

CS FOR HOUSE BILL NO. 145(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

Offered: 2/6/12

Referred: Finance

Sponsor(s): REPRESENTATIVES KELLER, Millett, Johansen

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 award a parental choice scholarship that is equal to the lesser of the cost of
8 tuition at the participating school or the amount the district would receive as state aid
9 under AS 14.17 for a similarly situated student to attend a public school in the district
10 in which the student resides. Of the amount available for a parental choice scholarship
11 under AS 14.31.045, the department shall pay a parental choice scholarship while a
12 student is attending a participating school as follows:

13 (1) to the school district in which the participating student resides,
14 except as provided in AS 14.31.030(c), 30 percent of the amount the district would
15 receive as state aid under AS 14.17 for the student; and

16 (2) to a participating school, except as provided in AS 14.31.030(c),
17 the amount remaining after the district is paid under (1) of this subsection, up to 70
18 percent of the amount the district in which the school is located would receive as state
19 aid under AS 14.17 for the student.

20 (c) The parent or legal guardian shall be responsible for costs and fees
21 assessed by a participating school that exceed the amount paid under (b)(2) of this
22 section.

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

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

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

31 (1) submits to the department, on a form approved by the department,

1 notice that the school intends to participate in the program;

2 (2) meets the following financial accountability standards:

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

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

7 (3) is a school that is a

8 (A) private correspondence study program located and operated
9 entirely in the state; or

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

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

14 **Sec. 14.31.030. Effect on districts.** (a) A school that, as a result of the
15 program, has an ADM of less than 10 but five or more shall be treated as if the school
16 had 10 students for a two-year period following the date on which the ADM is
17 reported to be less than 10 but five or more for purposes of calculating state aid under
18 AS 14.17. In this subsection, "ADM" has the meaning given in AS 14.17.990.

19 (b) If requested by a participating school, a school district that receives a
20 payment under AS 14.31.020(b)(1) shall enter into a lease agreement with the
21 participating school for space controlled by the school district if

22 (1) the lease is offered with reasonable terms;

23 (2) the space that is subject to the lease agreement is available; and

24 (3) the agreement is consistent with applicable state law.

25 (c) If a school district that receives a payment under AS 14.31.020(b)(1)
26 unreasonably refuses to enter into a lease agreement as provided under (b) of this
27 section, the board may, after notice and an opportunity for a hearing before the board,
28 order the department to provide to the participating school that requested the lease
29 agreement the funding the district received under AS 14.31.020(b)(1) for the students
30 attending the participating school.

31 **Sec. 14.31.035. Departmental duties.** (a) In implementing the parental choice

1 scholarship program, the department shall

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

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

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

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

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

16 **Sec. 14.31.040. Regulations.** The department shall adopt regulations necessary
17 to carry out the program including

18 (1) procedures for calculating and distributing scholarships;

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

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

23 **Sec. 14.31.045. Appropriations for scholarships.** The legislature may
24 appropriate parental choice scholarship program funds to the department for
25 distribution to the participating schools and affected districts. If the appropriation for
26 the program is insufficient in a given fiscal year, the department shall distribute the
27 available funds to the participating schools and affected districts prorated by the total
28 number of students participating in the program.

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

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

31 (2) "private school" means a school located in the state that provides

1 education to students attending grades kindergarten through 12, or any combination of
2 those grades, and that does not receive state funding under AS 14.17;

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

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

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

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

13 (b) In this section, "average daily membership" has the meaning given in AS
14 14.17.990.

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

17 CONTINGENCY. Sections 1 and 2 of this Act take effect only if an amendment to art.
18 VII, sec. 1, Constitution of the State of Alaska, deleting the prohibition on the payment of
19 public funds for the direct benefit of a private educational institution, is approved by the
20 voters before July 1, 2013.

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