

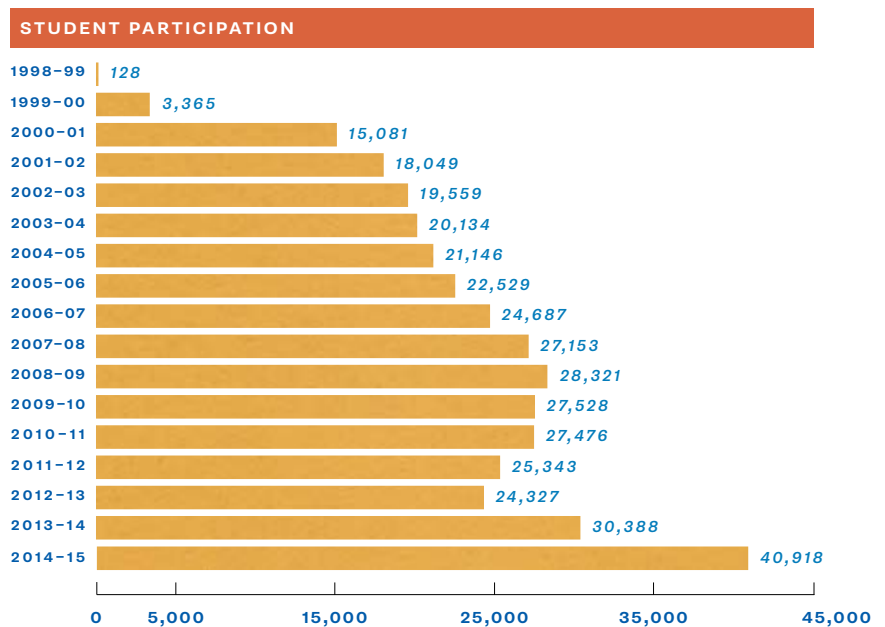


Arizona

INDIVIDUAL SCHOOL TUITION ORGANIZATION TAX CREDIT

<p>PROGRAM TYPE</p> <ul style="list-style-type: none"> Scholarship tax credit—individual 	<p>SCHOOL REQUIREMENTS</p> <ul style="list-style-type: none"> Comply with state private school regulations, including nondiscrimination and health and safety codes
<p>STUDENT ELIGIBILITY</p> <ul style="list-style-type: none"> None specified in law Requirements may be determined by School Tuition Organizations (STO) Private school students also eligible 	<p>SCHOLARSHIP CAP</p> <ul style="list-style-type: none"> Tuition only <p>TAX CREDIT VALUE</p> <ul style="list-style-type: none"> 100 percent of donation
<p>SCHOOL TUITION ORGANIZATION (STO) REQUIREMENTS</p> <ul style="list-style-type: none"> Use at least 90 percent of contributions for scholarships Make scholarships available for more than one school May allow donors to recommend student beneficiaries but shall not award, designate or reserve scholarships solely on the basis of donor recommendations Cannot exchange recommendations of student beneficiaries with other donors Report annually to the state: <ul style="list-style-type: none"> Data on accepted contributions, grants awarded, dollar amount of scholarships granted to students who qualify for the free or reduced-price lunch program, dollar amount of scholarships granted to those students whose household income falls between 185 percent and 342 percent of the federal poverty level (\$44,123 and \$81,567 for a family of four in 2014), amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, the salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant 	<p>DONOR TAX CREDIT CAP</p> <ul style="list-style-type: none"> \$1,034 single \$2,062 married couple <p>STATEWIDE CAP</p> <ul style="list-style-type: none"> None <p>YEAR ENACTED</p> <ul style="list-style-type: none"> 1997

DATA UPDATE	
Scholarships Awarded	40,918
Schools Participating	374
STOs Operating	52
2014 Donations	\$84,216,343



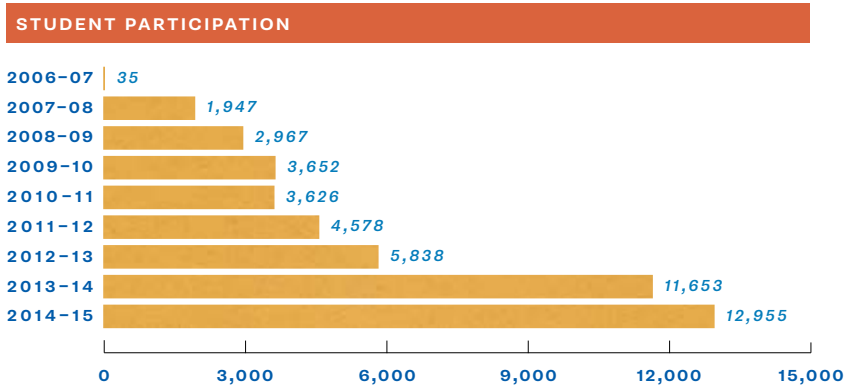


Arizona

CORPORATE SCHOOL TUITION ORGANIZATION TAX CREDIT

<p>PROGRAM TYPE</p> <ul style="list-style-type: none"> Scholarship tax credit—corporate <ul style="list-style-type: none"> Means-tested 	<p>SCHOOL REQUIREMENTS</p> <ul style="list-style-type: none"> Comply with state private school regulations, including nondiscrimination and health and safety codes Require teachers to be fingerprinted
<p>STUDENT ELIGIBILITY</p> <ul style="list-style-type: none"> Family income cannot exceed 185 percent of the free or reduced-price lunch program (\$81,628 for a family of four in 2014) Attended public school the previous year or entering kindergarten 	<p>SCHOLARSHIP CAP</p> <ul style="list-style-type: none"> \$5,100 (grades K–8) \$6,400 (grades 9–12) Caps increase by \$100 each year <p>TAX CREDIT VALUE</p> <ul style="list-style-type: none"> 100 percent of donation
<p>SCHOOL TUITION ORGANIZATION (STO) REQUIREMENTS</p> <ul style="list-style-type: none"> Use at least 90 percent of contributions for scholarships Make scholarships available for more than one school Must allow the state to verify that scholarships are awarded to students attending a qualified school Report annually to the state: <ul style="list-style-type: none"> Data on accepted contributions, grants awarded, amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant 	<p>DONOR TAX CREDIT CAP</p> <ul style="list-style-type: none"> None <p>STATEWIDE CAP</p> <ul style="list-style-type: none"> \$42.99 million (FY 2015) 20 percent annual increase each year <p>YEAR ENACTED</p> <ul style="list-style-type: none"> 2006

DATA UPDATE	
Scholarships Awarded	12,955
Schools Participating	243
STOs Operating	56
2014 Donations	\$35,831,808





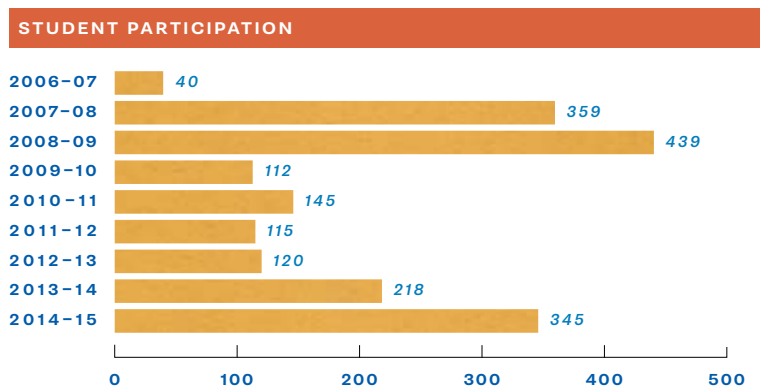
Arizona

LEXIE'S LAW



<p>PROGRAM TYPE</p> <ul style="list-style-type: none"> Scholarship tax credit—corporate <ul style="list-style-type: none"> Special needs and foster children 	<p>SCHOOL REQUIREMENTS</p> <ul style="list-style-type: none"> Must not discriminate on the basis of race, color, handicap, familial status or national origin, and must satisfy the requirements prescribed by federal law for private schools
<p>STUDENT ELIGIBILITY</p> <ul style="list-style-type: none"> Students who received vouchers under Arizona's two previous voucher programs (for foster children and students with disabilities) receive priority in scholarships Students must: <ul style="list-style-type: none"> Have been placed in foster care at any time before the student graduates from high school or obtains a GED, or Have been identified as having a disability under Section 504 of the Rehabilitation Act, identified by a school district as a student with a disability or identified as eligible to receive disability services from a school district 	<p>SCHOLARSHIP CAP</p> <ul style="list-style-type: none"> Whichever is less: <ul style="list-style-type: none"> Tuition of private school 90 percent of the cost to send the child to public school <p>TAX CREDIT VALUE</p> <ul style="list-style-type: none"> 100 percent of donation
<p>SCHOOL TUITION ORGANIZATION (STO) REQUIREMENTS</p> <ul style="list-style-type: none"> Use at least 90 percent of contributions for scholarships Make scholarships available for more than one school Allow the state to verify that scholarships are awarded to students attending a qualified school Annually report to the state: <ul style="list-style-type: none"> Data on accepted contributions, grants awarded, amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant 	<p>DONOR TAX CREDIT CAP</p> <ul style="list-style-type: none"> None <p>STATEWIDE CAP</p> <ul style="list-style-type: none"> \$5 million <p>YEAR ENACTED</p> <ul style="list-style-type: none"> 2009 <ul style="list-style-type: none"> In 2009, this program transitioned from a voucher program to a scholarship tax credit program. Student enrollment data for years before 2009–10 is for the voucher program.

DATA UPDATE	
Scholarships Awarded	345
Schools Participating	95
STOs Operating	56
2014 Donations	\$2,925,845





Arizona

ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM



<p>PROGRAM TYPE</p> <ul style="list-style-type: none"> • Education savings account <ul style="list-style-type: none"> – Special needs and foster care – Active-duty military families – Failing schools 	<p>SCHOOL REQUIREMENTS</p> <ul style="list-style-type: none"> • Cannot discriminate • Cannot share, refund or rebate any empowerment account monies with the parent or student
<p>STUDENT ELIGIBILITY</p> <ul style="list-style-type: none"> • Student must: <ul style="list-style-type: none"> – Be identified as a child with a disability under Section 504 of the Rehabilitation Act, or by a school district, or is eligible to receive special education services from a school district under state law and has an Individualized Education Program (IEP), or – Have attended a public school or school district that received a “D” or an “F” on the state accountability report card, or – Have a parent who is an active-duty member of the U.S. military or was killed in the line of duty, or – Be adopted from the state foster care system or is placed with a family and has a case plan of adoption, or – Be a sibling of a current ESA student • Attended public school as a full-time student for 100 days prior to the fiscal year and who transferred to a qualified private school, participated in the Empowerment Scholarship Account Program in the previous year, or received a scholarship under Lexie’s Law 	<p>SCHOLARSHIP CAP</p> <ul style="list-style-type: none"> • 90 percent of the charter school per-pupil base funding (takes into account grade and disability) <p>ENROLLMENT CAP</p> <ul style="list-style-type: none"> • None <p>PROGRAM FUNDING</p> <ul style="list-style-type: none"> • No specific program appropriation
<p>PARENT REQUIREMENTS</p> <ul style="list-style-type: none"> • Must sign an agreement to: <ul style="list-style-type: none"> – Provide an education in the subjects of reading, grammar, mathematics, social studies and science – Not enroll student in a school district or charter school – Release the school district from all obligations to educate the student – Not accept a scholarship under any of Arizona’s tax credit scholarship programs – Use the money deposited in the empowerment account for purposes specified in the law and spend accumulated ESA dollars on basic education subjects 	<p>YEAR ENACTED</p> <ul style="list-style-type: none"> • 2011

DATA UPDATE	
Accounts Awarded	1,311
Schools Participating	134
2014 Expenditures	\$18,232,715

