SESSION OF 2026

SECOND CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 361

As Agreed to March 26, 2026

Brief*

SB 361 would authorize the state of Kansas to participate in the federal tax credit program for contributions of individuals to scholarship granting organizations (SGOs).

The bill would state that Kansas elects to participate in the federal tax credit for contributions of individuals to SGOs pursuant to Section 25F of the federal Internal Revenue Code for all taxable years beginning after December 31, 2026. [*Note:* This federal tax credit was created by Public Law 119-21, also known as HR 1 of the 119th Congress.]

The bill would direct the State Treasurer to annually provide to the U.S. Secretary of the Treasury, or the Secretary's delegate, any required information, including, but not limited to, a list of the SGOs that meet the requirements described in Section 25F of the Internal Revenue Code and are located in Kansas.

The bill would also prohibit any state department, division, or other agency from promulgating any rules and regulations that are more stringent than the applicable federal law or rules and regulations in implementing this section.

Conference Committee Action

The Second Conference Committee agreed to remove the contents of SB 361, as passed by the House, and insert certain provisions from HB 2468, as passed by the Legislature, to authorize participation in a federal tax credit program.

[*Note:* The contents of SB 361, regarding foreign exchange student participation in public school open-enrollment lotteries, was added to the Conference Committee Report on SB 382.]

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*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at https://klrd.gov/

Background

HB 2468

HB 2468 was introduced by the House Committee on Education at the request of Representative Estes.

House Committee on Education

In the House Committee hearing, **proponent** testimony was provided by representatives of the Catholic Diocese of Dodge City, Catholic Diocese of Wichita, Catholic Education Foundation, and Kansas Policy Institute and two private citizens. The proponents generally stated opting into the federal tax credit program and increasing the aggregate tax credit limit on the TCLISS Program would provide more scholarship opportunities for students in the state, and they expressed concerns that not opting-in to the federal program would result in Kansas tax dollars being sent to other states.

Written-only proponent testimony was provided by representatives of Ace Scholarships, Aligned, Americans for Prosperity, Catholic Diocese of Salina, Hayden Catholic High School, Kansas Catholic Conference, Kansas Family Voice, and Yes Every Kid and five private citizens.

Neutral testimony was provided by a representative of the America First Policy Institute.

Opponent testimony was provided by representatives of Game On for Kansas Schools, Kansas Association of School Boards, Kansas Interfaith Action, Kansas National Education Association, Kansas Parent Teacher Association, and United School Administrators and a private citizen. The conferees generally expressed concerns about public funds being used for private schools and equitable access to private schools.

Written-only opponent testimony was provided by representatives of the Kansas State Board of Education, Mainstream Coalition, Stand Up Blue Valley, USD 229 (Blue Valley), USD 233 (Olathe), and USD 512 (Shawnee Mission) and 39 private citizens.

The House Committee amended the bill to insert provisions to:

- Prohibit any state department, division, or other agency from promulgating any rules and regulations that are more stringent than the applicable federal law or rules and regulations; [*Note:* The Conference Committee retained this amendment.] and
- Require the Secretary of Revenue to submit a report to the Legislature each January 15th. [*Note:* The Conference Committee did not retain this amendment.]

Senate Committee on Education

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the Catholic Diocese of Wichita, Embrace, Kansas Catholic Conference, and Kansas Policy Institute, and two private citizens. The proponents generally stated the bill would increase access to scholarships and school choice, particularly for low-income families.

Written-only proponent testimony was provided by representatives of ACE Scholarships, Aligned, Americans for Prosperity–Kansas, Bishop Ward Catholic High School, Catholic Education Foundation, Catholic Diocese of Dodge City, Catholic Schools Inc, Diocese of Salina Catholic Schools, Hayden Catholic High School, Holy Family School, Kansas Family Voice, and Yes. Every Kid.

Opponent testimony was provided by representatives of Game on for Kansas Schools, Kansas Association of School Boards, Kansas National Education Association, Kansas PTA, State Board of Education, and United School Administrators, and by one private citizen. The opponents generally expressed concern the bill would divert public funds to private schools that are not held to the same accountability standards or required to serve all students. They also raised questions of the effectiveness, oversight, and equity of expanding a tax credit scholarship program.

Written-only opponent testimony was provided by representatives of AFT Kansas, Mainstream Coalition, USD 229 (Blue Valley) and USD 259 (Wichita Public Schools), and by 43 private citizens.

No other testimony was provided.

The Senate Committee amended the bill to remove a provision that would have allowed the TCLISS credit limit to increase based on annual usage to a maximum of $30 million. [*Note:* The Conference Committee did not retain this amendment.]

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on HB 2468, as introduced, the Kansas Department of Revenue indicates the provisions of the bill related to the Tax Credit for Low Income Student Scholarship Program would have an estimated fiscal impact of reducing State General Fund receipts by $0.8 million in FY 2027, $1.9 million in FY 2028, and $2.9 million in FY 2029. An updated fiscal note was not available when the Conference Committee took action.

Education; private schools; K-12 education; scholarships; federal; tax credit

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