



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2095: scholarships; requirements; foster care students

Sponsor: Representative Parker B., LD 10

Committee on Education

Overview

Allows foster care students to receive a school tuition organization (STO) educational scholarship or tuition grant (scholarship) funded through the individual credit for contributions to certified STOs (switcher credit) or the corporate credit for contributions to STOs for low-income scholarships (low-income credit).

History

An STO is a nonprofit organization that receives income tax contributions to fund scholarships for students to attend qualified private schools in Arizona. STOs must be certified by the Arizona Department of Revenue ([A.R.S. Title 43, Chapters 15 and 16](#)). An STO may receive contributions from taxpayers through four tax credits: 1) the individual credit for contributions to STOs; 2) the switcher credit; 3) the low-income credit; and 4) the corporate credit for contributions to STOs for displaced or disabled students (A.R.S. §§ [43-1089](#), [43-1089.03](#), [43-1183](#), [43-1184](#)).

An STO that awards low-income scholarships must use at least 90% of contributions to provide scholarships to children whose family income does not exceed 185% of the income limit required to qualify for reduced-price lunches. Furthermore, to be eligible for a low-income scholarship, a student must: 1) have attended a governmental school full-time or a preschool program that offers services to disabled students for at least 90 days of the prior fiscal year or one full semester; 2) enroll in a qualified school in kindergarten or a preschool program that offers services to disabled students; 3) be a dependent of a U.S. Armed Forces member stationed in Arizona; 4) be homeschooled; 5) have moved to Arizona from out of state; 6) have participated in an Arizona Empowerment Scholarship Account (ESA) and did not renew the ESA; or 7) have received other specified STO scholarships ([A.R.S. § 43-1504](#)).

An STO that receives switcher credit contributions must use at least 90% of contributions for scholarships to students who: 1) attended a governmental school full-time or a preschool program that offers services to disabled students for at least 90 days of the prior fiscal year; 2) enroll in a qualified school in kindergarten or a preschool program that offers services to disabled students; 3) are a dependent of a U.S. Armed Forces member stationed in Arizona; 4) are homeschooled; 5) moved to Arizona from out of state; 6) participated in an ESA and did not renew the ESA; or 7) received other specified STO scholarships ([A.R.S. § 43-1603](#)).

Provisions

1. Adds students placed in foster care who have not graduated high school or obtained a general equivalency diploma to those who are eligible to receive a scholarship from an STO that receives switcher credit or low-income credit contributions. (Sec. 1, 2)
2. Makes conforming changes. (Sec. 1, 2)

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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