



IMPROVEMENTS TO TAX CREDIT SCHOLARSHIPS IN HB4126

FREQUENTLY ASKED QUESTIONS

WHAT CHANGES ARE THERE TO THE TAX CREDIT SCHOLARSHIP PROGRAM FROM HB4126?

House Bill 4126 passed the Illinois legislature in April 2022 and was signed into law in June 2022. This bill makes improvements to the Invest in Kids Act Tax Credit Scholarship Program to provide greater education stability to currently participating students with year-over-year scholarship priority and positively impact the thousands of students still waiting in line for a scholarship by allowing for partial scholarships that can benefit even more students.

WHAT ARE YEAR-OVER-YEAR SCHOLARSHIPS?

A new addition to the Invest in Kids Act, students who received a tax credit scholarship for the previous school year are first-in-line for a scholarship in the next school year, so long as they remain eligible. This improvement helps students remain in their best-fit school year-over-year, providing stability and reliability that will help families make critical education decisions.

WHAT ARE PARTIAL SCHOLARSHIPS?

Another change recently enacted provides the ability for schools to offer partial scholarships to families in income tiers above 185% of the federal poverty level, expanding the need-based, tiered scholarship distribution model, while protecting scholarships for students in the lowest-income tier. By offering the option for additional partial scholarships, more students could receive a scholarship making their best-fit school accessible while meeting more of the program's astronomical demand and ensuring families with the greatest need still qualify for a full, 100% scholarship if eligible. Partial scholarships will not go into effect until 2023.

WILL MY STUDENT'S PLACE IN LINE CHANGE?

Students who meet the following criteria will be in Category 0:

- Received a scholarship from a scholarship granting organization (SGO) during the previous school year
- Submitted their application before April 1

Students who meet one of the following criteria and submitted their application before April 1 will be placed in Category 1:

- Are members of a household whose previous year's total annual income does not exceed 185% of the federal poverty level;
- Reside within a focus district;
- If any student in your family received a tax credit scholarship for the previous school year

For the 2022-2023 school year, Category 0 will be implemented as of June 14, 2022. The criteria for Categories 2 and 3 remain the same. **The first-come, first-served order of students in each category will still be determined by your reservation time stamp.**

WHAT IF MY STUDENT ALREADY RECEIVED AN AWARD FOR THE 2022-2023 SCHOOL YEAR? WILL THEY LOSE THEIR SCHOLARSHIP?

No, any student who reached an awards status (Conditional Award, Award Confirmed, or Funding Confirmed) by June 14, 2022, will be locked in their first-come, first-served order and keep their scholarship.

WHAT IS REQUIRED TO CONFIRM THAT MY STUDENT RECEIVED A 2021-2022 TAX CREDIT SCHOLARSHIP?

If you have not done so already, please send a copy of the award letter or email from the SGO who issued the student's award last year to our team at scholars@empowerillinois.org.

ONE OF MY STUDENTS RECEIVED A SCHOLARSHIP LAST YEAR, BUT MY OTHER STUDENT DID NOT. WILL THEY ALL MOVE INTO CATEGORY 0?

Unfortunately, no. Assuming neither of your students have received an award by June 14, your student who received a scholarship last year will move to Category 0 and your other student (who did not receive a scholarship last year) will remain in their current category. Both students will likely receive a new place in line in the first-come, first-served order.

MY STUDENT IS IN CATEGORY 1 AND DID NOT RECEIVE A SCHOLARSHIP FOR THE 2021-2022 SCHOOL YEAR. IS THERE A CHANCE THEY COULD MOVE DOWN INTO CATEGORY 2 OR 3?

No, if your student is currently in Category 1, they will not move into Category 2 or 3 after the Year-Over-Year Scholarship enhancement goes into effect. However, your student's place in line may be subject to change, which will be reflected in your EmpowerXChange® portal on July 6, 2022.

WHAT IF MY STUDENT RECEIVED A SCHOLARSHIP FOR THE 2020-2021 SCHOOL YEAR?

According to the law, only students who received a scholarship for the previous school year will move into Category 0. Therefore, a student who received a 2020-2021 scholarship and not a 2021-2022 scholarship would remain in their current category.

WHAT IF MY STUDENT RECEIVED A NON-TCS AWARD LAST YEAR? DO THEY QUALIFY FOR CATEGORY 0?

Receiving a non-TCS award (RISE or UIL) for the 2021-2022 school year does not qualify your student for Category 0 for the 2022-2023 school year. Only students who received a tax credit scholarship for the 2021-2022 school year meet the criteria for Category 0.

WHEN WILL I SEE THE CHANGE TO MY STUDENT'S PLACE IN LINE?

Empower Illinois will pause awarding between June 14 and July 6, 2022, to implement the Year-Over-Year Scholarship enhancement in our EmpowerXChange® system. On July 6, awarding will resume and any changes to the first-come, first-served order will be reflected in your EmpowerXChange® portal.

I KNOW PARTIAL SCHOLARSHIPS WERE ALSO PASSED AS PART OF HB4126. WHEN WILL THAT BE IMPLEMENTED?

The partial scholarships enhancement as outlined in HB4126 will not go into effect until 2023. Partial scholarship amounts will need to be indicated on a school's SPA before April 1, 2023. More information will be distributed later this year.