

# Student Opportunity Scholarship Accounts: Michigan Families



Student Opportunity Scholarship (SOS) accounts would aid thousands of Michigan K-12 students with access to new learning opportunities. The plan would give participating families control of flexible education spending accounts, restoring the balance of power. **Let's trust parents, not bureaucrats, to make the best decisions for their kids.**

Taxpayers are ready to invest in students. Individual and business donors could redirect up to \$500 million a year statewide from their state tax bills to qualified nonprofit organizations that give out Student Opportunity Scholarship accounts. The amount set aside represents less than 3% of total public school budgets, adding funds to support education in an innovative way.

## Is My Child Eligible for an SOS account?

There are three ways your child can qualify to apply for scholarship account funding.

### (1) Does my child have a disability that qualifies for special education services?

*If YES, your child (and any sibling) is eligible for the full scholarship amount.*

### (2) If NO, is your child currently in the state's foster care system?

*If YES, your child (and any other child in the same household) is eligible for the full scholarship amount.*

*(3) If NO, check your family's annual income with the charts on the right, based on the current size of your household (adults & children).*

### Is your household income at or below the appropriate figure in Chart A (e.g., \$51,338 for a household of 4)?

*If YES, your child is eligible for the full scholarship amount.*

*If NO but your household income is at or below the appropriate figure in Chart B, your child is eligible for a smaller scholarship.*

*If NO and your household income is also above the appropriate figure in Chart B, your child is **NOT** eligible for a scholarship.*

**CHART A (100%FRL)**

Household Size	Annual Income
2	\$33,874
3	\$42,606
4	\$51,338
5	\$60,070
6	\$68,802
7	\$77,534
8	\$86,266
9	\$94,998

**CHART B (200%FRL)**

Household Size	Annual Income
2	\$67,748
3	\$85,212
4	\$102,676
5	\$120,140
6	\$137,604
7	\$155,068
8	\$172,532
9	\$189,996

## How much annual funding can my eligible child's SOS account receive?

### (1) Is my child enrolled in a public district or charter school?

*If YES, does your child have a disability that qualifies for special education services?*

*If YES, the maximum amount is \$1,100 to supplement their public school program.*

*If NO, the maximum amount is \$500 to supplement their public school program.*

### (2) If NO, is your child eligible for the full scholarship amount (see page 1)?

*If YES, the full amount is 90% of the state's per-pupil foundation allowance: \$8,700 in the 2021-22 school year. Therefore, the scholarship cap is \$7,830.*

*If NO, the maximum amount decreases for income above the amounts in Chart A:*

*At 25% above the Chart A income, the scholarship cap is \$7,096*

*At 50% above the Chart A income, the scholarship cap is \$6,362*

*At 75% above the Chart A income, the scholarship cap is \$5,628*

*At the Chart B income level, the scholarship cap is \$4,894*

## How Can a Family use SOS Account Funds?

- SOS account funds may be used for any of the following eligible expenses:
- Tuition or fees to attend a public or private school
- Tuition or fees for online learning programs
- Tutoring services provided by an individual or facility
- Individual course fees
- School-sponsored extracurricular activities and programs
- Textbooks, curriculum, or other instructional materials
- Computer hardware, technology or software used for educational purposes
- School uniforms
- Fees to take or prepare for norm-referenced tests, AP and college entrance exams
- Tuition or fees for summer-school and specialized after-school programs
- Tuition, fees, and materials for a career and technical education program
- Occupational, behavioral, physical, speech-language, audiology and other therapies
- Tuition and fees for dual-enrollment courses
- Transportation-related fees to get to and from school or CTE programs
- Fees for school-based athletic activities

## What Other Conditions or Limitations Are There on SOS Accounts?

- Schools cannot discriminate by charging higher tuition or fees to be paid with SOS dollars
- Account funds cannot be refunded or rebated to families: Any refunds or rebates for SOS expenses must be credited directly to the student's account
- Families may pay for educational materials and services not covered by account funds, but they cannot make personal deposits into a scholarship account
- Money received in an SOS account is not counted as state taxable income

## What Does a Family Have to Do to Apply for and Receive SOS Account Funds?

1. Find and apply to an approved scholarship organization (the complete listing will be available on the Michigan Treasury Department website).
2. Sign a written agreement with the scholarship organization to open only one account for an eligible student and to use funds according to the rules of the program.
3. The scholarship organization renews account funding for the student each year as long as they remain eligible and in need of financial support for education.

## When Can a Family Spend SOS Account Funds? How Long are They Available?

A family does not have to spend all the account funds in the year they were received. Money rolls over and is available for continued use on eligible expenses until the account is closed for one of the following reasons:

- The parent decides to withdraw from the program
- The family no longer meets the income eligibility requirements
- The scholarship organization determines there has been substantial misuse of funds
- The student earns a high school diploma or otherwise completes his / her K-12 education
- The student reaches 19 years of age (26 years of age for a child with disabilities)