
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
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SUMMARY

This bill aligns performance accountability outcome measures for the Economic and Workforce Development program with the outcome measures for the federal Workforce Innovation and Opportunity Act, authorizes the Department of Consumer Affairs to make specified licensure information available to the California Community Colleges (CCC) Chancellor's Office for purposes of evaluating outcomes for students who participate in CCC career technical education programs, statutorily establishes the maximum Cal Grant C award at \$2,462 for tuition and fees and \$3,000 for access costs, and authorizes adjustment of these maximum amounts in the annual Budget Act.

BACKGROUND

Current law authorizes the Cal Grant program, administered by the California Student Aid Commission (CSAC), to provide grants to financially needy students to attend college. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, grade point average, California residency, and other eligibility criteria, as specified in Education Code § 69433.9. (Education Code § 69430 – § 69439)

Cal Grant C awards assist with tuition and training costs at occupational or vocational programs and may be used for institutional fees, charges, and other costs, including tuition, plus training-related costs, such as special clothing, local transportation, required tools, equipment, supplies, and books and living expenses. Current law establishes the total number of Cal Grant C awards as the number awarded in the 2000-01 fiscal year (7,761) with the maximum award amount and the total amount of funding being determined in the annual Budget Act. (Education Code § 69439)

Current law establishes the California Community Colleges Economic and Workforce Development (EWD) Program to be implemented and administered by the Chancellor's Office of the CCC in those fiscal years for which funds are appropriated for this purpose. Current law requires the Chancellor to implement performance accountability outcome measures to annually provide the Governor, Legislature, and public with information that quantifies employer and student outcomes for program participants. (Education Code § 88600, § 88650)

Current federal law, the Workforce Innovation and Opportunity Act (WIOA) reauthorizes the nation's employment, training, adult education, and vocational rehabilitation programs created under the Workforce Investment Act of 1998. WIOA, among other things, requires states to strategically align workforce development programs, promote accountability and transparency and foster regional collaboration. (Title 29 United States Code, Chapter 32, § 3101, et seq.)

ANALYSIS

This bill:

- 1) Requires the Department of Consumer Affairs (DCA) to make available any licensure information it has in electronic format for its boards, bureaus, commissions, or programs to the California Community College (CCC) Chancellor's Office to enable the CCC to:
 - a) Measure employment outcomes of students who participate in CCC career technical education programs.
 - b) Recommend improvements in CCC career technical education programs.
- 2) Authorizes DCA to make available the confidential information outlined in (1) only to the extent that such disclosure is in compliance with state and federal privacy laws.
- 3) Statutorily establishes the maximum annual amount of the Cal Grant C award. Specifically it:
 - a) Establishes the maximum annual amount of the Cal Grant C for purposes of tuition and fees as \$2,462.
 - b) Establishes the maximum annual amount of the Cal Grant C for purposes of access costs as \$3,000.
 - c) Authorizes the adjustment of the statutory maximum amounts in the annual Budget Act.
 - d) Streamlines the current list of allowable uses of Cal Grant C awards with a cross-reference to an existing definition of access costs within the Cal Grant program.
- 4) Requires, to the extent possible, the alignment of performance accountability outcome measures for the economic and workplace development program with the performance accountability measures of the federal Workforce Innovation and Opportunity Act. It also:
 - a) Deletes existing statutorily prescribed performance measures.
 - b) Reduces data collection requirements.

STAFF COMMENTS

- 1) **Source of the bill.** In December 2014, the Board of Governors of the California Community Colleges commissioned the *Task Force on Workforce, Job Creation and a Strong Economy* to consider strategies and recommend policies and practices to meet California's anticipated shortage of one million industry-valued, middle skill credentials. According to the report of the Task Force, California's education pipeline is not keeping pace with the higher levels of skills and education required by employers and must significantly increase the number of individuals with industry-valued degrees, certificates and credentials.

The Task Force was comprised of representatives from community college faculty, staff, administration, trustees and students, the employer community, labor, public agencies involved in workforce training and economic development, K-12 education policy and community based organizations. The work of the task force involved regional college conversations, town hall meetings, and task force meetings. After almost a year of public meetings and stakeholder input, the Task Force issued 25 recommendations which were presented to the Board of Governors in September 2015 and adopted in November 2015. Implementation of these recommendations requires statutory, regulatory and administrative changes.

This bill, sponsored by the Chancellor's Office of the California Community Colleges, implements statutory changes recommended by the Task Force in three areas in an effort to improve and streamline Career Technical Education (CTE) programs. These include recommendations to:

- a) Develop, streamline, and align common outcome metrics for all state funded CTE programs and to ensure compatibility with federal reporting requirements.
 - b) Authorize the sharing of third-party licenses/certification data across government entities.
 - c) Support efforts to increase financial support under the Cal Grant C program for community college CTE students.
- 2) **Middle skills jobs.** Middle skills jobs are defined as those that require more education and training than a high school diploma but less than a four-year college degree. According to the National Skills Coalition (NSC), a national advocacy organization governed and advised by a coalition drawn from business, labor, community colleges, community-based organizations, and the public workforce system, while middle skills jobs make up the largest part of California's labor market, key industries are unable to find enough sufficiently trained workers to fill these jobs. NSC reports that in 2012, 50 percent of all jobs in California were middle skills but only 40 percent of the workforce was trained to the level necessary to fill those positions.

- 3) **Cal Grant C background.** Students meeting the general eligibility for the Cal Grant award may be considered for the Cal Grant C. There is no high school graduation requirement, minimum grade point average or maximum age for recipients. However, students must be California residents, have United States or eligible noncitizen status, complete US selective service requirements, enroll at least half-time at an eligible California institution, maintain satisfactory academic progress (defined by the institution) once enrolled, meet family income and asset ceilings, and not be in default on any student loan or owe any federal or state grant refund.

Funding is available for up to two years, depending on the length of the program. To qualify, a student must enroll in an occupational, technical, or vocational program that is at least four months long at a California Community College (CCC), an independent college, or a vocational/career school.

According to the 2013-14 report on Cal Grant awardees prepared by the California Student Aid Commission (CSAC) almost 82 percent of Cal Grant C awardees are independent students. About 68 percent earned less than \$18,000 annually, and more than 85 percent earned less than \$30,000 annually. Almost half are over age 30.

CSAC also reports that of the 15,159 Cal Grant C awardees in 2013-14, 12,800 attend a CCC, 2 attend a UC campus, 36 attend another public institution, 105 attend an independent college and 1,483 attend a private for-profit institution. Although the vast majority of students who receive the Cal Grant C are enrolled in community college programs, almost two-thirds of the total funds awarded are paid to students enrolled in vocational for-profit programs.

In 2013-14, the maximum annual award was \$547 for training related costs and up to \$2,462 more for tuition and fees for attendance at other than a California Community College.

- 4) **Impact of Cal Grant C changes?** Given the demographics of the Cal Grant recipients outlined in staff comment #5, it appears that most students receiving a Cal Grant C at the community colleges would be eligible for a Board of Governor's fee waiver. The typical Cal Grant C award for CCC students is thus \$547 for costs other than tuition and fees. Although SB 1028 (Jackson, Chapter 692, Statutes of 2014) expanded the allowable use of the Cal Grant C to include living expenses, the CCC report that the Department of Finance and the CSAC do not believe that the language expands the allowable grant amount to community college students. According to the CCC, a 2006 student survey conducted by the CSAC indicates that the average cost of books and supplies alone was \$795/term. This bill would establish the maximum grant amount for purposes of access costs at \$3000 per year, providing much need additional aid to help more community college students complete their Career Technical Education programs.

It is the stated intent of the bill sponsors to increase the award amount to meet the financial assistance needs of community college students. As drafted, however, it appears that a qualifying student who attends a higher cost institution

could receive a Cal Grant C for both tuition/fees and access costs, for a total annual award of up to \$5,462.

The Committee may wish to consider and clarify:

- a) Is it the intent to provide for tuition/fees or access costs, or to increase the overall award for Cal Grant C recipients to cover both?
 - b) Would increasing the overall award amount have the effect of incentivizing recruitment of Grant C recipient students by private and/or for-profit institutions? Is this a desirable effect?
 - c) Should the increase in the award amount for access costs be limited to Cal Grant C recipients who attend a public community college?
 - d) The current number of authorized Cal Grant C awards is 7,761. Would increasing the overall award amount of an already over-subscribed program result in fewer students receiving Cal Grant C awards?
- 5) ***Streamlining/alignment of outcome metrics.*** Currently, workforce development program funds for community college Career Technical Education (CTE) offerings come from the federal Carl Perkins Career and Technical Education Act, the Economic and Workforce Development Program, and the Career Technical Education Pathways Program. The Chancellor's Office reports that state and national policy shifts have made these programs more similar in scope. However, each of these funding streams requires distinct metrics to be reported, creating duplicative administrative burdens for both the Chancellor's Office staff and local data collectors. With the enactment of the federal Workforce Innovation and Opportunity Act (WIOA), another source of funding for workforce development programs, a single set of common measures has been adopted for programs serving both adults and youths under the Act.

This bill replaces existing accountability language under the Economic and Workforce Development Program with performance accountability outcome measures consistent with that required under WIOA. Staff notes that the Legislature has also recently provided funding for the development of metrics to evaluate outcomes for Adult Education programs and that these metrics are also expected to align with the federal WIOA where applicable. Enactment of these provisions reduces the burden of data collection and reporting, establishes common reporting across districts and inter-segmentally, and eases the overall administrative burden associated with workforce development programs.

- 6) ***Data sharing and privacy protections.*** This bill requires the Department of Consumer Affairs to share licensing data with the California Community Colleges. Information on licensure has not historically been a data element collected by the community colleges. The ability to reliably collect this data is impacted by the fact that these are industry licenses generally awarded by certifying bodies, and not the schools that provided the training. The California Community Colleges (CCC) report that they have already gathered similar data on apprenticeship, POST (Peace Officers Standards and

Training) certification, and CompTIA (Computer Technology Industry Association) certification it is the intent that this information be used for the Student Success Scorecard as one measure of a successful completion in CTE pathways and programs.

The CCC report that they have already entered into several memorandums of understanding (MOUs) with various state agencies to facilitate data sharing. These include the Employment Development, the Department of Social Services, the Office of Statewide Health Planning and Development, the California Student Aid Commission and California's public 4-year universities. While these agencies interpret federal and state law to allow such sharing of information, according to the CCC, the Department of Consumer Affairs believes that state and federal privacy laws restrict their ability to share licensing information. The provisions of this bill would provide the statutory clarity necessary to facilitate the sharing of licensure data for the purpose of evaluating programmatic outcomes.

Staff notes that examples of the MOUs governing data use and exchange outline very similar conditions regarding the use, maintenance and destruction of confidential data. In order to ensure consistency, as well as protection of privacy, **staff recommends** that the broader conditions applicable to most MOU agreements be statutorily incorporated into the bill's provisions, and that the bill be amended as follows:

- a) On page 4, line 13, after the period insert, "Licensure information made available by the department pursuant to this section shall not be used for any other purpose."
- b) On page 4, line 14, strike "confidential" and on line 16, replace "is in compliance" with "complies"
- c) On page 4 after line 17 insert:
 - "(c) The department may, by agreement, condition or limit the availability of licensure information pursuant to subdivision (a) in order to ensure the security of the information and protect the privacy rights of the individuals to whom the information pertains.
 - (d) Licensure information made available pursuant to subdivision (a):
 - (1) shall be limited to only that information necessary to accomplish the purpose authorized in subdivision (a);
 - (2) shall not be used in a manner that permits third parties to personally identify the individual or individuals to whom the information pertains;
 - (3) shall not be shared with or transmitted to any other party or entity without the consent of the individual or individuals to whom the information pertains;
 - (4) shall be protected by reasonable security procedures and practices appropriate to the nature of the information to protect that information from unauthorized access, destruction, use, modification, or disclosure; and

(5) shall be immediately and securely destroyed when no longer needed for the purpose authorized in subdivision (a).

(e) Notwithstanding subparagraph (d)(3), the department or the Office of the Chancellor of the California Community Colleges may share licensure information with a third party who contracts to perform the function authorized in subdivision (a), provided the third party is required by contract to follow the provisions of this section.”

- 7) ***Related Budget Proposal.*** The Governor’s Proposed Budget for 2016-17 includes \$200 million to enable community colleges to expand access to additional career technical education courses and programs and to implement a regional accountability structure that is aligned with the recommendations of the *Task Force on Workforce, Job Creation, and a Strong Economy*. According to the Governor, the Task Force identified an opportunity to align the myriad of career technical education programs at the community colleges and local education agencies with the state’s regional workforce needs and four-year undergraduate programs. Community colleges will be expected to collaborate regionally with their educational, workforce, labor, and civic partners to expand access to career technical education programs and align programmatic offerings with local workforce demand. Community colleges will use the strategic plans to inform the development, coordination, and availability of new and existing career technical education. In addition, the Board of Governors are expected to adopt guidance, policies, and regulatory reforms that enable community college districts to develop and expand access to career technical education courses and programs in a timely manner.

SUPPORT

Board of Governors
California Chamber of Commerce
Community College League of California

OPPOSITION

None received.

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