

# FAQ: How SCA 5 Leaves Students Behind

**SCA 5 would create new school funding in California and write charter school students out of it — permanently. That's not equity. That's a step backward.**

## What is SCA 5?

Senate Constitutional Amendment 5 (SCA 5), authored by Senator Dave Cortese (D – San Jose) and sponsored by the Silicon Valley Education Foundation, would create a new school funding mechanism called the Equalization Reserve Account. In years when state tax revenues are relatively high, the state would deposit funds into the account, based on the same formulas currently used for the state's constitutional education funding reserve known as the Proposition 98 Rainy Day Fund. The deposits into the new reserve fund would stay locked in the account permanently. At least 80% of the interest earned each year would flow to eligible school districts to increase per-pupil funding. Senator Cortese intends to place the measure on the statewide ballot, perhaps as soon as November 2028. If voters approve it, SCA 5 will become part of the California Constitution.

## What is a constitutional amendment?

A constitutional amendment changes the California Constitution, the foundational legal document that establishes the structure and limits of California's state government. Unlike a regular statute, a constitutional amendment cannot be changed by the Legislature alone. Amending the constitution requires a two-thirds vote of both chambers of the Legislature to place the measure on the ballot, followed by approval by a majority of California voters. That makes constitutional amendments very difficult to revise or fix after the fact. Whatever SCA 5 locks in, California will live with for a long time.

## How does SCA 5 exclude some public school students?

SCA 5 limits the new funding to "non-basic aid school districts," defined as school districts that receive an apportionment of state funds under the Local Control Funding Formula (LCFF). This would include all school districts that receive general-purpose funding from the state and exclude a small number of very wealthy "Basic Aid" districts whose property tax receipts alone exceed the state's usual education funding formulas. While charter schools are public schools, they are not school districts under California law. Because SCA 5 defines eligible recipients exclusively as school districts, charter schools and their students do not qualify for funding. That exclusion is not an oversight or a detail to be fixed in regulations. It is written into the constitutional language of the measure itself.

## How would SCA 5 impact charter public schools and the students they serve over time?

The impact compounds over time. The Equalization Reserve Account is designed to grow year after year, with the deposits never spent and interest allocated only to school districts. As the

account balance grows, so does the annual interest available for distribution. Traditional public school districts would receive a steadily increasing per-pupil supplement. Charter schools would receive nothing. Meanwhile, charter schools already receive less funding per pupil than similarly-situated school districts under existing formulas. SCA 5 does not close that disparity. It widens it, and it does so through a constitutional mechanism designed to be permanent, self-reinforcing, and impossible to fix except through another constitutional amendment.

### **Who is Senator Cortese?**

Senator Dave Cortese (D – San Jose) represents California's 15th Senate District, which covers much of Santa Clara County including San Jose. He previously served as Chair of the Santa Clara County Board of Supervisors and on the San Jose City Council. He has authored several education finance measures, including SB 743 last session, a nearly identical predecessor to SCA 5 that stalled in the Assembly Appropriations Committee.

### **Where is SCA 5 in the process for reviewing and approving new laws?**

A constitutional amendment follows a path that is a bit different from normal legislation. SCA 5 was introduced on May 7, 2026, and must complete the legislative process by August 31, 2026.

1. **Senate Education Committee** — SCA 5 passed on a 6-0-1 vote on June 3, 2026.
2. **Senate Elections and Constitutional Amendments Committee** — SCA 5 passed on a 5-0 vote on June 10, 2026, where CSDC testified in opposition.
3. **Senate Appropriations Committee** — This committee reviews the fiscal impact on the state of California. The committee does not evaluate impact on public schools or students.
4. **Senate Floor** — If it clears Appropriations, the full Senate must approve it by a two-thirds vote.
5. **Assembly** — The measure then moves to the State Assembly, repeating the committee and floor process, and pass with a two-thirds vote.
6. **Ballot** — If both chambers approve SCA 5 by August 31, 2026, the amendment goes to California voters, potentially as soon as November 2028. The measure's backers will work with the Secretary of State to determine which election.
7. **Voter approval** — A simple majority of voters approves or rejects the measure. No governor's signature is required.

### **How can I go on the record in opposition to SCA 5 in its current form?**

There are several ways to make your voice heard:

- **Contact your state senator.** Call or email your senator's Capitol office and ask them to oppose SCA 5 or demand amendments that include charter school students on an equal basis. [chartercenter.quorum.us/campaign/FundAllPublicStudents](https://chartercenter.quorum.us/campaign/FundAllPublicStudents)
- **Share this fact sheet.** Forward it to your board, your staff, and your community. The more charter school supporters who engage their elected officials, the harder it becomes to move this measure forward without addressing the exclusion.

*For more information, contact the Charter Schools Development Center at [CSDC@chartercenter.org](mailto:CSDC@chartercenter.org). For the full text of SCA 5, visit [leginfo.legislature.ca.gov](https://leginfo.legislature.ca.gov).*