

# THE EQUITY AND OPPORTUNITY SCHOLARSHIP ACT

HF 1369 / SF 1396



## WHAT IT DOES

The Equity and Opportunity Scholarship Act would allow individuals and corporations to receive a tax credit for donating to charitable entities that award K-12 scholarships to children from income-qualifying families.



**THIS SCHOLARSHIP ACT CAN BRING OUR CORPORATE COMMUNITY AND EVERYDAY MINNESOTANS TOGETHER TO HELP SOLVE MINNESOTA'S EDUCATION ACHIEVEMENT GAP.**

## HOW IT HELPS

- Education decline and the rising achievement gap is now a **statewide problem** affecting kids and families in urban cores, suburbs, and rural areas. Nearly **40%** of our state's public high school graduates **required some remedial education** upon entering college.<sup>1</sup> Of Minnesota's **bottom 15% of schools**, more than half are in **suburban and rural** districts.<sup>2</sup>
- Latino and African American students in non-public schools are more likely to graduate from high school and college. The poorer and more at-risk a student is, the greater the relative achievement gains in non-public schools.<sup>3</sup>
- A Friedman Foundation study examining the success of 10 school choice programs similar to what this Act could provide shows a cumulative total state savings of at least \$1.7 billion realized between 1990 and 2011.<sup>4</sup>

## WHY IT MATTERS

**All Minnesota parents should have the right to choose the best school option for their child.**

- ✓ Too many families throughout Minnesota have little or **no option** when it comes to a good school for their children because of their zip code or economic situation. Parents feel trapped and hopeless about their children's future.
- ✓ It is a **fundamental right** for parents to raise their children and to make decisions regarding their upbringing, including education.
- ✓ This Act would create scholarships, like those that exist for higher education, providing low- and moderate-income families with an **opportunity to access a great K-12 education.**

**Solving the education achievement gap is a step toward solving one of the biggest civil rights issues of our time.**

- ✓ Every child deserves an **equal opportunity** to attend a great school.
- ✓ Yet, Minnesota has one of the **highest achievement gaps in the nation** between white students and students of color.
- ✓ This legislation encourages all Minnesotans, including our corporate community, to come together to solve the achievement gap by **giving more kids and their families an option to finding a better education to fit their needs.**

**THE ACHIEVEMENT GAP AND BARRIERS TO MINNESOTA'S EDUCATION OPTIONS HAS BECOME A PROBLEM THAT TOUCHES NEARLY EVERY MINNESOTA COMMUNITY.**

## As Minnesota schools fall behind, so does our reputation for education innovation.

- ✓ Minnesota was once a leader in the school choice and education innovation movement, but has **fallen behind**. In the area of school choice programs, there are over 39 nonpublic school choice programs across the nation, and more are being enacted every year.
- ✓ **Small “tweaks” to fix the system don’t amount to much** when a child’s future is at stake. If a child is behind in third grade, most studies confirm they are less likely to make that up at any point in their school career.
- ✓ **This type of legislation has proven very effective** in thirteen states to give students access sooner to the schools that can help them so they don’t fall further behind their peers.

## HOW IT WORKS

1. An **individual or corporation** makes a donation to a non-profit organization that qualifies under the requirements of an **equity and opportunity in education tax credit**.
2. The **individual or corporate taxpayer** is then allowed a **credit against their tax obligations** to the state, equal to 80 percent of the amount donated.
3. The **organization** then **grants a scholarship to a child** who meets the **income qualifications** (2X reduced-price lunch program, e.g. a family of five making \$103,000), which allows the child to attend a school option of his or her choice.

The donation credit is on a first-come, first-served basis, until the maximum statewide credit amount of \$80,000,000 has been reached. The scholarship amount could not exceed an amount greater than 70 percent of the state average general-education-revenue per pupil unit.

**JOIN THE OAK COALITION IN SUPPORTING LEGISLATION THAT WILL HELP ENSURE ALL OF MINNESOTA’S CHILDREN HAVE MORE EQUITY AND CHOICE IN EDUCATION; MORE OPPORTUNITY TO SUCCEED.**

<sup>1</sup> <http://www.mnscu.edu/media/newsreleases/2011/011811.html>

<sup>2</sup> <http://education.state.mn.us/MDE/JustParent/ESEA/PriorityFocusRewardSch/index.html>

<sup>3</sup> <https://ace.nd.edu/advocates/why-catholic-schools/research-on-the-case-for-catholic-schools>

<sup>4</sup> <http://www.edchoice.org/Research/Reports/The-School-Voucher-Audit--Do-Publicly-Funded-Private-School-Choice-Programs-Save-Money-.aspx>



*Mighty oaks from little acorns grow. – A.B. Johnson*