

Transforming Lives in Illinois:

THE INVEST IN KIDS ACT





In the words of George Washington Carver, “Education is the key that unlocks the golden door to freedom.¹” Too often, that golden door remains closed to many in our communities. It is only fair that parents and students have access to the education that works for them. Policies, like the Invest in Kids Act, can open that golden door. The Invest in Kids Act is under threat of sunseting on January 1, 2025 if the program is not extended in 2023. Legislation like the Invest in Kids Tax Credit Scholarship Program and Tax Credits for Educational Expenses needs your support by contacting your representatives and telling them to protect these vital programs.

What is the Invest in Kids Act?

In 2017, Illinois enacted the Invest in Kids Scholarship Tax Credit program. This program “provide[s] private school scholarships to low- and middle-income students.²” This program offers a 75% income tax credit to individuals and businesses that contribute to qualified Scholarship Granting Organizations. The SGOs then provide scholarships for students whose families meet the income requirements to attend qualified, non-public schools and technical academies in Illinois³.”

“The Department [Illinois Department of Revenue] can issue up to \$75 million in tax credits per calendar year. Credits shall be awarded on a first-come, first-served basis in a manner that is geographically proportionate to enrollment in qualified, non-public schools in Illinois.

The Invest in Kids program currently has:

- 7,642 students participating (2020-21)
- 42% of families with children income-eligible statewide
- 7 scholarship granting organizations awarding scholarships (2020-21)
- 651 recognized nonpublic schools⁴
- An average scholarship of \$7,132
- 44% average value as a percentage of state’s public school per-student spending

There are even starker numbers:

- The “\$75 million in tax credits are available annually, which is equivalent to just 0.20% of Illinois’ total K–12 revenue.”
- “About two in five Illinois students are eligible for a scholarship though less than 1 percent of students statewide actually use a scholarship⁵.”

How many more lives could be transformed if more than 1% of students in Illinois used a scholarship?

It is imperative that we all spread the word about the Invest in Kids Act to protect it and to make sure that more families know about this vital program.

Invest in Kids Eligibility

Family Size	300% of Poverty Rate	400% of Poverty Rate
1	\$43,740	\$58,320
2	\$59,160	\$78,880
3	\$74,580	\$99,440
4	\$90,000	\$120,000
5	\$105,420	\$140,560
6	\$120,840	\$161,120
<i>Each Additional Family Member</i>	<i>\$15,420</i>	<i>\$20,560</i>

Tax credits for educational expenses

In addition to the Invest in Kids Act, there is another key program called Tax Credits for Educational Expenses. “Illinois allows individuals to claim a credit for educational expenses for dependent students attending a public, private or home school. Parents receive a tax credit worth 25 percent of their K–12 expenditures after the first \$250 spent, up to a maximum credit of \$750 per family.”

According to the most recent data available:

- 215,787 participating taxpayers (2020)
- 98% of taxpaying families with K-12 children eligible statewide
- \$24 average tax credit value (2018)
- 2% value as a percentage of public school per-student spending⁶

Before we dive into how these programs are helping the next generation of the Prairie State, we need to understand the true purpose of learning.

The true purpose of learning

Many people believe that the purpose of education is to get a good job, get into college, or to create jobs for the local community. It is our view that the purpose of education is, “to help students discover, develop, and deploy their innate gifts.” **Through this three-dimensional approach to education, students, self-actualize by:**

- **Learning to be**—who they are and what they do and don’t do well.
- **Learning to know**—finding out how the world works and the principles that undergird it.
- **Learning to do**—experimenting to discover what they will be rewarded for and find fulfilling.⁷

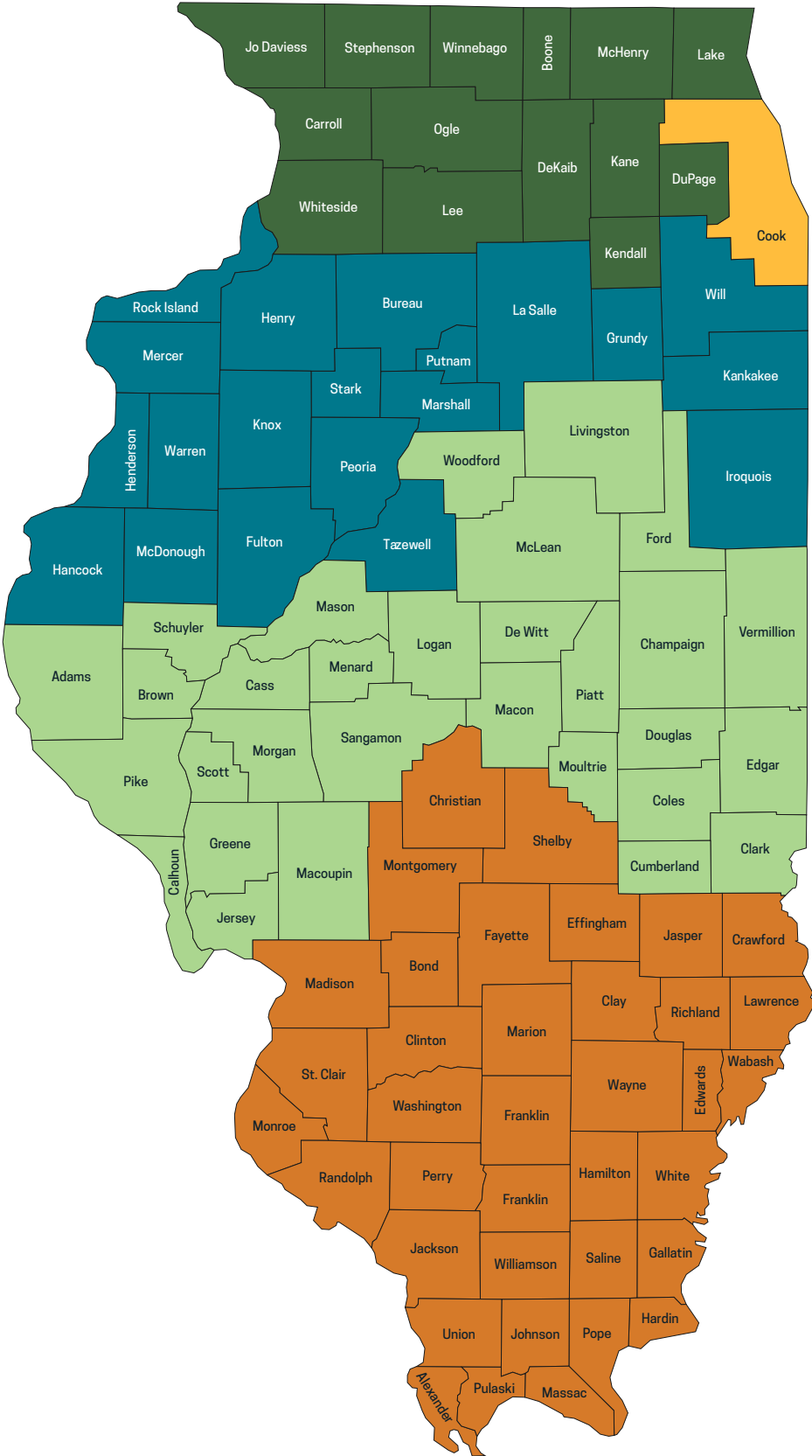
For too long, a false choice has been offered in the education system in our country and in our state: public or private schools. The fact is there are good public schools and bad public schools, good private schools and bad private schools. This false choice has obscured the real issue, which is the one-size-fits-all approach to education.

We envision foundational education as:

- Student-centered: American schools were designed for a world that no longer exists—a standardized model of education that prepares students for a factory economy. Young people need different skills and mindsets to succeed in today’s economy, and we need student-centered, innovative approaches to cultivate them.
- With learning opportunities for families: Each child is different, and that’s a great thing. They deserve a menu of options—programs, services, courses, and schools—designed to address their unique interests and aptitudes.
- Education funding with a modern approach: Most education funding systems are outdated systems that few people understand, and even fewer find effective. It is time to move away from funding school buildings and toward a system that funds students based on their needs and provides school leaders with the autonomy needed to be true school leaders.
- Preparatory for life after high school: Regardless of their chosen path—college, career, or a mix of both—our current K-12 systems are not effectively connecting students to the world they will face after high school. The key is exposure and preparation: showing kids the paths that are available to them, preparing them to succeed, and providing them opportunities to build competencies while still in high school⁸.

Invest in Kids regions

The five regions and their estimated proportionate share of tax credits are as follows:



Invest in Kids Regions

- Region 1
- Region 2
- Region 3
- Region 4
- Region 5

Region	2021	2022
Region 1, Cook County	52.33%	51.356%
Region 2, Northern Counties	22.4%	22.566%
Region 3, North Central Counties	9.68%	9.923%
Region 4, Central Counties	7.5%	7.582%
Region 5, Southern Counties	8.09%	8.573%

Approved SGOs	Region(s) Approved
ACSI Children Education Fund Children's Tuition Fund Of Illinois	1, 2, 3, 4, & 5
ADA S Mc Kinley Community Service Inc	1, 2, 3, 4, 5, & Technical Academy
Big Shoulders Fund	1, 2, & Technical Academy
Bright Promise Fund	1
Children at the Crossroads Foundation	1
Empower Illinois	1, 2, 3, 4, 5, & Technical Academy
Hightsight	1
Institute for Community at Highpoint	3 & Technical Academy

Eligibility and applying for the Invest in Kids Act

To determine whether your child is eligible for the Invest in Kids program:

Eligible students are members of a household whose Federal Adjusted Gross Income the year before he or she initially receives a scholarship under this program, as determined by IDOR, does not exceed 300% of the federal poverty level and, once the child receives a scholarship, does not exceed 400% of the federal poverty level. The student must be eligible to attend a public elementary school or high school in Illinois the semester immediately preceding the semester for which he or she first receives a scholarship or is starting school in Illinois for the first time when he or she first receives a scholarship. Students must reside in Illinois while receiving a scholarship⁹.

Maybe there are some people reading this thinking that they aren’t eligible, so let’s apply percentages based on the federal poverty level. According to the Illinois Department of Revenue, for the 2022-2023 school year, the federal poverty guidelines are: for a family of four, 300% of the federal poverty level is an income of \$79,500 and 400% of the federal poverty level is an income of \$106,000.



If you are eligible and want to apply for the program, go to a qualified SGO website, available below. As mentioned before, “this Act allows income tax credits for taxpayers who make authorized contributions to a Scholarship Granting Organization (SGO). The SGOs, in turn, provide scholarships for eligible Illinois students to attend qualified, non-public schools in Illinois.”¹⁰

A qualified school is:

“Qualified school” means a non-public school located in Illinois and recognized by the Board pursuant to Section 2-3.25o of the School Code or that is registered and becomes recognized by the Illinois State Board of Education pursuant to Section 2-3.25o of the School Code prior to receiving scholarship funds pursuant to the Act.” Additionally, the school you select must be a qualified school. It must either be recognized by the Board or registered with the Board and awaiting approval of recognition by the Board. The Board will maintain a list of registered schools awaiting recognition. See “Applications for Initial Nonpublic School Recognition Received” on the Board’s website. Students can choose schools on the list of applications but schools on the list cannot receive scholarship money until they are recognized by the Board and listed in the recognized school category.¹¹”

For those who are interested in this program, “reservations for a 2023-2024 tax credit scholarship will open on January 18, 2023, at 6:30pm¹².” If you are interested in donating to the Invest in Kids Act through a Scholarship Granting Organization (SGO), please contact one of the SGOs, listed on the previous page.

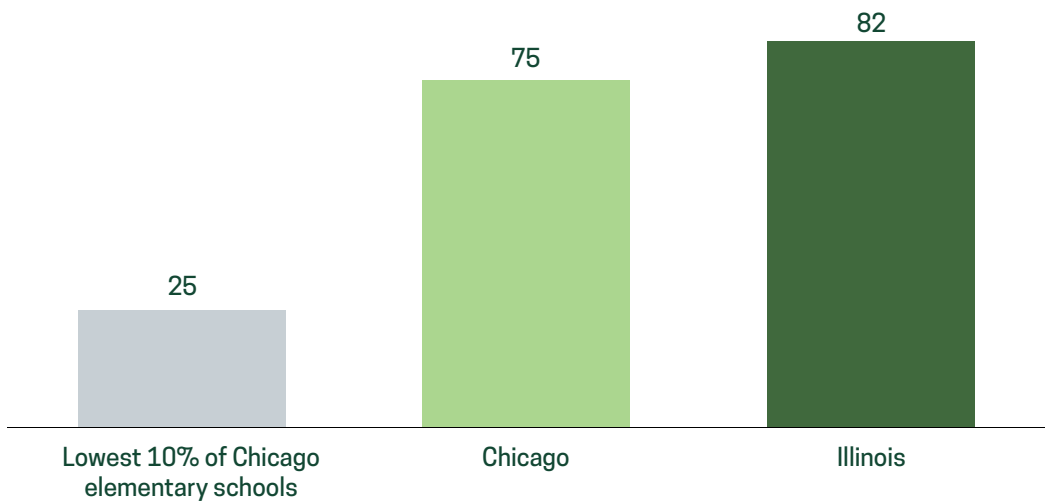


Making a difference:

The Invest in Kids Act

The Invest in Kids Act is critical for the over 7,600 students that it is helping receive better educational opportunities and outcomes. For example, too many of Chicago’s public schools have failed students and their families. Here are a few examples from the Illinois Policy institute¹³:

Only 25% of students in Chicago’s lowest-performing elementary schools met state standards

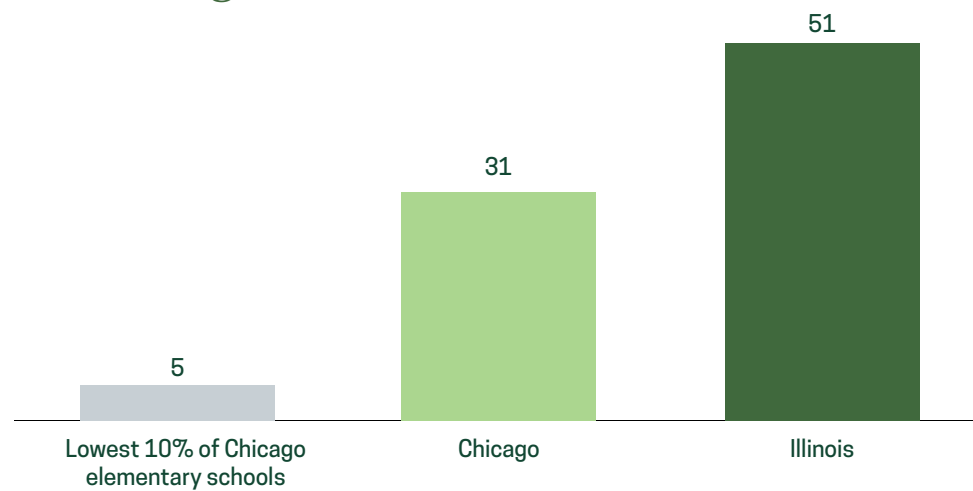


Source: Chicago Public Schools Office of Strategy, Research and Accountability; Illinois Interactive Report Card

Additionally:

- A majority of students attending the lowest 10% of elementary schools and high schools in Chicago don’t have basic competence in reading, science and math.
- Seventy-five percent of students at the lowest-performing elementary schools failed to meet standards on state exams.
- More than 20% of these students scored in the lowest category in reading, meaning they have a difficult time determining the main idea of a persuasive essay or the plot of a short story.
- Students at Chicago’s lowest-performing high schools drop out at nearly 12 times the rate of average Illinois students — 36% compared to 3%, respectively.

Only 5% of students in Chicago’s lowest-performing high schools met state standards



Source: Chicago Public Schools Office of Strategy, Research and Accountability; Illinois Interactive Report Card

It is no surprise that parents and students are thrilled with the opportunities that the Invest in Kids Act can provide them. **One example is the Sniff family:**

This family of eight has five adopted children and two children with special needs. When their public school teachers suggested medicating their children in response to behavioral difficulties, they turned to a private school to give their kids the one-on-one attention they need. The tax credit scholarship afforded this pastor and stay-at-home mom the ability to provide for their children and support their education. Their children have not had one behavioral complaint while attending their private school, and both of their students with specific learning challenges have been able to thrive¹⁴.

And the Smith family:

As a substitute teacher in the public school system, Tracy believed private Catholic school would provide the best learning environment for her two boys. Since she switched them from public to private school, the boys have absolutely loved it and have been able to learn a myriad of different skills including tap dancing, instruments, and Boy Scouts while maintaining a 3.8 or above. When Tracy’s mom became sick, and funding their education became more financially strenuous, the tax credit scholarship allowed the boys to remain in their school. In the hard times, the tax credit scholarship was there to make it all possible.¹⁵

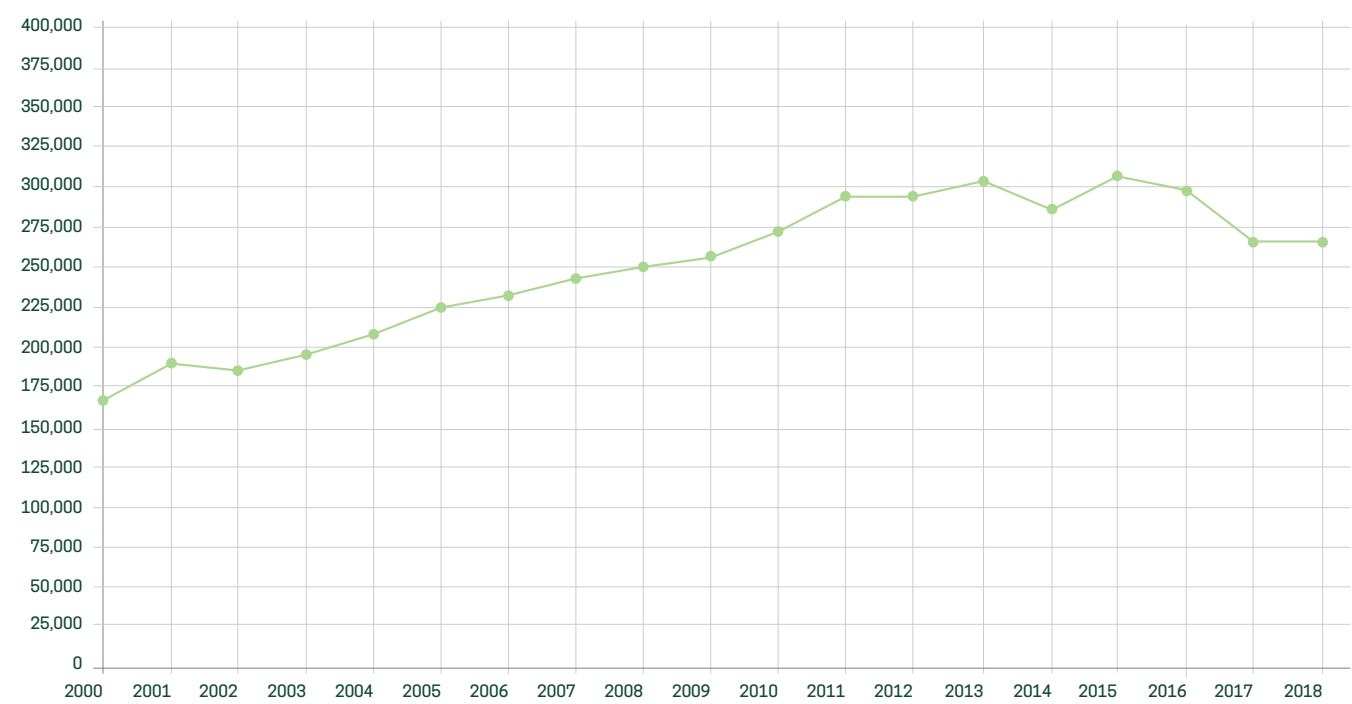
These tremendous stories show how low-income families are getting the best educational outcomes for the children, but there is still opposition to this program. The Illinois governor wanted to reduce the current 75% tax credit to 40%, which he said would generate \$14 million in general revenue funds. But doing so would have made the program less attractive to donors and lead to fewer students being able to access it.¹⁶ In fact, the state’s public school teachers’ unions oppose the Invest in Kids Act.

Cynthia Riseman Lund, representing the state’s public schools’ teachers’ unions, opposed any expansion, saying the tax credits divert money from public schools. “[The teachers’ unions] support elimination of the Invest in Kids program. It’s set to sunset in 2025 and we will call for elimination of the program even sooner.”¹⁷

Additional information on tax credits for educational expenses

“To get the maximum \$750 credit, parents must spend \$3,250 on educational expenses; they also must have a state tax liability of at least \$750 because the credit is nonrefundable and thus cannot reduce an individual’s tax burden to less than zero. Educational expenses must be used for students who are residents of Illinois, who are younger than 21 and attend kindergarten through 12th grade in a public, private or home school in Illinois. Qualified expenses include tuition, books and lab or activity fees. Beginning in 2018, the state imposed an income limit for the tax credit. Married families with a federal Adjusted Gross Income (AGI) exceeding \$500,000, as well as non-married families with an AGI of \$250,000, are no longer eligible for the credit.”¹⁸

Illinois’ tax credits for educational expenses particiapation¹⁹



This is a good program that clearly deserves expansion. While being open to 98% of taxpaying families, “participants have very little funding power because the tax credits are capped at just \$750 and cover only 25 percent of education expenses. Illinois could improve this program dramatically by raising the tax credit to at least the state’s average per-pupil expenditures in public schools, increasing the tax credit value to 100 percent of educational expenditures and providing a refundable credit (similar to Alabama’s) so that lower-income families can participate.”²⁰

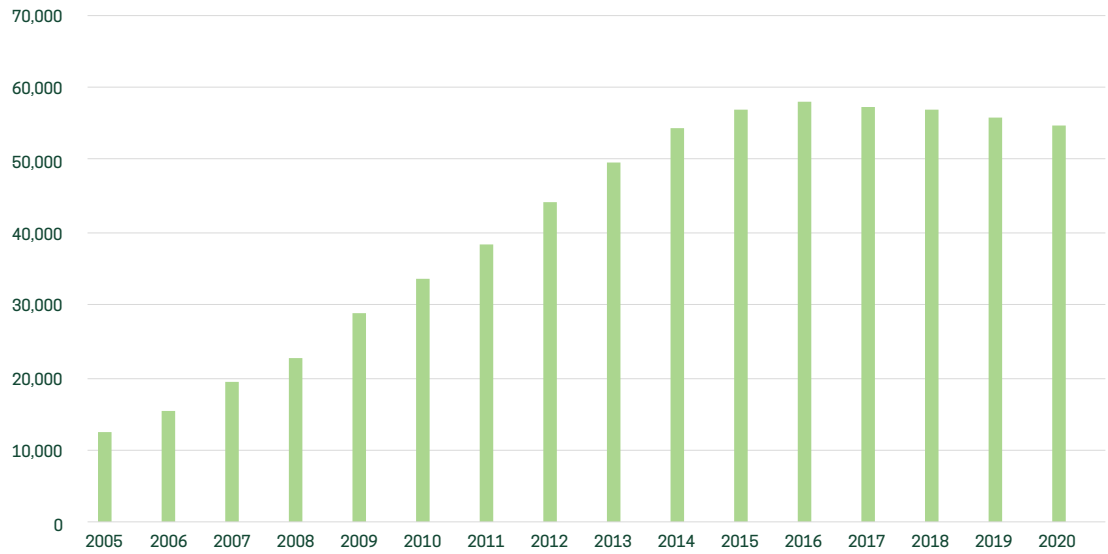
Educational freedom in Illinois

In addition to public and private schools in Illinois, there are other educational options available to parents and families. There are 137 charter schools in Illinois (122 in Chicago alone). “Charter schools are free, independent neighborhood public schools open to all children, including students who are English language learners and students with special needs. Charter schools do not have special entrance requirements and have the freedom to be innovative, while being held accountable for advancing student achievement.”²¹

Charter public schools:

- 62,759 students served throughout Illinois
- 8.7% of students are enrolled outside of Chicago
- 96.4% are students of color
- 85% receive free or reduced lunch
- 14% are enrolled in special education
- 54,375 charter public school students enrolled in Chicago Public Schools
- 1 out of every 4 high school students attend a Chicago Public attends a charter high school
- 1 out of every 10 Chicago Public School students attends a charter elementary school

Total statewide charter school enrollment²²



Homeschooling

“As per the National Center for Education Statistics, 3.3% of American children were being homeschooled in 2016. In the spring of 2020, only 2.1% of Illinois households were homeschooling.

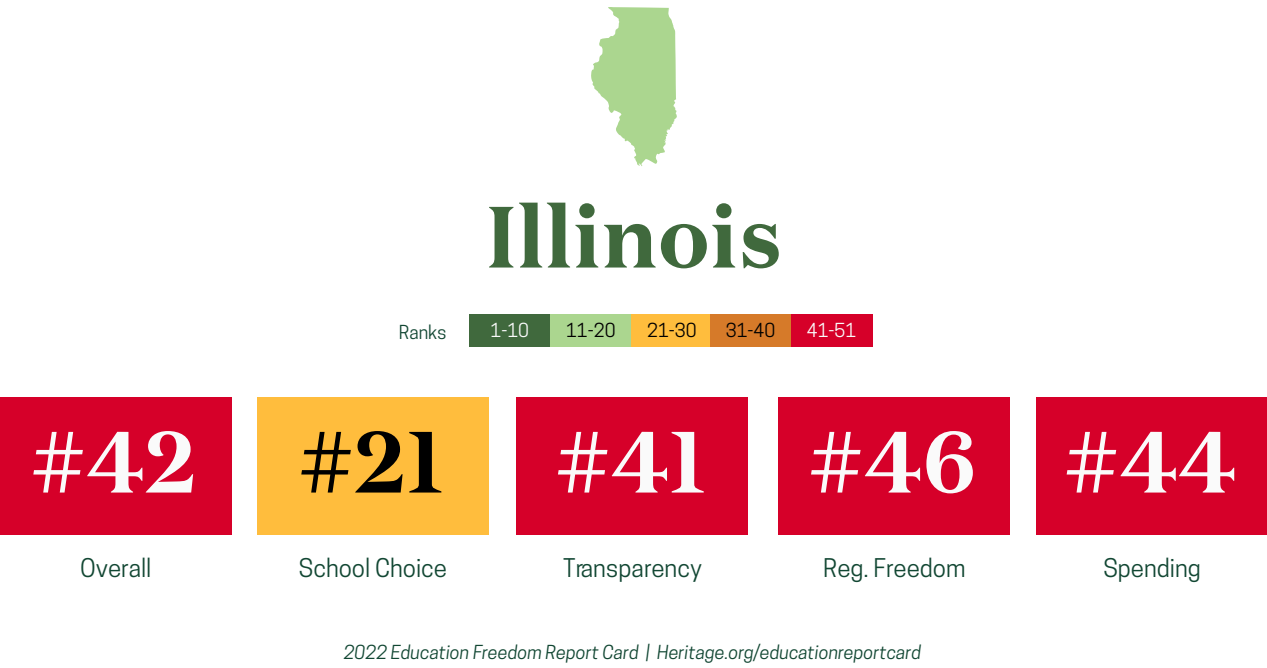
While this percentage more than doubled over the course of the pandemic, it’s clear that homeschooling remains a small slice of the educational pie in Illinois. However, the number of homeschoolers continues to grow as families recognize the tremendous flexibility and effectiveness of learning at home. The rules for homeschooling in Illinois are fairly loose, and most families would consider Illinois to be quite homeschool-friendly.”²³

Learn Everywhere model

According to the organization, yes. every kid.²⁴, Under the Learn Everywhere model, rather than authorizing only schools, the state can authorize educational programs to complement a student’s traditional education. States already credential teachers and schools, why not also simply approve a course or a program as well? Applicants interested in offering education opportunities for students would complete an application with information about the program, including the course credit that will be offered, an outline of the program, how student progress will be monitored, and how assessment and grading will be completed.

There are many benefits for learners under the Learn Everywhere model, including:

- Giving students the ability to earn credit towards high school graduation through means other than the traditional classroom.
- Allowing a variety of community organizations, from non-profits to businesses, to provide educational opportunities.
- Allowing students to earn credit towards graduation through apprenticeship programs.



Why change is necessary in Illinois

According to the Heritage Foundation²⁵:

- Illinois does well in allowing parents to choose among private, charter, district schools and is homeschool friendly. The repeal of Invest in Kids would certainly harm the only “bright spot” in the rankings.
- Illinois ranks #42 in overall education freedom. The state ranks in the bottom 10 in Transparency, Regulation, and Spending. Illinois is one of only two states with bottom-10 ranks in three categories, the other being New York. Washington, DC, also has bottom-10 ranks in three categories.
- Illinois ranks 44th overall in return on investment (ROI) for education spending. Illinois spends the 11th most per pupil among states, spending \$18,186 in cost-of-living-adjusted terms annually. Illinois is tied for 24th place in its combined fourth grade and eighth grade math and reading average National Assessment of Educational Progress (NAEP) score. The Land of Lincoln employs 1.07 teachers for every non-teacher in its public schools. Illinois’s unfunded teacher pension liability represents 17.8 percent of its state GDP.
- Illinois ranks #21 for school choice. Illinois does well in allowing parents to choose among private, charter, and district schools, but could do more to expand education choice.

Which states are adopting educational freedom?

Two great examples of educational freedom in action are West Virginia and Arizona.

West Virginia is home to one of the most expansive education savings account programs in the country. It allows families to use program funds to send their children to private schools or customize an education plan to fit their needs.²⁶ Their education savings account program is called the Hope Scholarship. The Hope Scholarship allows eligible parents to receive the average per-pupil state funding already set aside for their children’s education onto an electronic, parent-controlled fund for educational expenses. Those expenses can include private school tuition, tutoring, credentialing, therapies, transportation and more.²⁷

The Hope Scholarship is²⁸:

- The most expansive ESA in the United States
- Accessible: 93% of students are eligible statewide
- Equal to 100% of the prior year’s statewide average net state aid allotted per pupil (about \$4,600 in 2020–21), which is about 38% the value of public school per-student spending.

Arizona provides K–12 students and their families ample school choice options, including five private educational choice programs, charter schools, magnet schools, home schooling and public-school choice via open enrollment. Arizona has five private school choice programs: one education savings account program and four tax-credit scholarship programs. The ESA program allows parents to customize their child’s education, which can include private school tuition as well as tutoring, online learning, educational therapy and more. Tax-credit scholarships help families afford to send their children to participating private schools.²⁹

Arizona’s Empowerment Scholarship Accounts program allows parents to opt their children out of public district or charter schools and receive a portion of their public funding deposited into an account for defined, but multiple, uses, including private school tuition, online education, education therapies, private tutoring or future educational expenses. As of September 24, 2022, student eligibility is expanded to universal eligibility. Arizona has set the standard nationally for student access to private choice.³⁰

With the good news of growing Educational Freedom in West Virginia and Arizona, the question is how do we bring that to Illinois?

Next steps in Illinois

The Invest in Kids Act is under threat to sunset on January 1, 2025, if it is not extended in 2023. This would do great harm to the 7,642 students and their families which use the scholarships available under this Act. During the upcoming Veto Session in the Illinois General Assembly, we need to take action to tell the governor, State senators, and representatives that we want the Invest in Kids Act to be made permanent through the Protect and Expand the Invest in Kids Act (SB. 3618). This bill to preserve Illinois’ tax credit scholarship program does the following:

1. Gets rid of the 2023 sunset provision and makes the program permanent.
2. Provides “super priority” status for kids who are currently in the program, so they have greater assurance of being able to continue in their current schools.
3. Provides 100% credit for donations against state income taxes, increased from current 75% credit.
4. Allows businesses to designate particular schools as the recipients of their donations, as individuals can do under current law.
5. Expands the program to include pre-K students, in addition to kids in K-12, who are currently eligible.
6. Gives schools flexibility to offer more partial scholarships, rather than limiting them to current scholarship levels set by statute³¹.

First, [contact](#) Governor Pritzker to tell him that you join with the 77% of Illinois citizens that want the Protect and Expand the Invest in Kids Act (SB. 3618) and be made permanent. Then contact your state [senator](#) and [representative](#) to say the same thing. Craft your own story about why you want the Invest in Kids Act to be made permanent. Share about how your family has been affected, whether you or someone you know is a grantee, and your feelings about education in Illinois.

You are not alone in this fight for better education in our state. Join with our organizations, Americans for Prosperity Illinois, to fight for your values and your children. [Check out our plan for a better, more prosperous Prairie State.](#)

