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Mischel  
1/24/12

**CS FOR HOUSE BILL NO. 145( )**

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

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES KELLER, Millett

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

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

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

1 appropriation.

2 **Sec. 14.31.020. School selection and scholarship amount.** (a) A private  
3 school in the state that is accepted for participation in the program may receive a  
4 scholarship under the program on behalf of a student who attends the school,  
5 regardless of the attendance area or the school district in which the student resides.

6 (b) Notwithstanding the calculations required under AS 14.17, the department  
7 shall pay to a participating school attended by the student under this section a parental  
8 choice scholarship that is equal to the lesser of the cost of tuition at the participating  
9 school or the amount the district would receive as state and local aid under AS 14.17  
10 for a similarly situated student to attend a public school in the district in which the  
11 student resides.

12 (c) The parent or legal guardian shall be responsible for costs and fees  
13 assessed by a participating school that exceed the amount paid under (b) of this  
14 section.

15 (d) The department shall provide transportation to a participating school to the  
16 extent required under AS 14.09.020.

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

20 **Sec. 14.31.025. Accountability and enrollment standards for a**  
21 **participating school.** (a) The department shall accept a school for participation in the  
22 parental choice scholarship program if the school

23 (1) submits to the department, on a form approved by the department,  
24 notice that the school intends to participate in the program;

25 (2) meets the following financial accountability standards:

26 (A) demonstrates the school's financial ability to repay to the  
27 department any overpaid scholarship funds; and

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

30 (3) is a school that is a

31 (A) private correspondence study program located and operated

1                   entirely in the state; or

2                   (B) private school operated in compliance with AS 14.45.030  
3                   or AS 14.45.100 - 14.45.130.

4                   (b) Nothing in this chapter authorizes the department to regulate a  
5                   participating private school except as necessary to carry out the program.

6                   **Sec. 14.31.030. Effect on districts.** Notwithstanding the lower limit for a  
7                   student count of 10 under AS 14.17.450(a) and (b), a school that, as a result of the  
8                   program, has an ADM of less than 10 shall be treated as if the school had 10 students  
9                   for a two-year period following the date on which the ADM is reported to be less than  
10                   10 for purposes of calculating the school size factor under AS 14.17.450. In this  
11                   subsection, "ADM" has the meaning given in AS 14.17.990.

12                   **Sec. 14.31.035. Departmental duties.** (a) In implementing the parental choice  
13                   scholarship program, the department shall

14                   (1) obtain from the participating school a count of the number of  
15                   participating students in the program;

16                   (2) make scholarship payments directly to the school quarterly after  
17                   receiving proof satisfactory to the department that the student claimed under a  
18                   scholarship attends the school on a full-time basis;

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

21                   (4) provide a standard application for use by a participating school to  
22                   enroll a student under the program; a school may, however, supplement the  
23                   application.

24                   (b) If the department determines that a school is ineligible under this chapter  
25                   to participate in the program, the department shall, after administrative and judicial  
26                   appeal periods have lapsed, immediately notify the affected students and the students'  
27                   parents or guardians.

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

31                   (1) procedures for calculating and distributing scholarships;

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

11 || **Sec. 14.31.090. Definitions.** In this chapter,

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

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

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

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

PARENTAL CHOICE SCHOLARSHIP PROGRAM; APPLICABILITY. (a) In the three school years following the effective date of this Act, the parental choice scholarship program established under AS 14.31.010, added by sec. 1 of this Act, does not apply to, and a parental choice scholarship may not affect, a public school that has an average daily membership of less than 50 students for that year.

26 (b) In this section, "average daily membership" has the meaning given in  
27 AS 14.17.990.

\* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

30           CONTINGENCY. Sections 1 and 2 of this Act take effect only if an amendment to art.  
31 VII, sec. 1, Constitution of the State of Alaska, deleting the prohibition on the payment of

1 public funds for the direct benefit of a private educational institution, is approved by the  
2 voters before July 1, 2013.

3 \* **Sec. 4.** If, under sec. 3 of this Act, secs. 1 and 2 of this Act take effect, they take effect on  
4 the effective date of the constitutional amendment described in sec. 3 of this Act.