

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **K-12 Education Budget** recommends **SB 382**, as amended by Senate Committee, be amended on page 1, following line 5, by inserting:

"Section 1. K.S.A. 2019 Supp. 72-4352 is hereby amended to read as follows: 72-4352.

As used in the tax credit for low income students scholarship program act:

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

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

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

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

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

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

~~(3) (A) (2) (A) (i) is eligible for free or reduced-priced meals under the national school lunch act; and~~

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

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

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

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

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

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

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

(1) Provides education to elementary or secondary students;

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

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

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

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

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

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

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

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

Sec. 2. K.S.A. 2019 Supp. 72-4354 is hereby amended to read as follows: 72-4354. (a) To be eligible to participate in the program, a scholarship granting organization shall comply with the following:

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

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

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

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

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

(B) financial information demonstrating the scholarship granting organization's ability to pay

an aggregate amount equal to the amount of the contributions expected to be received during the school year, which must be reviewed and approved of in writing by the state board;

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

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

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

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

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

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

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

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

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

~~(e)-(1)~~ A scholarship granting organization shall direct payments of educational scholarships to the qualified school attended by the eligible student or in which the eligible student is enrolled. Payment may be made by check made payable to both the parent and the qualified school or to only the qualified school. If an eligible student transfers to a new qualified school during a school year, the scholarship granting organization shall direct payment in a prorated amount to the original qualified school and the new qualified school based on the eligible student's attendance. If the eligible student transfers to a public school and enrolls in such public school after September 20 of the current school year, the scholarship granting organization shall direct payment in a prorated amount to the original qualified school and the public school based on the eligible student's attendance. The prorated amount to the public school shall be considered a donation and shall be paid to the school district of such public school in accordance with K.S.A. 72-1142, and amendments thereto.

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

school district.

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

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

- (1) The name and address of the scholarship granting organization;
- (2) the name and address of each eligible student with respect to whom an educational scholarship was awarded by the scholarship granting organization;
- (3) the total number and total dollar amount of contributions received during the 12-month reporting period; and
- (4) the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period and the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period with respect to eligible students who qualified under K.S.A. 72-4352(d), and amendments thereto.

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

- (1) Provide an educational scholarship with respect to an eligible student that is established by funding from any contributions made by any relative of such eligible student; or
- (2) accept a contribution from any source with the express or implied condition that such contribution be directed toward an educational scholarship for a particular eligible student.

Sec. 3. K.S.A. 2019 Supp. 72-5178 is hereby amended to read as follows: 72-5178. (a) On or

before January 15 of each year, the state department of education shall prepare and submit a performance accountability report and a longitudinal achievement report for all students enrolled in public school or accredited nonpublic school in the state, each school district ~~and~~, each school operated by a school district and each accredited nonpublic school to the governor and to the legislature.

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

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

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

On page 2, in line 16, after "(A)" by inserting "Except as provided in subsection (b)(8),"; in line 18, by striking all after the period; by striking all in lines 19 and 20; in line 21, by striking "such district.";

On page 4, in line 31, by striking "2015," and inserting "2020:

(A)";

Also on page 4, in line 35, before the period by inserting "; and

(B) in determining the amount of the AVPP of a school district, the state board shall exclude the

number of students enrolled in a virtual school offered by such school district from the calculation of the AVPP of such school district";

On page 5, in line 26, after "Supp." by inserting "72-4352, 72-4354, 72-5178 and"; also in line 26, by striking "is" and inserting "are";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "to" by inserting "the tax credit for low income students scholarship program act; expanding student eligibility for the program; adjusting the calculation of"; in line 2, by striking "determination"; also in line 2, after "Supp." by inserting "72-4352, 72-4354, 72-5178 and"; in line 3, by striking "section" and inserting "sections"; and the bill be passed as amended.

Chairperson