

**HOUSE BILL NO. 145**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE KELLER**

**Introduced: 2/9/11**

**Referred: Education, Finance**

**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.

12 **Sec. 14.31.020. Scholarship amount and eligibility.** (a) A public school in  
13 the state may receive a scholarship under the parental choice scholarship program on  
14 behalf of a student who attends the school, regardless of the attendance area in the

1 school district in which the student resides.

2 (b) A private school qualifies to receive funding under the parental choice  
3 scholarship program if the school

4 (1) submits an application to the district in which the school is located  
5 on a form approved by the district indicating that the school intends to participate in  
6 the program;

7 (2) meets the accountability and enrollment standards under  
8 AS 14.31.025; and

9 (3) complies with AS 14.45.030 or 14.45.110 - 14.45.130 and  
10 academic accountability standards that include nondiscriminatory practices and  
11 regular reports to each student's parent or legal guardian on the student's progress.

12 (c) Notwithstanding the calculations required under AS 14.17, the district shall  
13 pay to a qualified school attended by the student under this section a parental choice  
14 scholarship that is equal to the lesser of

15 (1) the amount the school district in which the student resides would  
16 receive under AS 14.17 for a similarly situated student to attend a public school in the  
17 district, except that the amount may not exceed 100 percent of the funding the school  
18 receives and expends from all state and local sources for the student; or

19 (2) the actual annual cost to the school of educating the student,  
20 including prorated facility and operating expenses.

21 (d) If a parent or legal guardian has selected a public school outside of the  
22 attendance area in which the student resides for a scholarship under this section, the  
23 school district in which the student resides may contribute to the reasonable costs of  
24 transporting the student to the scholarship recipient school the state aid available under  
25 AS 14.09.010 for transportation of the student.

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

29 (f) A participating school shall include students who are enrolled under this  
30 section in the student count for purposes of calculating state aid under AS 14.17.610.

31 **Sec. 14.31.025. Accountability and enrollment standards for a**

1 **participating school.** (a) A district shall approve a school for participation in the  
2 parental choice scholarship program if the school

3 (1) operates in compliance with all applicable federal and state laws  
4 pertaining to health and safety;

5 (2) does not discriminate in its admission and hiring practices as  
6 prohibited under AS 14.18.010 - 14.18.100;

7 (3) admits students based on a random selection process, except that  
8 the school may apply a preference for siblings;

9 (4) requires criminal history background checks as provided under  
10 AS 12.62.400 for all individuals who are employed in or otherwise work in the school;

11 (5) if a private school, meets the following financial accountability  
12 standards:

13 (A) submits to the district an annual financial report that  
14 complies with uniform financial accounting standards approved by the district;

15 (B) submits to the district an annual auditor's report that the  
16 financial report provided under (A) of this paragraph is

17 (i) free of material misstatements;

18 (ii) fairly represents the actual annual per pupil costs  
19 claimed under the program; and

20 (iii) limited to records considered necessary to provide  
21 the report;

22 (C) demonstrates the school's financial ability to repay to the  
23 district any overpaid scholarship funds.

24 (b) A participating school is autonomous and may not be subject to additional  
25 regulation by the state unless authorized under AS 14.31.010 - 14.31.090.

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

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

31 (2) make available to students and students' parents or guardians a list

1 of schools that have been approved to participate in the program; and

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

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

8 **Sec. 14.31.040. Regulations.** The department shall adopt regulations necessary  
9 to carry out the program, including

10 (1) timelines that will result in the highest number of student and  
11 school participation;

12 (2) procedures for calculating for and distributing scholarships;

13 (3) procedures for application, renewal, and appeal for participating  
14 schools and students; and

15 (4) standards for approval, revocation, and denial for participating  
16 schools.

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

22 **Sec. 14.31.090. Definitions.** In this chapter,

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

24 (2) "private school" means a school located in the state that provides  
25 education to students attending grades kindergarten through 12, or any combination of  
26 those grades, and that does not receive direct state, local, or federal funding, except  
27 parental choice scholarship funding;

28 (3) "program" means the parent choice scholarship program;

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

31 \* **Sec. 2.** This Act takes effect July 1, 2012.