



**SENATOR SHANNON GROVE**  
**SENATE DISTRICT 12**

**SB 292 and SCA 5 (Grove)**  
**Money Follows the Child**

**SUMMARY**

Senate Bill 292 and Senate Constitutional Amendment 5 are companion measures that establish the California Education Savings Account Act of 2024. This innovative legislation creates an individualized approach to K-12 education by allowing parents to choose what accredited school best suits their child's needs and have the student's share of Proposition 98 funding follow them. Any unused funds can be saved from year-to-year and used to pay for college or vocational training upon graduation from high school.

**EXISTING LAW**

Existing law establishes a system of elementary and secondary education in California for kindergarten through 12<sup>th</sup> grade. Currently, California's public schools are funded with local, state and federal dollars which follow the student to the school site through per pupil spending formulas. Students are assigned a local school based on geography, and options are limited in selecting another public school, with charter schools providing only a small number of spots for students seeking an alternative educational opportunity.

**PROBLEM**

Many parents believe the current system has created an environment where California public schools are failing and that many K-12 students who graduate are not college ready. Despite spending \$1,000 more per student than the national average, California has consistently ranked below the nation in academic achievement among 4<sup>th</sup> and 8<sup>th</sup> graders.

Graduation requirements have been weakened, and the state's high school exit exam was eliminated to mask the underperformance of public schools. Big disparities in academic performance exist, especially

among students of color with African American and Latino students performing below the standards for English Language Arts and Mathematics exams.

College graduation rates are significant indicators about future earning power – putting African American and Latino students at a huge long-term disadvantage in earning power and upward economic mobility.

As such, African American and Latino students face higher debt burdens to attend and graduate from college. Of those college students who borrowed money, 90% and 75% of African American and Latino students took on debt while only 66% White students did so.

**THE SOLUTION**

SB 292 and SCA 5, The Education Savings Account Act of 2024, will introduce more choice into California's school system, giving parents and students more educational options.

These bills will empower students to enroll in schools better suited for their educational needs. If approved, this legislation during the first two years will provide financial support for lower income families as students will have access to a newly created Education Savings Account Trust. In 2026, a child whose parent or guardian makes less than \$100,000 will become eligible and two years thereafter there will be no income limitation on eligibility.

This trust also provides a pathway to higher education by helping students save for college and avoid costly student loan debt, allowing the average student to save from \$24,000 to \$48,000. This is

enough to attend a CSU campus with little or no student loan debt.

Local and federal dollars stay allocated to the public school system so the per pupil spending on those students who choose to remain enrolled in their local assigned public school increases and enables schools to better address the needs of enrolling students. SB 292 and SCA 5 puts children's education first.

**SPONSOR**

California Policy Center

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