



### ***Opportunity, Flexibility, Access to the Best School for Each Child***

Opportunity for All Kids (OAK) is a statewide advocacy organization supporting public, private and home school educational options for students in Minnesota.

We know that too many families throughout Minnesota have little or no options when it comes to a good K-12 school. A child's future should not be determined by the zip code they live in or by a parent's economic situation. All Minnesota parents should have the opportunity to access the best education option for their children. We need to remove financial barriers that prevent children from being able to attend schools that meet their needs.

OAK is supporting Opportunity Scholarships for low-and-middle income families. **Opportunity Scholarships are scholarships provided to low- and middle-income children to attend a school of their choice.** They are funded through private contributions made to non-profit scholarship granting organizations with 501(c)3 status, and must be approved by the Minnesota Department of Revenue.

A statewide survey conducted in Minnesota in April 2015 found strong support for Opportunity Scholarships. Nearly two-thirds of Minnesotans said they support opportunity scholarships, with 78% support from African-Americans and 90%+ support from Latinos. In addition, in the same survey, Minnesotans gave independent schools the highest marks, with 80% giving the schools grades of "A" or "B".

#### **How does the Opportunity Scholarship program work?**

An individual or corporation is provided a state tax credit of 70% for making a donation to a qualified foundation. The Minnesota Department of Revenue approves foundations under the program. The foundations must work with at least two or more private or independent schools to identify qualifying families and students for scholarships to cover tuition. Individuals and corporations may not assign a scholarship to a student; instead, the donation is made to the foundation.

- Opportunity Scholarship Program begins in tax year 2018
- Contributions from individuals and corporations limited to the following (70% state tax credit):
  - \$21,000 tax credit for married joint filers for a one-year donation of \$30,000;

- \$10,500 tax credit for other individual filers for a one-year donation of \$15,000; and
- \$105,000 tax credit for corporate filers for a one-year donation of \$150,000
  
- Qualifying foundations must be approved by the Minnesota Department of Revenue
  
- Program eligibility is income-based and families must not earn more than two times the Reduced Priced Lunch in order to qualify
  
- Scholarships are limited up to 70% of the statewide average of the General Education Formula
  
- The cost of the program is \$35 million in FY 2019 and \$70 million in FY 2020-21
  
- The bill also includes expansion of the individual tax credit to include tuition, in addition to indexing the existing individual credit to inflation, which will give parents of public and private school students the ability to cover educational expenses. The expansion to include tuition only covers low-income families in the event they are not covered by accessing the Opportunity Scholarship program. The individual tax credit has been in law since 1954 and was last expanded in 1997.

### **Other States:**

There are currently 17 states operating scholarship tax credit programs. Arizona and Florida have the longest standing programs. In addition, Iowa and South Dakota have enacted scholarship tax credit programs in the past five years. In 2015, the Nation's Report Card comparing state-by-state progress in reading and math indicated that Arizona has made the most progress in reading and third most progress in math.

### **Partners in Support of Opportunity Scholarship Program:**

- Minnesota Independent School Forum (MISF)
- Minnesota Catholic Conference (MCC)
- Lutheran Church Missouri Synod (LCMS)
- Jewish Community Relations Council (JCRC)
- Minnesota Harvest Initiative
- Minnesota Association of Christian Schools (MACS)

### **Bill Chief Authors:**

- Representative Ron Kresha
- Senator Roger Chamberlain

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