

**Section 1000.600 Scholarship Granting Organizations: Issuance of Scholarships
EMERGENCY**

- a) *Before granting a scholarship for an academic year, all scholarship granting organizations shall assess and document each student's eligibility for the academic year. For purposes of determining eligibility for the 2018-2019 school year, SGOs shall use 2016 federal adjusted gross income.*
- b) *A scholarship granting organization shall grant scholarships only to eligible students.*
- c) *A scholarship granting organization shall allow an eligible student to attend any qualified school of the student's choosing, subject to the availability of funds.*
- d) *In granting scholarships, a scholarship granting organization shall give priority to the following priority groups:*
 - 1) *eligible students who received a scholarship from a scholarship granting organization during the previous school year;*
 - 2) *eligible students who are members of a household whose previous year's total annual income does not exceed 185% of the federal poverty level;*
 - 3) *eligible students who reside within a focus district; on or before December 1 each year, the Board shall provide the list of focus districts to the Department; and*
 - 4) *eligible students who are siblings of students currently receiving a scholarship from a scholarship granting organization.*

The priorities identified in subsection (d)(1) and (d)(4) apply only for scholarships awarded for the 2019-2020 school year and thereafter.

- e) **Granting of Scholarships by SGOs**

A scholarship granting organization shall begin granting scholarships no later than February 1 preceding the school year for which the scholarship is sought. The priority groups identified in subsection (d) of this Section shall be eligible to receive scholarships on a first-come, first-served basis until the April 1 immediately preceding the school year for which the scholarship is sought. Applications for scholarships for eligible students meeting the qualifications of one or more priority groups that are received before April 1 must be either approved or denied within 10 business days after receipt. Beginning April 1, all

eligible students shall be eligible to receive scholarships without regard to the priority groups identified in subsection (d) of this Section.

- 1) For purposes of this subsection, “granting scholarships” means that the SGO has reviewed an application, determined the applicant is an eligible student, and has notified the applicant that he or she will receive a scholarship to attend the school chosen by the student, subject to availability of funds.
- 2) An SGO may begin accepting applications after it has been approved by the Department to issue CORs. See Section 1000.300.
- 3) An applicant may file applications with more than 1 SGO. However, an eligible student may accept only 1 scholarship provided for under the terms of the Act. Nothing in the Act prohibits an eligible student from receiving other scholarships from an SGO or other source that are paid from funds not subject to the Act.
- 4) An SGO must stamp all applications with the date and time they are actually received.
- 5) For a student to receive priority under subsection (d) due to his or her status as a member of a priority group, the SGO must receive the student’s application before April 1.
- 6) An SGO must review all applications to determine if an applicant meets the qualifications of one or more priority groups identified in subsection (d). Applicants who meet the qualifications of one or more priority groups shall be placed in Category 1. Applicants who do not meet the qualifications of one or more priority groups will be placed in Category 2.
- 7) Prior to April 1, SGOs shall grant scholarships to applicants in Category 1 in the order in which the applications were received.
- 8) On and after April 1, SGOs shall grant scholarships to applicants in the following order based on the order in which they were received:
 - A) Category 1 applications received prior to April 1;
 - B) Category 2 applications received prior to April 1; and
 - C) all applications received on or after April 1.

Example: Applications are received by an SGO in the following order: Student A on March 27. Student B on March 28. Student C on March 29. Student D on March 30. Student E on March 31. Student F on April 1. Student G on April 2. Student H on April 3. Student I on April 4. Students A, C, E and G are in one of the priority groups identified in subsection (d). The SGO has 10 business days from receipt of application to notify priority Students A, C and E whether their applications are granted or denied. Even though Student G fell within one of the priority groups identified in subsection (d), his application was received after April 1 and thus does not receive priority treatment (see subsection (e)(5)). Scholarships must be granted in the following order: A, C, E, B, D, F, G, H, I.

f) Determination of Scholarship Amounts by SGO

Except as provided in subsection (f)(2), scholarships shall not exceed the lesser of (i) the statewide average operational expense per student among public schools, or (ii) the necessary costs and fees for attendance at the qualified school.

- 1) On or before January 15 each year, the Board shall provide to the Department the statewide average operational expense per student among public schools. For the 2018-2019 school year, the statewide average operational expense per student among public schools is \$12,973.00.
- 2) *The statewide average operational expense per student among public schools shall be multiplied by the following factors:*
 - A) *for students determined eligible to receive services under the federal Individuals with Disabilities Education Act, 2;*
 - B) *for students who are English learners, as defined in subsection (d) of Section 14C-2 of the School Code, 1.2; and*
 - C) *for students who are gifted and talented children, as defined in Section 14A-20 of the School Code, 1.1.*
- 3) After determining the lesser of the statewide average operational expense per student among public schools (adjusted as necessary for each applicant in accordance with subsection (f)(2)) and the necessary costs and fees for attendance at the qualified school selected by an applicant, the SGO shall calculate the scholarship amount as follows:

- A) *for eligible students whose household income is less than 185% of the federal poverty level, the scholarship shall be 100% of the amount determined.*
 - B) *for eligible students whose household income is 185% or more of the federal poverty level but less than 250% of the federal poverty level, the average of scholarships shall be 75% of the amount determined. An SGO is presumed to meet the requirements of this subsection (f)(3)(B) if it provides a scholarship to each eligible student meeting these income levels in the amount of 75% of the amount determined.*
 - C) *for eligible students whose household income is 250% or more of the federal poverty level, the average of scholarships shall be 50% of the amount determined. An SGO is presumed to meet the requirements of this subsection (f)(3)(C) if it provides a scholarship to each eligible student meeting these income levels in the amount of 50% of the amount determined.*
- g) *A scholarship granting organization shall distribute scholarship payments to the participating school where the student is enrolled.*
 - h) *For the 2018-2019 school year through the 2021-2022 school year, each scholarship granting organization shall expend no less than 75% of the qualified contributions received during the calendar year in which the qualified contributions were received. No more than 25% of the qualified contributions may be carried forward to the following calendar year.*
 - i) *For the 2022-2023 school year, each scholarship granting organization shall expend all qualified contributions received during the calendar year in which the qualified contributions were received, as well as any amount carried forward from the previous year. No qualified contributions may be carried forward to the following calendar year.*
 - j) *A scholarship granting organization shall allow an eligible student to transfer a scholarship during a school year to any other participating school of the custodian's choice. Such scholarships shall be prorated.*
 - k) *With the prior approval of the Department, a scholarship granting organization may transfer funds to another scholarship granting organization if additional funds are required to meet scholarship demands at the receiving scholarship granting organization. Funds transferred before June 1 must be used for scholarships in the same region to which the funds were originally directed in the CAC issued to the taxpayer. All transferred funds must be deposited by the*

receiving scholarship granting organization into its scholarship accounts. All transferred amounts received by any scholarship granting organization must be separately disclosed to the Department.

- l) *If the approval of a scholarship granting organization is revoked as provided in Section 20 of the Act or the scholarship granting organization is dissolved, all remaining qualified contributions of the scholarship granting organization shall be transferred to another scholarship granting organization. Funds must be transferred within 10 business days. Within 3 business days after the transfer, the revoked SGO must notify the Department of the amount transferred and the name and address of the receiving SGO or SGOs. Funds transferred before June 1 must be used for scholarships in the same region to which the funds were originally directed in the CAC issued to the taxpayer. All transferred funds must be deposited by the receiving scholarship granting organization into its scholarship accounts.*

- m) *Scholarship granting organizations shall make reasonable efforts to advertise the availability of scholarships to eligible students. [35 ILCS 40/40]*