

About the Let MI Kids Learn Initiative Effort

WHAT'S HAPPENING:

There are two initiatives being circulated together that make up the Let MI Kids Learn proposal. Together the two Let MI Kids Learn petitions would change Michigan tax law to allow donors to claim tax breaks on their contributions to “scholarship-granting organizations,” or nonprofits that would provide parents and families funding for students who fit certain criteria. Individuals or corporations making donations would be eligible for income tax credits equal to their donations.

The two Let MI Kids Learn petitions mirror legislation that was [vetoed by Gov. Gretchen Whitmer last year](#).

If the petitions collect just over 340,000 signatures the policy could be adopted by the Legislature without needing the governor’s approval or going to the November 2022 ballot to be voted on by the people. Any law proposed by initiative petition can be either enacted or rejected by the Legislature without change within 40 calendar days from the time the Secretary of State receives it.

The rough deadline for signatures to be turned in is June 1, 2022. If the appropriate number of signatures are gathered and the Legislature passes the proposals with a simple majority, they would become law this year.

CURRENT BALLOT INITIATIVES IN MICHIGAN:

There are a number of ballot initiatives moving in Michigan right now that are at various stages of the process. Topics range from voting rights, reproductive issues and criminal justice reform.

So many ballot initiatives in front of voters all at once can be confusing, especially when some of them may not actually be going to the November ballot like many voters are accustomed to. That’s why it’s important for voters to read and research any initiative before signing it.

In Michigan, there’s no law regulating what can or cannot be said by a signature gatherer to a potential signer. There have been reported incidents over the years of signature gatherers giving misleading information to potential signers, so it’s important for voters to understand what they are signing before adding their name to the effort.

PRESENT AND HISTORICAL CONTEXT:

The last time Michigan saw an initiative with similar policies, it was in 2000 when the DeVos family was pushing a voucher proposal. That proposal wound up being rejected by Michigan voters with 69 percent of people voting against it.

There may be some legal questions surrounding the proposal as well. Using public money for private schools is unconstitutional in Michigan. While this proposal gives tax credits to those who donate to SGOs, rather than direct allocations of public funds to private schools, there is some concern that the policy may not pass constitutional muster.

ABOUT THE INITIATIVES:

The first petition would change Michigan tax law to allow for donors to give money to “Scholarship-granting organizations,” or newly created nonprofits that would provide parents and families funding for students who fit certain criteria. The funding could be used for “Student Opportunity Scholarships” that would cover tuition or fees to attend a private school, tutoring or extracurricular activities and other educational resources.

The second petition allows donors to claim tax breaks on their contributions to the scholarship program. Residents or corporations making donations would be eligible for income tax credits equal to their donations.

Businesses and individuals who donate to these funds would be able to claim a tax credit for the amount donated.

Under the proposal, public school students would be eligible for \$500 in funding, while the credit for private school pupils would be about \$7,800. Public school students with disabilities would be eligible for \$1,100.

THE FISCAL IMPACT:

There have been several reports that detail the fiscal impact of the Let MI Kids Learn initiative. In short, fiscal analysis has shown that hundreds of millions of dollars, and eventually up to \$1 billion, could be redirected away from both the School Aid Fund and General Fund, impacting the funding of both public schools and other public services. This would be caused because of the number of people and businesses claiming tax credits after donating to SGOs.

In October, The Senate Fiscal Agency, a non-partisan agency within the legislature, [conducted analysis of the legislation](#) that mirrors the Let MI Kids Learn proposed policy.

[The Senate Fiscal Agency found](#) that, if enacted, the policy would “...reduce State revenue by as much as \$500.0 million in the first year it was effective, with the potential for the revenue loss to increase 20% per year in later years.

The SFA went on to say, “If the cap on the maximum value of credits grew 20% per year, the cap would be \$500.0 million in the first year, \$600.0 million in the second year, \$720.0 million in the third year, \$864.0 million in the fourth year, and more than \$1.0 billion by the fifth year.”

Additional research by [Great Lakes Economic Consulting](#) reached similar conclusions.