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# SENATE COMMITTEE ON EDUCATION

Senator Sasha Renée Pérez, Chair

2025 - 2026 Regular

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**Bill No:** AB 1694 **Hearing Date:** June 10, 2026  
**Author:** Carrillo  
**Version:** February 3, 2026  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Ian Johnson

**Subject:** California Career Technical Education Incentive Grant Program: renewal grants.

## SUMMARY

This bill revises the Career Technical Education Incentive Grant (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 Superintendent of Public Instruction (SPI) to cease or recover funding if specified program requirements are not met.

## BACKGROUND

Existing law:

- 1) Establishes the CTEIG Program for the purpose of encouraging, maintaining, and strengthening the delivery of high-quality career technical education (CTE) programs. (Education Code (EC) § 53070)
- 2) Provides, beginning in the 2021–22 fiscal year and each fiscal year thereafter, that \$300 million shall be available to the California Department of Education (CDE), upon appropriation by the Legislature, for the CTEIG Program. (EC § 53070)
- 3) Requires grant 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. (EC § 53071)
- 4) Authorizes applicants to consist of one or more school districts, county offices of education, charter schools, regional occupational centers or programs, or joint powers authorities. (EC § 53071)
- 5) Requires applicants to demonstrate that their CTE programs meet specified minimum eligibility standards related to curriculum, work-based learning, student support services, labor market alignment, industry partnerships, data reporting, and access for students with exceptional needs. (EC § 53071)

- 6) Requires the SPI, in collaboration with the Executive Director of the State Board of Education (SBE), to determine reporting requirements and renewal grant eligibility criteria. (EC § 53073)
- 7) Provides that prior grantees are eligible to apply for renewal grants if their CTE programs continue to meet specified statutory requirements and are deemed successful based on established metrics. (EC § 53073)
- 8) Requires the CDE, in consultation with the Executive Director of the SBE, to give positive consideration to applicants serving high-need student populations, rural communities, and regional collaborative programs. (EC § 53075)
- 9) Requires the SPI, in collaboration with the Executive Director of the SBE, to determine and publicly release the allocation formula, grant amounts, allowable expenditures, and number of grants awarded under the program. (EC § 53076)

## ANALYSIS

This bill:

- 1) Includes legislative intent to provide increased CTEIG stability by allowing grants to be automatically renewed for four years to support high-quality CTE courses and pathways and to ensure all pupils have the opportunity to be college and career ready.
- 2) Deletes the provision prohibiting an applicant from receiving an award greater than the amount determined by the allocation formula.
- 3) Requires applicants receiving a grant in a prior fiscal year to receive renewal grants for up to three additional fiscal years, provided the applicant continues to meet program requirements, continues to satisfy minimum eligibility standards, and is not otherwise determined ineligible by the SPI.
- 4) Requires, beginning with the 2026-27 fiscal year, that up to 90% of available CTEIG funding be designated for renewal grants and up to 10% be designated for new applicants, unless otherwise determined by the SPI.
- 5) Authorizes the SPI to cease distribution of grant funding and recover previously distributed funding if the recipient did not implement the program substantially as proposed, the recipient did not comply with specific matching fund requirements, or the recipient no longer requires the grant.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “I have seen firsthand how Career Technical Education (CTE) can change the trajectory of a young person’s life. 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. This measure strengthens our commitment to high-quality, locally driven CTE pathways and ensures students are prepared for long-term success.”

- 2) ***This bill shifts CTEIG from a primarily competitive grant model toward a multiyear funding structure.*** Existing law allows prior grantees to apply for renewal grants if they continue meeting statutory requirements and demonstrate successful outcomes. However, funding still occurs through an annual allocation process in which all applicants compete for available funding. This bill would alter that structure by effectively guaranteeing up to three additional years of funding for successful grantees and reserving up to 90% of annual appropriations for renewal grants beginning in the 2026-27 fiscal year.

Supporters may argue that this approach better reflects the realities of sustaining high-quality CTE programs, which often require long-term staffing commitments, durable industry partnerships, equipment purchases, pathway sequencing, and ongoing coordination with postsecondary institutions and employers. Conversely, reserving the vast majority of annual funding for existing grantees may reduce opportunities for new applicants seeking to establish or expand pathways in response to emerging workforce needs or changing student demand.

The bill therefore raises a broader policy question regarding whether the primary purpose of CTEIG should be sustaining existing high-performing programs, expanding access to new applicants and pathways, or balancing both objectives simultaneously.

- 3) ***Longstanding concerns regarding unallocated CTEIG funding.*** Existing law currently prohibits applicants from receiving awards greater than the amount generated by the allocation formula. This bill deletes that limitation. The bill appears intended, at least in part, to respond to growing concerns from local educational agencies (LEAs) and CTE stakeholders regarding significant amounts of appropriated CTEIG funding going unallocated in recent years despite substantial statewide matching capacity.

Recent CDE materials and the Round 12 Request for Applications indicate that the department anticipates allocating all available program funds in a single funding round following administrative revisions to the allocation methodology. According to CDE, the revised methodology differs from prior years in two significant ways. First, the methodology proportionally allocates an applicant’s unduplicated pupil count (UPC) based on the percentage of average daily attendance (ADA) attributed to an individual application versus a consortium application. Second, where an applicant’s available local match is less than the amount generated by the allocation formula, funding that would otherwise remain unallocated is redistributed among other applicants with remaining match capacity.

To the extent these administrative changes successfully eliminate carryover balances within existing statutory authority, questions may arise regarding whether deletion of the statutory formula cap is necessary to achieve the bill's stated objective of fully allocating available appropriations. At the same time, proponents may argue that removing the statutory limitation provides additional clarity and flexibility to ensure future administrations continue maximizing annual allocations when statewide matching capacity exists.

- 4) ***Measure reflects broader statewide efforts to strengthen workforce development and career readiness.*** California has made significant recent investments in workforce-aligned education initiatives, including the K-12 Strong Workforce Program, Golden State Pathways Program, dual enrollment expansion, apprenticeship pathways, and other college and career readiness efforts. These initiatives increasingly emphasize durable partnerships among TK-12 schools, postsecondary institutions, employers, labor organizations, and regional workforce agencies.

Within that broader policy context, stakeholders have increasingly argued that annual grant uncertainty can make it difficult for LEAs to sustain long-term pathway development, maintain staffing continuity, replace equipment, and preserve industry partnerships. This bill reflects a growing policy discussion regarding whether major CTE funding programs should function more like ongoing operational funding streams rather than short-term competitive grants.

- 5) ***CTEIG operates within a broader landscape of CTE funding streams.*** While CTEIG remains one of the state's largest ongoing dedicated K-12 CTE funding sources, LEAs also support CTE programs through Local Control Funding Formula (LCFF) base funding, Perkins V funds, the K-12 Strong Workforce Program, Golden State Pathways grants, California Partnership Academies, Agricultural Career Technical Education Incentive Grants, and various local and regional workforce initiatives.

As a result, this bill also raises broader questions regarding how the state's various CTE funding streams should interact and whether long-term program sustainability is best addressed through dedicated ongoing categorical funding, local flexibility within LCFF, competitive grants, or some combination thereof.

- 6) ***Committee amendments.*** Staff recommends the following amendments to clarify the author's intent and ensure consistency within the bill:
- a) Clarify that successful grantees shall receive renewal grants for "at least" three additional years. As currently drafted, the phrase "shall receive renewal grants for 3 additional years" could arguably be interpreted as establishing a maximum renewal period rather than a minimum funding continuity expectation for successful programs.
  - b) Broaden the SPI's enforcement authority related to matching funds from paragraph (1) of subdivision (a) of Section 53071 to subdivision (a) as a whole. Subdivision (a) contains several additional match-related requirements beyond the proportional dollar-for-dollar match itself,

including provisions governing reductions in awards when sufficient match is unavailable, allowable and prohibited match sources, and requirements that matching funds support the funded program. This amendment would ensure all statutory matching fund requirements remain enforceable under the bill.

- c) Strike the provision requiring that up to 90% of annual CTEIG funding be reserved for renewal grants and up to 10% for new applicants. According to CDE, the vast majority of program funding is already allocated to renewal grantees operationally. CDE staff have expressed concerns that codifying a fixed allocation structure could create administrative complications in years where there are insufficient viable new applicants to fully utilize the reserved funding amount, potentially leaving otherwise allocatable funds unawarded absent additional administrative action. Additionally, CDE has indicated that viable new applicants meeting baseline program requirements would still have a reasonable opportunity to receive funding without this statutory reservation.

## **SUPPORT**

aiEDU

Alameda County Office of Education

Amador County Unified School District

Association of California School Administrators

Baldy View Regional Occupational Program

California Chamber of Commerce

California High School District Coalition

Campbell Union High School District

Career Technical Education Joint Powers Authority Coalition

CAROCP - the Association of Career and College Readiness Organizations

Chaffey Joint Union High School District

Coalition for Career Technical Education

Coastline Regional Occupational Program

Contra Costa County Office of Education

Desert Sands Unified School District

El Monte Union High School District

Fullerton Joint Union High School District

Glenn County Office of Education

Grossmont Union High School District

Huntington Beach Union High School District

Lake County Office of Education

Los Banos Unified School District

Madera County Superintendent of Schools

Mission Valley ROP

Mountain Desert Career Pathways Joint Powers Authority

Napa County Office of Education

Nevada Joint Union High School District

Rocklin Unified School District

San Benito High School District

San Bernardino County Superintendent of Schools

San Diego Unified School District  
San Gabriel Valley Regional Occupational Program  
Santa Maria Joint Union High School District  
Shasta-Trinity Regional Occupational Program  
Small School Districts Association  
Tri-Cities Regional Occupational Program  
Valley Regional Occupational Program  
Wheatland Union High School District

**OPPOSITION**

None received

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