

CORRECTED
SESSION OF 2023

SUPPLEMENTAL NOTE ON SENATE BILL NO. 83

As Amended by Senate Committee of the Whole

Brief*

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

Eligibility

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 400 percent of federal poverty guidelines;
- Was enrolled in grades kindergarten through 12 or will be enrolled for the first time;
- Has been adopted, 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 is a firefighter.

*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 add a time limit for the Kansas 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.

Tax Credit

The bill would also increase the tax credit for the amount contributed to the scholarship granting organization from 70 percent to 75 percent, after December 31, 2022. The bill would also limit a taxpayer to a total of \$100,000 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 about 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 about diverting funding from public education.

No other testimony was provided.

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to:

- Include children who have been adopted in the definition of “eligible student”;
- Expand the eligibility requirements to include a student who has an annual family income at or below 400 percent of federal poverty guidelines;
- Reduce the total amount a taxpayer could claim as credit for contributions to scholarship granting organizations from \$500,000 to \$100,000; and

- Provide that a taxpayer would be allowed to claim a tax credit equal to 75 percent, rather than 100 percent, of the amount contributed to a scholarship granting organization.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, 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*. [Note: A revised fiscal note was not available when the Senate Committee of the Whole took action.]

Low Income Scholarship Program; Kansas State Board of Education; tax credit