



## **What You Need to Know About the “Invest in Kids” Tax Credit Scholarships A Guide for Principals, School Administrators and Pastors November 2017**

Through the “Invest in Kids Act,” Illinois children from low-income families who choose to attend private schools will have access to new scholarships. The scholarships offered through this program could cover up to 100 percent of tuition and eligible fees for next school year. Below is key information about the program and application process that will help you be a resource to donors, students, families and advocates of the program.

**Tax credit scholarships:** The scholarships offered through this program have the potential to cover up to 100 percent of tuition and eligible fees for low income students in grades K-12 for the 2018/19 school year.

**Scholarship Granting Organizations:** The new law allows individuals and corporations to make donations to an independent Scholarship Granting Organization (SGO) in return for a credit on their state taxes. Credits are for 75 percent of each donation, up to \$100 million statewide, and a maximum of \$1 million in credits per individual. Individuals (but not corporations) can designate their donation to an individual school or subset of schools, such as “Archdiocese of Chicago schools.”

Schools are free to work with multiple SGOs benefitting multiple students, but it is likely that the Archdiocese will partner with one trusted SGO, Empower Illinois. More information will follow on how to work with them. The bill includes an array of requirements for SGOs, which may begin collecting donations in January 2018 and will award scholarships shortly thereafter.

**Application process:** Since this is a new program, application details are being finalized, and we will share them as soon as they are available. We do know that the application process will differ from scholarship applications in previous years, and we will help families through it by providing resources to assist in completing the application. Even if a student is already receiving a scholarship from another school or program, we encourage them to apply for a tax credit scholarship.

**Help applying:** Once the Department of Revenue publishes a list of approved SGOs, school staff will help connect students/families with the SGOs and assist them with the application process. For families whose first language is not English, we will have resources available to help them through the application process.

**Application deadline:** This year, families will need to apply to an SGO, as opposed to the Archdiocese directly. That organization may begin accepting applications as early as December. Scholarships will be awarded on a *first come, first serve basis*, so it is very important to apply early. We will be communicating more information in the timing as it becomes available.

**Eligibility:** In order to qualify for tax credits, families must earn less than 300 percent of the federal poverty level (or \$73,800 for a family of four). In the first months of the scholarships, priority will be given to students who are higher poverty or who reside in districts with “Focus” public schools. The bill includes a tiered system for scholarship awards, based upon the income of the family. More details on eligibility can be found on the Archdiocese’s website at [archchicago.org](http://archchicago.org).



**Scholarship amount:** Scholarship amounts will vary based on the student’s household income and will be limited to the lower of actual tuition and fees for the student’s school, or the statewide average expense per student among public schools (about \$12,000).

See the chart below for an example of how much a student could receive to cover tuition based on household income for a family of four.

<b>Percent Below Federal Poverty Level (FPL)</b>	<b>Household Income Per Year (Family of Four)</b>	<b>Eligible Scholarship Amount</b>
185 percent below FPL	Less than \$45,510	100 percent of tuition
185-250 percent below FPL	\$45,510-\$61,500	75 percent of tuition
250-300 percent below FPL	\$61,500-\$73,800	50 percent of tuition

**Eligible schools:** To accept students with scholarships, schools must be Illinois State Board of Education (ISBE) recognized and satisfy a number of additional compliance and reporting requirements.

**Additional requirements:** Students receiving scholarships must participate in annual assessments administered “in the same manner” as the public schools. We are determining whether this means students would need to take the state-mandated test (currently the PARCC for elementary schools). Schools bear the costs of all testing.

To learn more, please visit [archchicago.org](http://archchicago.org) or contact the Archdiocese at [InvestInKids@archchicago.org](mailto:InvestInKids@archchicago.org) or 312.534.5321.