

SENATE BILL No. 61

By Committee on Education

1-25

1 AN ACT concerning education; relating to the tax credit for low income
2 students scholarship program act; expanding student eligibility for the
3 program; amending K.S.A. 2020 Supp. 72-4352, 72-4354 and 72-5178
4 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2020 Supp. 72-4352 is hereby amended to read as
8 follows: 72-4352. As used in the tax credit for low income students
9 scholarship program act:

10 (a) "Contributions" means monetary gifts or donations and in-kind
11 contributions, gifts or donations that have an established market value.

12 (b) "Department" means the Kansas department of revenue.

13 (c) "Educational scholarship" means an amount not to exceed \$8,000
14 per school year provided to an eligible student, or to a qualified school
15 with respect to an eligible student, to cover all or a portion of the costs of
16 education including tuition, fees and expenses of a qualified school and, if
17 applicable, the costs of transportation to a qualified school if provided by
18 such qualified school.

19 (d) "Eligible student" means a child who:

20 ~~(1) (A) Is an at-risk student, as defined in K.S.A. 72-5132, and~~
21 ~~amendments thereto, and who is attending a public school; or (B) has been~~
22 ~~eligible to receive an educational scholarship under this program and has~~
23 ~~not graduated from high school or reached 21 years of age;~~

24 ~~(2) Resides in Kansas while eligible for an educational scholarship;~~
25 and

26 ~~(3) (A) (2) (A) (i) Is eligible for free or reduced-price meals under the~~
27 ~~national school lunch act; and~~

28 ~~(ii) (a) was enrolled in any public school in the previous school year~~
29 ~~in which an educational scholarship is first sought for the child; or~~

30 ~~(B) (b) is eligible to be enrolled in any public school in the school~~
31 ~~year in which an educational scholarship is first sought for the child and~~
32 ~~the child is under the age of six years; or~~

33 ~~(B) has received an educational scholarship under the program and~~
34 ~~has not graduated from high school or reached the age of 21 years.~~

35 (e) "Parent" includes a guardian, custodian or other person with
36 authority to act on behalf of the child.

1 (f) "Program" means the tax credit for low income students
2 scholarship program established in K.S.A. 72-4351 through 72-4357, and
3 amendments thereto.

4 (g) ~~"Public school" means an elementary school that is operated by a~~
5 ~~school district, and identified by the state board as one of the lowest 100~~
6 ~~performing elementary schools with respect to student achievement among~~
7 ~~all elementary schools operated by school districts for the current school~~
8 ~~year any school operated by a unified school district under the laws of this~~
9 ~~state.~~

10 (h) "Qualified school" means any nonpublic school that:

11 (1) Provides education to elementary or secondary students;

12 (2) *is accredited by the state board or a national or regional*
13 *accrediting agency that is recognized by the state board for the purpose of*
14 *satisfying the teaching performance assessment for professional licensure;*

15 (3) has notified the state board of its intention to participate in the
16 program; and

17 (4) complies with the requirements of the program. ~~On and after July~~
18 ~~1, 2020, a qualified school shall be accredited by the state board or a~~
19 ~~national or regional accrediting agency that is recognized by the state~~
20 ~~board for the purpose of satisfying the teaching performance assessment~~
21 ~~for professional licensure.~~

22 (i) "Scholarship granting organization" means an organization that
23 complies with the requirements of this program and provides educational
24 scholarships to eligible students or to qualified schools in which parents
25 have enrolled eligible students.

26 (j) "School district" or "district" means any unified school district
27 organized and operating under the laws of this state.

28 (k) ~~"School year" shall have the meaning ascribed thereto means the~~
29 ~~same as~~ in K.S.A. 72-5132, and amendments thereto.

30 (l) "Secretary" means the secretary of revenue.

31 (m) "State board" means the state board of education.

32 Sec. 2. K.S.A. 2020 Supp. 72-4354 is hereby amended to read as
33 follows: 72-4354. (a) To be eligible to participate in the program, a
34 scholarship granting organization shall comply with the following:

35 (1) The scholarship granting organization shall notify the secretary
36 and the state board of the scholarship granting organization's intent to
37 provide educational scholarships;

38 (2) upon granting an educational scholarship, the scholarship granting
39 organization shall report such information to the state board;

40 (3) the scholarship granting organization shall provide verification to
41 the secretary that the scholarship granting organization is exempt from
42 federal income taxation pursuant to section 501(c)(3) of the federal
43 internal revenue code of 1986;

1 (4) upon receipt of contributions in an aggregate amount or value in
2 excess of \$50,000 during a school year, a scholarship granting
3 organization shall file with the state board either:

4 (A) A surety bond payable to the state in an amount equal to the
5 aggregate amount of contributions expected to be received during the
6 school year; or

7 (B) financial information demonstrating the scholarship granting
8 organization's ability to pay an aggregate amount equal to the amount of
9 the contributions expected to be received during the school year, which
10 must be reviewed and approved of in writing by the state board;

11 (5) scholarship granting organizations that provide other nonprofit
12 services in addition to providing educational scholarships shall not
13 commingle contributions made under the program with other contributions
14 made to such organization. A scholarship granting organization under this
15 subsection shall also file with the state board, prior to the commencement
16 of each school year, either:

17 (A) A surety bond payable to the state in an amount equal to the
18 aggregate amount of contributions expected to be received during the
19 school year; or

20 (B) financial information demonstrating the nonprofit organization's
21 ability to pay an aggregate amount equal to the amount of the
22 contributions expected to be received during the school year, which must
23 be reviewed and approved of in writing by the state board;

24 (6) each qualified school receiving educational scholarships from the
25 scholarship granting organization shall annually certify to the scholarship
26 granting organization its compliance with the requirements of the program;

27 (7) at the end of the calendar year, the scholarship granting
28 organization shall have its accounts examined and audited by a certified
29 public accountant. Such audit shall include, but not be limited to,
30 information verifying that the educational scholarships awarded by the
31 scholarship granting organization were distributed to qualified schools
32 with respect to eligible students determined by the state board under
33 K.S.A. 72-4353(c), and amendments thereto, and information specified in
34 this section. Prior to filing a copy of the audit with the state board, such
35 audit shall be duly verified and certified by a certified public accountant;
36 and

37 (8) if a scholarship granting organization decides to limit the number
38 or type of qualified schools who will receive educational scholarships, the
39 scholarship granting organization shall provide, in writing, the name or
40 names of those qualified schools to any contributor and the state board.

41 (b) No scholarship granting organization shall provide an educational
42 scholarship with respect to any eligible student to attend any qualified
43 school with paid staff or paid board members, or relatives thereof, in

1 common with the scholarship granting organization.

2 (c) The scholarship granting organization shall disburse not less than
3 90% of contributions received pursuant to the program in the form of
4 educational scholarships within 36 months of receipt of such contributions.
5 If such contributions have not been disbursed within the applicable 36-
6 month time period, then the scholarship granting organization shall not
7 accept new contributions until 90% of the received contributions have
8 been disbursed in the form of educational scholarships. Any income earned
9 from contributions must be disbursed in the form of educational
10 scholarships.

11 (d) A scholarship granting organization may continue to provide an
12 educational scholarship with respect to a student who was an eligible
13 student in the year immediately preceding the current school year.

14 (e)-(f) A scholarship granting organization shall direct payments of
15 educational scholarships to the qualified school attended by the eligible
16 student or in which the eligible student is enrolled. Payment may be made
17 by check made payable to both the parent and the qualified school or to
18 only the qualified school. If an eligible student transfers to a new qualified
19 school during a school year, the scholarship granting organization shall
20 direct payment in a prorated amount to the original qualified school and
21 the new qualified school based on the eligible student's attendance. If the
22 eligible student transfers to a public school and enrolls in such public
23 school after September 20 of the current school year, the scholarship
24 granting organization shall direct payment in a prorated amount to the
25 original qualified school and the public school based on the eligible
26 student's attendance. The prorated amount to the public school shall be
27 considered a donation and shall be paid to the school district of such public
28 school in accordance with K.S.A. 72-1142, and amendments thereto.

29 ~~(2) As used in this subsection, the term "public school" means any~~
30 ~~school operated by a school district.~~

31 (f) *Each qualified school shall provide a link to the state department*
32 *of education's webpage where the reports prepared pursuant to K.S.A. 72-*
33 *5170, and amendments thereto, and K.S.A. 2020 Supp. 72-5178, and*
34 *amendments thereto, for such school are published. The link shall be*
35 *prominently displayed on the school's accountability reports webpage.*

36 (g) By June 1 of each year, a scholarship granting organization shall
37 submit a report to the state board for the educational scholarships provided
38 in the immediately preceding 12 months. Such report shall be in a form
39 and manner as prescribed by the state board, approved and signed by a
40 certified public accountant, and shall contain the following information:

41 (1) The name and address of the scholarship granting organization;

42 (2) the name and address of each eligible student with respect to
43 whom an educational scholarship was awarded by the scholarship granting

1 organization;

2 (3) the total number and total dollar amount of contributions received
3 during the 12-month reporting period; and

4 (4) the total number and total dollar amount of educational
5 scholarships awarded during the 12-month reporting period and the total
6 number and total dollar amount of educational scholarships awarded
7 during the 12-month reporting period with respect to eligible students who
8 qualified under K.S.A. 72-4352(d), and amendments thereto.

9 ~~(g)~~(h) No scholarship granting organization shall:

10 (1) Provide an educational scholarship with respect to an eligible
11 student that is established by funding from any contributions made by any
12 relative of such eligible student; or

13 (2) accept a contribution from any source with the express or implied
14 condition that such contribution be directed toward an educational
15 scholarship for a particular eligible student.

16 Sec. 3. K.S.A. 2020 Supp. 72-5178 is hereby amended to read as
17 follows: 72-5178. (a) On or before January 15 of each year, the state
18 department of education shall prepare and submit a performance
19 accountability report and a longitudinal achievement report for all students
20 enrolled in *any public school or accredited nonpublic school* in the state,
21 each school district ~~and~~, each school operated by a school district *and*
22 *each accredited nonpublic school* to the governor and to the legislature.

23 (b) Each performance accountability report shall be prepared in a
24 single-page format containing the information that is required to be
25 reported under the federal elementary and secondary education act, as
26 amended by the federal every student succeeds act, public law 114-95, or
27 any successor federal acts, and the college and career readiness metrics
28 developed and implemented by the state board. The report shall use the
29 categories for achievement identified under the federal every student
30 succeeds act, public law 114-95, or any successor achievement categories.
31 All categories and metrics included in the report shall be clearly defined.

32 (c) Each longitudinal achievement report shall provide the
33 achievement rates on the state assessments for English language arts, math
34 and science for all students and each student subgroup and the change in
35 achievement rate year-over-year starting with the school year in which the
36 state board first implemented new achievement standards on such state
37 assessments.

38 (d) All reports prepared pursuant to this section shall be published in
39 accordance with K.S.A. 2020 Supp. 72-1181, and amendments thereto.

40 Sec. 4. K.S.A. 2020 Supp. 72-4352, 72-4354 and 72-5178 are hereby
41 repealed.

42 Sec. 5. This act shall take effect and be in force from and after its
43 publication in the statute book.