
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1694 (Carrillo) - California Career Technical Education Incentive Grant Program: renewal grants

Version: June 11, 2026

Urgency: No

Hearing Date: June 29, 2026

Policy Vote: ED. 7 - 0

Mandate: No

Consultant: Lenin Del Castillo

Bill Summary: This bill makes various changes to the Career Technical Education Incentive Grant (CTEIG) Program, including requiring renewal grants for prior grantees for up to three additional years and deleting the prohibition against applicants receiving awards above the amount generated by the allocation formula.

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 applicants receiving a grant in a prior fiscal year to receive renewal grants for at least 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.

This bill requires the SPI to cease distribution of grant funding and recover previously distributed funding if the grant recipient failed to implement the program substantively as was initially proposed, the recipient did not comply with specific matching fund requirements, or the recipient no longer requires the grant.

This bill deletes the provision that prohibits an applicant from receiving an award greater than the amount determined by the allocation formula.

This bill 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.

Related Legislation: AB 1590 (Ransom, 2026) requires the Superintendent of Public Instruction (SPI) 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 year in which they are appropriated. The bill is currently on the Suspense File in this committee.

Staff Comments: This bill is intended to address concerns from local educational agencies and CTE stakeholders that significant amounts of appropriated CTEIG funding have gone unallocated. 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."

-- END --