

# **Maine's Children's Scholarship Fund Program Guidelines 2003/2004 Academic Year**

## **I. Purpose: Mission of the Maine's Children's Scholarship Fund**

Our mission is to open the doors of educational opportunity for low-income families in communities nationwide by providing access to the private schools of their choice. We do this by providing tuition assistance to families whose children are residents of one of it's the MCSF program areas and who have demonstrated their financial need as measured by standards similar to the Federal school lunch program. MCSF's special concern is for those who lack meaningful educational opportunities.

The MCSF program focuses on elementary education because the earlier a child receives sound schooling, the better. Our scholarships are available for students in kindergarten through eighth grade. Students who begin to receive scholarship assistance in grades K-8 will continue to receive assistance through high school as long as funds are available.

Parental involvement in the education of children is a critical element of success. By directly contributing to the education of their children, families affirm their vital stake in that education. Accordingly, our Fund offers no more than 75 percent of tuition, up to a cap of \$1700; the remainder of the cost is arranged between the parent or guardian, and the school.

Private education is more effective the longer it is sustained. MCSF is committed to continuing to provide scholarships to recipients as long as they live in the program area, continue to demonstrate financial need, and follow the program Guidelines, and as long as funds are available.

As families gradually become financially self-sufficient, a sudden loss of scholarship assistance may still put continued private education beyond their reach. To accommodate the needs of the working poor and lower middle class, the amount of scholarship money decreases as the family's income increases. This is known as the 'sliding scale.' Thus families can be "weaned" from assistance to self-sufficiency-the optimal circumstance for every family.

## **II. Selection of Awardees**

NB: "Awardees" denotes children and their families who have been offered a scholarship, but have not yet completed the process of confirming acceptance. An awardee becomes a "recipient" when financial verification and a current School Commitment Form have been received and approved by the Maine's Children's Scholarship Fund or one of its local programs.

A. Eligibility Requirements

1. Residency

- a. Awardees must be residents of the United States at the time of application and initial claiming of the award.
- b. A child's residence is the same as that of his or her legal guardian.

2. Income

- a. The total household income of awardees must fall below the guidelines set each year by The Maine's Children's Scholarship Fund.
- b. "Income" includes:

- 1.) Adjusted gross income reported to the Federal Government
- 2.) Income reported to foreign governments (for legal alien residents)
- 3.) Child support and alimony
- 4.) Unemployment and disability benefits
- 5.) Pension payments
- 6.) Public assistance, including Temporary Assistance for Needy Families (TAN F), Aid to Families with Dependent Children (AFDC), Supplemental Social Insurance (SSI), food stamps, housing subsidies, and all other benefits or subsidies paid by federal, state, or local governments to any members of the household
- 7.) Other miscellaneous cash income.

c. Income is measured by the most recent calendar year completed, not by the last 12 months.

d. A "household" includes all persons living at the same address and/or all persons for whom the head of household claims financial responsibility.

e. The maximum income standards for the 2004/2005 academic year scholarship awards are as follows:

Number of people in household	Income Guidelines
1	\$17,224
2	\$23,107
3	\$28,990
4	\$34,873
5	\$40,756
6	\$46,639
7	\$52,522
8	\$58,405

for each add'l family member add \$5,883

3. Age/Academic grade

- a. Awardees must be entering kindergarten through 8th grades in the academic year for which they are applying.
- b. Recipients must be 5 years old by the beginning of the school year for which they have been awarded a scholarship. Exceptions may be made for children who are at

least 4 1/2 if the school confirms that they have been accepted into the regular kindergarten class and are expected to enter 1st grade the following academic year. No exceptions will be made for students in upgraded schools.

c. Any student who will reach the age of 16 before the initial award is not eligible, even if he or she has not completed the 8th grade.

1. A copy of the 1040 Tax Return is the preferable form of proof of eligibility. If more than one person has custody of a child receiving a scholarship, and they file separate income tax returns, then copies of both returns must be provided.
  - a. If the household reports all income (as defined by MCSF) to the Federal Government in the 1040 tax return, this is sufficient proof of income.
  - b. The address printed on the 1040 is sufficient proof of residence. A handwritten address is not acceptable as a proof of residence. P.O. boxes are not acceptable proof of residence either.
  - c. All members of the household who are dependents should be listed on the form. The awardee(s) must appear in this list of dependents.
  - d. Acceptable forms of tax statements include:
    - 1.) Copy of 1 040A Standard Tax Return that was filed
    - 2.) Computer-printed form obtained by request from the IRS
  - e. Unacceptable forms include:
    - 1.) The "signature page" from an electronically-filed 1040 (unless Accompanied by a complete computer print-out of all information filed)
    - 2.) W-2 or WA forms
    - 3.) Statements of refund adjustments from the IRS
    - 4.) Re-created tax forms
    - 5.) Unsigned tax forms
  
2. If a current tax form is not available, or if conditions (a), (b), or (c) from above are not met on that tax form, the family must submit all of the following:
  - a. Notarized statement that declares the following information:
    - 1.) Street address of residence
    - 2.) Names and birth dates of all members of the household (see II.A.2.d for definition of "household")
    - 3.) Total household income (see II.A.2.b for definition of "income") including undocumented income.
    - 4.) (As needed) explanation for any discrepancies between this statement and the official documents submitted to affirm this statement.
  - b. Proof for each of the above (when not already proved by a tax return):
    - 1.) Residency must be confirmed by one or more of the following Documents bearing the name and current street address of the applicant:
      - a.) Photocopy of a driver's license
      - b.) Phone or utilities bill
      - c.) Lease agreement or official rent statement
      - d.) Canceled pre-printed check dated within the past 6 weeks
      - e.) Signed statement on official letterhead from caseworker
    - 2.) The names of household members must be included on tax or public assistance statements. Discrepancies must be explained and supported by official documents such as copies of court statements concerning adoption, custody decisions, or name changes.
    - 3.) All sources of income must be confirmed by official statements from the Appropriate agencies or from an employer if no government documents are available. Common statements include:
      - a.) Public assistance statements from caseworker

- b.) Statements of Social Security, unemployment, disability, or pension income
- c.) Tax statements from foreign governments
- d.) Court orders for alimony
- e.) Letters from employers detailing weekly or annual income

### C. Choosing Awardees

1. Awardees will be selected from among all the eligible applicants by a random drawing.
2. Each household has one chance, and if chosen, all eligible children within that household are awarded scholarships.
3. Eligibility is determined by confirmation of information provided.
4. The lottery will be weighted to give no more than ninety percent of awards to children not currently attending private school.
5. Within the separate public and private school “pools” of eligible applicants there are no other weighting factors. The income bracket, age of eligible children, number of children in family, will not affect the odds in any way.
  - a. A child who has not yet begun Kindergarten is considered a “public school applicant” regardless of attendance at a publicly- or privately-funded preschool.
  - b. A family is considered a “public school family” if at least one child is considered a “public school applicant~ regardless of the number of siblings currently attending private school.

## III. Awarding of Scholarships

### A. Notification of Families

1. The guardians of all awardees will be notified immediately after selection by a Letter of Congratulations. Final approval will depend upon receipt of registration information, financial information and a School Commitment Form (SCF).
2. To help families select an appropriate private school, Maine's Children's Scholarship Fund will make available to parents information on how to select a private school as well as information about the religious affiliation, tuition, fees, and other important facts about local private schools.

### B. Requirements for Receiving Funds

1. Each awardee must be enrolled in a legally operating private school before he or she becomes a scholarship recipient.
  - a. Once the child is enrolled, the school must complete a SCF to confirm enrollment and tuition.
  - b. The school must submit a separate SCF for each child.

c. The school must select approved personnel from among the following to sign School Commitment Forms, Exit Forms, and Award Verification Forms:

- 1.) Principal, Headmaster, Director, or equivalent
- 2.) Assistant Principal~ Dean, or equivalent
- 3.) Director of Admissions

- d. Secretary signatures are not acceptable unless the secretary fulfills the duties of one or more of the positions named above.
- e. The tuition stated on the SCF must reflect all discounts and financial aid (see section III.C for more details). In the case of multiple children in a family receiving a group rate, the tuition of the 2nd child is to be reported as the difference between the 1-child and 2-child rates (and the 3rd child's tuition is the difference between the 2-child and 3-child rates, etc.), NOT the average tuition per child.
- f. If the SCF reveals that the child being awarded the initial scholarship is NOT in grades K-12, the award will be revoked.

2. If the family has moved out of the program area before confirming the award, the award

will be revoked. Exceptions will be made in accordance with section II.A. 1.

3. If the SCF and all other essential documentation is not received by September 15, the

student will not be considered a recipient, and must repeat the application process to be

considered for an award in the future.

#### C. Determining the Amount of the Award

##### 1. Confirmation of School Tuition

a. All schools that submit School Commitment Forms must also complete our School Survey. Current tuition must be shown on the School Survey and confirmed by the signature of the principal or equivalent person, or, preferably, the school should supply an official statement of their current tuition rates in pre-printed form.

b. Information about tuition must specify:

- 1.) Discount rates for multiple children in a family, if applicable.
- 2.) Rates for parishioners vs. non-parishioners (or denomination or association members) if applicable.

c. Books, uniforms, registration fees, and all other fees should be listed separately, and are NOT to be included in the cost of tuition.

2. The Maine's Children's Scholarship Fund tuition award covers only tuition. No other fees or costs should be included in determining the amount of the award.

Important: All of the above information must be provided on or accompanying the School Survey. Misrepresentation of tuition costs will be grounds for exclusion of a school from the MCSF program.

##### 3. Other Financial Assistance

a. Recipients may receive other financial assistance from a variety of sources. MCSF will then figure the scholarship award from the remaining cost to the family after all other sources of aid have been

subtracted from the tuition.

All such assistance must be shown on the School Commitment Form for each child. Omission of information will be grounds for exclusion of a school from the MCSF program.

b. If the total family tuition cost after accounting for other financial aid is less than \$500 for the year, MCSF will deem any additional scholarship money unnecessary.

#### 4. Computation of Annual Scholarship

a. The maximum scholarship for grades K-8 and for continuing MCSF students in grades 9-12 is to be determined by the local program.

b. The chart in section II.A.2.e defines the percentage of tuition that a family may be awarded.

c. The usual formula for computing each child's award is:

$(\text{Tuition} - \text{Other financial aid}) \times (\% \text{ for which family qualified}) = \text{Annual Award}$  Provided the result does not exceed determined maximum.

d. No family should have an annual payment of less than \$500, regardless of the number of children receiving assistance. In other words, if more than one child in the family receives a scholarship, it is not necessary for the family to meet the \$500 payment minimum again for each additional child.

e. Therefore, the annual award might be reduced by the amount necessary to allow families to contribute \$500 toward tuition costs. For example: If tuition cost is \$2,000 per year, and the family qualifies for \$200 in financial aid directly from the school, the annual award is determined by multiplying the remaining \$1,800 by .5 (for families qualifying for 50% tuition). The amount of the award is \$900. That leaves \$900 for the family to contribute. This meets the requirement that families contribute at least \$500. Now consider a situation where tuition cost is \$1,500 with financial assistance reducing it to only \$800. If the family receives a 50% award of \$400, that leaves only \$400 for the family to pay. Consequently, the award would be reduced to \$300 to allow the family to contribute \$500.

#### D. Scholarship Awards for Home Schooling

1. MCSF scholarships may be used toward defraying the cost of home schooling children. In this case, the award will be applied toward the cost of materials or enrollment in a program or school service.

2. For home schoolers, the SCF must be completed by the independent study program, correspondence course, or school service in which they are enrolled. If a family does not enroll with a recognized program to which they pay tuition or similar fees, they must submit a copy of a private school affidavit, letter of assurance, or other evidence that they are legally-operating as required by MCSF or the local program. This evidence will take the place of the SCF.

3. Families may be partially reimbursed for textbooks and other learning materials, enrollment costs for single academic courses, or other costs directly attributable to the cost of home education of the child who is the recipient of the scholarship. Original receipts must be submitted for approval in such cases. MCSF reserves

the right to determine which expenses are reimbursable.

4. The scholarship will be calculated the same as above, except the maximum award for home schooling will be \$500 per child. The \$500 family contribution will be waived in such situations.

E. Scholarship Payments to Schools

1. Under normal circumstances, awards will be evenly divided into three payments that will be disbursed to schools in November (40%), February (40%) and June (20%). The awards will be sent by one of two methods: a lump sum check to the local program for disbursement to the schools, or from MCSF directly to the schools.

2. Verification of awards

a. Award verification reports will be sent to schools before each payment. These reports will consist of two parts. Both parts must be returned to MCSF or the local

program by the specified date, and each school should keep copies of the completed forms for their records.

1.) The first part, for the school to review, will list students and the amounts of their awards to be paid in the upcoming payment. Schools must note:

- a.) if each child has a satisfactory attendance rate
- b.) If each family is current on their tuition payments
- c.) If there are any changes or corrections that must be made.

This report must be completed and signed by the principal (or equivalent).

2.) The second part, for the parents to review, will list the children and their award amounts. Each parent must sign and print their name next to each child of theirs receiving a scholarship. A signature affirms that the child is currently attending that school and that the scholarship amount is correct.

b. Handling of Award Verification Reports

1.) When the school receives the Award Verification Report, it must notify each parent/guardian and ask them to come to the school to sign the report. All parent/guardian signatures must be those filed as authorized signatures with MCSF or the local program on the complete application form.

2.) Award Verification Reports may not be sent home with students or mailed to parents/guardians. If for some reason, it is impossible for a parent/guardian to get to the school to sign this form, other arrangements must be made with the local program.

3.) No payments will be made to schools for the current disbursement period for students whose parent/guardian signatures are missing from the Award Verification Report.

4.) Signed Award Verification Reports must be received by MCSF or the local program by the specified deadline or no payment will be made for that disbursement period.

c. Disbursement of scholarship checks

1.) Verification sent to MCSF

a.) After the Award Verification Reports are received, the program must submit a summary report to MCSF by the specified date, detailing the amount of each award for each verified child, as well as the total by school and for all awards.

b.) Upon receiving the summary report, MCSF will either send a lump sum to the program for disbursement to the specified children and schools, or MCSF will send a check directly to each school.

c.) the local program should NOT submit the Award Verification Reports to MCSF, but must keep them in hard files for auditing purposes.

2.) Local programs disbursing checks

a.) Local programs that elect to receive lump-sum payments from MCSF may determine their own schedule of disbursement. It need not correspond with the MCSF schedule, so long as the verification requirements are met and the funds are directed to the appropriate, verified children.

b.) Local programs may choose to send a single check to each school or individual checks for each child of family to the school. Checks may not be sent directly to families.

d. Scholarship award money must be used solely for the payment of tuition for the child specified. Any other use of the money is strictly prohibited. Violation of this rule is grounds for dismissal from the program.

e. For home schoolers submitting receipts, there will be no Award Verification Reports. Checks will be made out solely to the parent/guardian, refunding the appropriate percentage of costs already incurred and demonstrated by submitting receipts or similar proof of payment.

### 3.) Adjustments to Normal Disbursements

a. Errors: If a check arrives for the wrong amount, the adjustment will be made to the next payment.

b. School Transfers and/or Changes in Tuition or Financial Aid

1.) Any time a child transfers schools or experiences a mid-year change in tuition or financial aid, a new School Commitment Form must be submitted to reflect these changes. The new SCF should reflect the tuition for the remainder of the year only, not the whole year. Section IV.C. outline conditions for transferring awards to a new school.

2.) If a student transfers before the 3rd week of September (or before at least 3 full weeks of attendance for that school year), MCSF will pay for the full years tuition at the new school by the normal procedures, but families will be responsible for any charges at the first school.

3.) If a student moves to a different school during the school year, the award may be recalculated to reflect the change in tuition. Any changes in the award will take effect as of the next tuition payment period after the new school commitment form is received.

4.) If a check needing adjustment has already been deposited, the school must reimburse MCSF for the appropriate amount. Failure to do so will exclude the school from eligibility to accept future scholarships.

5.) Schools may not substitute other students as scholarship recipients when the original student withdraws or is expelled from the school. 6.) Schools must submit an "Exit Form" whenever a scholarship-receiving student leaves. See Sec. IV C. 1.

## **IV. Renewal of Scholarship Awards**

### A. Eligibility Requirements

1. Income eligibility guidelines for continuing recipients are the same as that for new applicants. Guidelines will be adjusted annually according to the rate of inflation.

2. Continuing recipients who have moved out of the program area, but who remain

within the general area or an immediately adjacent county are eligible to renew their awards.

3. Age/Academic Grade

- a. Continuing recipients may renew their scholarships through the 12th grade as long as funds are available.
- b. Any student who will reach the age of 20 before the beginning of the school year is not eligible to renew, even if he or she has not completed the 12th grade.
- c. If the school recommends or requires that a continuing recipient repeat a grade level, this will not affect the award, provided that the student still meets the previous condition.

#### 4. Standing with School

- a. Tuition from the past year must be paid in full by the family before the award will be renewed.
- b. The student must not have been expelled by the school at any time.
- c. The student must maintain a satisfactory attendance record of at least 90% attendance. Schools must report excessive unexcused absences to MCSF or the local program. An unacceptable attendance record may be grounds for dismissal for the scholarship program.

#### B. Annual Update Requirements

1. Proof of income will be required each new calendar year, by June 1.
2. A new School Commitment Form must be submitted by the school each year by June 1,  
  
according to the guidelines of sections III.B.1 and III.C.
3. Schools must verify that families are current on tuition payments as described in these rules and that students are maintaining satisfactory attendance records.

#### C. School Transfers

1. Whenever a student transfers schools, either during the school year or during summer break, the old school must complete a Maine's Children's Scholarship Fund or local program "Exit Form."
  - a. For the student to be eligible for scholarship transfer, the school must affirm:
    - 1.) The guardian does not owe the school any money;
    - 2.) The student has left voluntarily, and has not been expelled for any reason.
  - b. The Exit Form must be completed by one of the persons authorized to complete SCF's. (See section III.B.1 .c)
2. A new School Commitment Form must be submitted by the new school. If the new school has not yet enrolled any MCSF or local program recipients, it must also submit a School Survey as described in section III.C.1 .The adjustment of the award amount is detailed in section III.E.3.b.

## V. Suspension and Termination of Scholarship Awards

#### A. Leaving Private School

1. Families who choose not to reenroll their child in a private school will be dropped from the program. They are free to reapply at a future date if applications are being accepted. Special exceptions might be made for extenuating circumstances.
2. Any student expelled from school for any reason will have his or her award terminated immediately. Siblings also receiving awards will not be affected. The expelled student will not be eligible to reapply for an award.
3. Any student suspended from school for any reason for more than one week will

have his or her award suspended for the duration of the school suspension. Schools should inform MCSF of any suspensions of more than a week, and the award amount will be adjusted accordingly.

B. Unpaid Tuition

1. During School Year

- a. Deficiencies of less than 10% of tuition during the school year will not affect the status of MCSF awards.

b. If the family is delinquent in paying tuition and owes more than 10% of the money due to date, the award will be suspended until at least 90% of the amount due to date has been paid.

2. Between School Years

a. Tuition must be paid in full for the previous year before the award will be renewed. b. Families with tuition payments still due for the previous year at the beginning of a new school year will have their awards suspended until the old tuition is paid in full.

3. After School Transfer

a. Tuition must be paid in full at the old school before the award will be applied to the new school.  
b. Families with tuition payments still due at the old school will have their awards suspended until the tuition is paid in full.

C. Late Update for Requalification

1. Grace Period

a. Deadline for continuing student updates to requalify for scholarships is June 1.  
b. Those who are late submitting their updates will be reminded by letter or telephone call three times. After three reminders, the local program will be considered to have made sufficient attempts to contact the family and is not obligated to issue any further reminders.  
c. If MCSF or the local program does not receive update information in a timely manner, the scholarship will be put on "hold" status (See section V.D.)

2. Penalties

a. If the family submits the update after the scholarship has been put on uhold,~~ MCSF will resume the award beginning with the first full month after the information was received.  
b. The family will not be reimbursed for tuition paid for the months before the update was received.  
c. If the update is received after the payment disbursement cutoff date, any adjustment will not be paid until the next disbursement.  
d. If a family which has been placed on hold for incomplete documentation does not send complete updated information by the end of December, their award(s) will be terminated.

D. Suspension, or "Hold" Status

1. 'Hold' Status means that the student will not receive any MCSF or local program assistance as long as he or she is on Hold, but may be returned to Active Status in the near future.

2. Reasons for Hold Status may include:

a. School transfer not completed or confirmed  
b. Student on school waiting list

- c. Late tuition payments
- d. Failure to sign Award Verification Reports
- e. Disciplinary suspension
  
- f. Temporary move out of the program area
- g. Contested custody or guardianship issues

- a. In most cases, the maximum duration of Hold status is 6 months, not to span two school years. After this period expires, the award will be terminated.
- b. Special cases, such as absence due to serious illness or injury or contested custody, may be extended if agreed upon by the administrative staff of MCSF or the local program.

E. Other Causes for Scholarship Award Termination

1. MCSF will not continue to provide awards for families that have moved out of the program area and an immediately-adjacent county.
2. If the family exceeds the income limit, their scholarship may be terminated, pending individual consideration by MCSF or the local program. If a family exceeds the income limit for more than two years in a row, their scholarship must be terminated.

F. All students or families whose awards have been terminated for any reason except expulsion are free to re-apply in future years if applications are being accepted. This will not affect in any way their chances of receiving a scholarship in the year for which they apply.

## **VI. Changes in Policy**

MCSF and local programs reserve the right to change policies and rules as may be found necessary.