**SB 107 An Act relating to performance incentive awards for teachers and parents of students relating to teacher spending accounts; relating to chaplains in public schools; relating to teacher retention and recruitment incentives; and establishing an education scholarship account program for certain students.**

**April 1, 2025**

**Sectional Analysis**

**Section 1 – Page 1, Lines 6 through line 8**

**Short Title:** Designates the Act as the "Student and Teacher Excel Package."

**Section 2 –- Page 2 Lines 9 through Page 2 Line 1**

**Legislative Intent:** Clarifies that funds under Sec. 7 (education scholarship accounts) are intended to benefit students’ education, not to build private institution assets, aligning with Alaska Constitutional Convention proceedings (pages 1509–1532) for art. VII, sec. 1.

**Section 3 – AS 14.03.124 Page 2 Lines 2 through Line 25**

**Performance Incentive Awards:**

* Requires school districts to award teachers and parents for student learning improvements on a four-level scale; caps teacher awards at $10,000 total.
* Levels: (1) $1,000 (teachers)/$100 (parents) for level 1–2; (2) $750/$100 for level 2–3; (3) $500/$100 for level 3–4.
* (b) Department to regulate award criteria and distribution for students with multiple teachers/parents.
* (c) Defines “parent” (natural/adoptive/legal guardian) and “school district” (per AS 14.30.350).

**Section 4 – AS 14.03 – Page 2, Lines 26 through Page 3 Line 11**

**AS 14.03.128 – Teacher Spending Accounts:**

* Mandates school districts to create $5,000 annual spending accounts per certificated teacher, funded by department grants, for student learning support.
* (b) Prohibits districts from reducing existing educational supply budgets due to these grants.
* (c) Allows 20% unspent funds to carry over for five years, excluded from unreserved fund balances (AS 14.17.505).
* (d) Defines “school district” (per AS 14.30.350).

**Section 5 – AS 14.03 – Page 3, Lines 12 through Line 14** — **AS 14.03.145 –** Chaplains in Schools: Requires schools to employ or accept volunteer chaplains to support students and teachers.

**Section 6 – AS 40.20.255 – Page 3, Lines 15 Page 6 through Line 15**

**AS 14.20.255 – Lump Sum Payment for Certain Teachers:**

* Provides retention/recruitment lump sum payments (subject to appropriation) for full-time certificated teachers for FY 2027, 2030, 2033, paid July 1, 2026, 2029, 2032, with mandatory deductions.
* (b) Sets $7,000 payments for teachers in Anchorage, Fairbanks, Juneau, Kenai, Mat-Su districts.
* (c) Sets $12,000 payments for teachers in listed mid-tier districts (e.g., Alaska Gateway, Kodiak).
* (d) Sets $17,000 payments for teachers in remote districts (e.g., Bering Strait, Yukon-Koyukuk).
* (e) Requires annual teacher applications by school term end; districts certify eligibility.
* (f) Counts payments as compensation under AS 14.25 (retirement).
* (g) Allows department to adopt regulations.
* (h) Defines “certificated full-time teacher” (requires certificate, regular classroom teaching; excludes substitutes/temps).

**Section 7 – AS 44.27 – Page 6, Lines 16 through Page 9 Line 1**

**Article 3 – Education Scholarship Account Program:**

* **AS 44.27.100 – Program Establishment:** Creates an education scholarship account program administered by the Department of Education for students educated in-state per AS 44.27.110(2); allows regulations.
* **AS 44.27.110 – Eligibility:** Permits parent/guardian participation if they apply, agree with the department, and the student is educated via approved schools/programs or tutoring with annual testing.
* **AS 44.27.120 – Amount and Use:**
	+ Deposits base student allocation (AS 14.17.470) annually per student, subject to appropriation.
	+ (b) Adds up to $20,000 for students with disabilities based on needs.
	+ (c) Pays qualifying expenses (AS 44.27.130) directly to providers; no refunds to parents/students.
	+ (d) Carries over unused funds; closes accounts if eligibility ends, lapsing funds to general fund.
	+ (e) Prorates funding if insufficient appropriation.
* **AS 44.27.130 – Qualifying Expenses:** Limits use to tuition, tutoring, University of Alaska courses, nutrition, supplies, and educational transportation.
* **AS 44.27.140 – Definitions:** Defines “account,” “department,” “participating student,” and “program.”

**Section 8 – AS 14.20.255 – Page 9, Line 2** — Repeals the teacher lump sum payment provision (AS 14.20.255) effective July 1, 2033.

**Section 9 – AS 08.03.020(b) and AS 44.66.050 – Page 9, Lines 3 through Line 24** —

**Transition: Education Scholarship Account Eligibility:** Limits initial eligibility:

* FY 2026: Only students with disabilities (AS 14.30.180–350).
* FY 2027: Expands to (A) disabled students, (B) ESL/bilingual students, (C) foster children (plus household siblings), or (D) students from families ≤125% federal poverty level.