

Kansas Education Liberty Act

Synopsis:

This bill addresses one of the most daunting challenges confronting the citizens of Kansas: the education of our children. Our already overburdened education system⁽¹⁾ is now facing additional trials due to ongoing state budget deficits. This bill turns to the people of Kansas to help address both our education and budget crises.

The Kansas Education Liberty Act emulates eighteen school choice programs already in place in ten states and the District of Columbia, serving over 171,000 American students⁽²⁾. This bill authorizes a tax credit for individual and corporate contributions to organizations that provide educational scholarships to eligible students so they can attend qualified public and non-public schools of their parents' choice. With legislative mandated limits on individual scholarships, the total tax credits associated with this bill are less than what is currently spent in the Base State Aid Per Pupil (BSAPP) thus reducing spending from the state's general fund and reducing the budget short fall. Moreover, our children will enjoy improved education outcomes in both public and private education⁽³⁾ in the state of Kansas.

Passage of the attached Kansas Education Liberty Act will allow Kansas to do the following:

- Increase parental involvement in education
- Increase community involvement in education
- Reduce class size in public schools
- Increase resources per pupil in public schools
- Encourage the growth of non-public school options
- Improve education outcome through allowing struggling students who normally demand greater resources in public schools to choose education options that more closely meet their individual needs and learning styles
- Encourage the development of alternative school environments to meet the needs of our most challenged and gifted students
- Reduce overall tax burden
- Reduce the Kansas education budget

Throughout this legislation you will find references to endnotes that borrow heavily from the most successful schools choice laws and best independent education research found in America. These endnotes are provided as a resource to help us quickly and efficiently move this legislation to law.

There is also a section near the end titled *School Choice by the Numbers* to help legislators gain a fuller understanding of the opportunities presented by passage of the Kansas Education Liberty Act. Please take special note of the final bullet point in that section titled "How much can Kansas really save?"

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KANSAS EDUCATION LIBERTY ACT

(SCHOLARSHIP TAX CREDITS)

Summary:

This legislation authorizes a tax credit for individual and corporate contributions to not-for-profit organizations that provide educational scholarships to eligible students so they can attend qualified public and non-public schools of their parents' choice.

Section 1: (Title)

Kansas Education Liberty Act

Section 2: (Definitions)

A) "Program" means the Kansas Education Liberty Act program.

B) "Eligible student" means a student who:

1) is a member of a household whose total annual income during the year before he or she receives an educational scholarship under this program does not exceed an amount equal to 3.5 times the income standard used to qualify for a free or reduced price lunch under the national Free or Reduced Price Lunch Program established under 42 USC Section 1751 et seq⁽⁴⁾. Once a student receives a scholarship under this program, the student will remain eligible regardless of household income until the student graduates high school or reaches 21 years of age, and

2) was eligible to attend a public school in grades kindergarten through 11th grade the preceding semester or is starting kindergartner through 12th grade school in Kansas for the first time, and

3) resides in Kansas while receiving an educational scholarship.

C) "Low-income eligible student" means a student who qualifies for free or reduced price lunch under the national Free or Reduced Price Lunch Program established under 42 USC Section 1751 et seq⁽⁵⁾.

D) "Special education eligible student" means a student who has been determined to qualify for special education services in the state of Kansas and has a Kansas public education Individual Education Plan (IEP) in place.

E) "Educational scholarships" means grants to students to cover all or part of the tuition, fees, and expenses at either a qualified non-public school or a qualified public school, including

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transportation to and from a public school or private school outside of a student's home school district.

F) "Qualified school" is defined as either a Kansas public elementary and/or secondary school regardless of enrollment size outside of the school district in which a student resides or a non-public elementary and/or secondary school regardless of enrollment size in Kansas that complies with all of the requirements of the program⁽⁶⁾.

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

H) "Scholarship Granting Organization" means an organization that complies with the requirements of this program and provides education scholarships to students attending qualified schools of their parents' choice⁽⁷⁾.

I) "Department" means the Kansas Department of Revenue.

Section 3: (Basic Elements of the Kansas Education Liberty Tax Credit Program)

A) A taxpayer who files a state income tax return and is not a dependent of another taxpayer may claim a dollar-for-dollar non-refundable credit for a contribution made to a Scholarship Granting Organization.

B) The credit may be claimed by an individual taxpayer or a married couple filing jointly in an amount equal to the total contributions made to a Scholarship Granting Organization(s) during the taxable year for which the credit is claimed. This credit will be limited, beginning at 20% of the taxpayer's state tax liability during the first year that this legislation is law, and increasing to 30% during year two, 40% during year three, and 50% from year four and forward⁽⁸⁾.

C) An individual taxpayer or a married couple filing jointly may carry forward unused tax credits under this program for three years⁽⁹⁾.

D) The credit may be claimed by a corporate taxpayer in an amount equal to the total contributions made to a Scholarship Granting Organization for educational scholarships during the taxable year for which the credit is claimed. This credit will be limited, beginning at 20% of the taxpayer's state tax liability during the first year that this legislation is law, and increasing to 30% during year two, 40% during year three, and 50% from year four and forward⁽⁸⁾.

E) A corporate taxpayer may carry forward unused tax credits under this program for three years⁽⁹⁾.

Section 4: (Responsibilities of Scholarship Granting Organizations)

A) Each Scholarship Granting Organization (SGO) shall:

- 1) notify the Department of its intent to provide educational scholarships to students attending qualified schools.
- 2) demonstrate to the Department that it has been granted exemption from the federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.
- 3) provide a Department-approved receipt to taxpayers for contributions made to the organization.
- 4) non-profit organizations that provide services in addition to providing scholarships as a Scholarship Offering Organization, must keep donations made under the program separate from funds associated with other activities
- 5) each SGO may choose to limit the schools they serve by type, geographic region, or specific individual schools. Each SGO must clearly document to the public and to any Kansas citizen who is considering donating to their organization through this Program what types of schools will be eligible to receive scholarship students through the Program.
- 6) ensure that at least ninety percent of the donations under the program are spent on educational scholarships, and that one hundred percent of revenue from interest or investments of such funds be spent on educational scholarships.
- 7) ensure that 90% of donated funds are granted in the form of educational scholarships within thirty-six months of receiving each donation. If at any point 90% of the donated funds have not been granted within the allotted thirty-six months, then the SGO must not accept new donations until 90% of all previous donations have been granted.
- 8) grant each year a portion of its scholarships to low-income eligible students equal to the percentage of low-income eligible students in the county where the Scholarship Granting Organization grants the majority of its scholarships⁽¹⁰⁾.
- 9) during the first year that the Kansas Education Liberty Act is available, Scholarship Granting Organizations must ensure that at least 50% of first time recipients of educational scholarships were not continuously enrolled in a non-public school during the previous year. During the second year, 40% must be new to non-public schools, 30% the following year, and 20% for the following 10 years. After that there will be no limit on the number of first time recipients of educational scholarships who were not continuously enrolled in a non-public school during the previous year⁽¹¹⁾.
- 10) limit individual scholarships to 90% or less of the most current fiscal year Kansas Base State Aid Per Pupil (BSAPP), unless the student chooses to attend a public school outside of their home district, in which case the new public school the student may

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receive a scholarship to cover only actual transportation costs (not to exceed 20% of the current BSAPP) and the state will continue to pay the new school the current BSAPP and all other generally accepted public educational funding. In no event shall any individual scholarship exceed 90% of the current BSAPP unless Section 4, Paragraph 11 applies.⁽¹²⁾

11) offer expanded scholarships to Special Education Eligible Students and those students who are protected under the American's with Disabilities Act (ADA) of 150% or less of the most current fiscal year Kansas Base State Aid Per Pupil (BSAPP)⁽¹²⁾.

12) distribute periodic scholarship payments as checks made out to a student's parent or guardian and mailed to the qualified school where the student is enrolled. The parent or guardian must endorse the check before it can be deposited.

13) cooperate with the Department to conduct criminal background checks on all of its employees and board members and exclude from employment or governance any individual(s) who might reasonably pose a risk to the appropriate use of contributed funds⁽¹³⁾.

14) ensure that scholarships are portable during the school year and can be used at any qualified school that accepts the eligible student according to a parent's wishes. If a student moves to a new qualified school during a school year, the scholarship amount shall be prorated and transferred to other available SGOs if required to allow students and parents to exercise their school choice for the current school year.

15) demonstrate its financial accountability by submitting to the Department a financial information report for the organization that complies with uniform financial accounting standards established by the Department and conducted by a certified public accountant⁽¹⁴⁾.

16) demonstrate its financial viability, if it is to receive donations of \$50,000 or more during the school year⁽¹⁵⁾:

a. filing with the Department prior to the start of the school year 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. filing with the Department prior to the start of the school year financial information that demonstrates the financial strength of the Scholarship Granting Organization to satisfaction of the Department.

B) Each Scholarship Granting Organization shall ensure that each participating school that accepts its scholarship students will:

1) comply with all health and safety laws or codes that apply to non-public schools;

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- 2) hold a valid occupancy permit if required by its municipality;
- 3) certify by public statement that it will not discriminate in admissions on the basis of race, color, national origin, religion or disability⁽¹⁶⁾.
- 4) provide academic accountability to parents of the students in the program by regularly reporting to the parent on the student's progress⁽¹⁷⁾.

C) Scholarship Granting Organizations shall not provide educational scholarships for students to attend any school with paid staff or board members, or relatives thereof, in common with the Scholarship Granting Organization.

D) A Scholarship Granting Organization shall publicly report to the Department by June 1 of each year the following information prepared by a certified public accountant regarding grants in the previous calendar year:

- 1) the name and address of the Scholarship Granting Organization;
- 2) the total number and total dollar amount of contributions received during the previous calendar year; and
- 3) the total number and total dollar amount of educational scholarships awarded during the previous calendar year, the total number and total dollar amount of educational scholarships awarded during the previous year to students qualifying for the federal Free and Reduced Lunch Program, and the percentage of first time recipients of educational scholarships who were continuously enrolled in a public school during the previous year.

Section 5: (Responsibilities of the Department of Revenue)

- A) The Department shall adopt rules and procedures consistent with this act as necessary to implement the program.
- B) The Department shall provide a standardized format for a receipt to be issued by a Scholarship Granting Organization to a taxpayer to indicate the value of a contribution received. The Department shall require a taxpayer to provide a copy of this receipt when claiming the Kansas Education Liberty Tax Credit.
- C) The Department shall provide a standardized format for Scholarship Granting Organizations to report the information in section 4(C) above.
- D) The Department shall have the authority to conduct either a financial review or audit of a Scholarship Granting Organization if possessing evidence of fraud.

E) The Department may bar a Scholarship Granting Organization from participating in the program if the Department establishes that the Scholarship Granting Organization has intentionally and substantially failed to comply with the requirements in Section 4.

F) If the Department decides to bar a Scholarship Granting Organization from the program, it shall notify affected scholarship students and their parents of this decision in due course.

G) The Department shall allow a taxpayer to divert an amount of state income tax withholdings to a Scholarship Granting Organization of the taxpayer's choice up to the maximum credit allowed by law, including carry-over credits. The Department shall have the authority to develop a procedure to facilitate this process.

Section 6: (Responsibilities of Qualifying Schools)

A) All qualified schools shall be required to operate in Kansas.

B) All qualified schools shall comply with all state laws that apply to non-public schools regarding criminal background checks for employees and exclude from employment any people not permitted by state law to work in a non-public school.

Section 7: (Effective Date)

The Kansas Education Liberty Act Tax Credit may be first claimed in the next calendar year.

ENDNOTES FOR

KANSAS EDUCATION LIBERTY ACT

(SCHOLARSHIP TAX CREDIT PROGRAM)

These notes are intended to provide guidance to legislators on some of the key policy questions they will encounter in drafting and debating school choice tax credit legislation. In general, legislators and the public seek greater state regulation of programs directly funded by the government than of tax credit programs under the belief that tax credits are private funds kept by taxpayers rather than public funds expended by governments. However, insufficient accountability regulation can produce situations that undermine public and legislative support for the program. In recognition of this potential, we have chosen to recommend the establishment and state regulation of Scholarship Granting Organizations rather than heavy government regulation of private contributions and non-public schools.

1. According to a Kansas Department of Education report, "[Preparing All Kansas Students for the 21st Century](#)", April 2009, 1 in 10 students drop out of school and nearly 2 of 10 remaining students are failing to read at their grade level.
2. As reported by The Alliance for School Choice reports in their publication "[School Choice Year Book 2008-2009](#)".
3. According to a 2009 report entitled "[An Empirical Evaluation of the Florida Tax Credit Scholarship Program](#)" that studies the Florida Tax-Credit Scholarship Program (one of the largest in America), the overall parental satisfaction with academic progress for scholarship students is 80% "very satisfied" versus 4% at their previous public schools.
4. The definition for an eligible student is limited to those children in a household whose annual income does not exceed an amount equal to 3.5 times the income standard used to qualify for the federal Free and Reduced Price Lunch Program (FRL). The authors chose this standard for several reasons: 1) the FRL Program is familiar to both schools and many parents; 2) the verification procedures are simple and familiar to school administrators; 3) the income guidelines are used for a number of existing state and federal programs; 4) the federal government annually adjusts the income guidelines; and 5) the income guidelines are adjusted for family size.
5. This model legislation creates an additional class of eligible students who are from low-income families. Scholarship Granting Organizations are required to ensure that an appropriate proportion of their scholarship assistance reaches the poorest families in the state (see Section 4.A.5.). This ensures that assistance reaches the families who are least able to afford the school of their choice.
6. This program allows students to use scholarships to attend public school outside their district as well as non-public schools within the state of Kansas. The authors support giving parents the widest possible array of choices so that they can choose the school that best meets their child's individual needs. Making sure parents can choose either a public or non-public school is not only the right policy but also the best legal strategy. The US Supreme Court and various state courts have all cited this broad array of choices as an important part of the reason they have found school choice programs constitutional. The courts have reasoned that these scholarship programs are not an inappropriate subsidy of religious institutions because the purpose was secular (the education of children) and the parents were given many options including public schools, charter schools, non-public secular schools and non-public religious schools. Kansas already has open enrollment within existing school districts, so this legislation will be made consistent with the existing program and expands that program to allow open enrollment outside of the student's home district. In such a case, the student would be responsible for transportation to and from that out-of-district public school, but that expense could be subsidized by a scholarship under this program. Since Kansas already has public school choice options available to parents, Kansas should be able to add an option for non-public schools without encountering constitutional questions.
7. The legislation requires the establishment of Scholarship Granting Organizations to protect scholarship recipients, frustrate attempts at fraud, and measure the impact of the program without heavy government regulation of private contributions and non-public schools. We prefer rigorous self-regulation by taxpayers and independent regulation of non-public school participation by SGO's in lieu of intrusive government regulation.
8. The bill limits the tax credit an individual, married couple or corporation can claim to a portion of their total state income tax liability. This limit increases each year, until year five when it reaches the maximum limit of 50% of their total state tax

liability. This methodology assures that availability of education options has ample opportunity to grow to meet increasing demand, while also being more equitable as it adjusts the cap to treat all taxpayers proportionately the same. The authors chose 50% because the state of Kansas spends over 60% of its general fund budget on education. Allowing taxpayers to claim a tax credit for only 50% of their liability assures that the state saves money on education.

9. The bill allows a taxpayer to carry forward any unused tax credits for up to three years. Individual incomes and corporate profits are often quite volatile. As a result, taxpayers may not have a liability against which to claim a credit in certain years. Yet the need for scholarship assistance by a student is likely to be relatively constant. Therefore, it is important to allow taxpayers to carry forward unused tax credits into other tax years to ensure that taxpayers have an incentive to continue to contribute to Scholarship Granting Organizations even in years in which the taxpayer has no tax liability.
10. A primary goal of this legislation is to provide parents with the liberty to send their child to the school that best meets their child's needs regardless of their family's income. The need for scholarship assistance is obviously greatest among low-income families. This requirement ensures that a proportionate amount of the scholarship assistance is given to the families financially least able to send their child to the school of their choice.
11. Two of the major goals of the program are to expand the number of families who can afford to send their children to the school of their choice and to reduce taxpayer funds spent on education. By requiring that a certain percentage of the scholarship assistance go to children who were not already in non-public schools we assure that the program supports new school choice and that tax deductible contributions go to pupils who are choosing to move from tax funded public-education. This assures that the program creates a surplus in the government education funds.
12. The goals of this program include both providing education liberty to all Kansas families while also reducing taxpayer spending on education. By limiting the maximum size of individual scholarships to 90% of the BSAPP we not only assure that scholarships are available to a greater number of students, but also that the state taxpayers spend less per scholarship student than they would alternatively pay if these students were attending public schools. The bill also recognizes the special and increased resource requirements for pupils who been evaluated and found eligible for special education services in the state of Kansas and those pupils protected by the American's with Disabilities Act (ADA). To meet those greater resource requirements the program increases the scholarship limit for such students to 150% of the BSAPP to assure that these students have access to the benefits of educational liberty.
13. The purpose of the criminal background checks, the financial information report and the demonstration of financial viability by the Scholarship Granting Organization is to protect both the contributors and recipients of scholarship assistance from potential fraud or mismanagement of the funds. The legislation gives the Scholarship Granting Organizations the responsibility to do background checks, the power to exclude potential risks from the organization, and the liability for their employment decisions.
14. The legislation does not call for an independent audit because this would be unnecessarily expensive and invasive for these non-public organizations.
15. The legislation provides for two methods for Scholarship Granting Organizations to demonstrate financial viability to ensure that scholarship funds are secure. The first method employs a market-based means of demonstrating viability. Non-public companies that issue surety bonds have a financial interest in making sure that the organizations can repay any funds that might be owed the state. They will therefore conduct the checks necessary to protect their financial interest as well as the financial interests of the contributors and recipients. Surety bonds can be expensive or invasive for some institutions so the legislation allows these organizations to demonstrate by some other means that they have the financial wherewithal to fulfill their scholarship obligations. This might include things such as personal guarantees, reserve accounts or escrow accounts.
16. Private schools are already required to comply with nondiscrimination policies under federal law with respect to race, color, and national origin (42 USC 1981). In addition, if private schools are recipients of federal funds they are subject to nondiscrimination requirements under 42 USC 2000d (race, color, national origin) and 29 USC 794 (disability). The value of including a state prohibition based on religion and disability in this legislation is to address arguments from school choice opponents that the private schools will accept only the best students or discriminate against students who don't share their religious faith in admissions. These provisions may or may not be acceptable to some religious schools in a given state and such schools may exercise their liberty not to accept scholarships funded by this program. Legislators may also wish to include language banning discrimination in hiring on the basis of race, color, national origin or disability. In doing so,

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however, legislators should take care not to interfere with the ability of religious institutions to hire individuals who share their religious beliefs.

17. We believe that empowered parents are best able to demand academic accountability and encourage academic accountability to remain in the hands of these empowered parents who have the ability to choose to leave a school at any time. However, we recognize that some legislators may feel the need to demonstrate academic accountability to a wider audience. In that case we recommend that all participating schools be required to administer limited testing of scholarship students for grades that require testing under the state's accountability testing laws. Students should take either the state achievement tests or a nationally recognized norm-referenced test in math and language arts or both. Testing should take place at a time comparable to when public schools conduct state achievement tests. Participating schools should provide the parent of each student with a copy of the results and should provide the results to the state evaluator described in the additional note below in a manner that protects the privacy of individual students. The purpose of the testing requirement should be to provide each parent with a measure of their student's progress and to allow the taxpayers to measure the achievements of the program. The number and scope of the tests should be carefully limited to ensure that there is sufficient information to demonstrate the achievements of the program without being so exhaustive or prescriptive as to end up dictating the curriculum at participating schools. The costs of the testing requirements for a non-public school may be an additional inclusion to the scholarship amounts given to eligible students, and might dictate that the total scholarship amount exceed the limits set in Sec 4(A)7 of the Kansas Education Liberty Act.
18. The legislation allows the Department to establish a mechanism that facilitates regular contributions from a taxpayers' income tax withholdings to a Scholarship Granting Organization in anticipation of the taxpayer claiming a tax credit. This would likely encourage greater contributions to Scholarship Granting Organizations.

Additional Note: Some critics of school choice programs will demand that participating schools comply with all of the regulations placed on public schools in order to ensure "academic accountability" for the taxpayers. Of course, their real intent is to kill the program by driving schools from the program with burdensome regulations. Legislators sincerely wishing to demonstrate the program's academic success to taxpayers could require a scientific evaluation of the program using the testing data proposed in endnote 17. It is crucial that the legislature give the oversight responsibility for this study to a trusted objective nonpartisan source such as a legislative service agency. We have provided model language for such an independent evaluation of the program below. The longitudinal study we have outlined would compare students in the choice program with a similar cohort in the public schools for the duration of their education from kindergarten through high school. Unfortunately, a 13-year longitudinal study is likely to be quite expensive. Accordingly, the legislation allows the legislature (or a legislative service agency) to accept private grants to fund completely such a study. In some states, the legislature is not allowed to accept such grants and another trusted agency would have to be selected. It will be tempting for legislators to further define the details of the study but they should take care not to dictate the methodology or the results in order to maintain the credibility of the research.

Section X: (Evaluation of the Kansas Education Liberty Tax Credit Program)

A) The Legislative Service Agency may contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct a study of the program with funds other than state funds.

B) The study shall assess:

- 1) the level of parental satisfaction with the program;
- 2) the level of participating students' satisfaction with the program;
- 3) the impact of the program and the resulting competition from non-public schools on the resident school districts, public school students, and quality of life in a community;

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4) the impact of the program on public and non-public school capacity, availability and quality; and

5) participating student's academic performance and graduation rates in comparison to students who applied for a scholarship under this program but did not receive one because of random selection.

C) The researchers who conduct the study shall:

1) apply appropriate analytical and behavioral science methodologies to ensure public confidence in the study.

2) protect the identity of participating schools and students by, among other things, keeping anonymous all disaggregated data other than that for the categories of grade level, gender and race and ethnicity.

3) provide the Legislature with a final copy of the evaluation of the program.

D) The relevant public and participating non-public schools shall cooperate with the research effort by providing student assessment results and any other data necessary to complete this study.

E) The Legislative Service Agency may accept grants to assist in funding this study.

F) The study shall cover a period of thirteen years. The Legislature may require periodic reports from the researchers. After publishing their results, the researchers shall make their data and methodology available for public review while complying with the requirements of FERPA (20 USC Section 1232

Additional Note: In states where similar laws have already been passed, it is fairly common for legislators to consider including severability clauses in new legislation. Legislators should make sure that if such clauses are included and exercised, the remaining legislation produces a program that is workable and achieves the original intent of the bill.

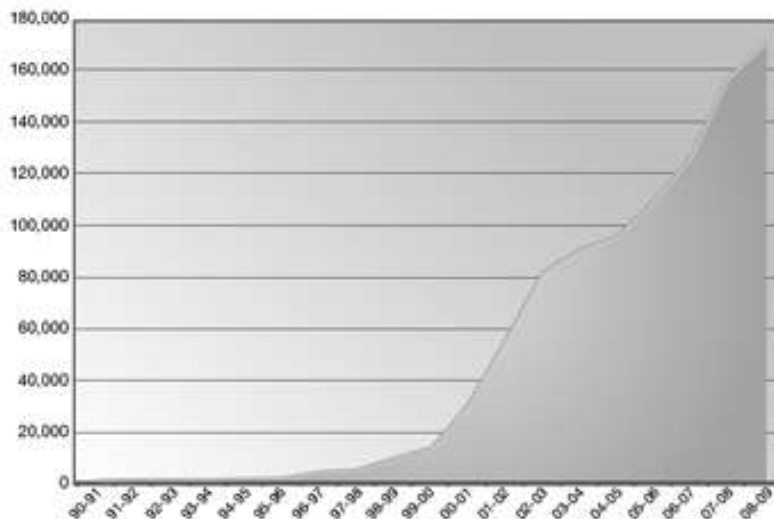
School Choice by the Numbers

KANSAS EDUCATION LIBERTY ACT

(SCHOLARSHIP TAX CREDIT PROGRAM)

- ❖ In the last 5 years nationwide enrollment in scholarship tax credit programs is up 90%.ⁱ
- ❖ A fall 2008 Education Next / Harvard University poll found that 65% of public school teachers indicated support for tax credit programs that include both public and private schools.ⁱⁱ
- ❖ Support in state legislatures is expandingⁱⁱⁱ
 - In the 2007-08 legislative session, school choice bills were introduced in 44 states.
 - More than one-quarter of all state legislative chambers passed a private school choice bill during the 2007-08 legislative session.
 - In 2008, six states passed a school choice bill in both of their legislative chambers, while an additional five states passed a bill in one chamber.
- ❖ Nationwide student enrollment in School Choice Programs is growing rapidly.^{iv}

Student Enrollment Growth in Targeted School Choice Programs



- ❖ Kansas is one of only three states to receive a grade of “F” from center for education reform.^v
- ❖ The 2009-10 Average Per Pupil expenditure for students in Public Schools in Kansas is estimated by the Kansas Department of Education at \$12,225.
 - Of that total \$4,012 is from the BSAPP and funded from the state general fund. However, that BSAPP funding is weighted (increased) by a number of factors, including: low-enrollment, high-enrollment, transportation, vocational education, bilingual education, at-risk, high density at-risk, medium-density at

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risk, and non-proficient at-risk bring the average state funding per pupil to \$6,292. Remaining funding comes primarily from local taxes, and federal funds.

- ❖ With the scholarship limit of 90% of the BSAPP, in the current year scholarships would be capped at \$3610. This means a cost savings to the state taxpayers of at least \$400 per scholarship student, without considering any of the weighting characteristics that would increase the actual state taxpayer cost per pupil if that pupil were to attend a public school. Concurrently, individual public school's resources per pupil will increase since other funding sources (i.e. federal, city, etc.) are often not adjusted annually to the number of students that are attending a school. The average 'other' state aid is \$2,280.
- ❖ Although existing private schools are not the only option for school choice, they are the most well established; therefore it is reasonable to assume that most early scholarships will go to these schools. While the cost to attend private schools in Kansas varies widely, even the limited scholarships available under this Program will cover between 50% and 100% of the vast majority of private schools found in Kansas.
- ❖ So how much can Kansas really save?
 - The Kansas government is committed to supporting the public education system based upon the number of students attending public schools. The base rate at which the state supports education is called the Base State Aid Per Pupil (BSAPP). For 2009-10 the estimated number according to the Kansas Department of Education was \$4,012 per pupil. The BSAPP can be increased by a list of modifying characteristics that include such things as: at-risk, non-English-speaking, high-density, low-density and so on with the result that many of the Kansas students are supported by state taxpayers at a higher rate than the BSAPP. The average 'other' state aid is \$2,280 to bring the average state support per pupil to \$6,292.
 - For each student that accepts a Program scholarship and chooses to attend a non-public school, the state does not spend the BSAPP (nor any of the additional funds tied to weighted factors) to support that pupil. Instead that student would be supported by a scholarship that is funded by a tax credit that is limited per pupil to 90% of the BSAPP (with the exception of the small percentage of students who qualify for larger scholarships as either special education students or students in the ADA). During 2009-10 the state would realize a saving of \$2681 per pupil (formula: [BSAPP – 90% of BSAPP + Other State Aid]).
 - Yet, this number is only the beginning of taxpayer savings to be realized. The Kansas Department of Education estimates that in 2009-2010 that that the total taxpayer support per pupil will be \$12,225. This total spending is a combination of state, local, and federal taxpayer funds. 51% comes from state taxpayers, 36% from local taxpayers, and 13% from federal taxpayers. With this in mind, the BSAPP represents only 64% of the state taxpayer funds provided to public education, and only 33% of the total taxpayer funds.
 - For each student that receives a scholarship through the Program, the taxpayers will not only save the estimated \$2,681 of state funds, but a portion of the remaining \$5,933 from local and federal taxpayers.

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The portion of local and federal education funds are not saved under this program will continue to flow to public schools. This will aid public schools by providing additional funds per pupil.

- In Florida, where one of the larger school choice programs is in place, 11% of pupils attend private schools through school choice programs. If 11% of Kansas children choose to attend private schools through this Program, that would represent nearly 50,000 pupils and an estimated annual savings of state funds of \$133,889,140.

ⁱ Geoffrey Goodman, "[School Choice Yearbook 2008-2009](#)", Alliance for School Choice 2009, p 9.

ⁱⁱ William G. Howell, Martin R. West, & Paul E. Peterson, "The 2008 Education Next", Education Next, Fall 2008, p 12-26.

ⁱⁱⁱ Goodman, p 9.

^{iv} Goodman p 9.

^v [The Center For Education Reform](#), 2010.