

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON EDUCATION  
Al Muratsuchi, Chair  
AB 401 (Muratsuchi) – As Amended February 25, 2025

**SUBJECT:** California Career Technical Education Incentive Grant Program: annual adjustment: renewal grants

**SUMMARY:** Requires Career Technical Education Incentive Grant (CTEIG) program recipients to be granted renewal grants for a total of four years, subject to specified conditions, and requires the Superintendent of Public Instruction (SPI) to designate 90% of the CTEIG funds for renewal grants and 10% for new applicants; adds a cost-of-living adjustment (COLA) to the CTEIG appropriation; and removes a limitation on grant awards above a specified level. Specifically, **this bill:**

- 1) Requires that recipients of grants from the CTEIG program receive renewal grants for three additional years provided they meet quality standards, as specified.
- 2) Requires the SPI to cease funding and recover previously disbursed funds if the applicant fails to substantively implement the program as proposed in their initial application, fails to meet the matching funds requirements, or no longer requires the grant funds.
- 3) Requires that 90% of the CTEIG funds be designated for renewal grants and 10% designated for new applicants each year.
- 4) Adds a COLA to the CTEIG appropriation.
- 5) Removes the limitation that no applicant be awarded an amount higher than they are eligible for under the allocation formula.

**EXISTING LAW:**

- 1) Authorizes the CTEIG Program as a state education, economic, and workforce development initiative with the goal of providing students in kindergarten through 12<sup>th</sup> grade with the knowledge and skills necessary to transition to employment and postsecondary education, and:
  - a) Identifies the purpose of the competitive CTEIG program as the encouragement and maintenance of the delivery of career technical education (CTE) programs by school districts and charter schools.
  - b) Appropriates funding for the CTEIG program as follows: \$400 million for 2015-16; \$300 million for 2016-17; \$200 million for 2017-18; and \$150 million per year for 2018-19 to 2020-21; and \$300 million per year beginning in the 2021-22 fiscal year and every year thereafter.
  - c) Specifies the distribution of the funds appropriated by school size as follows: 4% to applicants with an average daily attendance (ADA) of 140 or less; 8% to applicants with

an ADA of 141 to 550; and 88% to applicants with an ADA of more than 550.  
(Education Code (EC) 53070)

- 2) Requires that applicants demonstrate the ability to provide local matching funds as follows:
  - a) \$1.00 for every \$1 received in 2015-16;
  - b) \$1.50 for every \$1 received in 2016-17;
  - c) \$2.00 for every \$1 received in 2017-18, and each fiscal year thereafter; and
  - d) As of July 1, 2021, requires the proportional match to be encumbered in the fiscal year for which the applicant is applying for a grant under the program. (EC 53071)
- 3) Requires applicants for the CTEIG Program to demonstrate that their CTE programs provides all of the following to meet minimum eligibility standards:
  - a) High-quality curriculum and instruction aligned with the California CTE Model Curriculum Standards, including a coherent sequence of CTE courses that enable students to transition to postsecondary education programs, that lead to a career pathway or attain employment or industry certification upon graduation from high school, including programs that integrate academic and CTE and that offer the opportunity for participants to prepare for postsecondary enrollment and to earn postsecondary credits through Advanced Placement courses, International Baccalaureate courses, or dual enrollment opportunities;
  - b) Career exploration, guidance, and a continuum of work-based learning opportunities aligned with academic coursework, which may include paid internships;
  - c) Student support services, including counseling and leadership development to address students' social, emotional, career, and academic needs;
  - d) System alignment, coherence, and articulation with postsecondary institutions, allowing for dual enrollment opportunities;
  - e) Ongoing and meaningful industry and labor partnerships, evidenced by written agreements and through participation on advisory committees and collaboration with business and labor organizations to provide opportunities for students to gain access to pre-apprenticeships, internships, industry certifications, and work-based learning opportunities as well as opportunities for industry to provide input to the CTE programs and curriculum;
  - f) Opportunities for students to participate in after-school, extended day, and out-of-school internships, competitions, leadership development opportunities, and other work-based learning opportunities;
  - g) Connection to regional or local labor market demands and a focus on current or emerging high-skill, high-wage, or high-demand occupations and is informed by the regional plan of the local Strong Workforce Program consortium;

- h) Pathway to an industry-recognized credential or certificate, or appropriate postsecondary education or training, employment, or a postsecondary degree;
  - i) Staffing by skilled teachers or faculty and the provision of professional development opportunities for any teachers or faculty members supporting students in those programs;
  - j) Opportunities for students with exceptional needs to participate in all programs; and
  - k) Annual data reporting to allow for an evaluation of the program. (EC 53071)
- 4) Requires CTEIG grantees to report data, including the core metrics required by the federal Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act (Perkins V), the quality indicators described in the California State Plan for CTE, as well as additional specified metrics. Requires the California Workforce Pathways Joint Advisory Committee to review the data metrics annually and make recommendations on whether these data metrics remain the most appropriate metrics to evaluate program outcomes for new and renewal applicants, or whether other metrics should be included. (EC 53071)
- 5) Defines grant recipients for CTEIG as one or more school districts, county offices of education (COEs), charter schools, regional occupational centers or programs (ROCPs) operated by joint power authorities (JPAs) or COEs, or any combination of these. (EC 53072)
- 6) Requires the California Department of Education (CDE) to annually submit the list of recommended new and renewal grant recipients to the State Board of Education (SBE) for review and approval prior to making annual grant awards. CDE and SBE, in determining proposed grant recipients, are required to give positive consideration and the greatest weight to those applicants who:
- a) Serve unduplicated students or subgroups with higher than average dropout rates;
  - b) Are located in an area of the state with a high unemployment rate; and
  - c) Offer an existing high-quality regional-based CTE program as a JPA or COE.

Requires the CDE and the SBE, in determining proposed grant recipients to also give positive consideration to those applicants who:

- a) Successfully leverage existing CTE resources and funding, including Perkins, California Partnership Academies, or Agricultural CTE Incentive Grants, as well as contributions from industry, labor, and philanthropic sources;
- b) Engage in regional collaborations with postsecondary education or other local educational agencies (LEAs), including the Strong Workforce Program (SWP) consortium operating in their areas, as well as pathway programs provided under an adopted California and Career Access Pathways partnership agreement;
- c) Make significant investments in CTE infrastructure, equipment, and facilities; and

- d) Operate within rural districts. (EC 53075)
- 7) Requires that CTEIG grantees be eligible to receive a renewal grant if their CTE program meets the specified requirements and has been evaluated and deemed successful by the SPI in collaboration with the SBE, based upon the metrics identified. Requires that renewal grant recipients include the CTE program within their local control accountability plan (LCAP) and annual update. (EC 53073)
- 8) Authorizes the K-12 component of the SWP to create, support, or expand high-quality CTE programs at the K-12 level that are aligned with the workforce development efforts occurring through the SWP, and authorizes, commencing with the 2018-19 fiscal year, and subject to an annual appropriation, \$150 million to be apportioned annually by the California Community College Chancellor's Office (CCCCO) to local consortia. (EC 88827)
- 9) Establishes the California Golden State Pathways Program (GSPP) to provide LEAs with the resources to promote pathways in high-wage, high-skill, high-growth areas, including technology, health care, education, and climate-related fields that, among other things, allow students to advance seamlessly from high school to college and career and provide the workforce needed for economic growth. (EC 53020)
- 10) Federal law, the Strengthening Career and Technical Education for the 21st Century Act, reauthorizes the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins), provides federal support for CTE programs and focuses on improving the academic and technical achievement of CTE students, strengthening the connections between secondary and postsecondary education and improving accountability.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

***Need for the bill.*** According to the author, "CTE ensures that students are better prepared for life after graduation, whether that includes college or leads straight to the workforce. In order to enable schools to offer high quality CTE courses and pathways and to collaborate with their labor and business partners, they need stable funding to ensure they can continue to meet the needs of students.

AB 401 will provide an opportunity for LEAs to receive CTEIG grants for up to four years, provided they meet the quality standards and have available matching funds. By removing the limitation on grants above the allocation formula, applicants will be eligible to receive grant awards up to the level of their matching funds, thereby ensuring that all CTEIG funding is distributed in a timely fashion. Finally, AB 401 provides an annual COLA for CTEIG in recognition of the rising costs of salaries, equipment, and materials needed to offer high-quality CTE programs."

***Master plan for career education identifies need for sustained funding.*** In August 2023, Governor Newsom issued an Executive Order calling for a new Master Plan for Career Education to increase equitable access to living wage jobs by creating and strengthening education and training pathways specific to sectors, regions, and individuals' skills and experience. Initial input from the agencies focused on four primary concepts: creating stronger

coordination mechanisms, building skills-based pathways, expanding work-based learning, and increasing access to public benefits and career pathways.

Additional input gained from numerous stakeholder input sessions held around the state identified numerous barriers to achieving the goals of universal access to high quality CTE opportunities within the TK-12 education system. The lack of sustained and coordinated funding for programs was identified as a key barrier. Participants noted that siloed funding streams, “nonsustainable funding sources,” and “competitive/unpredictable funding” for career education posed challenges to long-term planning, collaboration, and sustained programming. Participants reported a need for long-term, “sustained, consistent funding” for college and career readiness programs, as opposed to relying on annual one-time grants or competitive funding.

**Renewal versus new applicants.** This bill would provide greater stability in CTEIG funding by setting aside 90% of funding for renewal grants and reserving 10% of the funding for new applicants each year. According to the CDE, in recent years, up to 5% of the total available CTEIG funding has gone to new applicants:

	2022-23	2023-24	2024-25
New applications received	39	54	52
New applicants approved for funding	32	46	49
Total funding for new applicants	\$8,166,344	\$12,962,746	\$13,023,468
% of Total CTEIG funding	2.7%	4.3%	4.3%

**Defining Career Technical Education.** CTE prepares students for the world of work by introducing them to workplace competencies, and makes academic content accessible to students by providing it in a hands-on context. Along the way, students develop career-relevant, real-world 21<sup>st</sup> Century skills.

CTE is a program of study that involves a multiyear sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers. CTE programs in California are organized into 15 industry sectors, covering 58 pathways that identify the knowledge and skills students need. Partnerships are usually developed between high schools, businesses, and postsecondary schools, providing pathways to employment and associate, Bachelor’s, and advanced degrees.

CTE courses and pathways may be offered in comprehensive high schools with CTE programs, as well as through regional CTE programs or centers operated by JPAs or COEs. Some CTE programs are blended with academic programs in what is known as a “linked learning model.” Community colleges and technical institutes also offer CTE at the postsecondary level.

**Improved outcomes for CTE students.** A wide body of research indicates that involvement in CTE coursework provides improved academic outcomes and other benefits to students with findings, such as the following:

- Students with greater exposure to CTE are more likely to graduate from high school, enroll in a two-year college, be employed, and earn higher wages;
- The average high school graduation rate for students concentrating in CTE programs is 93%, compared to an average national graduation rate of 80%;

- Students taking more CTE classes are just as likely to pursue a four-year degree as their peers;
- 91% of high school graduates who earned 2-3 CTE credits enrolled in college;
- CTE provides the greatest boost to students who need it most – boys and students from low-income families; and
- 80% of students taking a college preparatory academic curriculum with rigorous CTE met college and career readiness goals, compared to only 63% of students taking the same academic core who did not experience rigorous CTE.

**College and career readiness is a state priority.** Each LEA’s local control and accountability plan (LCAP) must demonstrate, among other priorities, how they are ensuring that all students are being prepared to be college and career ready. The College and Career Readiness Index displayed on each LEA’s dashboard includes data on the number of students completing a CTE pathway.

**Current K-12 CTE programs.** There are a number of initiatives supporting K-12 CTE programs supported by state and federal funds, including two large competitive grant programs with ongoing funding:

- 1) **The Career Technical Education Incentive Grant Program** was originally established in 2015 as a one-time investment of \$900 million to cover a three-year span, and acted as a bridge for LEAs to support CTE programs until the Local Control Funding Formula (LCFF) was fully funded. It was created as a state education, economic, and workforce development initiative to provide 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 purpose of the program is to encourage, maintain, and strengthen the delivery of high-quality CTE programs. The program is administered by the CDE. In 2018, ongoing funding of \$150 million for CTEIG was appropriated. In 2021, the annual funding for CTEIG was increased to \$300 million.

Prior to the adoption of the LCFF, the state provided funding for CTE through a number of categorical programs, including the Regional Occupational Centers/Programs (ROC/P), which was funded at \$400 million at the time. This funding was folded into the Local Control Funding Formula (LCFF), increasing the LCFF base rate for high schools by 2.6%.

Grants are awarded under the CTEIG program by CDE, in consultation with the SBE, in response to applications submitted by LEAs outlining the ways in which they meet the statutorily defined requirements, including a 2:1 match of local to state funding. Recent funding results are shown at the table below:

Date	Funding Round	# Grantees	Allocations
March 2025	10B	24	\$10,911,790
January 2025	10A	413	\$285,752,277
March 2024	9B	15	\$6,442,074

Date	Funding Round	# Grantees	Allocations
January 2024	9A	399	\$275,520,924
March 2023	8B	10	\$4,662,276
January 2023	8A	375	\$265,572,347
March 2022		342	\$240,896,054
January 2021		341	\$150,000,000
March 2020		336	\$150,000,000

- 2) **The K-12 Strong Workforce Program (K-12 SWP)** was established in 2018 as a component of the Community Colleges’ SWP to create, support, or expand high-quality CTE programs at the secondary level that are aligned with the workforce development efforts occurring through the SWP. As is the case for CTEIG, the K-12 SWP is meant to support the overall development of high-quality K-12 CTE programs, courses, course sequences, programs of study, and pathways. The program is administered by the California Community College Chancellor’s Office (CCCCO). The program is currently funded at \$150 million per year for the LEAs, \$12 million for 72 K-12 Pathway Coordinators and 8 regional K-14 Technical Assistance Providers, and \$1.5 million for consortia administrative costs, for a total of \$163.5 million.

Unlike the CTEIG program, which is administered at the state level, the CCCCCO allocates K-12 SWP grant funding to eight regional consortia according to a statutory formula. Each regional consortium is required to administer a competitive grant program it receives to LEAs in the region. Each consortium establishes a selection committee made up of individuals with expertise in K-12 CTE and workforce development, including teachers, administrators, community college faculty or administrators, and other K-12 education stakeholders. Employees of LEAs applying for grants under the program may serve as members of the selection committees. Each selection committee has exclusive authority under state law to determine the recipients of K-12 SWP grants in its region and the specific amount for each grant.

Date	Funding Round	# Pathways*	Allocations
January 2025	7	224	\$142,672,564 with 2 <sup>nd</sup> round pending
April 2024	6B	13	\$2,859,130
February 2024	6	219	\$146,585,242

\*LEAs may receive funding for more than one pathway.

**Arguments in support.** The Coalition for Career Technical Education writes, “The primary state funding for CTE programs at the K-12 level is provided through the CTEIG program. Unfortunately, that program currently provides only one-year grants, which makes it difficult for local agencies to build and support sustained programs that address both student and workforce needs. AB 401 would address this serious problem by providing that 90% of the grants awarded under CTEIG would be four-year grants. This significant change would increase the ability of local agencies to enter into multi-year partnerships with colleges and community and labor organizations that offer valuable pathways for students to achieve their college and career objectives.

In addition, AB 401 would provide an annual COLA for the CTEIG program, a change that is vitally needed to avoid CTE programs being cut back each year due to increased costs. Our estimate is that since 2021, the CTEIG program has lost about \$50 million in purchasing power due to the lack on an annual COLA. AB 401 will make CTEIG a more stable and effective program, which will lead to improved opportunities for students across the state.”

***Related legislation.*** SB 612 (Valladares) of the 2025-26 Session would require, subject to an appropriation, a one-semester course in CTE as a graduation requirement beginning with students graduating in the 2031-32 school year and require LEAs serving students in grades 9 to 12 to offer at least one course in CTE at all of its high schools.

SB 845 (Pérez) of the 2025-26 Session would require the CDE to coordinate the updating of CTE model curriculum standards and framework at least every 5 years, convene CTE industry advisory groups for each CTE subject area including specified representatives, to provide input to the updating of the standards and frameworks, identify various work-based learning opportunities, including apprenticeship and pre-apprenticeship programs, as well as outlining the responsibilities of the LEA in sponsoring work-based learning.

SB 721 (Dahle) of the 2025-26 Session would include participation in CTE enhancement, as defined, as an excused absence.

AB 1929 (McKinnor) Chapter 145, Statutes of 2024, requires that LEAs receiving specified CTE state grants and the California Community College Chancellor’s Office disaggregate program and performance accountability outcome data by race and gender.

AB 3131 (McCarty) Chapter 434, Statutes of 2024, requires that LEAs receiving Equity Multiplier funding through the LCFF be given positive consideration for the K-12 SWP, a career technical education initiative.

AB 377 (Muratsuchi) of the 2023-24 Session, would have required the consolidation of specified K-12 CTE programs, increased ongoing funding for the CTEIG, administered by the CDE, to \$450 million per year; requires specified CTE staffing at the state and regional level to support local CTE programs and pathways; and deletes authorization for the K-12 SWP administered by the Chancellor of the California Community Colleges (CCCCO). Also, requires the CDE to establish a stakeholder workgroup to consider improvements to the CTEIG program.

AB 2058 (O’Donnell) of the 2021-22 Session was substantially similar to this bill. The bill was held in the Senate Education Committee.

AB 181 (Committee on Budget) Chapter 52, Statutes of 2022, appropriates \$500 million in one-time Proposition 98 funding for the Golden State Pathways Program to support the development and implementation of college and career educational pathways in critically needed sectors of the economy. Authorizes the CDE to contract with up to 10 LEAs for the provision of technical assistance to LEAs, applicants, and grant recipients.

AB 1923 (Mathis) Chapter 114, Statutes of 2022, requires the SPI to prioritize proposals for new California Partnership Academies based on a school district’s enrollment of socioeconomically disadvantaged students, and for school districts located in a rural or economically disadvantaged area.



AB 130 (Committee on Budget) Chapter 44, Statutes of 2021, provides that, for the 2021–22 fiscal year and each fiscal year thereafter, \$300 million would be made available to the CDE, upon appropriation for the CTEIG program. Also makes adjustments to program provisions relating to eligibility requirements for grant applicants, and for ensuring compliance with program requirements.

AB 1808 (Committee on Budget) Chapter 32, Statutes of 2018, appropriates in the 2018–19 fiscal year and each fiscal year thereafter, \$150 million to the CTEIG program administered through CDE. Also establishes a K–12 component of the SWP to create, support, or expand high-quality CTE programs at the K–12 level aligned with the workforce development efforts and, commencing with the 2018–19 fiscal year, requires the CCCCO to allocate \$150 million for this program to regional CTE consortia.

AB 1743 (O’Donnell) of the 2017-18 Session would have extended funding for the CTEIG Program by providing ongoing funding of \$500 million per year with a 1:1 local match and \$12 million per year for regional K-12 CTE coordinators to provide technical assistance and support to local CTE providers. This bill was held in the Senate Education Committee.

AB 104 (Committee on Budget) Chapter 13, Statutes of 2015, establishes the CTEIG, a competitive grant program administered by the CDE, to provide support for career technical education in grades K-12, and provides \$400 million in 2015-16, \$300 million in 2016-17, and \$200 million in 2017-18 for this program.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California High School District Coalition (Co-sponsor)  
 Coalition for Career Technical Education (Co-sponsor)  
 Alameda County Office of Education  
 Baldy View Regional Occupational Program  
 Bret Harte Union High School District  
 CalChamber  
 California Charter Schools Association  
 California County Superintendents  
 California School Employees Association  
 Campbell Union High School District  
 Career Technical Education Joint Powers Authority Coalition  
 CAROCP - the Association of Career and College Readiness Organizations  
 Centinela Valley Union High School District  
 CFT- a Union of Educators & Classified Professionals  
 Coastline ROP  
 Contra Costa County Office of Education  
 Dublin Unified School District  
 East San Gabriel Valley Regional Occupational Program and Technical Center  
 Eden Area ROP  
 Fullerton Joint Union High School District  
 Humboldt County Office of Education  
 Huntington Beach Union High School District

Jefferson Union High School District  
Lake County Office of Education  
Lemoore Union High School District  
Livermore Valley Joint Unified School District  
Mendocino County Office of Education  
Merced County Office of Education  
Merced Union High School District  
Mission Trails Regional Occupational Program  
Murrieta Valley Unified School District  
Napa County Office of Education  
Nevada County Superintendent of Schools  
Newport-mesa Unified School District  
North Orange County Regional Occupational Program  
Northern California Youth Policy Coalition  
Office of The Riverside County Superintendent of Schools  
Orange County Department of Education  
Oxnard Union High School District  
Pleasanton Unified School District  
Project Lead the Way  
Roseville Joint Union High School District  
San Benito County Office of Education  
San Benito High School District  
San Joaquin County Office of Education  
Santa Maria Joint Union High School District  
Sierra Sands Unified School District  
Southern California Regional Occupational Center  
Summerville Union High School District  
Sutter County Superintendent of Schools  
Taft Union High School District  
Tri-Cities Regional Occupational Program  
Tri-Valley Regional Occupational Program  
Tulare Joint Union High School District  
Valley Regional Occupational Program  
Wheatland Union High School District

**Opposition**

None on file

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