

FAMILY ISSUES FACT SHEET

No. 2021-13 (January 2021)

SB 1273 STOs; CONTRIBUTIONS; ALLOWABLE USES

EXECUTIVE SUMMARY

The scholarship tax credit programs, administered by school tuition organizations in Arizona, have provided many students the opportunity to attend schools that their parents choose as best meeting their child's educational needs. These programs benefit many students, including those in foster care, students with special needs, and students from low-income families. Currently, those students granted scholarships may only use the money to pay for tuition, leaving other school-related expenses often out of reach.

SB 1273 allows school tuition organization scholarships to be used for a variety of other expenses directly related to the student's education. These include registration fees, standardized testing for college credit, and school-sponsored extracurricular activities, many of which require fees to participate.

WHAT IS COVERED?

SB 1273 allows the use of educational scholarship or tuition grants to pay for the student's expenses in connection with standardized testing for college credit, including the SAT, PSAT, ACT; advanced placement, international baccalaureate diploma exams, and career and technical education industry certification assessment.

The bill allows the STO beneficiary to use the grant also to pay for school-sponsored extracurricular activities. These include enrollment fees, band uniforms, equipment or uniforms for varsity athletic activities, scientific laboratory materials, and trips that are solely for competitive events.

It excludes the cost of senior trips or events that are recreational, amusement, or tourist activities.

TALKING POINTS

- 1. Students thrive when they not only have access to the best educational environment suited for them, but also have the opportunity to excel in sports, band, or other extracurricular activities that help them develop beyond academics.**

2. **A student, who receives the financial help they need to thrive in high school, will need continued financial help getting into and attending college. Allowing scholarships to also cover the cost of standardized testing meets that need. Investing in our kids' future is a wise use of resources.**

3. **Students awarded STO scholarships deserve the same educational opportunities as any other Arizona student. That includes school-related extracurricular activities that aid in the development of the student.**

CONCLUSION

Allowing students to use STOs for school-related expenses beyond tuition is a wise investment in Arizona's future. SB 1273 limits the additional allowable expenses to school-sponsored extracurricular activities and college preparedness, excluding recreational events.