

As Amended by House Committee

Session of 2021

HOUSE BILL No. 2119

By Committee on K-12 Education Budget

1-22

1 AN ACT concerning education; creating the student empowerment act;
2 providing education savings accounts for students who are
3 academically at-risk; amending K.S.A. 72-5134, **72-5151** and 79-
4 32,117 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. Sections 1 through 17, and amendments thereto, shall
8 be known and may be cited as the student empowerment act.

9 New Sec. 2. The legislature hereby declares that the purpose and
10 intent of the student empowerment act is:

11 (a) To provide suitable provision for finance of the educational
12 interests of all students in the state through all manner of education that
13 suitably prepares our children to be productive members of our collective
14 workforce and society;

15 (b) to protect the people's common interest in providing intellectual,
16 educational, vocational and scientific improvement by establishing and
17 maintaining public schools and other forms of education and their related
18 activities that support the legislative goal established in K.S.A. 72-3218,
19 and amendments thereto, by acknowledging the unique individuality and
20 life experiences of each student and by recognizing each student's varied
21 educational, social, emotional and environmental needs;

22 (c) to highlight the diversity of acquired knowledge needed to
23 become productive members of society, while also recognizing the reality
24 that a policy of "one size fits all" does not ensure that all students will be
25 successful;

26 (d) to acknowledge that each student must be considered as a unique
27 individual, with different educational supports needed to best function in
28 the changing world; and

29 (e) to respect and invite parents to be their child's educational
30 opportunity steward from an academic, social, emotional and spiritual
31 perspective that aligns their child with the best educational delivery model
32 and environment.

33 New Sec. 3. As used in sections 1 through 17, and amendments
34 thereto:

35 (a) "Account" means a student empowerment account.

36 (b) "BASE aid" means the amount of base aid for student excellence

1 set forth in K.S.A. 72-5132, and amendments thereto, for the immediately
2 preceding school year.

3 (c) "Eligible student" means a resident of Kansas who has not
4 graduated from high school or obtained a general educational development
5 (GED) credential, and who:

6 (1) **Is enrolled in any school of a school district and** qualifies for
7 free or reduced-price meals under the national school lunch act;

8 (2) has been identified by such student's resident school district as
9 eligible to receive at-risk educational program services because such
10 student:

11 (A) is or has been determined to be performing below grade level in
12 either English language arts or mathematics;

13 (B) has a high rate of absenteeism; or

14 (C) has been identified as eligible to receive at-risk educational
15 program services for any other reason specified by the school district;

16 (3) has been required by such student's resident school district to
17 attend school:

18 (A) Through remote learning for a period of ~~either~~ 120 consecutive
19 school term hours within the current ~~or immediately preceding~~ school year
20 ~~or 180~~ **240** total school term hours within ~~one~~ **the current** calendar year,
21 whichever occurs first; ~~or~~

22 **(B) after January 1, 2021, of the 2020-2021 school year, through**
23 **remote learning for a period of 120 consecutive school term hours;**

24 ~~(B)~~ (C) through a hybrid model of instruction for a period of 240 total
25 school term hours within the current ~~or immediately preceding~~ school year
26 ~~or one~~ calendar year, whichever occurs first; or

27 **(D) after January 1, 2021, of the 2020-2021 school year, through a**
28 **hybrid model of instruction for a period of 240 total school term**
29 **hours; or**

30 (4) has a student empowerment account established on their behalf
31 pursuant to section 7, and amendments thereto.

32 (d) "Hybrid model of instruction" means a method of providing
33 education in which the student, although regularly enrolled in the student's
34 resident school district, does not physically attend the attendance center
35 such student would otherwise attend in person on a full-time basis but
36 participates in remote learning for at least one day each week. For
37 purposes of calculating total school term hours during a period of hybrid
38 model of instruction, school term hours shall be counted for each day
39 instruction is provided by the school district through remote learning to a
40 portion of the students enrolled in the district.

41 (e) "Parent" means a parent, legal guardian, custodian or other person
42 with authority to act on behalf of an eligible student.

43 (f) "Postsecondary educational institution" means any postsecondary

1 educational institution or any private or out-of-state postsecondary
2 educational institution as such terms are defined in K.S.A. 74-3201b, and
3 amendments thereto.

4 (g) "Program" means the student empowerment program established
5 under section 4, and amendments thereto.

6 (h)(1) "Qualified private school" means any accredited private school
7 and any nonaccredited private school ~~registered with the state board of~~
8 ~~education pursuant to K.S.A. 72-4346, and amendments thereto, that is~~
9 ~~located in Kansas and that:~~

10 ~~(1)(A) Provides instruction in those subjects required by K.S.A. 72-~~
11 ~~3214, 72-3217 and 72-3235, and amendments thereto; and~~

12 ~~(2)(B) is approved by the treasurer pursuant to section 12, and~~
13 ~~amendments thereto.~~

14 **(2) "Qualified private school" does not mean any nonaccredited**
15 **private home school or home school organization, community,**
16 **consortium or group.**

17 (i) (1) "Remote learning" means a method of providing education in
18 which the student, although regularly enrolled in the student's resident
19 school district, does not physically attend the attendance center such
20 student would otherwise attend in person, and curriculum and instruction
21 are prepared, provided and supervised by teachers and staff of such
22 resident school district so as to approximate the student learning
23 experience that would take place in the attendance center classroom.

24 (2) The term "remote learning" does not include virtual school as
25 such term is defined in K.S.A. 72-3712, and amendments thereto.

26 (j) "Resident school district" means the school district in which an
27 eligible student is currently or would be enrolled based on such eligible
28 student's residence.

29 (k) "Treasurer" means the state treasurer or the state treasurer's
30 designee.

31 New Sec. 4. (a) The student empowerment program is hereby
32 established and shall be administered by the treasurer. The treasurer shall
33 establish a student empowerment account for each eligible student whose
34 parent satisfies the requirements of this act.

35 (b) The treasurer shall maintain an explanation of the following
36 information on the treasurer's website and provide a hard copy of such
37 information to any person upon request:

38 (1) The options for participation in the program as provided in section
39 8, and amendments thereto;

40 (2) the allowable uses of moneys in a student empowerment account;

41 (3) the responsibilities of a parent of an eligible student participating
42 in the program;

43 (4) the effect of participation in the program by eligible students with

1 an individualized education program (IEP) or an education plan under
2 section 504 of the rehabilitation act of 1973, 29 U.S.C. § 794 (section 504
3 plan);

4 (5) the duties of the treasurer;

5 (6) the procedure for appealing a decision of the treasurer;

6 (7) the name and telephone number of the treasurer's employee who
7 may be contacted if a parent has questions about the program; and

8 (8) a list of qualified private schools.

9 New Sec. 5. Whenever a student becomes eligible for the student
10 empowerment program, such student's resident school district shall notify
11 the parent of such student. Such notice shall include an explanation of the
12 basis for such child's eligibility for the program, a copy of the results of the
13 most recently administered state assessment for English language arts and
14 state assessment for mathematics for such child, the name and telephone
15 number of the school district employee who may be contacted if the parent
16 has questions about the program and the name and telephone number of an
17 employee of both the department of education and the state treasurer's
18 office who may be contacted regarding the program. Such notice shall also
19 include either a written description of the program, including the
20 information described in section 4(b), and amendments thereto, or the
21 website address where such description may be found on the treasurer's
22 website. The school district shall continue to provide such notice each year
23 that the student remains enrolled in the school district and remains eligible
24 for the program.

25 New Sec. 6. (a) For an eligible student to participate in the program,
26 the parent of such eligible student shall enter into a written agreement with
27 the treasurer, in such manner and form as prescribed by the treasurer.

28 (b) The agreement between the parent of an eligible student and the
29 treasurer shall provide that:

30 (1) The eligible student shall participate in the program in accordance
31 with section 8, and amendments thereto;

32 (2) the treasurer shall establish an account for the eligible student in
33 the student empowerment fund established by section 7, and amendments
34 thereto;

35 (3) the parent shall comply with all requirements and rules and
36 regulations of the program; and

37 (4) the moneys in the eligible student's account shall only be
38 expended as authorized by the program.

39 (c) Only one account may be established for each eligible student. A
40 parent acting on behalf of more than one eligible student shall have a
41 separate written agreement for each eligible student.

42 (d) A written agreement entered pursuant to this act shall expire on
43 July 31 immediately following the date the agreement becomes effective

1 but may be terminated prior to such date pursuant to subsection (e). Each
2 written agreement may be renewed by August 1 upon the written consent
3 of the parent and the treasurer in a manner determined by the treasurer,
4 except that the parent may submit a request to the treasurer for an
5 extension of time for renewal not to exceed 30 days. Failure to renew a
6 written agreement does not preclude renewal of such written agreement in
7 a subsequent year. A written agreement that has been terminated pursuant
8 to subsection (e) shall not be renewed.

9 (e) (1) A written agreement may be terminated by the treasurer upon a
10 determination that:

11 (A) Moneys in an account have been used for purposes other than
12 those allowed by the program;

13 (B) the eligible student no longer satisfies the qualifications of an
14 eligible student; or

15 (C) the eligible student no longer participates in the program in
16 accordance with section 8, and amendments thereto.

17 (2) A written agreement may be terminated by a parent at any time.
18 To terminate a written agreement, such parent shall notify the treasurer in
19 writing of such termination.

20 (3) When a written agreement is terminated, the account associated
21 with such agreement shall be deemed inactive, and the treasurer shall close
22 the account in accordance with section 7, and amendments thereto.

23 New Sec. 7. (a) (1) There is hereby established in the state treasury
24 the student empowerment fund to be administered by the treasurer.
25 Moneys in the student empowerment fund shall be expended only for the
26 purposes established in this act. All moneys received pursuant to section 9,
27 and amendments thereto, shall be deposited in the state treasury in
28 accordance with the provisions of K.S.A. 75-4215, and amendments
29 thereto, and shall be credited to the student empowerment fund.

30 (2) The director of accounts and reports shall create a procedure for
31 the student empowerment fund to have individual student accounts therein.
32 Each student's accumulated moneys in the student's account shall earn
33 interest based on: (A) The average daily balance of moneys in each
34 student's account for the preceding month; and (B) the net earnings rate of
35 the pooled money investment portfolio for the preceding month. The
36 amount of interest earned shall be added monthly to each student's account
37 in the student empowerment fund.

38 (b) Upon execution of an agreement in accordance with section 6, and
39 amendments thereto, the treasurer shall establish an account in the student
40 empowerment fund in the state treasury in the name of the eligible student.
41 Upon establishment of such account, the treasurer shall notify the resident
42 school district of the establishment of such account for the eligible student.

43 (c) (1) If the eligible student is enrolled in a qualified private school,

1 the treasurer shall transfer to such eligible student's account in the student
2 empowerment fund an aggregate annual amount equal to the BASE aid.

3 (2) If the eligible student continues to be enrolled in such student's
4 resident school district part-time, the treasurer shall transfer to such
5 eligible student's account in the student empowerment fund an aggregate
6 annual amount equal to that portion of the BASE aid that is inversely
7 proportional to the amount of time such student is enrolled in such
8 student's resident school district.

9 (d) The treasurer shall make transfers required under subsection (c) in
10 quarterly installments pursuant to a schedule determined by the treasurer.

11 (e) The treasurer may deduct a percentage of the aggregate annual
12 amount to be transferred into an eligible student's account as
13 reimbursement for the administrative costs of implementing the provisions
14 of this act as follows:

15 (1) Up to 5% each year for the first two years moneys are transferred
16 to an eligible student's account; and

17 (2) up to 2.5% for the third year and for each subsequent year moneys
18 are transferred to an eligible student's account.

19 (f) No transfers shall be made to an eligible student's account after
20 such student has graduated from high school.

21 (g) (1) Each account shall remain active until:

22 (A) A written agreement is terminated pursuant to section 6, and
23 amendments thereto;

24 (B) July 31 following the date on which the eligible student graduates
25 from high school; or

26 (C) there are two consecutive years of nonrenewal of an agreement.

27 (2) If the treasurer determines an account is inactive, the treasurer
28 shall close the account and certify the amount of moneys remaining in the
29 account to the director of accounts and reports. Such certified amount shall
30 remain in the student empowerment fund.

31 (h) The treasurer shall ~~develop~~ **contract with a third party**
32 **pursuant to competitive bids for** a system for payment of services by
33 participating parents by electronic funds transfer. Such system shall not
34 require parents to be reimbursed for allowable expenses. All electronic
35 funds transfers shall only be for expenditures approved by the treasurer.
36 ~~The treasurer may contract with a third party for the purposes of~~
37 ~~implementing this subsection.~~

38 New Sec. 8. (a) An eligible student whose parent has entered into an
39 agreement with the treasurer in accordance with section 6, and
40 amendments thereto, shall participate in the program by:

41 (1) Continuing part-time enrollment in such student's resident school
42 district and receiving additional educational services as allowed under the
43 program; or

1 (2) enrolling in a qualified private school.

2 (b) Each year, the parent of a student participating in the program
3 shall report to the treasurer whether such student is enrolled in such
4 student's resident school district and, if so, the number of hours such
5 student is attending.

6 New Sec. 9. (a) On or before August 1 of each year, the treasurer
7 shall determine the amount to be transferred to the student empowerment
8 fund by:

9 (1) Multiplying an amount equal to the BASE aid by the total number
10 of eligible students participating in the program, who are enrolled in a
11 qualified private school;

12 (2) for each eligible student participating in the program who is
13 enrolled part-time in a school district, multiplying an amount equal to the
14 BASE aid by a ratio that is the inverse proportion of the amount of time
15 each such student is enrolled and attending public school;

16 (3) adding together the amounts determined under paragraph (2) for
17 all such students; and

18 (4) adding the total amounts determined under paragraphs (1) and (3).
19 The resulting sum is the amount to be transferred to the student
20 empowerment fund.

21 (b) The treasurer shall certify the resulting amounts to the director of
22 accounts and reports. Upon receipt of such certification, the director shall
23 transfer such certified amount from the state general fund to the student
24 empowerment fund established in section 7, and amendments thereto.

25 New Sec. 10. (a) Moneys in the eligible student's account may be
26 accessed by such eligible student's parent but shall only be expended by
27 such parent for the following purposes:

28 (1) Tuition and fees charged by a qualified private school;

29 (2) textbooks and other supplies required by a qualified private
30 school;

31 (3) fees for transportation provided by a qualified private school that
32 is required for the eligible student to travel to and from such qualified
33 private school;

34 (4) educational therapies or services provided by a licensed or
35 accredited education provider;

36 (5) tutoring services provided by a certified tutor;

37 (6) curriculum materials;

38 (7) tuition or fees charged by an accredited private online learning
39 program;

40 (8) fees for any nationally standardized norm-referenced achievement
41 test, advanced placement examination or other examination related to
42 admission to a postsecondary educational institution;

43 ~~(9) contracted services from a school district, including individual~~

1 **classesservices, programs, activities, classes or any other resources or**
2 **programs provided or contracted by a school district;**

3 (10) tuition and fees charged by a postsecondary educational
4 institution; and

5 (11) any other education expenses approved by the treasurer.

6 (b) The treasurer shall notify the parent of any expenditures from an
7 eligible student's account that do not meet the requirements of subsection
8 (a). Such parent shall repay the cost of any such expenditures within 30
9 days of notification by the treasurer.

10 (c) Except as provided in section 7, and amendments thereto, funds
11 remaining in an account at the end of a school year shall roll over to the
12 next succeeding school year.

13 (d) A qualified private school providing education services purchased
14 with funds from an account shall not share, refund or rebate any portion of
15 such funds to the parent or eligible student. Any such refund or rebate shall
16 be made directly into the eligible student's account.

17 (e) No personal deposits may be made into an account.

18 (f) The treasurer shall conduct or contract to conduct annual audits of
19 eligible student accounts to ensure compliance with the provisions of this
20 act and may conduct or contract to conduct additional audits of eligible
21 student accounts, as needed.

22 (g) If the treasurer determines moneys in an account have been used
23 for purposes other than those allowed by subsection (a), the treasurer may:

24 (1) Prohibit expenditures from the account until such time as
25 determined by the treasurer;

26 (2) prorate amounts to be deposited in such account under section 7,
27 and amendments thereto, by an amount equal to the total amount used for
28 purposes other than those allowed by subsection (a); or

29 (3) terminate the account.

30 New Sec. 11. (a) On or before August 1, 2022, and each year
31 thereafter, the treasurer shall certify to the state board of education the
32 names of the students participating in the student empowerment program,
33 the resident school district of each such student and the qualified private
34 school, if any, each such student is attending in the current school year.

35 (b) (1) On or before September 1, 2021, and each year thereafter, the
36 state board shall determine the adjusted weightings funding amount in
37 accordance with paragraph (2) and shall certify the amount so determined
38 to the director of accounts and reports. At the same time as such
39 certification is transmitted to the director of accounts and reports, the state
40 board shall transmit a copy of such certification to the director of the
41 budget and the director of legislative research. Upon receipt of each such
42 certification, the director of accounts and reports shall transfer the amount
43 certified, and such amount is appropriated for such fiscal year, from the

1 state general fund to the state foundation aid account of the state general
2 fund of the department of education.

3 (2) For each eligible student participating in the program who has
4 participated for less than three years, the state board shall determine the
5 amount of such student's resident school district's state foundation aid for
6 the last school year during which such student was enrolled full-time in
7 such district that is attributable to that portion of the following weightings
8 that is directly attributable to such student's enrollment in the district: The
9 low enrollment weighting, high enrollment weighting, bilingual weighting,
10 at-risk student weighting and career technical education weighting. The
11 state board shall then determine the aggregate of such amounts for each
12 resident school district and the resulting sum is the adjusted weightings
13 funding amount.

14 New Sec. 12. (a) To become a qualified private school, an applicant
15 shall submit an application to the treasurer on a form and in a manner
16 prescribed by the treasurer. Such application shall include proof that the
17 applicant is an accredited private school or a nonaccredited private school
18 registered with the state board of education pursuant to K.S.A. 72-4346,
19 and amendments thereto, and provides instruction in those subjects
20 required by K.S.A. 72-3214, 72-3217 and 72-3235, and amendments
21 thereto.

22 (b) The treasurer shall approve an application or request additional
23 information, as necessary, to prove an applicant meets the criteria to be
24 deemed a qualified private school within 45 days of receiving the
25 application. If the applicant is unable to provide such additional
26 information, the treasurer may deny the application.

27 (c) The treasurer shall conduct or contract to conduct an audit of a
28 qualified private school, selected at random each year, to determine
29 whether the qualified private school is compliant with the requirements of
30 subsection (a).

31 (d) (1) The treasurer may revoke a qualified private school's approval,
32 if the treasurer determines the qualified private school:

33 (A) Has routinely failed to comply with the provisions of this act or
34 applicable rules and regulations; or

35 (B) has failed to provide any educational services required by law to
36 an eligible student receiving instruction from the school, if the school is
37 accepting payments made from such eligible student's account.

38 (2) Prior to revoking a qualified private school's approval, the
39 treasurer shall notify such school of an impending revocation and the
40 reason for such revocation. The qualified private school shall have 30 days
41 from the time it was notified to cure the matter identified in the notice. If
42 the qualified private school fails to cure such matter within 30 days, such
43 school's approval shall be revoked. A qualified private school whose

1 approval has been revoked shall not be allowed to participate in the
2 program until such time the treasurer determines such school is in
3 compliance with the requirements of this act.

4 (3) If the treasurer revokes a qualified private school's approval, the
5 treasurer shall immediately notify each parent of an eligible student
6 participating in the program and receiving instruction from such school.

7 (e) The treasurer may notify the attorney general or the county or
8 district attorney of the county where the qualified private school is located,
9 if a qualified private school's approval was revoked because of misuse of
10 moneys paid from an account.

11 New Sec. 13. Enrollment of an eligible student in a qualified private
12 school shall be considered a parental placement of such student under the
13 individuals with disabilities education act, 20 U.S.C. § 1400 et seq.

14 New Sec. 14. (a) On or before December 31, 2021, and each
15 December 31 thereafter, the treasurer shall prepare and submit a report on
16 the student empowerment program to the state board of education. The
17 report shall include, but is not limited to, the following information for the
18 immediately preceding school year:

19 (1) The total number of students participating in the program;

20 (2) the number of participating students enrolled on a part-time basis
21 in a school district and the average number of hours such students attended
22 public school;

23 (3) the number of participating students enrolled in a qualified private
24 school;

25 (4) the number of qualified private schools;

26 (5) the results of any audits conducted or contracted for by the
27 treasurer; and

28 (6) the total cost to administer the program.

29 (b) On or before January 15, 2022, and each January 15 thereafter, the
30 state board of education shall prepare and submit a report on the student
31 empowerment program to the governor and the legislature. The report
32 shall include, but is not limited to, the treasurer's report submitted pursuant
33 to subsection (a) and the state foundation aid adjustments determined by
34 the state board pursuant to section 11, and amendments thereto, for each
35 school district for the immediately preceding school year.

36 New Sec. 15. The treasurer's actions under this act shall be subject to
37 the Kansas administrative procedure act and reviewable under the Kansas
38 judicial review act. Any parent of a participating student or qualified
39 private school aggrieved by a decision of the treasurer may appeal such
40 decision in accordance with such acts.

41 New Sec. 16. On or before January 1, 2022, the treasurer shall adopt
42 rules and regulations necessary to carry out the provisions of this act.

43 New Sec. 17. Nothing in this act shall be deemed to limit the

1 independence or autonomy of a qualified private school or to make the
2 actions of a qualified private school the actions of the state government.

3 Sec. 18. K.S.A. 72-5134 is hereby amended to read as follows: 72-
4 5134. (a) In each school year, the state board shall determine the amount
5 of state foundation aid for each school district for such school year. The
6 state board shall determine the amount of the school district's local
7 foundation aid for the school year. If the amount of the school district's
8 local foundation aid is greater than the amount of total foundation aid
9 determined for the school district for the school year, the school district
10 shall not receive state foundation aid in any amount. If the amount of the
11 school district's local foundation aid is less than the amount of total
12 foundation aid determined for the school district for the school year, the
13 state board shall subtract the amount of the school district's local
14 foundation aid from the amount of total foundation aid. *Subject to the*
15 *provisions of subsection (b)*, the remainder is the amount of state
16 foundation aid the school district shall receive for the school year.

17 (b) *Each school year, the state board shall adjust the amount of state*
18 *foundation aid for each school district in accordance with section 11, and*
19 *amendments thereto.*

20 **Sec. 19. K.S.A. 72-5151 is hereby amended to read as follows: 72-**
21 **5151. (a) The at-risk student weighting of each school district shall be**
22 **determined by the state board as follows:**

23 **(1) Determine the number of at-risk students included in the**
24 **enrollment of the school district; and**

25 **(2) multiply the number determined under subsection (a)(1) by**
26 **0.484. The resulting sum is the at-risk student weighting of the school**
27 **district.**

28 ~~(b) Except as provided in subsection (b)(4), the high-density at-risk~~
29 ~~student weighting of each school district shall be determined by the state~~
30 ~~board as follows:~~

31 ~~(1) (A) If the enrollment of the school district is at least 35% at-risk~~
32 ~~students, but less than 50% at-risk students:~~

33 ~~(i) Subtract 35% from the percentage of at-risk students included in~~
34 ~~the enrollment of the school district;~~

35 ~~(ii) multiply the difference determined under subsection (b)(1)(A)(i)~~
36 ~~by 0.7; and~~

37 ~~(iii) multiply the product determined under subsection (b)(1)(A)(ii)~~
38 ~~by the number of at-risk students included in the enrollment of the school~~
39 ~~district; or~~

40 ~~(B) if the enrollment of the school district is 50% or more at-risk~~
41 ~~students, multiply the number of at-risk students included in the~~
42 ~~enrollment of the school district by 0.105; or~~

43 ~~(2) (A) if the enrollment of a school in the school district is at least~~

1 35% at-risk students, but less than 50% at-risk students:

2 (i) Subtract 35% from the percentage of at-risk students included in
3 the enrollment of such school;

4 (ii) multiply the difference determined under subsection (b)(2)(A)(i)
5 by 0.7; and

6 (iii) multiply the product determined under subsection (b)(2)(A)(ii)
7 by the number of at-risk students included in the enrollment of such
8 school; or

9 (B) if the enrollment of a school in the school district is 50% or more
10 at-risk students, multiply the number of at-risk students included in the
11 enrollment of such school by 0.105; and

12 (C) add the products determined under subsections (b)(2)(A)(iii) and
13 (b)(2)(B) for each such school in the school district, respectively.

14 (3) The high-density at-risk weighting of the school district shall be
15 the greater of the product determined under subsection (b)(1) or the sum
16 determined under subsection (b)(2)(C).

17 (4) Commencing in school year 2018-2019, school districts that
18 qualify to receive the high-density at-risk weighting pursuant to this
19 section shall spend any money attributable to the school district's high-
20 density at-risk weighting on the at-risk best practices developed by the
21 state board pursuant to K.S.A. 72-5153(d), and amendments thereto. If a
22 school district that qualifies for the high-density at-risk weighting does not
23 spend such money on such best practices, the state board shall notify the
24 school district that it shall either spend such money on such best practices
25 or shall show improvement within five years of notification. Improvement
26 shall include, but not be limited to, the following: (A) The percentage of
27 students at grade level on state math and English language arts
28 assessments; (B) the percentage of students that are college and career
29 ready on state math and English language arts assessments; (C) the
30 average composite ACT score; or (D) the four-year graduation rate. If a
31 school district does not spend such money on such best practices and does
32 not show improvement within five years, the school district shall not
33 qualify to receive the high-density at-risk weighting in the succeeding
34 school year.

35 (5) The provisions of this subsection shall expire on July 1, 2020.

36 (b) On and after July 1, 2021, except as provided in subsection (b)
37 (4), the high-density at-risk student weighting of each school district shall
38 be determined by the state board as follows:

39 (1) (A) If the enrollment of the school district is at least 35% at-risk
40 students, but less than 50% at-risk students:

41 (i) Subtract 35% from the percentage of at-risk students included in
42 the enrollment of the school district;

43 (ii) multiply the difference determined under subsection (b)(1)(A)(i)

1 by 0.7; and

2 (iii) multiply the product determined under subsection (b)(1)(A)(ii) by
3 the number of at-risk students included in the enrollment of the school
4 district; or

5 (B) if the enrollment of the school district is 50% or more at-risk
6 students, multiply the number of at-risk students included in the enrollment
7 of the school district by 0.105; or

8 (2) (A) if the enrollment of a school in the school district is at least
9 35% at-risk students, but less than 50% at-risk students:

10 (i) Subtract 35% from the percentage of at-risk students included in
11 the enrollment of such school;

12 (ii) multiply the difference determined under subsection (b)(2)(A)(i)
13 by 0.7; and

14 (iii) multiply the product determined under subsection (b)(2)(A)(ii) by
15 the number of at-risk students included in the enrollment of such school;
16 or

17 (B) if the enrollment of a school in the school district is 50% or more
18 at-risk students, multiply the number of at-risk students included in the
19 enrollment of such school by 0.105; and

20 (C) add the products determined under subsections (b)(2)(A)(iii) and
21 (b)(2)(B) for each such school in the school district, respectively.

22 (3) The high-density at-risk weighting of the school district shall be
23 the greater of the product determined under subsection (b)(1) or the sum
24 determined under subsection (b)(2)(C).

25 (4) School districts that qualify to receive the high-density at-risk
26 weighting pursuant to this section shall spend any money attributable to
27 the school district's high-density at-risk weighting on the at-risk best
28 practices developed by the state board pursuant to K.S.A. 72-5153(d), and
29 amendments thereto. If a school district that qualifies for the high-density
30 at-risk weighting does not spend such money on such best practices, the
31 state board shall notify the school district that it shall either spend such
32 money on such best practices or shall show improvement within five years
33 of notification. Improvement shall include, but not be limited to, the
34 following: (A) The percentage of students at grade level on state math and
35 English language arts assessments; (B) the percentage of students that are
36 college and career ready on state math and English language arts
37 assessments; (C) the average composite ACT score; or (D) the four-year
38 graduation rate. If a school district does not spend such money on such
39 best practices and does not show improvement within five years, the
40 school district shall not qualify to receive the high-density at-risk
41 weighting in the succeeding school year.

42 (5) The provisions of this subsection shall expire on July 1, 2022.

43 Sec. ~~19~~. 20. K.S.A. 79-32,117 is hereby amended to read as follows:

1 79-32,117. (a) The Kansas adjusted gross income of an individual means
2 such individual's federal adjusted gross income for the taxable year, with
3 the modifications specified in this section.

4 (b) There shall be added to federal adjusted gross income:

5 (i) Interest income less any related expenses directly incurred in the
6 purchase of state or political subdivision obligations, to the extent that the
7 same is not included in federal adjusted gross income, on obligations of
8 any state or political subdivision thereof, but to the extent that interest
9 income on obligations of this state or a political subdivision thereof issued
10 prior to January 1, 1988, is specifically exempt from income tax under the
11 laws of this state authorizing the issuance of such obligations, it shall be
12 excluded from computation of Kansas adjusted gross income whether or
13 not included in federal adjusted gross income. Interest income on
14 obligations of this state or a political subdivision thereof issued after
15 December 31, 1987, shall be excluded from computation of Kansas
16 adjusted gross income whether or not included in federal adjusted gross
17 income.

18 (ii) Taxes on or measured by income or fees or payments in lieu of
19 income taxes imposed by this state or any other taxing jurisdiction to the
20 extent deductible in determining federal adjusted gross income and not
21 credited against federal income tax. This paragraph shall not apply to taxes
22 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
23 amendments thereto, for privilege tax year 1995, and all such years
24 thereafter.

25 (iii) The federal net operating loss deduction, except that the federal
26 net operating loss deduction shall not be added to an individual's federal
27 adjusted gross income for tax years beginning after December 31, 2016.

28 (iv) Federal income tax refunds received by the taxpayer if the
29 deduction of the taxes being refunded resulted in a tax benefit for Kansas
30 income tax purposes during a prior taxable year. Such refunds shall be
31 included in income in the year actually received regardless of the method
32 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
33 be deemed to have resulted if the amount of the tax had been deducted in
34 determining income subject to a Kansas income tax for a prior year
35 regardless of the rate of taxation applied in such prior year to the Kansas
36 taxable income, but only that portion of the refund shall be included as
37 bears the same proportion to the total refund received as the federal taxes
38 deducted in the year to which such refund is attributable bears to the total
39 federal income taxes paid for such year. For purposes of the foregoing
40 sentence, federal taxes shall be considered to have been deducted only to
41 the extent such deduction does not reduce Kansas taxable income below
42 zero.

43 (v) The amount of any depreciation deduction or business expense

1 deduction claimed on the taxpayer's federal income tax return for any
2 capital expenditure in making any building or facility accessible to the
3 handicapped, for which expenditure the taxpayer claimed the credit
4 allowed by K.S.A. 79-32,177, and amendments thereto.

5 (vi) Any amount of designated employee contributions picked up by
6 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
7 and amendments thereto.

8 (vii) The amount of any charitable contribution made to the extent the
9 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
10 32,196, and amendments thereto.

11 (viii) The amount of any costs incurred for improvements to a swine
12 facility, claimed for deduction in determining federal adjusted gross
13 income, to the extent the same is claimed as the basis for any credit
14 allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

15 (ix) The amount of any ad valorem taxes and assessments paid and
16 the amount of any costs incurred for habitat management or construction
17 and maintenance of improvements on real property, claimed for deduction
18 in determining federal adjusted gross income, to the extent the same is
19 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
20 and amendments thereto.

21 (x) Amounts received as nonqualified withdrawals, as defined by
22 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a
23 family postsecondary education savings account, such amounts were
24 subtracted from the federal adjusted gross income pursuant to K.S.A. 79-
25 32,117(c)(xv), and amendments thereto, or if such amounts are not already
26 included in the federal adjusted gross income.

27 (xi) The amount of any contribution made to the same extent the
28 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-
29 50,154, and amendments thereto.

30 (xii) For taxable years commencing after December 31, 2004,
31 amounts received as withdrawals not in accordance with the provisions of
32 K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution
33 to an individual development account, such amounts were subtracted from
34 the federal adjusted gross income pursuant to subsection (c)(xiii), or if
35 such amounts are not already included in the federal adjusted gross
36 income.

37 (xiii) The amount of any expenditures claimed for deduction in
38 determining federal adjusted gross income, to the extent the same is
39 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217
40 through 79-32,220 or 79-32,222, and amendments thereto.

41 (xiv) The amount of any amortization deduction claimed in
42 determining federal adjusted gross income to the extent the same is
43 claimed for deduction pursuant to K.S.A. 79-32,221, and amendments

1 thereto.

2 (xv) The amount of any expenditures claimed for deduction in
3 determining federal adjusted gross income, to the extent the same is
4 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223
5 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-
6 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-
7 32,251 through 79-32,254, and amendments thereto.

8 (xvi) The amount of any amortization deduction claimed in
9 determining federal adjusted gross income to the extent the same is
10 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-
11 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

12 (xvii) The amount of any amortization deduction claimed in
13 determining federal adjusted gross income to the extent the same is
14 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments
15 thereto.

16 (xviii) For taxable years commencing after December 31, 2006, the
17 amount of any ad valorem or property taxes and assessments paid to a state
18 other than Kansas or local government located in a state other than Kansas
19 by a taxpayer who resides in a state other than Kansas, when the law of
20 such state does not allow a resident of Kansas who earns income in such
21 other state to claim a deduction for ad valorem or property taxes or
22 assessments paid to a political subdivision of the state of Kansas in
23 determining taxable income for income tax purposes in such other state, to
24 the extent that such taxes and assessments are claimed as an itemized
25 deduction for federal income tax purposes.

26 (xix) For taxable years beginning after December 31, 2012, and
27 ending before January 1, 2017, the amount of any: (1) Loss from business
28 as determined under the federal internal revenue code and reported from
29 schedule C and on line 12 of the taxpayer's form 1040 federal individual
30 income tax return; (2) loss from rental real estate, royalties, partnerships, S
31 corporations, except those with wholly owned subsidiaries subject to the
32 Kansas privilege tax, estates, trusts, residual interest in real estate
33 mortgage investment conduits and net farm rental as determined under the
34 federal internal revenue code and reported from schedule E and on line 17
35 of the taxpayer's form 1040 federal individual income tax return; and (3)
36 farm loss as determined under the federal internal revenue code and
37 reported from schedule F and on line 18 of the taxpayer's form 1040
38 federal income tax return; all to the extent deducted or subtracted in
39 determining the taxpayer's federal adjusted gross income. For purposes of
40 this subsection, references to the federal form 1040 and federal schedule
41 C, schedule E, and schedule F, shall be to such form and schedules as they
42 existed for tax year 2011, and as revised thereafter by the internal revenue
43 service.

1 (xx) For taxable years beginning after December 31, 2012, and
2 ending before January 1, 2017, the amount of any deduction for self-
3 employment taxes under section 164(f) of the federal internal revenue
4 code as in effect on January 1, 2012, and amendments thereto, in
5 determining the federal adjusted gross income of an individual taxpayer, to
6 the extent the deduction is attributable to income reported on schedule C,
7 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income
8 tax return.

9 (xxi) For taxable years beginning after December 31, 2012, and
10 ending before January 1, 2017, the amount of any deduction for pension,
11 profit sharing, and annuity plans of self-employed individuals under
12 section 62(a)(6) of the federal internal revenue code as in effect on January
13 1, 2012, and amendments thereto, in determining the federal adjusted gross
14 income of an individual taxpayer.

15 (xxii) For taxable years beginning after December 31, 2012, and
16 ending before January 1, 2017, the amount of any deduction for health
17 insurance under section 162(l) of the federal internal revenue code as in
18 effect on January 1, 2012, and amendments thereto, in determining the
19 federal adjusted gross income of an individual taxpayer.

20 (xxiii) For taxable years beginning after December 31, 2012, and
21 ending before January 1, 2017, the amount of any deduction for domestic
22 production activities under section 199 of the federal internal revenue code
23 as in effect on January 1, 2012, and amendments thereto, in determining
24 the federal adjusted gross income of an individual taxpayer.

25 (xxiv) For taxable years commencing after December 31, 2013, that
26 portion of the amount of any expenditure deduction claimed in
27 determining federal adjusted gross income for expenses paid for medical
28 care of the taxpayer or the taxpayer's spouse or dependents when such
29 expenses were paid or incurred for an abortion, or for a health benefit plan,
30 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of
31 an optional rider for coverage of abortion in accordance with K.S.A. 2020
32 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and
33 assessments are claimed as an itemized deduction for federal income tax
34 purposes.

35 (xxv) For taxable years commencing after December 31, 2013, that
36 portion of the amount of any expenditure deduction claimed in
37 determining federal adjusted gross income for expenses paid by a taxpayer
38 for health care when such expenses were paid or incurred for abortion
39 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and
40 amendments thereto, when such expenses were paid or incurred for
41 abortion coverage or amounts contributed to health savings accounts for
42 such taxpayer's employees for the purchase of an optional rider for
43 coverage of abortion in accordance with K.S.A. 2020 Supp. 40-2,190, and

1 amendments thereto, to the extent that such taxes and assessments are
2 claimed as a deduction for federal income tax purposes.

3 (xxvi) For all taxable years beginning after December 31, 2016, the
4 amount of any charitable contribution made to the extent the same is
5 claimed as the basis for the credit allowed pursuant to K.S.A. 72-99a07,
6 and amendments thereto, and is also claimed as an itemized deduction for
7 federal income tax purposes.

8 (c) There shall be subtracted from federal adjusted gross income:

9 (i) Interest or dividend income on obligations or securities of any
10 authority, commission or instrumentality of the United States and its
11 possessions less any related expenses directly incurred in the purchase of
12 such obligations or securities, to the extent included in federal adjusted
13 gross income but exempt from state income taxes under the laws of the
14 United States.

15 (ii) Any amounts received ~~which~~ *that* are included in federal adjusted
16 gross income but which are specifically exempt from Kansas income
17 taxation under the laws of the state of Kansas.

18 (iii) The portion of any gain or loss from the sale or other disposition
19 of property having a higher adjusted basis for Kansas income tax purposes
20 than for federal income tax purposes on the date such property was sold or
21 disposed of in a transaction in which gain or loss was recognized for
22 purposes of federal income tax that does not exceed such difference in
23 basis, but if a gain is considered a long-term capital gain for federal
24 income tax purposes, the modification shall be limited to that portion of
25 such gain ~~which~~ *that* is included in federal adjusted gross income.

26 (iv) The amount necessary to prevent the taxation under this act of
27 any annuity or other amount of income or gain ~~which~~ *that* was properly
28 included in income or gain and was taxed under the laws of this state for a
29 taxable year prior to the effective date of this act, as amended, to the
30 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
31 the right to receive the income or gain, or to a trust or estate from which
32 the taxpayer received the income or gain.

33 (v) The amount of any refund or credit for overpayment of taxes on
34 or measured by income or fees or payments in lieu of income taxes
35 imposed by this state, or any taxing jurisdiction, to the extent included in
36 gross income for federal income tax purposes.

37 (vi) Accumulation distributions received by a taxpayer as a
38 beneficiary of a trust to the extent that the same are included in federal
39 adjusted gross income.

40 (vii) Amounts received as annuities under the federal civil service
41 retirement system from the civil service retirement and disability fund and
42 other amounts received as retirement benefits in whatever form ~~which~~ *that*
43 were earned for being employed by the federal government or for service

1 in the armed forces of the United States.

2 (viii) Amounts received by retired railroad employees as a
3 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
4 228c (a)(1) et seq.

5 (ix) Amounts received by retired employees of a city and by retired
6 employees of any board of such city as retirement allowances pursuant to
7 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
8 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
9 amendments thereto.

10 (x) For taxable years beginning after December 31, 1976, the amount
11 of the federal tentative jobs tax credit disallowance under the provisions of
12 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
13 amount of the targeted jobs tax credit and work incentive credit
14 disallowances under 26 U.S.C. § 280 C.

15 (xi) For taxable years beginning after December 31, 1986, dividend
16 income on stock issued by Kansas venture capital, inc.

17 (xii) For taxable years beginning after December 31, 1989, amounts
18 received by retired employees of a board of public utilities as pension and
19 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
20 and amendments thereto.

21 (xiii) For taxable years beginning after December 31, 2004, amounts
22 contributed to and the amount of income earned on contributions deposited
23 to an individual development account under K.S.A. 74-50,201 et seq., and
24 amendments thereto.

25 (xiv) For all taxable years commencing after December 31, 1996, that
26 portion of any income of a bank organized under the laws of this state or
27 any other state, a national banking association organized under the laws of
28 the United States, an association organized under the savings and loan
29 code of this state or any other state, or a federal savings association
30 organized under the laws of the United States, for which an election as an
31 S corporation under subchapter S of the federal internal revenue code is in
32 effect, ~~which~~ that accrues to the taxpayer who is a stockholder of such
33 corporation and ~~which~~ that is not distributed to the stockholders as
34 dividends of the corporation. For taxable years beginning after December
35 31, 2012, and ending before January 1, 2017, the amount of modification
36 under this subsection shall exclude the portion of income or loss reported
37 on schedule E and included on line 17 of the taxpayer's form 1040 federal
38 individual income tax return.

39 (xv) For all taxable years beginning after December 31, 2017, the
40 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple
41 filing a joint return, for each designated beneficiary that are contributed to:
42 (1) A family postsecondary education savings account established under
43 the Kansas postsecondary education savings program or a qualified tuition

1 program established and maintained by another state or agency or
2 instrumentality thereof pursuant to section 529 of the internal revenue
3 code of 1986, as amended, for the purpose of paying the qualified higher
4 education expenses of a designated beneficiary; or (2) an achieving a
5 better life experience (ABLE) account established under the Kansas ABLE
6 savings program or a qualified ABLE program established and maintained
7 by another state or agency or instrumentality thereof pursuant to section
8 529A of the internal revenue code of 1986, as amended, for the purpose of
9 saving private funds to support an individual with a disability. The terms
10 and phrases used in this paragraph shall have the meaning respectively
11 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and
12 amendments thereto, and the provisions of such sections are hereby
13 incorporated by reference for all purposes thereof.

14 (xvi) For all taxable years beginning after December 31, 2004,
15 amounts received by taxpayers who are or were members of the armed
16 forces of the United States, including service in the Kansas army and air
17 national guard, as a recruitment, sign up or retention bonus received by
18 such taxpayer as an incentive to join, enlist or remain in the armed services
19 of the United States, including service in the Kansas army and air national
20 guard, and amounts received for repayment of educational or student loans
21 incurred by or obligated to such taxpayer and received by such taxpayer as
22 a result of such taxpayer's service in the armed forces of the United States,
23 including service in the Kansas army and air national guard.

24 (xvii) For all taxable years beginning after December 31, 2004,
25 amounts received by taxpayers who are eligible members of the Kansas
26 army and air national guard as a reimbursement pursuant to K.S.A. 48-
27 281, and amendments thereto, and amounts received for death benefits
28 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
29 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
30 amendments thereto, to the extent that such death benefits are included in
31 federal adjusted gross income of the taxpayer.

32 (xviii) For the taxable year beginning after December 31, 2006,
33 amounts received as benefits under the federal social security act ~~which~~
34 *that* are included in federal adjusted gross income of a taxpayer with
35 federal adjusted gross income of \$50,000 or less, whether such taxpayer's
36 filing status is single, head of household, married filing separate or married
37 filing jointly; and for all taxable years beginning after December 31, 2007,
38 amounts received as benefits under the federal social security act ~~which~~
39 *that* are included in federal adjusted gross income of a taxpayer with
40 federal adjusted gross income of \$75,000 or less, whether such taxpayer's
41 filing status is single, head of household, married filing separate or married
42 filing jointly.

43 (xix) Amounts received by retired employees of Washburn university

1 as retirement and pension benefits under the university's retirement plan.

2 (xx) For taxable years beginning after December 31, 2012, and
3 ending before January 1, 2017, the amount of any: (1) Net profit from
4 business as determined under the federal internal revenue code and
5 reported from schedule C and on line 12 of the taxpayer's form 1040
6 federal individual income tax return; (2) net income, not including
7 guaranteed payments as defined in section 707(c) of the federal internal
8 revenue code and as reported to the taxpayer from federal schedule K-1,
9 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal
10 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,
11 partnerships, S corporations, estates, trusts, residual interest in real estate
12 mortgage investment conduits and net farm rental as determined under the
13 federal internal revenue code and reported from schedule E and on line 17
14 of the taxpayer's form 1040 federal individual income tax return; and (3)
15 net farm profit as determined under the federal internal revenue code and
16 reported from schedule F and on line 18 of the taxpayer's form 1040
17 federal income tax return; all to the extent included in the taxpayer's
18 federal adjusted gross income. For purposes of this subsection, references
19 to the federal form 1040 and federal schedule C, schedule E, and schedule
20 F, shall be to such form and schedules as they existed for tax year 2011
21 and as revised thereafter by the internal revenue service.

22 (xxi) For all taxable years beginning after December 31, 2013,
23 amounts equal to the unreimbursed travel, lodging and medical
24 expenditures directly incurred by a taxpayer while living, or a dependent
25 of the taxpayer while living, for the donation of one or more human organs
26 of the taxpayer, or a dependent of the taxpayer, to another person for
27 human organ transplantation. The expenses may be claimed as a
28 subtraction modification provided for in this section to the extent the
29 expenses are not already subtracted from the taxpayer's federal adjusted
30 gross income. In no circumstances shall the subtraction modification
31 provided for in this section for any individual, or a dependent, exceed
32 \$5,000. As used in this section, "human organ" means all or part of a liver,
33 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
34 paragraph shall take effect on the day the secretary of revenue certifies to
35 the director of the budget that the cost for the department of revenue of
36 modifications to the automated tax system for the purpose of
37 implementing this paragraph will not exceed \$20,000.

38 (xxii) For taxable years beginning after December 31, 2012, and
39 ending before January 1, 2017, the amount of net gain from the sale of: (1)
40 Cattle and horses, regardless of age, held by the taxpayer for draft,
41 breeding, dairy or sporting purposes, and held by such taxpayer for 24
42 months or more from the date of acquisition; and (2) other livestock,
43 regardless of age, held by the taxpayer for draft, breeding, dairy or

1 sporting purposes, and held by such taxpayer for 12 months or more from
2 the date of acquisition. The subtraction from federal adjusted gross income
3 shall be limited to the amount of the additions recognized under the
4 provisions of subsection (b)(xix) attributable to the business in which the
5 livestock sold had been used. As used in this paragraph, the term
6 "livestock" shall not include poultry.

7 (xxiii) For all taxable years beginning after December 31, 2012,
8 amounts received under either the Overland Park, Kansas police
9 department retirement plan or the Overland Park, Kansas fire department
10 retirement plan, both as established by the city of Overland Park, pursuant
11 to the city's home rule authority.

12 (xxiv) For taxable years beginning after December 31, 2013, and
13 ending before January 1, 2017, the net gain from the sale from Christmas
14 trees grown in Kansas and held by the taxpayer for six years or more.

15 (xxv) *For all taxable years beginning after December 31, 2020,*
16 *amounts deposited in a student empowerment account established by*
17 *agreement between the taxpayer and the state treasurer pursuant to*
18 *section 6, and amendments thereto.*

19 (d) There shall be added to or subtracted from federal adjusted gross
20 income the taxpayer's share, as beneficiary of an estate or trust, of the
21 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
22 amendments thereto.

23 (e) The amount of modifications required to be made under this
24 section by a partner ~~which~~ *that* relates to items of income, gain, loss,
25 deduction or credit of a partnership shall be determined under K.S.A. 79-
26 32,131, and amendments thereto, to the extent that such items affect
27 federal adjusted gross income of the partner.

28 (f) No taxpayer shall be assessed penalties and interest from the
29 underpayment of taxes due to changes to this section that became law on
30 July 1, 2017, so long as such underpayment is rectified on or before April
31 17, 2018.

32 ~~Sec.-20.~~ **21.** K.S.A. 72-5134, **72-5151** and 79-32,117 are hereby
33 repealed.

34 ~~Sec.-21.~~ **22.** This act shall take effect and be in force from and after
35 its publication in the statute book.