



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

We know that too many families throughout Minnesota have few or no options when it comes to attending a good K-12 school. A child's future should not be determined by the ZIP code they live in or by their 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.

Several organizations – including Opportunity for All Kids (OAK), the Minnesota Independent School Forum (MISF), EdAllies, MN Comeback and Minnesota Catholic Conference – are supporting SF1872 (Chamberlain), legislation that provides Opportunity Scholarships to students from low- and middle-income families to attend a school of choice. Opportunity Scholarships are funded through private contributions made to non-profit scholarship granting organizations with 501(c)3 status. The non-profit granting organizations must be approved by the Minnesota Department of Revenue.

Minnesotans support expanding school choice to more students. A statewide survey conducted in Minnesota found strong support for scholarship tax credits. Nearly two-thirds of Minnesotans said they support scholarship tax credits, with 78% support from African-Americans and 90%+ support from Latinos. In addition, in the same survey, Minnesotans gave independent schools the highest marks of all school settings; 80% of Minnesotans gave independent schools "A" or "B" grades.<sup>1</sup>

## **How Does the Equity and Opportunity Scholarship Program Work?**

An individual or corporation is provided a state tax credit of 70% for donating to a qualified non-profit scholarship granting organization. The qualified organizations 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 qualified granting organization who then works in communities to identify families in need of financial assistance.

- Opportunity Scholarship Program begins in tax year 2020.
- 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
- Program eligibility is income-based, and families must not earn more than two times the Reduced Priced Lunch in order to qualify (this would be approximately \$90,000 for a family of four).
- The tax credit is capped at \$35 million for tax year 2020, with funding available for grants to charter schools and school district foundations who serve a student population of at least 30 percent eligible for National School Lunch Program.

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<sup>1</sup> DiPema, Paul. *Top Seven Findings from our Minnesota School Choice, K-12 Education Survey*. April 15, 2015. <https://www.edchoice.org/blog/top-seven-findings-from-our-minnesota-school-choice-k-12-education-survey/>

- Scholarships are limited up to 70% of the statewide average of the General Education Formula.
- For-profit schools are not allowed to participate in the program.
- Schools must adhere to provisions of the Minnesota Chapter 363A, the state’s Human Rights Amendment.
- Participating schools must administer either the MCAs or a national normed referenced assessment in reading and math in grades 3-8 and once in high school. The results must be published annually.

## What is the Research on School Choice Programs?

School choice, and private school choice in particular, is one of the most studied issues in education. The EdChoice Foundation reviewed random sample studies conducted over the past two decades that looked at test scores, educational attainment and integration as it relates to school choice. Random sample studies are considered “gold standard” in education research.<sup>2</sup>

**Looking at test scores and student performance**, there are 19 recent studies that looked at whether students who receive and/or use scholarships to attend a private school of choice achieve higher test scores versus studies who applied but did not receive use a scholarship. Of the 19 recent studies, they found:

- 13 studies had positive impact, meaning students performed higher when they decided to attend a private school of choice with a scholarship;
- 3 studies had no impact; and
- 3 studies found negative impacts for some students
- States/cities examined (from 1998-2018): Louisiana, New York, Toledo, DC, Charlotte, Dayton, Milwaukee. Louisiana generated 2 of the 3 negative studies.

**Looking at integration**, there are 10 recent studies that looked at the impact of school choice on racial and ethnic diversity in schools.

- 9 studies found positive impact on integrating schools
- 1 study found no impact
- No studies found negative impact
- State/cities examined in studies (1999-2017): Louisiana, Milwaukee, Cleveland, DC

**Looking at the impact on public school performance**, there are 34 recent studies that examine whether students who leave public schools by using a private school choice program have an effect on test scores of students who remain in the public schools.

- 32 studies found choice programs had a positive impact on public school test scores
- 1 study found no impact
- 1 study found negative impact
- State/cities examined in studies (2001-2016): Louisiana, San Antonio, Indiana, Florida, Ohio, Maine, Vermont, Milwaukee. The one negative study came from Florida but it should be noted that 12 out of 13 studies in Florida found positive impacts on public schools.

## Other States

There are nearly 20 states operating scholarship tax credit programs. Arizona and Florida have the longest standing programs. In addition, border states Iowa and South Dakota have enacted scholarship tax credit programs in the past five years.

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<sup>2</sup> EdChoice Foundation. *Breaking Down School Choice Research to Date. A Complete Summary of High Quality Empirical Evidence*. Updated December 31, 2018. <https://www.edchoice.org/school-choice/empirical-research-literature-on-the-effects-of-school-choice/>