

Empower Illinois Meeting Notes 11/16/17

Step Up for Students (SUFS)

- Step Up for Students is the SGO service provider for Empower Illinois. Contract signed 11/7/17.
- Joe _____ is CFO of Step Up.
- SUFS has been a tax credit scholarship organization administrator in Florida since 2002.
- They issued 565,000 scholarships valued at \$2.5 billion through 2016-2017.
- They are issuing 105,500 scholarships valued at \$635,000,000 in 2017-2018.
- Starting in 2014 they administer the Gardner scholarship program for special needs students. Account value is tied to needs and location. Parents can use funds for services, equipment, tutors, therapists, etc. 9,600 education accounts valued at \$99 million were issued for 2017-2018.
- Has been providing SGO services in Alabama since 2014
- 201 employees

What Services Will Step Up for Students Provide to Empower Illinois?

- Implementation Services – building applications and donation sites. (On 11/9 SUFS contracted with TADS to develop the online application. Eventually EI may have its own application system.)
- Donation processing - including recognizing referring organization
- Scholarship strategy development and execution – figure attrition rate (in Florida 80% of students who apply never use their scholarships)
- Scholarship processing – verifying income, determining whether student is in focus district
- School enrollment and administration – ensuring all interested schools are informed
- Scholarship Distribution – payments via EFT
- Compliance Services – Verifying residency and income.
- Program Reporting – to legislators, media, etc.
- Financial Services – accounting, disbursements, cash, treasury management

Deliverables

- 12/4/17 – TADS to finalize online application.
- 12/8/17 – Donation site created (US Bank site where donors can enter bank info and designate gift/region. Ideally schools feature on their websites and can be linked to official donation site.)
- Systems to be tested 12/4-12/15/17
- Applications and donation site go live 1/1/18
- 1/31/18 – School enrollment/administration site finalized. Each school will be able to log in to see which students have applied. (Request was made to have “district” level access as well. Should be able to create.)

Application Fields/Logistics

- Parent/guardian name, address, DOB, work info, income info collected. (Empower Illinois likes to gather employer info so if they see a large concentration, they can contact company and say X of your employees’ children benefit from scholarships, would you like to donate to SGO? It is not mandatory to collect parent employment information.)
- 2016 income tax return will be used for income verification. (W2s, 1099s, last paycheck are sources if no tax return available. Not everyone has to file.)
- SGO applicant can select any school, even if they have not applied or been accepted.
- Students will be notified if they are conditionally eligible for a scholarship based on funding. If no funding available at that time, they are placed on a wait list until money is available.
- Students receive an award letter once they are accepted and enrolled.
- Students can apply to multiple SGOs. Empower Illinois plans to heavily publicize existence of all SGOs in the state and encourage students to apply to as many as possible. Their goal is that every student has access to every dollar everywhere. Draft rules gave parents until 7/31 to notify the SGO whether they were going to accept or reject the scholarship. That rule has been eliminated.

- One application per child (not per family). Application will ask whether applicant wants to add another student. Siblings are not a priority group in year one, so if their applications are completed at different times, the later applicant may lose out under first come first served rules.
- Will work with undocumented families.
- Schools are encouraged to physically sit down and work with parents to complete the application.
- EI will ask schools to sign non-contractual Memoranda of Understanding with a list of school assurances.
- Additional scholarship funds are available to students needing special education services. Will need formal documentation including IEP and Service Plan. EI will define gift and English Language Learners and ask parents to complete a check box to certify understanding and indicate if categories apply to their students.
- Application is not considered until ALL components are received. Simply starting the process and not providing documentation will not get your application considered before someone else's later started but earlier completed application package.

Allocations

- Statute requires that credits are allocated geographically
- Rules require that donations are allocated geographically.
- \$37 million of \$75 million credits are allocated to Chicago (Pre 6/1 deadline per DOR)
- SGO will use designated funds first before going to undesignated funds. UDF are issued first come first served. Tiered designation – individual school, then school network, then undesignated funds.

Other Comments/Discussions

- Catholics are considered “anchor tenants” of SGO who will bring in the most business, so will have greatest representation on board.
- To ensure that program is better received, it is important to reach new students, not just give scholarships to existing students.
- See list of focus districts on ISBE website.
- Consider how many new students a school can realistically absorb.
- Law allows SGOs to carry over 25% of funds on a year over year basis. There will be judgement calls on how to handle this with school specific funds. Could cap each school at 25% carry over, or start with schools with lowest remaining funds and allow, working their way up until reach the 25% cap. Would have to work with those over 25% to use/reallocate. This will be an EI board decision.
- PARCC testing will have to take place onsite. If a school only has a few students taking the PARCC, recommend contracting out as learning how to administer the test is somewhat burdensome. (Discussion why other standardized tests such as NWEA MAP are not being allowed. Some concern about how scholarship student v. public students may fare on PARCC given that in many cases private school goals DO NOT revolve around teaching to the test, which may be happening in public schools.)

Places to Approach for Potential Students

- Sunday schools
- Charter school wait lists
- Preschool
- Overcrowded neighborhood public schools