

LET'S TALK ABOUT THE MONEY ...



You have questions. We have answers.

Q: WHAT IS LET MI KIDS LEARN?

A: This is a citizen campaign. There are two ways to change law in Michigan (or change policy). One of those ways is through citizen petition initiatives: you collect a certain number of signatures, then they are presented to the Michigan Secretary of State and upon approval she presents to the Michigan Legislature and they are able to vote a citizen petition into law.

This campaign, if successful, will:

- Set up scholarship opportunities for children to aid with educational expenses including but not limited to tuition (for co-ops, online courses, and academic enrichment)
- Set up tax credit opportunities for individuals and businesses that wish to contribute to these educational scholarship funds.

Q: WHERE DOES THE MONEY COME FROM?

A: Scholarship money does not come from the government or public dollars. The money in the scholarship funds will come from private donors.

Individuals and corporations who have a MI income tax liability can choose to direct that liability to a third party non-profit granting organization.

They receive a 100% tax credit for their donation. So instead of paying Treasury, they pay the granting organization. But they still pay!

Then granting organizations work with families that apply for the accounts/scholarships to distribute the funds in the form of an Education Savings Account (think HSA/FSA functionality).

Q: IS THIS AN EDUCATION SAVINGS ACCOUNT?

A: Yes. It is an ESA that's funded by donations rather than state dollars.

Q: WILL THIS MEAN EXTRA TAXES?

A: No.

Q: WHAT ARE THE FINANCIAL REQUIREMENTS TO APPLY?

A: If your family has a child with a disability, or a child in the foster-care system, or falls within the financial requirements (see below), then you are eligible to apply:

Household Size	Annual Income
2	\$64,454
3	\$81,252
4	\$98,050
5	\$114,848
6	\$131,646
7	\$148,444
8	\$165,242
9	\$182,040

In layman terms, take the above chart: if a family of 6 that has annual income of around \$131,000, their children would be able to pursue this scholarship.

Q: HOW MUCH MONEY CAN A STUDENT POSSIBLY RECEIVE?

The amount they qualify for varies on their needs:

- Students who need tutoring can get \$500/year
- Special need students who need help can get \$1100/year
- Families who choose to move their children out of public school can get up to 90% of the school's per-pupil allowance (currently \$8,700), if the family is lower-income or the student has disabilities. The scholarship cap for other students slides down to about 55% of the allowance at the highest eligible income levels.



Q: WHAT REVENUE SOURCES FUND THESE ACCOUNTS?

A: It will be funded through individual and corporate charitable contributions.

Q: WOULD THESE INITIATIVES TAKE ANY FUNDING CURRENTLY DIRECTED TOWARDS PUBLIC SCHOOLS AND ALLOW THEM TO BE REDIRECTED TO A PARENT'S PRIVATE SCHOOL OF CHOICE OR EXPENSES ASSOCIATED WITH HOME SCHOOLING?

A: The tax credits for scholarship donations that parents can direct to the educational needs of their child, are just a tiny portion that could have gone into the state's school aid fund.

The state's current projected Education revenue for next year is \$16.25 Billion (with a b).

The total amount of allowable tax credits equals **less than 1% of the school aid fund budget.**

Q: WHERE DO CREDITS COME FROM?

A: Credits are given to taxpayers who make the donation from their income tax liability.

Q: IS THIS VOUCHERS?

A: NO! This is not vouchers. Vouchers are with the use of public dollars. This initiative is completely different, strictly utilizing private dollars from generous individuals and businesses.

Q: ISN'T THERE ENOUGH MONEY ALREADY TO BE ALLOCATED TO THIS?

A: The school general fund budget, in our state is approximately \$19 Billion dollars. But as we have all experienced: the education bureaucracy is a challenge to maneuver. Families cannot get answers let alone resources diverted from the public education system.

Our goal with this is to get families help ASAP with access to extra resources and in turn get generous donors who want to contribute a tax credit.

Q: WHAT IS THE PROCESS OF OBTAINING MONEY?

A: Money goes from the SGO to the family and they pay the vendors. However, education providers have to be approved by the SGO.

Q: WILL MY CONTRIBUTION BE PUBLIC?

A: No. Absolutely not.

Q: ONLY THE POOREST HOUSEHOLDS BENEFIT?

A: Financial income is only one of the factors that can determine eligibility.

No matter the income level, if a family has a foster child - they automatically qualify, as do the house-hold siblings of the foster child.

Also, if a child is classified as special needs, they automatically qualify as well as the house-hold siblings of this child.

Q: CAN MY TAX CREDIT GO TOWARD MY GRANDCHILD?

A: No. You cannot direct your donation to a specific child.

Q: WHY DO WE NEED GOVERNMENT TO GET INVOLVED IN PROVIDING THE SCHOLARSHIP IF IT'S PRIVATE MONEY?

A: State legislation is needed to create a tax incentive (credit) that will encourage private donations.

Q: IS THE TAX INCENTIVE (CREDIT) BEYOND THE CURRENT CHARITABLE DEDUCTIONS? IF SO HOW DOES IT DIFFER?

A: This is not a tax deduction. This is a tax credit. These are two different things.