



September 23, 2025

The Honorable Gavin Newsom
Governor
State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom:

I write to urge you to sign into law [Senate Bill 638](#), which would establish the California Career Technical Education Incentive Grant Program. This legislation would update the eligibility standards for Career Technical Education (“CTE”) grant applicants, require a more holistic approach that includes collaboration with labor and business, alignment with workforce needs, expanded opportunities for underserved and special populations.

As the voice of all things work, workers, and the workplace, [SHRM](#) is the foremost expert, convener, and thought leader on the issues and innovations shaping today’s workplaces. With nearly 340,000 members in 180 countries, SHRM directly impacts the lives of more than 362 million workers worldwide. SHRM California State Council connects all 16 local SHRM chapters with our regional and national organizations, uniting nearly 30,000 members across the state.

Our research confirms what many employers are experiencing every day: labor shortages and skills gaps are among their greatest challenges. The SHRM 2023–2024 [State of the Workplace Report](#) found that 65% of organizations cited concerns over access to talent. Similarly, our 2025 [Talent Trends Survey](#) shows that seventy percent of employers are still reporting difficulties recruiting for full-time regular positions, on par with 2016 — with 39% pointing to lack of work experience and 33% citing insufficient technical skills in applicants.

A skilled workforce is the cornerstone of success in today’s globalized economy, yet the U.S. labor market faces a growing skills gap. While there are about 7 million open jobs, new graduates struggle to enter the workforce. Traditional four-year degrees remain valuable while interest in alternative pathways to work grows.

SB 638 would help individuals develop critical skills through CTE programs and prepare them for a wide range of high-wage, high-skill, high-demand careers. In many cases, these candidates become gainfully employed more quickly and earn more than those with an associate degree alone. This legislation will also help ensure that employers have access to a highly skilled workforce to meet the needs of an evolving economy.



Thank you for your consideration of this important legislation. If you have any questions about SHRM or SHRM's public policy positions, please contact Mike Rose at (mike.rose@shrm.org).

With appreciation,

A handwritten signature in black ink, which appears to read 'Emily M. Dickens'. The signature is written in a cursive style with a large initial 'E'.

Emily M. Dickens
Chief of Staff, Head of Government Affairs
& Corporate Secretary

CC: The Honorable Stephen Padilla, California Senate