

Required Reading

Dear Friends:

We are here for you! It is our desire to assist families in making it financially possible for their child(ren) to attend the private school that best meets their needs. At the same time, we have a responsibility to the state of Arizona to comply with the rules and regulations governing tax-credit donations.

Within the past few months there have been a few changes to the state law that have proven a bit confusing. IBE has put out multiple notices on our website and to our constituents to help clarify the new laws. That is to be expected. As any good teacher will tell you, there is wisdom in repetition! One question we frequently hear is, "Why do I have to provide household income information to get a recommended scholarship?" The answer is:

All recipients of scholarships (regardless of source) are now required by law to provide the School Tuition Organization (like IBE) with documentation of household income.

Rationale: The state legislature wants to assess the income ranges of where tax credit dollars go. STOs must now report percentages of awards that fall into two different income categories: 185% of poverty level; and, 342.25% of poverty level (185% of 185%). In order to have consistency across the board – all applicants must use the same "Household Income" form - which is the US Department of Agriculture application for free or reduced price lunches. At the end of the fiscal year, STOs must report the total percentages of awards within those two categories – as well as the overall award total.

The Department of Revenue will tabulate these reports (from all STOs) and then report the findings to the legislature.

Additional Important Information:

1. There is **not** an income cap for receiving Recommended awards – but the STO must include income as one criteria when making an award.
2. There is an income cap for receiving Corporate awards (see the Corporate application packet).
3. Based on Federal Law, an STO may not accept a contribution from a donor whose donation is conditional on a specific person receiving the award.
4. Donations made on behalf of a specific school **WILL** be awarded to that entity.
5. IBE makes every effort to honor all donor recommendations. However, making awards is our legal responsibility and we take it seriously.

You can rest assured that the Institute for Better Education will continue our long-standing practice of working closely and transparently with our families, schools, and state. We pride ourselves on the fact that we are accessible, knowledgeable, and supportive of school choice for all children!

Please don't hesitate to call us if you have any questions.

Kind regards,

Charlotte E Beecher
Executive Director