

## House K-12 Budget Committee

### Verbal Testimony in Support of HB 2048: Providing additional student eligibility under the tax credit for low income students scholarship program and increasing the amount of the tax credit for contributions made pursuant to such program

January 25, 2023

AJ Kuhle: ACE Scholarships

Madam Chair and Members of the House K-12 Budget Committee:

Thank you for the opportunity to address you today. My name is AJ Kuhl, and I am the State Director for ACE Scholarships Kansas. ACE is a nonprofit scholarship-granting organization that provides K-12 private school scholarships to low-income students.

This year, ACE awarded more than 12,000 scholarships to students attending approximately 1,000 partner schools across 10 states, including 161 scholarships through the tax credit program here in Kansas, where we partner with 59 partner schools. We've operated in Kansas since 2016.

ACE strongly supports HB 2048, which we believe will dramatically expand our ability to serve Kansas students now and in the future.

2021 legislation expanding student eligibility to include all K-8 public school students at or below the free- and reduced-price lunch limit was a godsend. Those changes allowed ACE to provide scholarships to more Kansas students than ever before and were instrumental in helping the overall program grow to serve more than 1,300 students in the 2022-23 school year—a 91 percent increase in the number of scholarship recipients since 2020-2021.

Despite these changes, however, we know that many more students need help.

There is significant need for educational opportunity among families whose incomes fall between the FRL line at 185 percent of federal poverty and 250 percent of federal poverty, which does not constitute a meaningful difference in terms of a family's ability to pay for private school tuition. Twenty-seven percent of ACE's scholarship applications came from this income bracket last year.

Similarly, the current prohibition on new scholarships at the high school level locks older children facing tough school situations out of the help they need. Twenty percent of ACE's scholarship applications in Kansas come from high school students who are currently ineligible to receive new funding under the tax credit program.

And, of course, the inclusion of other groups of students—foster students, military students, and others—will allow us to expand the program to other children who may need new or additional academic opportunities even if they don't meet specific income guidelines.

We also strongly support the inclusion of an "automatic escalator" that will allow the program to grow organically with demand as we approach the \$10 million credit cap in the coming years.

Finally, we believe the move to a 100-percent income tax credit will further strengthen our ability to raise funds for the program while aligning Kansas's policy with best practices in other states without impacting the state budget. Only three of the 23 states with similar programs offer donation credits lower than the current 70 percent value in Kansas.

This program is a lifeline for students and families desperate for new educational opportunities that would be out of reach without financial assistance. We respectfully thank this committee for your continuing support of students, families, and partner schools.

Thank you.