

January 23, 2015

The Honorable Ronald Highland, Chairperson
House Committee on Education
Statehouse, Room 561-W
Topeka, Kansas 66612

Dear Representative Highland:

SUBJECT: Fiscal Note for HB 2035 by House Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2035 is respectfully submitted to your committee.

HB 2035 would make several technical changes the Tax Credit for Low Income Students Program. The bill would change the definition of a “public school” to mean any school operated by a school district. Also, the bill would increase the age of an “eligible student” for the program from age six to age seven.

Under current law, an eligible student’s participation in a scholarship program constitutes a waiver to special education services provided by a school district, unless the district agrees to provide services. HB 2035 would remove this waiver.

The bill would remove the option of requiring a Scholarship-Granting Organization (SGO) to provide information demonstrating its ability to pay an aggregate amount equal to the amount of contributions expected to be received in the scholarship program. Also, a SGO would no longer be required to make the provision of a surety bond payable to the state in an amount equal to the aggregate amount of contributions to the scholarship program.

The bill would increase from 90.0 percent to 95.0 percent the amount of scholarships that a SGO is required to distribute to students from contributions. If 95.0 percent of the contributions are not disbursed as scholarships within 36 months, then the SGO could no longer accept new contributions until it has met the 95.0 percent threshold. In addition, the bill would clarify that a SGO may retain no more than 5.0 percent of contributions received for administrative expenses.

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According to the Department of Education and the Department of Revenue, enactment of HB 2035 would have no fiscal effect, as the bill would only make technical changes to the scholarship program.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Revenue
Dale Dennis, Education