

SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 87

As Amended by Senate Committee on
Education

Brief*

SB 87, as amended, would expand eligibility requirements for students to receive scholarships under the Tax Credit for Low Income Students Scholarship (TCLISS) Program and increase the percentage of the contribution a donor receives as a state tax credit.

Eligibility Requirements

The bill would amend the definition of an “eligible student” from requiring the student to meet all requirements to requiring a student to meet one or more of the following requirements in current law:

- Has an annual family income of less than or equal to 250.0 percent of the federal poverty guidelines; and
 - Was enrolled in any of the grades kindergarten through eight in any public school in the previous school year; or
 - Is eligible to be enrolled in any public school in the school year for which the scholarship is first sought; or
- Has received an educational scholarship under the program.

*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 <https://klrd.gov/>

The bill would also add the following additional optional requirements to the eligibility list:

- Has been in foster care or placed in a kinship care placement at any time prior to graduation from high school or reaching the age of 21;
- Has a parent who is on active duty with any branch of the armed forces of the United States or who was killed in the line of duty; or
- Has a parent who is an emergency medical service provider, firefighter, or law enforcement officer as defined by law.

[*Note:* Requirements in continuing law that a student be a Kansas resident, has not graduated high school, and are under 21 years of age would be retained as universal requirements for all students under the definition of “eligible student.”]

Tax Credit

The bill would increase the tax credit a donor receives after December 31, 2024, for a contribution from 75.0 percent to 100.0 percent of the contribution, up to the \$500,000 contribution cap.

The bill would also increase the current cap on tax credits provided under the TCLISS program from \$10.0 million to \$15.0 million and require the Secretary of Revenue (Secretary) to review the total amount of credits claimed for TCLISS every tax year, commencing after December 31, 2025. Should the Secretary determine the amount of credits claimed have exceeded 75.0 percent of the aggregate credit limit, the credit limit would be increased by 25.0 percent for the succeeding year to a maximum of \$25.0 million.

Other Provisions

The bill would require the State Board of Education to provide a scholarship granting organization with written notification of a student's eligibility to receive a scholarship within 45 days of receiving a request from said organization. The bill would also make technical changes.

Background

The bill was introduced by the Senate Committee on Education at the request of Senator Erickson.

Senate Committee on Education

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the All Saints Catholic School, Catholic Diocese of Wichita, Catholic Education Foundation, ExcelinEd, Kansas Catholic Conference, Kansas Policy Institute, and a private citizen. The proponents generally stated the scholarship has been working, growing in the number of applicants, and the \$10.0 million cap will be reached in the near future. The proponents also stated that the program allows parents to have more choices for where their children go to school.

Written-only proponent testimony was provided by representatives of ACE Scholarship, Kansas School Board Resource Center, Marantha Christian Academy, and five private citizens.

Opponent testimony was provided by representatives of the Kansas Association of School Boards, Kansas PTA Advocacy Team, and the United School Administrators. The opponents generally stated concerns about expanding this program without having data showing the program is working; the scholarship will no longer be just for low-income students, therefore making it less likely that those low-income students

will be chosen for the program; and that private schools can still reject students.

Written-only opponent testimony was provided by representatives of Game On for Kansas Schools, Shawnee Mission School District, State Board of Education, and 32 private citizens.

The Senate Committee amended the bill to increase the current year tax credit cap to \$15.0 million and the maximum increase of said tax credit cap to \$25.0 million.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue (Department) estimates that no fiscal effect would occur until tax year 2026 or FY 2027. The Department estimates the bill would reduce State General Fund (SGF) revenue by \$2.5 million in FY 2027, \$5.6 million in FY 2028, \$9.5 million in FY 2029, and \$10.0 million in FY 2030.

The Department further estimates the tax credit cap will begin to increase by 25.0 percent in tax year 2026 and would hit the increase maximum cap in tax year 2029.

The Department also estimates increased expenditures of \$1,450 SGF to implement the bill and modify the automated tax system.

Education, Tax Credit for Low Income Students Scholarship Program; private schools; k-12 education; scholarships; tax credit