

SESSION OF 2023

SUPPLEMENTAL NOTE ON SENATE BILL NO. 83

As Recommended by Senate Committee on
Education

Brief*

SB 83 would increase student eligibility in the low-income student scholarship program and increase tax credits for contributions to the program.

The bill would eliminate the existing requirement that a student must be eligible for the free or reduced lunch program. It would also make eligible a student who:

- Has an annual family income at or below 250 percent of federal poverty guidelines;
- Was enrolled in grades kindergarten through 12 or will be enrolled for the first time;
- Has been in foster care or kinship care at any time prior to graduation from high school or the age of 21 years old;
- Has a parent who is on active duty with any branch of military or who was killed in the line of duty; or
- Has a parent who is in law enforcement or is an emergency medical service provider or firefighter.

The bill would add a time limit for the State Board of Education to provide a written notification of a student's eligibility to no later than 30 days after receipt of a request from a scholarship granting organization.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill would increase the tax credit for the amount contributed to the scholarship granting organization from 70 percent to 100 percent, after December 31, 2022. The bill would also limit a taxpayer to a total of \$500,000 in scholarship credits in any single tax year.

At the beginning of every tax year starting in 2023, the Secretary of Revenue would be required to calculate the total dollar amount of scholarship credits that were claimed. If the total is more than 80 percent of the limit (currently \$10 million), then the Secretary would be required to increase the limit by 20 percent for the succeeding tax year, every year this condition is satisfied, until the limit reaches a maximum of \$20 million.

Background

The bill was introduced by the Senate Committee on Education at the request of a representative of Federico Duerst Consulting Group.

Senate Committee on Education

In the Senate Committee hearing on February 7, 2023, **proponent** testimony was provided by representatives of ACE Scholarships Kansas, Catholic Education Foundation, Holy Savior Catholic Academy in the Diocese of Wichita, and two private citizens. Proponents generally stated that the bill would provide opportunities to more students.

Written-only proponent testimony was provided by a representative of the Kansas Policy Institute.

Opponent testimony was provided by representatives of Game On for Kansas Schools, Kansas Association of School Boards, Kansas PTA, Kansas State Board of Education, Kickapoo Tribe in Kansas, Prairie Band Potawatomi, Michigan State University, and USA-Kansas. Opponent

testimony generally stated concerns with diverting funding from public education.

Written-only opposition testimony was provided by representatives of American Federation of Teachers-Kansas, Blue Valley Schools, Bonner Springs USD 204, Eudora USD 491, Kansas Action of Children, Kansas Catholic Conference, Kansas National Education Association, Mainstream Coalition, Olathe Public Schools USD 233, Stand Up for Blue Valley, and 68 private citizens, which generally stated concerns with diverting funding for public education.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Kansas Department of Revenue indicated the bill could have a fiscal impact of approximately \$5 million in additional credits.

Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Tax credit; low income scholarship program