## Sacramento Scene: Spring Budget Revisions and Key Legislation

By Matt Patton, CATA Executive Director

As of April 2025, California's state budget is facing significant pressure, with Governor Newsom's proposed \$322 billion plan for the 2025–26 fiscal year aiming to close a growing deficit following two consecutive years of shortfalls. The May Revision, expected in mid-May, is a key step in the budgeting process where the governor updates the January proposal based on the latest revenue projections. This update helps shape negotiations with the Legislature ahead of the June 15 deadline to pass the final budget. While K-12 schools and community colleges are expected to receive a modest funding increase, higher education institutions—including the University of California and California State University systems—are facing proposed cuts of \$271 million and \$375 million, respectively. The May Revision will play a pivotal role in determining whether those cuts move forward or are adjusted.

Below are bills working their way through the Legislature that have implications for agricultural education in California.

<u>AB 401 (Muratsuchi)</u> – This bill would change the current rules of CTEIG. Right now, districts or programs are limited in how much grant money they can receive. The bill would remove that limit. Starting in the 2025–26 budget year, the amount of money given to the program each year would be based on the amount given the year before, with a small yearly adjustment.

## Other changes include:

- Current grant recipients would receive automatic renewal for 3 years (as long as they still qualify).
- 90% of CTEIG funds will be allocated for renewal grants, while the remaining 10% would be available to new applicants—unless the California Department of Education (CDE) decides otherwise for lack of performance.
- The CDE may revoke a four-year grant and reclaim the funds if the grantee fails to fulfill the commitments outlined in their application.

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AB 258 (Connolly) – This bill would increase the amount of the total gross receipts required to be included in the next annual Governor's Budget for use by the Department of Food and Agriculture and transferred to the Fair and Exposition Fund, as specified, from .75% to 5%. This would significantly boost funding for state-supported fairs across California.

<u>SB 612 (Valladares)</u> – This bill would make a big change to graduation requirements. Starting with the class of 2032, all high school students would have to take a standalone one-semester Career Technical Education (CTE) course to graduate. This course must be independent and cannot be integrated with other subjects such as history or science. To support this shift, starting in the 2028–29 school year, all high schools–including district, county, and charter schools–would be required to offer a dedicated CTE course for students in grades 9–12.

<u>AB 323 (Fong)</u> - This bill would allow community college districts to use Strong Workforce Program funding to support paid work-based learning for students and employers directly.

The bill would authorize a community college district to use allocated funding to provide direct support to students, employers, or both.

<u>AB 296 (Davies)</u> - The bill would require school districts to hold one apprentice fair per year and count attendance at college, career, or apprentice fairs as community service.

<u>SB 638 (Padilla)</u> – This bill would create a new state group called the California Education and Workforce Development Coordinating Entity. It would be part of the Government Operations Agency and include state leaders, students, and local workforce reps chosen by the Legislature.

Their job would be to lead and organize CTE efforts across the state. That includes things like:

- Simplifying the rules, funding, and paperwork for workforce programs
- Creating a statewide plan for CTE, career pathways, and workforce development

These proposed bills reflect the growing emphasis on career readiness, workforce development, and expanded support for programs like agricultural education. As the legislative session progresses and the state budget takes shape, CATA remains committed to keeping you informed. For questions or further information, please reach out—we're here to help.