

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1590 (Ransom) – As Introduced January 15, 2026

Policy Committee: Education

Vote: 8 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires, not later than the 2027-28 fiscal year, the State Superintendent of Public Instruction (SSPI) to determine, in consultation with the State Board of Education (SBE) a revised Career Technical Incentive Grant (CTEIG) allocation formula ensuring all funds appropriated for the program in a given fiscal year are fully allocated within that fiscal year.

FISCAL EFFECT:

Minor and absorbable costs to the California Department of Education (CDE).

COMMENTS:

1) **Purpose.** According to the author:

Unfortunately, nearly \$120 million in state-approved CTE funding has not reached our students due to a broken funding formula. AB 1590 requires the Superintendent of Public Instruction and the State Board of Education to fix this formula to ensure that when the state appropriates funding for CTE, all those dollars go directly to students.

2) **Background. *Limited State Funding Earmarked for CTE.*** Originally established in 2015 as a one-time investment of \$900 million to cover a three-year span, CTEIG is a state education, economic, and workforce development initiative providing students in kindergarten through grade twelve with the knowledge and skills necessary to transition from secondary education to postsecondary education and living-wage employment. The CDE administers the program, in consultation with the SBE. LEAs submit applications outlining the ways in which they meet the statutorily defined requirements, including a two-to-one match of local to state funding. In 2018, the Legislature appropriated ongoing funding of \$150 million for CTEIG and increased the annual funding amount to \$300 million, effective 2021. Additionally, the California Community Colleges Chancellor's Office administers the Strong Workforce Program, with \$150 million appropriated annually for K-12 LEAs to compete for regionally across eight regional consortia to fund CTE programs and pathways aligned with industry needs.

Prior to the adoption of the LCFF, the state provided funding for CTE through a number of categorical programs, including \$400 million for the Regional Occupational Centers/Programs (ROC/P). In 2013 the Local Control Funding Formula (LCFF) folded this

funding into LEA base funding amounts, permanently making the funding discretionary and available for other K-12 priorities. However, the LCFF does include a base grant rate adjustment for the high school grade span (grades 9 through 12) of 2.6%, an acknowledgment that most CTE course offerings are for high school students. While the state provides limited earmarked funding for K-12 CTE programs, it provides nearly double the amount of funding to LEAs in fiscal year 2024-25 than it provided in 2013-14 through the LCFF (\$42.6 billion compared to an estimated \$80.5 billion) and the LCFF's accountability system provides discretion for LEAs to determine how best to meet the needs of their communities, including providing CTE coursework, if desired.

Savings Available from Prior Years' Allocations. According to grant award data from the CDE, as of April, 2025, of the total of \$900 million in CTEIG funds appropriated between fiscal years 2021-22 and 2023-24, the CDE identified \$102.5 million in carryover savings. CDE then returns these savings to the Proposition 98 General Fund re-appropriation account which the Legislature appropriated for another K-12 education purpose. However, much of these returned funds under the CTEIG are a symptom of the statutory formula limiting a grant recipient's allocation to no more than the formula calculates even when a recipient has additional matching funds beyond that amount. This bill requires the SSPI to revise, in consultation with the executive director of the SBE, a formula that ensures all appropriated funds for the CTEIG in any given fiscal year are fully allocated to applicants in that fiscal year.

- 3) **Related Legislation.** AB 1694 (Carrillo), of the current legislative session, would allow a CTEIG grant recipient to automatically continue receiving grant funds for up to four years total, allows a grant recipient to receive funding above the statutory formula, and requires the SSPI to recover grant funds from LEAs out of compliance with specified requirements. AB 1694 is pending hearing in this committee.

AB 401 (Muratsuchi), of the current legislative session, would have applied an annual cost-of-living adjustment (COLA) to the CTEIG, subject to an appropriation, allowed a grant recipient to automatically continue receiving grant funds for up to four years total, and required the State Superintendent of Public Instruction (SSPI) to recover grant funds from LEAs out of compliance with specified requirements. AB 401 was held in this committee.

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