

# FISCAL NOTE

STATE OF ALASKA cost # codes  
 2012 LEGISLATIVE SESSION

Bill Version CSHB 145(EDC)  
 Fiscal Note Number 1  
 Publish Date 2/6/12 (H)

Identifier (file name) HB145-EED-ESS-11-9-11 Dept. Affected Education & Early Development  
 Title "An Act establishing the parental choice scholarship program." Appropriation Education Support Services  
 Allocation School Finance & Facilities  
 Sponsor Representative Keller  
 Requester (H)EDC OMB Component Number 2737

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	***	***	***	***	***	***	***
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF	***	***	***	***	***	***
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

**CHANGE IN REVENUES**

--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Not applicable, initial version. Fiscal Note has been updated on the 2012 form.

Prepared by Elizabeth Nudelman, Director  
 Division School Finance & Facilities  
 Approved by Mike Hanley  
Commissioner

Phone 465-8679  
 Date/Time 11/17/11 12:00 AM  
 Date 12/9/2011

FISCAL NOTE #1

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHB 145(EDC)

**Analysis**

The bill amends AS 14 by adding a new section establishing the Parental Choice Scholarship Program. The parental choice scholarship program would provide public funding for the cost of K-12 students attending a participating public or private school selected by the student's parent or guardian.

The school districts under the new chapter are responsible with administering the program. Administering the program requires school districts to approve participating schools if they operate within stated compliance requirements and if the private schools follow financial accountability standards. School districts will also be required to administer payments and verify student claims at the participating schools; make available to parents participating school lists; providing applications; and make notification to parents and guardians for denials after administrative and judicial appeal periods have lapsed.

The Department of Education and Early Development is required to develop regulations to carry out the program that ensure the highest number of student and school participation and includes procedures for calculating and distributing scholarship funds; timelines and procedures for the application, renewal, and appeal for participating schools and students; and standards for approval, revocation, and denial for participating schools.

Sec. 14.31.020 establishes the amount of each scholarship as the lesser of, the amount the school district would receive under AS 14.17 for a similarly situated student to attend public school not to exceed 100% of the funding the school receives for educating the student, or the actual annual cost of education the student including prorated facility and operating expenses. Parents who choose to send their child to a public school outside their attendance area will be responsible for transportation their child to the school of choice.

The bill requires a participating school include students who are enrolled under this section in the student count for purposes of calculating state aid under AS 14.17.610. The participating school will have to maintain an October count period.

Sec. 14.31.025(b) provides that participating schools are to be autonomous and not subject to additional regulation by the state unless authorized under AS 14.31.010-14.31.090.

The bill provides that the legislature may appropriate parental choice scholarship program funds to the department for distribution to districts. If the appropriation is insufficient then the department will prorate the available funds based on the number of participating students in the program.

This bill cannot be implemented without amending the Constitution of the State of Alaska. House Joint Resolution No. 16 proposes amendments to the Constitution of the State of Alaska that would remove the restriction on the use of public funds being used for the direct benefit of a religious or private educational institution.

The Department of Education & Early Development does not have an estimate count of new students, not currently enrolled, that may choose to participate in the new program therefore the fiscal note amount remains indeterminate.