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CS FOR HOUSE BILL NO. 145()**IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-SEVENTH LEGISLATURE - FIRST SESSION****BY****Offered:****Referred:****Sponsor(s): REPRESENTATIVE KELLER****A BILL****FOR AN ACT ENTITLED**

1 **"An Act establishing the parental choice scholarship program to be administered by**
2 **school districts for the purpose of paying the cost of attending grades kindergarten**
3 **through 12 at public and private schools; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 14 is amended by adding a new chapter to read:

6 **Chapter 31. Parental Choice Scholarship Program.**

7 **Sec. 14.31.010. Parental choice scholarship program established.** The
8 parental choice scholarship program is established for the purpose of providing public
9 funding of the cost of attending grades kindergarten through 12 at a public or private
10 school selected by the student's parent or legal guardian. Each school district shall
11 administer the program under the provisions of this chapter. Participation of a school
12 in the program does not confer authority over a school to a school district that is not
13 expressly provided for in this title.

14 **Sec. 14.31.020. School selection and scholarship amount.** (a) A public or

private school in the state that is accepted for participation in the program may receive a scholarship under the program on behalf of a student who attends the school, regardless of the attendance area in the school district in which the student resides.

(b) Notwithstanding the calculations required under AS 14.17, the district shall pay to a participating school attended by the student under this section a parental choice scholarship that is equal to the amount the school district in which the student attends would receive as state aid under AS 14.17 for a similarly situated student to attend a public school in the district, except that the amount may not exceed 100 percent of the funding the school receives from all state sources for the student as reported under AS 14.03.120(b). The district in which a participating school is located may contribute additional money from local sources for a student. The parent or legal guardian shall be responsible for remaining costs and fees assessed by a participating school.

(c) If a parent or legal guardian has selected a public school outside of the attendance area in which the student resides for a scholarship under this section, the parent or legal guardian shall assume full responsibility for transporting the student. However, the school district in which the student resides may contribute to the reasonable costs of transporting the student to the scholarship recipient school with state aid available under AS 14.09.010 for transportation of the student.

(d) A scholarship received for the benefit of a student under this section must be used for educational purposes. A scholarship is transferable among participating schools.

(e) A participating school shall include students who are enrolled under this section in the student count submitted to the district for purposes of calculating state aid under AS 14.17.610.

Sec. 14.31.025. Accountability and enrollment standards for a participating school. (a) A district shall accept a school for participation in the parental choice scholarship program if the school

(1) submits notice of participation to the district in which the student is a resident on a form approved by the district indicating that the school intends to participate in the program;

(2) meets the following financial accountability standards:

(A) demonstrates the school's financial ability to repay to the district any overpaid scholarship funds;

(B) certifies the actual annual costs to the school of educating a student, including a prorated amount for facility and operating costs; and

(C) for a private school, submits to the district

(i) an audited financial statement of the average cost of tuition at the school for the immediately preceding two-year period;

(ii) evidence of cost-of-living increases that provide the basis for a tuition increase at the school, if any; and

(3) is a school that is a

(A) public school or correspondence study program operated by the department or a district in the state under this title;

(B) charter school established under AS 14.03.250 - 14.03.290;

or

(C) private school operated in compliance with AS 14.45.030 or AS 14.45.100 - 14.45.130 and accredited by a recognized national or regional accreditation body.

(b) Nothing in this chapter authorizes a district or the state to regulate a participating private school except as necessary to carry out the program, to prove that the school is accredited, and to meet applicable state and federal assessment standards.

(c) Notwithstanding the standards for acceptance of a school for participation in the program under this section, a school district may not accept a school for participation in the program if the school's participation will result in enrollment of fewer than 10 students in a school in the district or if a tuition increase is not reasonably related to a cost of living increase.

Sec. 14.31.035. District duties. (a) In implementing the parental choice scholarship program, the district shall

(1) conduct a two-year audit of education costs in the district;

(2) provide to the department student count data that includes, as a separate count, the number of participating students in the program;

(3) make scholarship payments directly to the school quarterly after receiving proof satisfactory to the district that the student claimed under a scholarship attends the school on a full-time basis;

(4) make available to students and students' parents or guardians a list of schools that have been accepted to participate in the program; and

(5) provide a standard application for use by a school to enroll a student under the program; a school may, however, supplement the application.

(b) If the district denies or revokes acceptance of a school to participate in the program, the district shall, after administrative and judicial appeal periods have lapsed, immediately notify the affected students and the students' parents or guardians.

Sec. 14.31.040. Regulations. The department shall adopt regulations necessary to carry out the program in a manner that ensures the highest number of student and school participation, including

(1) procedures for calculating and distributing scholarships;

(2) timelines and procedures for application, renewal, and appeal for participating schools and students; and

(3) standards for acceptance, revocation, and denial for participating schools.

Sec. 14.31.045. Appropriations for scholarships. The legislature may appropriate parental choice scholarship program funds to the department for distribution to the districts. If the appropriation for the program is insufficient in a given fiscal year, the department shall distribute the available funds to the districts prorated by the number of participating students in the program.

Sec. 14.31.090. Definitions. In this chapter,

(1) "district" has the meaning given in AS 14.17.990;

(2) "private school" means a school located in the state that provides education to students attending grades kindergarten through 12, or any combination of those grades, and that does not receive state funding under AS 14.17;

(3) "program" means the parental choice scholarship program;

(4) "student" means a person residing in the state who is at least five years of age but not more than 21 years of age.

1 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 CONTINGENCY. Section 1 of this Act takes effect only if an amendment to art. VII,
4 sec. 1, Constitution of the State of Alaska, deleting the prohibition on the payment of public
5 funds for the direct benefit of a private educational institution, is approved by the voters
6 before July 1, 2013.

7 * **Sec. 3.** If, under sec. 2 of this Act, sec. 1 of this Act takes effect, it takes effect on the
8 effective date of the constitutional amendment described in sec. 2 of this Act.