

The 2025 Computers For Graduates Act

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PROBLEM:

California continues to struggle with high dropout rates, leading to economic and social challenges that may worsen over time. While data varies, the dropout rate remains a pressing concern that requires immediate intervention.

EXAMPLE:

California's high school dropout rate remains a significant concern, with substantial economic and social repercussions. In 2021, 9.4% of public school students did not complete high school with their graduating class, equating to 47,021 students statewide.

This dropout rate contributes to a less educated workforce, diminished earning potential, and increased dependence on public assistance programs. Research indicates that high school dropouts cost California taxpayers approximately \$46.4 billion annually due to lost wages, lower productivity, and higher expenditures on social services and the criminal justice system.

Implementing initiatives like the Computers for Graduates Act could incentivize educational attainment, thereby reducing dropout rates and fostering economic growth.

PROPOSED SOLUTION:

Provide California students with financial incentives to encourage academic achievement and graduation. Specifically, reward graduates with tax credits applicable toward the purchase or rental of high-tech electronic equipment:

- High School Graduate: \$1,000
- Associate's Degree Graduate (2-Year): \$2,000
- Bachelor's Degree Graduate (4-Year): \$4,000
- Advanced Degree Graduate: \$6,000

SPECIFICS:

This proposal aims to incentivize graduation by offering tax credits for purchasing computers, software, or online services. The program includes high school graduates and those earning degrees from accredited institutions.

POSSIBLE SUPPORT:

- Educational Institutions (High Schools, Colleges, and Universities)
- Economists
- Technology and Software Companies
- Students, Parents, and Voters
- Online Service Providers

POSSIBLE OPPOSITION:

- Franchise Tax Board (Concerns about administrative costs and funding)

ARGUMENTS IN SUPPORT:

1. Provides meaningful incentives to students to complete their education.
2. Stimulates the technology sector and promotes economic growth.
3. Encourages long-term investments in education and workforce development.
4. Rewards students and families while enhancing technological literacy.
5. Reinforces principles of taxation and credits for taxpaying students.
6. Offsets the societal costs associated with high dropout rates.
7. Establishes a sustainable framework for improving educational outcomes and reducing poverty.

ARGUMENTS IN OPPOSITION:

1. Potential high operational costs may burden state finances.
2. Implementation could involve complex administrative processes, creating inefficiencies.

PUBLICITY:

1. Promotion through corporate partnerships highlighting technological advancements.
2. Coverage in local, national, and international publications to attract support and interest.

HISTORY:

No record of a similar proposal being previously introduced.

FISCAL EFFECT:

- The fiscal impact on the state budget is currently undetermined.
- Long-term projections suggest increased tax revenues as graduates contribute to the economy.
- Savings may result from reduced reliance on social services due to higher graduation rates.

SECTION AFFECTED:

- As advised by Legislative Counsel.

PROPOSED LANGUAGE:

1. Graduates from high school who file/pay taxes in the year of graduation may claim a \$1,000 tax credit for purchasing computer equipment, software, or online services.
2. Graduates earning an accredited 2-year Associate's Degree may claim a \$2,000 tax credit for similar purchases.
3. Graduates earning an accredited 4-year Bachelor's Degree may claim a \$4,000 tax credit for similar purchases.
4. Graduates earning an accredited Advanced Degree may claim a \$6,000 tax credit for similar purchases.
5. Eligibility requirements include:
 - California residency.
 - Graduation from a recognized institution.
 - Possession of a Social Security Number.
 - Taxable income within the applicable year.
6. Tax credits are non-transferable but may be utilized by the head of household if the student is listed as a dependent on their tax return.

CONCLUSION:

The Computers for Graduates Act of 2025 incentivizes educational achievement, enhances workforce readiness, and stimulates economic growth. With proper implementation, this act represents a sustainable investment in California's future.