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JOHN BRADFORD

40TH DISTRICT

TO: Chairman Ron Highland, Members, House Committee on Education

FROM: Representative John Bradford

DATE: February 2, 2016 SUBJECT: House Bill 2504

Testimony in Support of House Bill 2457.

In 2014, the House Education Committee favorably passed House Bill 2506. This bill was, known as the Corporate Tax Credit Scholarship Bill and allowed limited school choice for a selected group of children within the state. A fund was also set aside, as required by the bill, to cover expenses incurred by the corporate tax credits.

The qualifications of eligible students were limited to the following: (All qualifications had to be met.)

- Students attending a Title 1 School
- Students must reside in Kansas and be under 21 years of age
- Students considered At-Risk and Free and Reduced Lunch

In 2015, House Bill 2174 was passed favorably out of the House Education Committee. This bill was a technical cleanup bill, fixing several issues to allow ease of implementation. The bill was attached as part of the House Tax Bill and was favorably passed.

After session concluded in 2015, work began on House Bill 2457, which would expand school choice to an even broader segment of school children. The original bill had limited school choice to a very low-income segment while this bill, House Bill 2457expands the eligibility to many children in the middle-class income range.

House Bill 2457 will allow parents to make the decision of school choice based on what they believe is right for their children. The scholarships are funded by donations from

businesses and individuals, who in return receive a tax credit in equal amount to their donation. The program is based on a model that is working in 16 other states.

The qualifications in House Bill 2457 are:

- Be under 21 years of age and enrolling/enrolled in K-12 in a Kansas school
- Family income below 250% of the Federal Poverty Level (FPL).

There is minimal impact upon the public school system and it may be seen by many as beneficial for public schools. The public school system will continue to receive the same amount of property taxes, regardless of which school the children attend. As a result of some students taking advantage of this program, the student to teacher ratio will be lowered and the same income received by the public school will be spread amongst fewer students, which will increase the per pupil spending.

Currently the average overall cost per student is slightly over \$13,000. Under the Tax Scholarship Bill, the per student cost is paid by voluntary individual taxpayer and corporate donations. This is not a state expenditure but rather they are tax payer donations for tax credits.

Factoring in that roughly 30% of state costs per student are fixed costs, such as administration and building maintenance, the state saves even more.

The program has passed the Constitutionality test as well. The Kansas Constitution merely requires that "no religious sects shall control any part of the public funds." Ten courts across the country (including the U.S. Supreme Court) have unanimously concluded that tax credits are not public funds.

This bill provides the state an opportunity to help low and middle-class families without reaching into the state coffers.

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