

Date of Hearing: April 21, 2025

ASSEMBLY COMMITTEE ON REVENUE AND TAXATION  
Mike Gipson, Chair

AB 19 (DeMaio) – As Amended March 28, 2025

2/3 vote. Fiscal Committee.

**SUBJECT:** Education expenses: Education Choice and Parental Empowerment Act of 2025

**SUMMARY:** Enacts, subject to the approval of an unspecified Assembly Constitutional Amendment by the voters at the statewide general election on November 3, 2026, the Education Choice and Parental Empowerment Act of 2025. Specifically, **this bill:**

1) Defines all of the following terms:

- a) "Account beneficiary" is the eligible student for whom an ESA was established by the ESA Trust Board.
- b) "Administrative account" is the account established within the ESA Trust from which the costs of administering the ESA Trust are paid.
- c) "Costs of administration" are the actual costs of the ESA Trust Board to administer ESAs, subject to the limit established in Education Code (EDC) Section 69995.03(d).
- d) "Elementary and secondary eligible education expenses" are the expenses typically associated with the education of a pupil enrolled in a public elementary or secondary school or an eligible student enrolled in an eligible school, other than tuition, including, but not limited to, books, school supplies and equipment, academic tutoring, academic testing fees, special needs services of a special needs account beneficiary, transportation to and from school, and school functions. Expenses incurred by an eligible student to attend a community college before high school graduation, including tuition, are elementary and secondary eligible education expenses.
- e) "Eligible school" is any of the following:
  - i) A campus of the California Community Colleges, the California State University, or the University of California;
  - ii) A private full-time day school, as described in EDC Section 48222, operating in the state and accredited by a regional accrediting agency recognized by the state or the United States Department of Education, or a school that has applied for that accreditation, but the application is pending, and the school has not been denied accreditation in the prior two years by the same accrediting agency, that has filed an application with the Superintendent pursuant to EDC Section 69995.09;
  - iii) A private college or university accredited by a regional accrediting agency recognized by the state or the United States Department of Education;

- iv) A public college or university accredited by a regional accrediting agency recognized by the state that operates it or the United States Department of Education; or,
- v) A vocational education or training institution accredited by a regional accrediting agency recognized by the state or the United States Department of Education and operating in California.
- f) "Eligible student" is a child eligible to enroll in a public elementary or secondary school and enrolled in an eligible school, except as follows:
  - i) For the 2027–28 and 2028–29 school years, a child is an eligible student only if the child's parent or guardian's taxable income is less than \$65,000 per year for a single filer or \$120,000 per year for dual filers; and,
  - ii) For the 2029–30 and 2030–31 school years, a child is an eligible student only if the child's parent or guardian's taxable income is less than \$130,000 per year for a single filer or \$250,000 per year for dual filers.
- g) "ESA" is an Education Savings Account.
- h) "ESA deposit account" is the amount calculated pursuant to EDC Section 69995.02(d).
- i) "ESA trust" is the Education Savings Account Trust established by EDC Section 69995.02(a).
- j) "ESA trust board" is the Education Savings Account Trust Board established by EDC Section 69995.03(a).
- k) "Participation agreement" is the uniform contract created by the ESA Trust Board that must be executed by the ESA Trust Board and the parent or legal guardian of an eligible student that directs the ESA Trust Board to disburse funds to an eligible school on behalf of the account beneficiary.
- l) "Program account" is the account created in the ESA Trust pursuant to EDC Section 69995.02(f) from which moneys transferred from the General Fund, investment earnings, and other grants, gifts, or appropriations are maintained and segregated into ESAs for eligible students.
- m) "Tuition" is the amount charged by an eligible school to enroll a pupil or student at the school for a particular grade level and registration fees associated with application and enrollment.
- n) "Unclaimed funds" are funds remaining in an ESA that are not disbursed to an eligible school after the eligible student becomes either ineligible or attains 30 years of age, whichever comes first.
- o) "Undergraduate or graduate eligible education expenses" are the expenses typically associated with the education of an undergraduate or graduate student in an eligible school, other than tuition, including, but not limited to, books, school supplies and

equipment, academic tutoring, special needs services of a special needs student, any additional school fees, and room and board.

- 2) Establishes the Education Savings Account Trust (ESA Trust) in the State Treasury, as well as the ESA Trust Program Account (Program Account) and the ESA Trust Administrative Account (Administrative Account) within the ESA Trust, and provides for all of the following:
  - a) Every eligible student whose parent or guardian desires to enroll the child in an eligible school, may establish an ESA;
  - b) Every eligible student enrolled in an eligible school is entitled to a credit to the child's ESA for tuition, elementary and secondary eligible education expenses, and undergraduate or graduate eligible education expenses;
  - c) The ESA deposit amount for the 2027-28 school year is \$18,500 and requires, beginning July 1, 2028, the Department of Finance to adjust the ESA deposit amount annually by the same percentage required for the support of school districts in the same fiscal year, pursuant to the Proposition 98 minimum funding guarantee;
  - d) Any unit of federal, state, or local government, or any other person, firm, partnership, or corporation, may make a grant, gift, or other appropriation for deposit into the Administrative Account, the Program Account, or the ESA of any individual account beneficiary;
  - e) Requires the State Controller to do all of the following:
    - i) Transfer, each school year, an amount of money from the General Fund to the ESA Trust equal to the ESA deposit amount multiplied by the number of ESAs established by parents and guardians. The ESA deposit amount for an individual student may be adjusted for an ESA established after the beginning of the school year and for a partial school year;
    - ii) Make at least three transfers to the ESA Trust during each fiscal year, with the first transfer occurring on August 1 and the last transfer occurring on or before June 15;
    - iii) Adjust the amount of moneys transferred from the General Fund to the ESA Trust to ensure that the total amount of moneys transferred during the school year equals the amount required to be transferred pursuant to this bill;
    - iv) Report the total amount of moneys transferred from the General Fund to the ESA Trust pursuant to this bill to the Department of Finance and the Legislature on or before June 15 of each year. This bill does not prohibit the Legislature from appropriating additional funds to the ESA Trust.
- 3) Requires the Legislature to provide for the allocation of costs as follows:
  - a) For the cost of providing an ESA deposit amount for an eligible student not enrolled in a public elementary or secondary school before the operative date of this bill, the Legislature must rebase, as necessary, the Proposition 98 minimum funding guarantee for

school districts to include such students in the definition of “average daily attendance” as defined in Section 8.1 of Article XVI of the California Constitution; and,

- b) For the costs of providing an ESA deposit amount for an eligible student, the cost for that ESA deposit amount must be apportioned between the General Fund and the public school district in which the eligible student resides, in the same ratio of General Fund and local property tax revenue that would have been used to educate that eligible student in the student’s public school district. The Legislature must provide for the transfer of funds from a school district to the state as necessary to carry out this provision.
- 4) Establishes the Education Savings Account Trust Board (Board), which consists of the members of the Scholarshare Investment Board and the Superintendent of Public Instruction, and has all of the following powers and duties provided to the Scholarshare Investment Board, including but not limited to, all of the following:
- a) The power to invest moneys in the ESA Trust for the benefit of the ESA Trust and account beneficiaries;
  - b) The duty to publicly report investments and investment performance;
  - c) The duty to distribute funds from ESAs and audit the ESAs to ensure that all funds disbursed to eligible schools are used by and for the account beneficiary and in furtherance of the purposes established by this bill;
  - d) The power to accept any grants, gifts, appropriations, and other moneys from any unit of federal, state, or local government or any other person, firm, partnership, or corporation for deposit into the administrative account, the program account, or the ESA of any individual account beneficiary;
  - e) The duty to return unclaimed funds to the state for the benefit of elementary and secondary education, postsecondary education, or vocational education, upon appropriation by the Legislature; and,
  - f) The power to adopt regulations to implement the provisions of this bill.
- 5) Requires the Board to do all of the following:
- a) Establish an ESA within the Program Account for each eligible student who has requested an account from the Superintendent;
  - b) Enter into participation agreements;
  - c) Credit each ESA with the appropriate ESA deposit amount for each eligible student;
  - d) Credit investment earnings of the program account to each ESA, as appropriate;
  - e) Provide parents and legal guardians of account beneficiaries with the ability to securely review online ESA activity, including ESA deposits or credits, ESA investment earnings, and ESA disbursements to an eligible school on behalf of the account beneficiary;
  - f) Protect the privacy of parents, legal guardians, and account beneficiaries;

- g) Disburse funds on behalf of an account beneficiary to an eligible school on a monthly basis pursuant to an executed participation agreement;
  - h) Randomly audit funds disbursed from ESAs to ensure student eligibility, student enrollment, student attendance, and school eligibility;
  - i) Withhold any ineligible disbursement made to an eligible school from any future disbursements; and,
  - j) Create a uniform participation agreement for use by the Superintendent, the ESA Trust Board, and the parents and legal guardians of eligible students. An eligible school identified in a participation agreement must be a third-party beneficiary of an executed participation agreement.
- 6) Requires that moneys transferred by the State Controller be allocated by the Board to the Program Account and Administrative Account. All moneys allocated to the program account must be promptly invested and accounted for separately for each individual ESA. All costs of administration, including investment management fees, of the ESA Trust must be paid out of the administrative account, which shall not exceed, on an annual basis, 1% of the total amount of moneys in the Program Account.
- 7) Requires the Superintendent to do all of the following:
- a) Create an online application for a school to become eligible to receive funds from an ESA;
  - b) Publish and periodically update on its internet website a list of eligible schools by name and address;
  - c) Provide contact information for each eligible school on its internet website; and,
  - d) Post the tuition and other eligible education expenses charged for each grade level at an eligible school on its internet website.
- 8) Requires the California Community Colleges, California State University, University of California, and each of their campuses to accept funds from an ESA to pay for the tuition and eligible educational expenses of an account beneficiary who is admitted to the college or university.
- 9) Allows private full-time day schools, including private colleges and universities, and vocational education or training schools to become an eligible school by filing an application with the Superintendent and allows these institutions to accept ESA funds for admitted students.
- 10) Provides that, once a student graduates from high school or obtains a high school equivalency certificate, the maximum balance in an ESA and available for an eligible student's use for tuition, undergraduate or graduate eligible education expenses, or expenses associated with vocational education is limited to \$50,000. Any amount in an ESA that exceeds this limit would be treated as unclaimed funds.

- 11) Prohibits an eligible school from sharing, refunding, or rebating any funds received from an ESA with or to the parent, legal guardian, or eligible student in any manner.
- 12) Allows the Board to terminate and suspend an ESA participation agreement if the parent, legal guardian, or eligible student fails to comply with the terms of the participation agreement with the intent to defraud or misuse the funds distributed on their behalf.
- 13) Excludes from gross income, for taxable years beginning on or after January 1, 2026, for purposes of the Personal Income Tax (PIT) Law, distributions from an ESA made pursuant to a participation agreement.
- 14) Allows a miscellaneous itemized deduction, for taxable years beginning on or after January 1, 2026, under the PIT Law, in an amount equal to the amount contributed by a taxpayer to an ESA.
- 15) States the intent of the Legislature to comply with the requirements of Revenue and Taxation Code (R&TC) Section 41.
- 16) Provides that all of the above shall become operative on January 1, 2027, only if an unspecified Assembly Constitutional Amendment is approved by the voters at the statewide general election on November 3, 2026.

**EXISTING LAW:**

- 1) Requires the state to spend a minimum amount of funding on school districts and community colleges every fiscal year, based on specific calculations built on a percentage of General Fund revenues or prior-year education appropriations, enrollment, and economic growth. (California Constitution, Article XVI, Section 8, subdivision (b).)
- 2) Provides for all of the following:
  - a) A base grant of the following amounts per average daily attendance (ADA) in 2023-24:
    - i) \$10,951 for grades TK-3, which includes a 10.4% grade span adjustment for class size reduction;
    - ii) \$10,069 for grades 4-6;
    - iii) \$10,367 for grades 7-8; and
    - iv) \$12,327 for grades 9-12, which includes a 2.6% grade span adjustment for college and career readiness.
  - b) A supplemental grant equal to 20% of the base grant for each pupil identified as either low income, an English learner, or in foster care (unduplicated pupils).
  - c) A concentration grant based on the number of unduplicated pupils in excess of 65% of the district or charter school total enrollment.
- 3) Requires, upon full implementation of the Local Control Funding Formula (LCFF), as a condition of receiving funds, school districts to maintain an average class enrollment for each

schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils, unless a collectively bargained alternative ratio is agreed to by the district. (EDC Section 42238.02)

**FISCAL EFFECT:** The Franchise Tax Board estimates that the tax provisions of this bill alone would result in General Fund revenue losses of \$14 million in fiscal year (FY) 2026-27 and \$38 million in FY 2027-28. Additional non-tax related costs to the state are estimated to total several billions of dollars annually.

**COMMENTS:**

- 1) The author has provided the following statement in support of this bill:

The Education Choice and Parental Empowerment Act is a necessary piece of legislation that will give parents the freedom and choice of where their kids are educated. Currently, many parents worry about the quality and attention their children receives in the public schools, but do not have the financial flexibility to enroll them elsewhere. Education Savings Accounts would offer parents many more viable options for their child's schooling, while encouraging healthy competition with the public school system.

- 2) Writing in support of this bill, the California Catholic Conference notes, in part:

AB 19 introduces Education Savings Accounts (ESAs) for eligible K-12 students, initially based on family income and expanding to include all students by the 2031–32 school year. These accounts will empower families by helping cover tuition and educational expenses at a wide range of eligible schools, including public, accredited private, and vocational institutions. The bill prudently sets a cap of \$50,000 on ESA balances after high school graduation, with inflation adjustments, to ensure long-term viability and responsible use of funds.

Importantly, this bill also amends the Classroom Instructional Improvement and Accountability Act to ensure equitable funding. It accounts for students not previously enrolled in public schools and fairly allocates ESA funding costs between the General Fund and relevant districts. Additionally, starting in 2026, ESA distributions will be excluded from gross income, and contributions to ESAs will be tax-deductible—an essential incentive for families investing in their children's futures.

- 3) Writing in opposition to this bill, the California Federation of Teachers (CFT) notes, in part:

School voucher programs have been demonstrated to disproportionately help more affluent households rather than the purported benefits to low-income households. They essentially serve to provide a discount to households that already participate in private schools. Furthermore, what is typically described as "parent choice" is really the choice of the private school to enroll certain populations while discriminating against others--further segregating schools between socioeconomic classes.

Taking public dollars to fund private school tuition is a short-sighted maneuver that further threatens the financial stability of our public school system. John Adams said, "The whole people must take upon themselves the education of the whole people, and must be willing to bear the expenses of it. There should not be a district of one mile square, without a school in it, not founded by a charitable individual, but maintained at

the expense of the people themselves". School vouchers are a direct threat to this basic principle, by robbing the ability to provide education and giving it to a smaller, elite population.

4) Committee Staff Comments:

- a) *Double-referred*: This bill was double referred to the Assembly Committee on Education.
- b) *What is a "tax expenditure"?* Existing law provides various credits, deductions, exclusions, and exemptions for particular taxpayer groups. In the late 1960s, U.S. Treasury officials began arguing that these features of the tax law should be referred to as "expenditures" since they are generally enacted to accomplish some governmental purpose and there is a determinable cost associated with each (in the form of foregone revenues).

As the Department of Finance notes in its annual Tax Expenditure Report, there are several key differences between tax expenditures and direct expenditures. First, tax expenditures are typically reviewed less frequently than direct expenditures. Second, there is generally no control over the amount of revenue losses associated with any given tax expenditure. Finally, it should also be noted that, once enacted, it takes a two-thirds vote to rescind an existing tax expenditure absent a sunset date. This effectively results in a "one-way ratchet" whereby tax expenditures can be conferred by majority vote, but cannot be rescinded, irrespective of their efficacy or cost, without a supermajority vote.

- c) *Is this a voucher program?* Voucher programs generally allow public funds to be used for private school tuition. ESAs are a type of voucher program, but they are structured differently in that, in addition to private school tuition, ESA funds can be used to purchase other educational services, such as tutoring, textbooks, or online course fees. Under this bill, the state would "rebase" the amount of funding currently apportioned to local educational agencies as required by the Proposition 98 Guarantee to include private school students and award vouchers to parents who could then use the funding to cover tuition and other services at an eligible public or private school. The policy changes and state and local mechanisms required to implement this bill and its companion constitutional amendment are very complex and would profoundly change how public (and private) education is currently funded. Given that no one knows how many parents and schools would apply for vouchers or move their children from public to private schools, it is difficult to assess the impact of this bill with any meaningful precision.
- d) *Voucher programs in other states*: The first publicly funded voucher program in the country was started in Milwaukee in 1990 - the Milwaukee Parental Choice Program. Currently, there are 25 voucher programs in 14 states, including the District of Columbia. The number of voucher programs has grown steadily since 2010, as has the scope of existing programs.

Almost all states have eligibility requirements for their voucher programs, with the most common being students with a documented disability or meeting household income requirements. Other eligibility requirements include attending a low-performing school



or district, living in certain geographic regions, or some combination thereof.<sup>1</sup> There are two states, Arizona and Nevada, which have ESA programs that do not include eligibility requirements. Arizona expanded their already existing ESA program to be universal in 2017, which will phase in over a few years and be capped at 30,000 student participants. Nevada created its universal program in 2013, but the program is on hold following a 2015 court decision declaring the funding mechanism unconstitutional and program funding has not been restored.

Since the passage of Proposition 98, the voters of California have had two opportunities to vote for tax-funded school vouchers—Proposition 174 in 1993 and Proposition 38 in 2000. Both propositions received about 30% voter support.

- e) *Existing school choice options for California parents:* There are two main groups of parents in California already exercising alternative school choice—those that send their children to private school and those that access public school options such as charter schools, magnet schools, or cross-town transfer programs. While the author states that this bill would give parents the option of moving their children from their assigned school to any other accredited school that best meets their needs, state law already provides the following public school options:

- **Charter Schools.** There are over 1,200 public charter schools in the state that provide instruction in any combination of Kindergarten through grades 12. Parents, teachers, or community members may initiate charter petitions, which include the specific goals and operating procedures for the charter school. While most charter schools offer traditional, classroom-based instruction, about 20% offer some form of independent study, such as distance learning or home study.
- **Magnet Schools.** Magnet schools are designed by local authorities to attract parents, guardians, and students who are free to choose the school in which they enroll. These programs and schools are established by district governing boards that can make a wide range of choices depending on their local needs and resources. Magnet schools and programs include those that provide unique instruction in the arts, various sciences, and career education. Others reflect a district strategy to achieve racial and ethnic balance. When one or more magnets are established at a particular school, students from across the district may select a magnet with available space.
- **District of Choice (DOC) Program.** This program allows a student to transfer to any district that has deemed itself a DOC and agreed to accept a specified number of transfers. DOC may not use a selective admissions process. Transfer students generally do not need the consent of their home districts.
- **Interdistrict Permits.** These allow a student to transfer from one district to another district provided both districts consent to the transfer and the student meets any locally determined conditions. Districts receiving these transfer students may require students to meet certain attendance and/or academic standards.

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<sup>1</sup> Erwin, *50-State Comparison: Private School Choice*, Education Commission of the States (January 24, 2024). <https://www.ecs.org/50-state-comparison-private-school-choice-2024/>.

- **Parental employment transfers.** These allow a student to transfer into a district if at least one parent is employed within the boundaries of that district and that district has chosen to accept parental employment transfers. Transfer students generally do not need the consent of their home districts.
- **The Open Enrollment Act.** This option, for low-performing schools, allows a student attending a school with low performance on state tests to transfer to another school inside or outside the district that has a higher level of performance and space available. Transfer students generally do not need the consent of their home districts.

Beyond the public school options, about 7.5% of California students are enrolled in private schools, a proportion that has gradually dropped over the past two decades from about 10%. Interestingly, these are the families that would immediately benefit from this bill because, even though they have already chosen to send their kids to private school, they would be eligible for the same voucher as all other parents.

- f) *Voucher programs face legal challenges:* Several state or local voucher programs across the country have faced legal challenges, often centered on the separation of church and state debate: specifically, whether sending public funds to sectarian private schools contradicts the Establishment Clause of the U.S. Constitution's First Amendment and a series of approximately 36 state constitutional amendments which prohibit the respective state from providing public funds to religious schools (collectively known as the Blaine Amendments). The outcomes of these challenges have been a mix of upholding the programs and finding them unconstitutional.<sup>2</sup>
- g) *Creates new costs of between \$4 to \$6 billion:* This bill is substantially similar to a recent proposed constitutional and statutory initiative related to funding for students attending private schools (A.G. File No. 21-0011, Amendment #1). In its analysis of that initiative, the Legislative Analyst's Office states the following:

This measure would affect the state budget and the budgets of public schools. The magnitude of these effects largely depends on (1) the number of participating students, and (2) how public and private schools respond to the measure.

The 471,000 students who already attend private schools likely would be the first students to register for this program. In addition, some of the 84,000 students currently attending homeschool probably would switch to participating private schools. Since these students currently receive no state funding, their participation represents an additional cost to the state. Participation probably would be less than 100 percent, however, on the lower end, if 308,000 students participated (representing 60 percent of current private school students and 30 percent of homeschool students switching to private schools), the annual state cost at full implementation would be about \$4 billion. On the high end, if 462,000 students participated (representing 90 percent of current private school students and 45 percent of homeschool students

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<sup>2</sup> Schultz, *School Vouchers*, Free Speech Center at Middle Tennessee State University. (Updated April 18, 2025.) <https://firstamendment.mtsu.edu/article/school-vouchers/>.

switching), the annual state cost would be about \$6 billion. The state generally would pay for these costs through reductions to funding for public schools (as the measure allows) and/or reductions to other state programs supported by the state General Fund.

- h) *Who stands to benefit?* This bill limits eligibility for purposes of opening an ESA account based on the taxable income of the child's parent or guardian, which is \$65,000 for single filers and \$120,000 for joint filers for the 2027-2029 school years. This income limitation amount increases to \$130,000 for single filers and \$250,000 for joint filers starting with the 2029 school year. This bill does not, however, limit the availability of the deduction or income exclusion based on gross income.

As a miscellaneous deduction, the deduction for amounts contributed to an ESA would only be available to taxpayers who itemize deductions when filing their taxes. Filers claiming the standard deduction would not be able to claim the deduction created by this bill. In California, just over 15% of filers itemized deductions in 2020.<sup>3</sup> The Tax Cuts and Jobs Act of 2017 significantly reduced the number of taxpayers in California who itemize their taxes because it increased the standard deduction and significantly limited the state and local tax (SALT) deduction, which was one of the most common itemized deductions claimed in California.

- i) *Deductions tend to benefit higher income households:* A deduction is generally more valuable to high-income taxpayers because the "value" of a deduction varies with the marginal tax rate (or tax bracket) of the taxpayer. For example, an individual taxpayer in a 10% tax bracket would receive a tax benefit of \$10 on a \$100 deduction. In contrast, a taxpayer in a 25% tax bracket would save \$25 in taxes for every \$100 deducted from income. Thus, assuming the same level of deductions, high-income taxpayers, presumably with a greater ability to pay taxes, would receive a greater tax benefit from the proposed deduction than lower income taxpayers.
- j) *Other policy considerations:* When considering the creation of a state-funded ESA system, many more factors must be considered beyond what is described above. The funding impact of this bill is difficult to assess—the Proposition 98 Guarantee would be "rebased" to include private school student ADA but public funding would then be diverted away from traditional public schools to parents that currently enroll their children in private schools. It is unclear whether including private school student attendance in the calculation of the Proposition 98 Guarantee would cover the costs of funding these students' ESAs. If not, the result would be less per-pupil state aid available to public school districts and charter schools.

Other policy considerations include, but are not limited to, the way in which the rights of students with disabilities would continue to be protected, whether low-income parents would receive a voucher amount that could cover private school tuition (the cost of which would likely rise as a result of this bill), whether private schools should be required to administer state testing for student outcome comparison purposes, what level of

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<sup>3</sup> Villanova, *Where Americans Write Off the Most in Taxes – 2023 Study*, SmartAsset (April 6, 2023). <https://smartasset.com/data-studies/where-americans-write-off-the-most-in-taxes-2023>.

accountability private schools would be subjected to by state taxpayers, and whether parents would face admissions discrimination within an unregulated voucher system.

- k) *Committee's tax expenditure policy:* Both R&TC Section 41 and Committee policy require any tax expenditure bill to outline specific goals, purposes, and objectives that the tax expenditure will achieve, along with detailed performance indicators for the Legislature to use when measuring whether the tax expenditure meets those stated goals, purposes, and objectives. A tax expenditure bill will not be eligible for a Committee vote unless it has complied with these requirements.

In its current form, this bill states the intent of the Legislature to comply with Section 41, but does not state the goal of the tax expenditures or the performance indicators that the Legislature would use to evaluate whether the expenditures were achieving their goal.

In addition to the R&TC Section 41 requirements, this Committee's policy also requires that all tax expenditure proposals contain an appropriate sunset provision to be eligible for a vote. According to this policy, an "appropriate sunset provision" means five years, except in the case of a tax expenditure measure providing relief to California veterans, in which case "appropriate sunset provision" means ten years. This bill, as currently drafted, does not comply with the Committee's policy on sunset dates.

Because this bill does not comply with both Section 41 and the Committee's sunset provision policy, it is ineligible for a vote in this Committee in its current form.

- j) *Related legislation:* SB 64 (Grove) is substantially similar to this bill and establishes the School Choice Flex Account Act. SB 64 is currently pending in the Senate Committee on Education.
- k) *Prior legislation:* SB 292 (Grove), of the 2023-24 Legislative Session, would have established the Education Savings Account Act of 2024 only if a Senate Constitutional Amendment 5 (Grove) was approved as part of the November 2024 election. This bill died in the Senate Education Committee by a vote of 2 to 4, with 1 No Vote Recorded.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Catholic Conference

### **Opposition**

California School Employees Association  
California State PTA  
California Federation of Teachers  
Church State Council

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