
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1590 (Ransom) - California Career Technical Education Incentive Grant Program: revised allocation formula

Version: January 15, 2026

Urgency: No

Hearing Date: June 22, 2026

Policy Vote: ED. 7 - 0

Mandate: No

Consultant: Lenin Del Castillo

Bill Summary: This bill requires the Superintendent of Public Instruction (SPI) to revise the California Career Technical Education Incentive Grant (CTEIG) allocation formula no later than the 2027-28 fiscal year to ensure that all funds appropriated for the program are fully allocated in the year in which they are appropriated.

Fiscal Impact:

- This bill could result in forgone savings in the tens of millions of dollars each year that would otherwise revert to the Proposition 98 General Fund and reappropriated for other K-14 educational purposes. Based on grant award data from CDE, there has been about \$102.5 million in savings from the CTEIG from 2021-22 to 2023-24.
- The California Department of Education (CDE) estimates General Fund costs of \$494,000 each year and 2.0 positions to comply with the bill's requirements.

Background: Existing law establishes the CTEIG Program as a state education, economic, and workforce development initiative intended to encourage, maintain, and strengthen the delivery of high-quality career technical education (CTE) programs. It requires applicants to provide a local match of \$2 for every \$1 received from the program and prohibits an applicant from receiving an amount greater than the amount determined by the allocation formula.

Existing law requires applicants to demonstrate that their CTE programs meet specified minimum eligibility standards, including high-quality curriculum and instruction, work-based learning opportunities, student support services, labor market alignment, industry partnerships, pathways to postsecondary education and employment, access for students with exceptional needs, and annual data reporting.

Existing law requires the CDE, in consultation with the Executive Director of the SBE, to give positive consideration to applicants serving unduplicated pupils, students with higher-than-average dropout rates, applicants in areas of high unemployment, regional programs operated by county offices of education or joint powers authorities, and applicants demonstrating regional collaboration, industry engagement, and infrastructure investment.

Existing law requires the SPI, in collaboration with the Executive Director of the SBE, to determine and publicly release the CTEIG allocation formula, allowable expenditures, funding amounts, and number of grants to be awarded.

Proposed Law: This bill requires the SPI, in consultation with the Executive Director of the SBE, to revise the CTEIG allocation formula no later than the 2027-28 fiscal year to ensure that all funds appropriated for the program are fully allocated in the fiscal year in which the funds are appropriated.

Related Legislation: AB 1694 (Carrillo, 2026) revises the CTEIG program by requiring renewal grants for prior grantees for up to three additional years, reserving up to 90% of annual funding for renewal applicants beginning in the 2026-27 fiscal year, deleting the prohibition against applicants receiving awards above the amount generated by the allocation formula, and authorizing the SPI to cease or recover funding if specified program requirements are not met. The bill is scheduled to be heard in this committee on June 29, 2026.

Staff Comments: This bill is intended to address longstanding concerns from local educational agencies, regional occupational programs, and other CTE stakeholders that significant amounts of appropriated CTEIG funding have gone unallocated despite strong statewide demand for CTE investments. According to the author, "Career Technical Education programs are essential in exposing students to a wide range of career pathways, preparing them with practical, workforce-ready skills, and offering specialized coursework that support both career readiness and access to higher education. 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."

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