

PROPOSAL TO ECONOMIC DISPARITIES WORKING GROUP

Recognizing that education plays a key role in a child's future success, and recognizing any agenda in a special session is likely to be limited, we propose the following:

- 1) The household income level for which families are eligible to use the existing education tax credit be increased to reflect inflation since it was enacted, so that it starts to phase out at \$47,500 per household instead of the current level of \$33,500 per household;
- 2) Household income and the amount of the credit be adjusted for inflation in future years;
- 3) The list of expenditures eligible for the education tax credit be made the same as the list of expenditures eligible for the existing state education tax deduction, which has existed in Minnesota since 1955. This would result in private school tuition now being eligible for the tax credit, just as it is already eligible for the tax deduction;
- 4) The existing refundable education tax credit be increased from \$1,000 per student to \$3,500 per student.

We make this proposal acknowledging that addressing economic disparities will require a multi-faceted approach, with legislation on subjects that are in the purview of several standing legislative committees. We acknowledge that even if there is a special session, it will still be necessary to continue to address the issue of economic disparities in regular session. We are also willing to consider other school choice proposals that other legislators may wish to bring forward, provided they help students of disadvantaged families to attend public or private school of their choice.