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**AB-401 California Career Technical Education Incentive Grant Program: annual adjustment: renewal grants. (2025-2026)**

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 401**

Introduced by Assembly Member Muratsuchi  
(Coauthors: Assembly Members Castillo and Hoover)

February 04, 2025

An act to ~~repeal and add Section~~ *amend Sections 53070, 53071, and* 53073 of the Education Code, relating to career technical education.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 401, as amended, Muratsuchi. California Career Technical Education Incentive Grant Program: ~~4-year~~ *annual adjustment: renewal* grants.

Existing law establishes the California Career Technical Education Incentive Grant Program, administered by the State Department of Education, with the purpose of encouraging, maintaining, and strengthening the delivery of high-quality career technical education programs. Existing law requires, for the 2021–22 fiscal year and each fiscal year thereafter, \$300,000,000 to be available to the department, upon appropriation by the Legislature, for the program. *Existing law requires a grant applicant to demonstrate a proportional dollar-for-dollar match and sets that amount at \$2 for every \$1 received from the program. Existing law prohibits an applicant from being awarded an amount higher than the amount that the allocation formula determines them to be eligible to receive under the program.* Existing law authorizes a grant recipient under the program to consist of one or more, or any combination, of school districts, county offices of education, charter schools, or regional occupational centers or programs operated by joint powers authorities or county offices of education, as provided. Existing law provides that an applicant receiving a grant from the program in a prior fiscal year is eligible to apply to receive a renewal grant if the applicant's career technical education program continues to meet specified requirements, as provided.

This bill would delete the ~~latter provision~~ *prohibition against an applicant being awarded more than the amount determined by the allocation formula and would provide, for the 2025–26 fiscal year, and each fiscal year thereafter, that the amount to be made available to the department, upon appropriation by the Legislature, for the program to be the amount appropriated in the prior fiscal year as adjusted by a specified percentage, as provided. The bill would instead provide that an applicant receiving a grant*

from the program in a prior fiscal year is required to receive a renewal grant for 3 additional years, as provided. The bill would instead require the department to, commencing with the 2026–27 fiscal year, designate a portion up to 90% of the grants awarded pursuant to the program as 4-year grants, to be designated for renewal grants and up to 10% to be designated for grants for new applicants, unless otherwise determined by the Superintendent of Public Instruction, as provided. The bill would require the department Superintendent to revoke a 4-year grant for specified reasons, including if the department determines that cease distribution of funding and recover previously distributed funding if certain conditions occur, including, among others, that the grant recipient did not implement the program substantively as was initially proposed, as provided.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** It is the intent of the Legislature to provide greater increased stability and to reflect increases in the cost of living in the funding for career technical education by automatically renewing grants awarded pursuant to available through the California Career Technical Education Incentive Grant Program for three years if the grant recipient remains in compliance with the provisions of Chapter 16.5 (commencing with Section 53070) of Part 28 of Division 4 of Title 2 of the Education Code: by allowing grants to be automatically renewed for four years to support high-quality career technical education courses and pathways and to ensure all pupils have the opportunity to be college and career ready.

~~SEC. 2. Section 53073 of the Education Code is repealed.~~

~~SEC. 3. Section 53073 is added to the Education Code, to read:~~

~~53073.(a) The department shall designate a portion of the grants awarded pursuant to this program as four-year grants, as follows:~~

~~(1) For the 2026–27 fiscal year, 25 percent of grants shall be four-year grants.~~

~~(2) For the 2027–28 fiscal year, 50 percent of grants shall be four-year grants.~~

~~(3) For the 2028–29 fiscal year, and each fiscal year thereafter, 75 percent of grants shall be four-year grants.~~

~~(b) The department may revoke a four-year grant for any of the following reasons:~~

~~(1) The grant recipient indicates in writing that it no longer wants the grant.~~

~~(2) The department determines that the grant recipient did not implement the program substantively as was initially proposed in the grant application pursuant to subdivision (c) of Section 53071.~~

~~(3) The department determines that the grant recipient did not comply with the matching fund requirements pursuant to paragraph (1) of subdivision (a) of Section 53071.~~

**SEC. 2. Section 53070 of the Education Code is amended to read:**

**53070.** (a) The California Career Technical Education Incentive Grant Program is hereby established as a state education, economic, and workforce development initiative with the goal of providing pupils in kindergarten and grades 1 to 12, inclusive, with the knowledge and skills necessary to transition to employment and postsecondary education. The purpose of the competitive program is to encourage, maintain, and strengthen the delivery of high-quality career technical education programs.

(b) The following amounts are hereby appropriated to the department from the General Fund for the program established pursuant to this chapter:

(1) For the 2015–16 fiscal year, four hundred million dollars (\$400,000,000).

(2) For the 2016–17 fiscal year, three hundred million dollars (\$300,000,000).

(3) For the 2017–18 fiscal year, two hundred million dollars (\$200,000,000).

(c) For the 2018–19 fiscal year to the 2020–21 fiscal year, inclusive, one hundred fifty million dollars (\$150,000,000) shall be made available to the department, upon appropriation by the Legislature in the annual Budget Act or another statute, for the program established pursuant to this chapter.

(d) For the 2021–22 fiscal year ~~and each fiscal year thereafter, to the 2024–25 fiscal year, inclusive~~, three hundred million dollars (\$300,000,000) shall be made available to the department, upon appropriation by the Legislature in the annual Budget Act or another statute, for the program established pursuant to this chapter.

*(e) For the 2025–26 fiscal year and each fiscal year thereafter, the amount to be made available to the department, upon appropriation by the Legislature in the annual Budget Act or another statute, for the program established pursuant to this chapter shall be the amount appropriated pursuant to this section in the prior fiscal year as adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.*

~~(e)~~

*(f)* Of the amounts appropriated pursuant to subdivisions (b), (c), ~~and (d)~~, *(d), and (e)*, 4 percent is designated for applicants with average daily attendance of less than or equal to 140, 8 percent is designated for applicants with average daily attendance of more than 140 and less than or equal to 550, and 88 percent is designated for applicants with average daily attendance of more than 550, unless otherwise determined by the Superintendent in collaboration with the executive director of the state board. For purposes of this section, average daily attendance shall be those figures that are reported at the time of the second principal apportionment for the previous fiscal year for pupils in grades 7 to 12, inclusive. For any applicant consisting of more than one school district, county office of education, charter school, or regional occupational center or program (ROCP) operated by a joint powers authority or county office of education, or of any combination of those entities, the sum of the average daily attendance for each of the constituent entities shall be used for purposes of this subdivision.

**SEC. 3.** *Section 53071 of the Education Code is amended to read:*

**53071.** The department shall administer this program as a competitive grant program. An applicant shall demonstrate all of the following to be considered for a grant award:

(a) (1) A proportional dollar-for-dollar match as follows for any funding that an applicant is determined to be eligible to receive under the allocation formula established pursuant to Section 53076:

(A) For the fiscal year beginning July 1, 2015, one dollar (\$1) for every one dollar (\$1) received from this program.

(B) For the fiscal year beginning July 1, 2016, one dollar and fifty cents (\$1.50) for every one dollar (\$1) received from this program.

(C) For the fiscal year beginning July 1, 2017, two dollars (\$2) for every one dollar (\$1) received from this program.

(D) (i) For the fiscal year beginning July 1, 2018, and each fiscal year thereafter, two dollars (\$2) for every one dollar (\$1) received from this program.

(ii) Beginning July 1, 2021, the proportional dollar-for-dollar match shall be encumbered in the fiscal year for which an applicant is applying to receive a grant under the program.

(2) In the event an applicant is unable to fully match the amount of funding that the allocation formula determines that they are eligible to receive, the applicant's award shall be reduced to the amount necessary for the applicant to meet the requirements of this subdivision. ~~Under no circumstances shall an applicant be awarded an amount higher than the amount that the allocation formula determines them to be eligible to receive under the program.~~

(3) That local match may include funding from school district and charter school local control funding formula apportionments pursuant to Section 42238.02, the federal Strengthening Career and Technical Education for the 21st Century Act (Perkins V) (Public Law 115-224), the California Partnership Academies, the Agricultural Career Technical Education Incentive Grant, or any other allowable source except as provided in paragraph (4).

(4) That local match shall not include funding from the K–12 component of the Strong Workforce Program established pursuant to Section 88827 or the Career Technical Education Facilities Program established pursuant to Section 17078.72.

(5) An applicant's matching funds shall be used to support the program or programs for which the applicant was awarded a grant.

(b) A three-year plan for continued financial and administrative support of career technical education programs that demonstrates a financial commitment of no less than the amount expended on those programs in the previous fiscal year. The plan, at a

minimum, shall include the identification of available funding within an applicant's current or projected budget to continue to support career technical education programs and a written commitment to do so. If an applicant consisting of more than one school district, county office of education, charter school, or regional occupational center or program operated by a joint powers authority or county office of education, or any combination of these entities, is applying for grant funding from this program, identification of available funding and a written commitment shall be demonstrated by each participating constituent entity.

(c) The applicant, or the applicant's career technical education program, as applicable, meets all of the following minimum eligibility standards:

(1) Offers high-quality curriculum and instruction aligned with the California Career Technical Education Model Curriculum Standards, including, but not limited to, providing a coherent sequence of career technical education courses that enable pupils 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 career technical education 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 by formal agreement with a postsecondary partner to provide dual enrollment opportunities.

(2) Provides pupils with quality career exploration, guidance, and a continuum of work-based learning opportunities aligned with academic coursework, which may include paid internships.

(3) Provides pupil support services, including counseling and leadership development, to address pupils' social, emotional, career, and academic needs.

(4) Provides for system alignment, coherence, and articulation, including ongoing and structural regional or local partnerships with postsecondary educational institutions, documented through formal written agreements allowing for dual enrollment opportunities.

(5) Forms 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 pupils to gain access to preapprenticeships, internships, industry certifications, and work-based learning opportunities as well as opportunities for industry to provide input to the career technical education programs and curriculum.

(6) Provides opportunities for pupils to participate in after school, extended day, and out-of-school internships, competitions, leadership development opportunities, career and technical education student organizations, and other work-based learning opportunities.

(7) Reflects regional or local labor market demands, and focuses 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.

(8) Leads to an industry-recognized credential or certificate, or appropriate postsecondary education or training, employment, or a postsecondary degree.

(9) Is staffed by skilled teachers or faculty, and provides professional development opportunities for any teachers or faculty members supporting pupils in those programs.

(10) Provides opportunities for pupils who are individuals with exceptional needs to participate in all programs.

(11) (A) Reports data to the Superintendent, no later than November 1 of each fiscal year, as a program participation requirement, to allow for an evaluation of the program.

(B) Data reported pursuant to this paragraph shall include, but not be limited to, the quality indicators described in the California State Plan for Career Technical Education required by the federal Strengthening Career and Technical Education for the 21st Century Act (Perkins V), and each of the following metrics, disaggregated by race and gender:

(i) The high school graduation rate.

(ii) The number of pupils completing career technical education coursework.

(iii) The number of pupils meeting academic and career-readiness standards as defined in the College/Career Indicator associated with the California School Dashboard.

(iv) The number of pupils obtaining an industry-recognized credential, certificate, license, or other measure of technical skill attainment.

(v) The number of former pupils employed and the types of businesses in which they are employed.

(vi) The number of former pupils enrolled in each of the following:

(I) A postsecondary educational institution.

(II) A state apprenticeship program.

(III) A form of job training other than a state apprenticeship program.

(C) No later than November 30 of each fiscal year, the California Workforce Pathways Joint Advisory Committee, established pursuant to Section 12053, shall review the data metrics specified in subparagraph (B) and make recommendations to the Department of Finance, the Governor, and the appropriate policy and fiscal committees of the Legislature as to both of the following topics:

(i) Whether these data metrics remain the most appropriate metrics to measure and evaluate program outcomes for both new and renewal applicants.

(ii) Whether other metrics should be included.

(D) The department shall make the data reported pursuant to subparagraph (B) available to the office of the Chancellor of the California Community Colleges, in the manner and form requested by the office of the Chancellor of the California Community Colleges, on or before December 30 of each fiscal year to ensure that data is included in the California Community Colleges LaunchBoard data platform.

**SEC. 4.** *Section 53073 of the Education Code is amended to read:*

**53073.** (a) An applicant receiving a grant from this program in a prior fiscal year shall ~~be eligible to apply to~~ receive a renewal grant *for three additional years* if the applicant's career technical education program meets the requirements specified in Section 53071, and, to the extent practicable, has been evaluated and deemed successful by the Superintendent, in collaboration with the executive director of the state board, based on the metrics specified in paragraph (1) of subdivision ~~(b)~~ *(d)*.

*(b) The Superintendent shall cease distribution of funding and recover previously distributed funding if any of the following occurs:*

*(1) The grant recipient failed to implement the program substantively as was initially proposed in the grant application pursuant to subdivision (c) of Section 53071.*

*(2) The grant recipient did not comply with the matching fund requirements pursuant to paragraph (1) of subdivision (a) of Section 53071.*

*(3) The grant recipient no longer requires the grant.*

*(c) Beginning with the 2025–26 fiscal year, of the amount appropriated pursuant to subdivision (e) of Section 53070, up to 90 percent shall be designated for renewal grants pursuant to subdivision (a) and up to 10 percent shall be designated for grants to new applicants, unless otherwise determined by the Superintendent, in collaboration with the executive director of the state board.*

~~(b)~~

*(d)* (1) The department, in collaboration with the executive director of the state board, shall determine reporting requirements and renewal grant eligibility using metrics identified pursuant to paragraph (11) of subdivision (c) of Section 53071.

(2) If an applicant for a renewal grant is subject to the requirements of Sections 52060 and 52061, Sections 52066 and 52067, or Section 47606.5, the inclusion of career technical education programs in the applicant's local control and accountability plan and annual update shall be required to be eligible for a renewal grant.

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REVISIONS:

Heading—Line 2.

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