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April 27, 2022

Governor Tim Walz & Lt. Gov. Peggy Flanagan
130 State Capitol
St. Paul, MN 55155

Speaker Melissa Hortman
463 State Office Building
St. Paul, MN 55155

House Minority Leader Kurt Daudt
267 State Office Building
St. Paul, MN 55155

House Tax Committee Chair Paul Marquart
597 State Office Building
St. Paul, MN 55155

Senate Majority Leader Jeremy Miller
Minnesota Senate Building, Room 3113
St. Paul, MN 55155

Senate Minority Leader Melisa López Franzen
Minnesota Senate Building, Room 2221
St. Paul, MN 55155

Senate Tax Committee Chair Carla Nelson
Minnesota Senate Building, Room 3235
St. Paul, MN 55155

Sent via Electronic Mail

RE: Ensuring Equal Access to Academic Supports by Including Updates to the K-12 Education Tax Credit in the Omnibus Tax Bill

Dear State Leaders,

The educational needs of Minnesota students have changed significantly in the past 25 years. The opportunity gap has widened. Sustained state funding for out-of-school time programs has evaporated. And now the recovery from the pandemic and distance learning is threatening to grow the existing disparities between low-income and more affluent learners.

The one thing that hasn't changed in that quarter century is the income limit to qualify for the maximum K-12 Education Tax Credit to get help paying for afterschool programs, computer devices, school supplies, and musical instruments.

Updating the income limit for the K-12 Education Tax Credit is an urgently needed step that has bipartisan support. It will help level access to the academic supports Minnesota students need right now before COVID-related learning loss becomes more severe.

A recent report from McKinsey & Company detailed the emerging “K-shaped recovery” from distance learning. Students from high-income families, who have access to services like tutoring, are on track to recover unfinished learning by the end of this school year. Meanwhile, low-income students and students of color could remain up to a grade level behind their peers.

The National Science Foundation reports an equally alarming finding: the pandemic could reduce the quantity and diversity of STEM professionals with only those students whose families can afford academic enrichment being able to persist in STEM education programs.

Minnesota does not have to resign itself to this future. The K-12 Education Tax Credit is one of the best tools our state has to reverse these trends. It covers 75% of the cost for academic enrichment programs, like tutoring. **Think of it like “educational first aid.”** However, the income limit for the maximum \$1,000 per student credit is \$33,500—regardless of household size—and has not changed since 1997.

You can help by taking three important steps to improve access to this tax credit:

- Updating the income limit to restore access to families who have lost it over the past 25 years
- Indexing the income limit to inflation to avoid a similarly outdated limit in the future
- Simplifying the claiming of the credit by shifting to using federal adjusted gross income rather than the cumbersome “household income” definition to calculate eligibility.

A bipartisan group of House and Senate members support these proposals, and Governor Walz and Lt. Governor Flanagan have included them in their proposed budget. Tens of thousands of Minnesota families would benefit.

With a \$9.3 billion surplus and an urgent need to help our lower income learners catch up academically, **please prioritize these overdue updates as you negotiate the joint omnibus tax bill.**

Sincerely,

Youthprise

A Plus Tutoring of Burnsville

Align Learning Center

Asian Media Access, Inc.

Banyan Community

Breakthrough Twin Cities

Centro Tyrone Guzman

Minnesota Budget Project

Minnesota Community Education Association

Minnesota Parent Union

National Youth Leadership Council

Northfield Public Schools

Prepare + Prosper

Proctor Hermantown Community Ed

Community Ambassadors Initiative	Rebuilding the Village
EdAllies	REM5 Virtual Reality Laboratory
epkumon	Robbinsdale Community Education
Faribault Public Schools Community Education	Saint Paul Children's Collaborative
Faribault YouthConnect! Network	Saint Paul Promise Neighborhood
Great Minds Learning Center	SmartMinds LLC d.b.a. Mathnasium of Bloomington West
Greater Mankato Area United Way Connecting Kids Program	Somali American Social Service Association
Greater Twin Cities United Way	South Sudanese Foundation
Headwaters Music & Arts	Sprockets
Healthy Community Initiative	St. Joseph's School of Music
Hikmah	Sundance Family Foundation
Huntington Learning Center	Sylvan Learning Centers of Minnetonka and Chaska
Ignite Afterschool	Sylvan Learning Centers of MN
Impact Living Christian Center	Sylvan Learning of Eden Prairie
ISD 318 Community Education	Sylvan Learning of Minnesota
Itasca Orchestra and Strings Program	The Brooklyn Bridge Alliance for Youth
Jewish Family and Children's Service of Minneapolis	The JK Movement
Juxtaposition Arts	The Minneapolis Foundation
Know Your Worth Clothing LLC	United Way of Central Minnesota - Partner for Student Success
MacRostie Art Center	Venn Foundation
Mathnasium (Plymouth, MN)	Walker West Music Academy
Mathnasium of Mankato	World Savvy

Mathnasium St Louis Park-Edina

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**Young Minds LLC d.b.a. Mathnasium of
Chanhassen and Minnetonka**

Minneapolis Youth Coordinating Board

Youth Advantage

Minnesota Asset Building Coalition

Cc: Sen. Ann Rest
Sen. Justin Eichorn
Sen. Roger Chamberlain
Sen. Steve Cwudzinski
Sen. Kari Dziedzic
Sen. Matt Klein
Sen. Erin Murphy
Sen. Charles Wiger
Rep. Greg Davids
Rep. Cedrick Frazier
Rep. Heather Keeler
Rep. Cheryl Youakim
Rep. Jim Davnie
Rep. Sondra Erickson
Rep. Jessica Hanson
Rep. Kaohly Her
Rep. Ginny Klevorn
Rep. Erin Koegel
Rep. Ron Kresha
Rep. Ruth Richardson
Rep. Kristin Robbins
Minnesota Department of Revenue Commissioner Robert Doty
Asst. Commissioner and Executive Director of the Governor's Children's Cabinet Erin Bailey