is the justification for \$4 million for an evaluation?

Staff Recommendation: Information Only. Subcommittee #5 will act on this issue, informed by the Subcommittee #3 discussion and concerns.

7760 Department of General Services: Office of Public School Construction**Issue 7: K-16 Collaboratives**

This panel will hear the Governor's Budget proposals for K-16 Collaboratives, as administered by the Office of Public School Construction.

Panel

- Alex Anaya Velasquez, DOF
- Michael Alferes, LAO
- Rebecca Kirk, Office of Public School Construction

Background

K-16 Education Collaboratives. The 2021-22 budget package provided \$250 million non-Proposition 98 General Fund to the Department of General Services for a competitive grant program to support regional career pathway collaboratives. Each collaborative must include at least one school district, community college district, CSU campus, and UC campus. To receive grants, collaboratives must commit to creating new intersegmental academic pathways in at least two of the following occupational areas: health care, education, business management, and engineering/computing. Grant recipients must also adopt at least four of seven identified educational best practices, establish a steering committee that includes local employers, participate in the state's Cradle-to-Career longitudinal data system, and participate in a statewide evaluation of the collaboratives.

Grants were awarded to 13 collaboratives across the state, totaling \$243 million. The remaining funds were encumbered for administrative costs. The following table details the 13 collaboratives, which are currently working to develop new pathways in healthcare (13 new collaborative pathways), education (10 new pathways), business management (3 new pathways), and engineering/computing (10 new pathways).

K16 Collaborative Awardees

Applicant	Title	Award	Region
California State Polytechnic University Humboldt	Redwood Coast K-16 Education Collaborative	\$ 18,609,000	Redwood Coast
California State University, Fresno	Central San Joaquin Valley K-16 Partnership: A Collaboration of the Fresno-Madera K-16 Collaborative and the Tulare-Kings College & Career Collaborative (The Partnership)	\$ 18,609,000	Central San Joaquin Valley
Kern County Superintendent of Schools Office	Kern Regional K-16 Education Collaborative Grant	\$ 18,609,000	Kern County
Los Rios Community College District	Sacramento K16 Collaborative	\$ 18,609,000	Sacramento
Orange County Department of Education	OC Pathways to and Through College Career	\$ 18,609,000	Orange County
Shasta-Tehama-Trinity Joint Community College District	North State Together Regional K-16 Education Collaborative	\$ 18,609,000	North State
University of California, Riverside	Inland Empire Regional K16 Regional Collaborative	\$ 18,609,000	Inland Empire
Grossmont-Cuyamaca Community College District	The Border Region Inclusive Talent Pipeline Collaborative	\$ 18,609,000	Southern Border
Los Angeles Community College District	Los Angeles Region K-16 Collaborative	\$ 18,609,000	Los Angeles County

Applicant	Title	Award	Region
Chabot-Las Positas Community College District	California Community College District	\$18,859,000	Bay Area
The Regents of the University of California, Santa	University of California	\$18,859,000	Central Coast
Columbia College - Yosemite Community College District	California Community College District	\$18,859,000	Eastern Sierra
The Regents of the University of California, Merced	University of California	\$18,859,000	Northern San Joaquin Valley

Source: OPSC

Evaluation

Statute requires a state-wide evaluation of the K-16 Collaborative program. OPSC has contracted with the Foundation for California Community Colleges (FCCC), for this evaluation. FCCC summarized the following promising patterns from a midterm program review of the Collaboratives' work:

- Clarifying governing bodies and processes
- Mapping assets to support shared regional vision
- Investing time in building strategic relationships
- Streamlining strategies
- Developing better data infrastructure

OPSC created a [funding dashboard](#) to highlight program outcomes as of January 31, 2024. This dashboard highlights the overall program characteristics and progress towards pathway development. Users can use the dashboard's filters to view student outcomes by Pathway Area, Community Economic Resilience Fund (CERF) Region (now Jobs First), and Cohort Year.

Jobs First

According to OPSC, Jobs First is a regional approach for the state to better understand the need for future jobs, what industries/sectors are growing by region, which industries are declining, and how do we better align resources by the state and the regions to meet this demand and/or shift skills for our workforce. So while Jobs First, an initiative of Go-Biz, is more focused on the demand side of what employers need, the K-16 Collaboratives is more on the supply side and is focused on creating streamlined pathways from high school to postsecondary education to prepare students for the workforce.

Governor's 2025-26 January Budget

The January Budget proposes to align the K16 Collaborative's existing pathways with the California Jobs First regional pathways, eliminate the first deliverable in the K-16 Collaborative program for two new pathways by June 2024, and extend the total funding encumbrance date from 2026 to 2030.

Staff Comments & Questions

The \$250 million investment in the K16 Collaborative approach may be too much one-time funding for too little in sustainable system outcomes. In a time of scarce general fund availability, there is not sufficient justification to extend the life cycle of this initiative.

Aligning the allowable pathway development with regional pathways under Jobs First, may have merit and support articulation across these regional Career initiatives.

Questions:

1. How much K-16 Collaborative funding does OPSC estimate will revert to the General Fund, if the encumbrance date is not extended past 2026?
2. What have the K-16 Collaborative grantees achieved to date? How many students are benefiting from how many new pathways?
3. What ongoing CTE funding is being used to sustain these new pathways?
4. How do the Jobs First pathways compare to the pathways K-16 Collaboratives have already chosen to develop? Is this a significant course correction, mid-grant?
5. What is the timeline for the final program evaluation?

Staff Recommendation: Reject Governor's Budget Proposal to extend funding encumbrance and remove program interim outcomes. Approve K-16 pathway inclusion of Jobs First regional pathways.

6100 California Department of Education

Issue 8: California College Guidance Initiative

This panel will hear the Governor's Budget proposal to provide \$3 million ongoing Proposition 98 General Fund to expand the California College Guidance Initiative (CCGI).

Panel

- Patrick Rochelle, DOF
- Dylan Hawksworth-Lutzow, LAO
- Mary Nicely, CDE
- Tessa La Roy, California College Guidance Initiative

Background

CCGI Is a College Planning and Advising Tool. CCGI offers access to college planning, financial aid, and career exploration tools to students from grades 6 to 12 through its online platform CaliforniaColleges.edu. CCGI also partners with school districts to streamline the college application process through verified electronic transcripts. Partner districts can upload verified academic transcript data onto the platform and into students' accounts. When students from these partner districts apply to a California Community College (CCC) or California State University (CSU), relevant high school data is automatically shared. The college or university, in turn, can use the data to inform decisions about admissions and course placement. (CCGI is currently working with the University of California (UC) Office of the President to provide the same transcript functionality to UC applicants.) As of March 2025, 326 of 417 eligible school districts partner with CCGI.

California Education Code 60900.5 in 2021 codified CCGI's purpose and called for the scaling of the platform statewide.

CCGI Offers Two Types of Student Accounts. Students in districts that partner with CCGI have access to transcript-informed accounts in the CaliforniaColleges.edu platform, which allow them to use all available tools and features, including the ability to import verified transcript data into CSU and CCC applications. Students in districts that are not partnered with CCGI can choose to create basic accounts to access non-transcript-informed resources, such as lessons in financial aid process, high school coursework planning, and career planning. CCGI is in the process of scaling up the ability to automatically generate universal basic accounts for all students in grades 6 to 12 in districts that are not CCGI partners.

Participation appears to be increasing. CCGI reports that 3.1 million 6th through 12th-grade students now have an account on CaliforniaColleges.edu. CCGI reports that in this academic year, CaliforniaColleges.edu has had 1.9 million student logins, up from 1.5 million for the entire 2023-24 academic year. During that same period, the platform had 115,000 educator logins, up from 55,000 last academic year.

As examples of the use of specific CCGI activities, CCGI reports the following:

- 348,000 students completed at least one Career Assessment, up from 269,000 last year;
- 370,000 students saved or favorited at least one career, college, or major, compared to 350,000 last year;
- 61,000 students launched 237,000 applications to California State University campuses, while 54,000 students launched 229,000 University of California applications. About 82,000 students launched 96,000 applications to California Community Colleges. About 29,000 students launched a federal or state financial aid form.

CCGI Is funded mostly through Proposition 98. The state currently funds CCGI as part of CDE's budget, with Riverside County Office of Education and the nonprofit Foundation for California Community Colleges acting as intermediaries. CCGI generates some additional funding by collecting fees from participating districts and charter schools. CCGI's total operating costs for 2024-2025 are \$26.3 million, of which \$2.7 million are one-time funds. Ongoing costs are \$23.5 million of which \$150,000 is from philanthropy, \$20.4 million are Proposition 98 funds, and \$3 million is carry forward from FY 2023-2024. CCGI reports that it has 91 authorized positions this year.

CCGI has had recent budget augmentations. The 2023 Budget Act increased CCGI funding by \$9.2 million ongoing Proposition 98. The 2024 Governor's Budget proposed an increase of \$5 million ongoing Proposition 98, but the final 2024 Budget Act provided a \$2 million augmentation because the program had \$3 million in unspent funds from the prior year. In addition to funding, the 2024 Budget Act included trailer bill language requiring LEAs to enter into a data-sharing agreement with CCGI by January 1, 2026, and provide an initial data file in by June 30, 2026.

Governor's 2025-26 Budget

The Governor's Budget provides a \$3 million ongoing Proposition 98 General Fund augmentation to CCGI. This proposal would maintain the same level of 2024-25 Proposition 98 funding, as \$3 million in one-time funds will expire. Total ongoing Proposition 98 General Fund would be \$23.6 million. CCGI states that the requested augmentation will complete a 5-

year scaling-up period and ensure that the state covers the total core operating costs of the initiative.

Staff Comments

The CCGI mission is critical and important: systematizing college and career knowledge development in 6th-12th grades and streamlining the college and financial aid application processes are valuable in a large state in which not enough middle school and high school students have easy access to counselors or college advising. Staff notes, however, that it remains concerning that CCGI is a private non-profit entity and not directly a part of state government. It also remains unclear how much utilization there is of the program at the local level. Some districts and schools use the programs extensively, and student participation is clearly increasing. But other districts may not be engaging: it appears that more than 1 million students have an account but have not used the account.

Suggested Questions:

1. How will this budget augmentation help ensure that more students use CCGI services?
2. Does CCGI track the demographics of students using its services, and students who are not using its services?
3. What are the main cost drivers for CCGI? What types of activities do the 91 positions conduct?
4. Can CCGI and DOF confirm that this proposed funding level is what is needed for full-scale implementation? In other words, there will be no future cost increases other than cost-of-living adjustments?

Staff Recommendation: Hold Open.

Non-Presentation Items

Issue 9: Non-Presentation Items

The Department of Finance will not be formally presenting the following items but is available to answer any questions from the Subcommittee related to these budget proposals. Public comment at this hearing is available.

- 1. Education Trailer Bill Proposal:** California Center for Inclusive College clean-up (Section 31).
- 2. Education Trailer Bill Proposal:** Five-year School Facilities Master Plan reference (Section 32).

Staff Recommendation: Hold Open.