

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1694 (Carrillo) – As Introduced February 3, 2026

Policy Committee: Education

Vote: 8 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill allows a grant recipient of the Career Technical Education Incentive Grant (CTEIG) to continue receiving grant funds for up to four years total, allows a grant recipient to receive funding above the statutory formula if they have additional matching funds available, and requires the State Superintendent of Public Instruction (SSPI) to recover grant funds from local educational agencies (LEAs) out of compliance with specified requirements.

FISCAL EFFECT:

Ongoing General Fund costs to the California Department of Education (CDE) of an unknown but likely minor and absorbable amount to monitor grant recipient compliance with program requirements and recover funds as needed.

The bill appropriates no additional funding for the CTEIG program but does change elements of the allocation formula. To the extent additional CDE administrative workload results from the bill's compliance monitoring requirements these costs may be offset by reduced workload associated with reviewing applications from the same LEAs on an annual basis because grant recipients in a given year would now be eligible for up to three additional years.

COMMENTS:

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

CTE equips students with real-world skills that open doors to good-paying careers and higher education, and it is especially impactful for low-income students, who make up half of all participants. These programs succeed because they are built through strong partnerships between our local schools and regional employers, ensuring students gain skills that are aligned with real workforce needs. AB 1694 will provide the stability schools and industry partners need by allowing LEAs to renew their CTEIG awards for up to four years if they meet quality standards and maintain matching funds.

2) **Background. *Limited State Funding Earmarked for Career Technical Education.***

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 Local Control Funding Formula (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 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 of the fact that most CTE course offerings are for high school students. While the state provides limited earmarked funding for K-12 CTE programs, it provided 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. The savings were then returned 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 removes that cap and allows an eligible grant recipient to receive up to the amount of funds for which they can provide a two-to-one match. Additionally, the bill allows a grant recipient to remain eligible for an additional three years beyond the initial year of receiving a grant, a feature which proponents, such as the Small School District's Association, state will "strengthen program sustainability and expand student access to high-quality CTE opportunities throughout the state."

- 3) **Related Legislation.** AB 1590 (Ransom), of the current legislative session, would require, SSPI to determine a revised CTEIG allocation formula ensuring all funds appropriated for the program in a given fiscal year are fully allocated within that fiscal year. AB 1590 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 SSPI to recover grant funds from LEAs out of compliance with specified requirements. AB 401 was held in this committee.