

As Amended by House Committee

Session of 2020

HOUSE BILL No. 2465

By Committee on Education

1-22

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. 2019 Supp. 72-4352, **72-4354 and 72-5178**
4 and repealing the existing ~~section~~ **sections**.

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

7 Section 1. K.S.A. 2019 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-priced meals under~~
27 ~~the national school lunch act in effect on January 1, 2020; 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 organized under the~~
9 ~~laws of this 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. 2019 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
36 secretary and the state board of the scholarship granting
37 organization's intent to provide educational scholarships;

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

41 (3) the scholarship granting organization shall provide
42 verification to the secretary that the scholarship granting organization
43 is exempt from federal income taxation pursuant to section 501(c)(3)

1 of the federal internal revenue code of 1986;

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

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

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

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

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

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

27 (6) each qualified school receiving educational scholarships from
28 the scholarship granting organization shall annually certify to the
29 scholarship granting organization its compliance with the
30 requirements of the program;

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

41 (8) if a scholarship granting organization decides to limit the
42 number or type of qualified schools who will receive educational
43 scholarships, the scholarship granting organization shall provide, in

1 writing, the name or names of those qualified schools to any
2 contributor and the state board.

3 (b) No scholarship granting organization shall provide an
4 educational scholarship with respect to any eligible student to attend
5 any qualified school with paid staff or paid board members, or
6 relatives thereof, in common with the scholarship granting
7 organization.

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

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

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

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

40 (f) *Each qualified school shall provide a link to the state department*
41 *of education's webpage where the reports prepared pursuant to K.S.A. 72-*
42 *5170, and amendments thereto, and K.S.A. 2019 Supp. 72-5178, and*
43 *amendments thereto, for such school are published. The link shall be*

1 *prominently displayed on the school's accountability reports webpage.*

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

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

10 (2) the name and address of each eligible student with respect to
11 whom an educational scholarship was awarded by the scholarship
12 granting organization;

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

15 (4) the total number and total dollar amount of educational
16 scholarships awarded during the 12-month reporting period and the
17 total number and total dollar amount of educational scholarships
18 awarded during the 12-month reporting period with respect to eligible
19 students who qualified under K.S.A. 72-4352(d), and amendments
20 thereto.

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

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

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

28 Sec. 3. K.S.A. 2019 Supp. 72-5178 is hereby amended to read as
29 follows: 72-5178. (a) On or before January 15 of each year, the state
30 department of education shall prepare and submit a performance
31 accountability report and a longitudinal achievement report for all
32 students enrolled in public school *or accredited nonpublic school* in the
33 state, each school district ~~and~~, each school operated by a school district
34 *and each accredited nonpublic school* to the governor and to the
35 legislature.

36 (b) Each performance accountability report shall be prepared in
37 a single-page format containing the information that is required to be
38 reported under the federal elementary and secondary education act,
39 as amended by the federal every student succeeds act, public law 114-
40 95, or any successor federal acts, and the college and career readiness
41 metrics developed and implemented by the state board. The report
42 shall use the categories for achievement identified under the federal
43 every student succeeds act, public law 114-95, or any successor

1 achievement categories. All categories and metrics included in the
2 report shall be clearly defined.

3 (c) Each longitudinal achievement report shall provide the
4 achievement rates on the state assessments for English language arts,
5 math and science for all students and each student subgroup and the
6 change in achievement rate year-over-year starting with the school
7 year in which the state board first implemented new achievement
8 standards on such state assessments.

9 (d) All reports prepared pursuant to this section shall be
10 published in accordance with K.S.A. 2019 Supp. 72-1181, and
11 amendments thereto.

12 ~~Sec.-2:~~ 4. K.S.A. 2019 Supp. 72-4352-~~is~~, 72-4354 and 72-5178 are
13 hereby repealed.

14 ~~Sec.-3:~~ 5. This act shall take effect and be in force from and after its
15 publication in the statute book.