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SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR HUGHES

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

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

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

6 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
7 to read:

8 SHORT TITLE. This Act may be known as the Student and Teacher Excel Package.

9 * **Sec. 2.** The uncoded law of the State of Alaska is amended by adding a new section to
10 read:

11 LEGISLATIVE INTENT. It is the intent of the legislature that money provided under
12 sec. 7 of this Act may not be directed to building the assets of a private educational institution
13 but may be directed to a private educational institution to benefit the child through education
14 as described in pages 1509 - 1532 of the proceedings of the Alaska Constitutional Convention

relating to art. VII, sec. 1, Constitution of the State of Alaska.

* **Sec. 3.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.124. Performance incentive awards. (a) Each school district shall provide a performance incentive award to the teachers and parents of a student in the school district who shows improvement in learning outcomes. The award must be based on a four-level performance improvement scale. The total of the awards provided to a teacher may not exceed \$10,000. The amount of the award is

(1) \$1,000 in the aggregate for teachers of a student, and \$100 in the aggregate for parents of a student, who shows improvement from level one to level two;

(2) \$750 in the aggregate for teachers of a student, and \$100 in the aggregate for parents of a student, who shows improvement from level two to level three;

(3) \$500 in the aggregate for teachers of a student, and \$100 in the aggregate for parents of a student, who shows improvement from level three to level four.

(b) The department shall establish by regulation

(1) the criteria for awarding a performance incentive award at each level of improvement; and

(2) the manner in which a school district must distribute an award if a student has more than one teacher or more than one parent.

(c) In this section,

(1) "parent" means an individual who is the natural or adoptive parent of a student or a student's legal guardian;

(2) "school district" has the meaning given in AS 14.30.350.

* **Sec. 4.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.128. Teacher spending accounts. (a) Each school district shall establish a teacher spending account for each certificated teacher in the school district. On July 1 of each year, the department shall provide to each school district a grant of \$5,000 for each teacher spending account in the school district. A school district may expend money from a teacher spending account only for the teacher for whom the

account was established and only to support student learning.

(b) A school district that receives a grant under this section may not spend on educational supplies and material in a fiscal year an amount that, excluding the amount received under (a) of this section, is less than the amount the school district spent on educational supplies and material in the previous fiscal year.

(c) A school district may carry forward for five fiscal years not more than 20 percent of the unexpended and unobligated portion of the teacher spending account for each fiscal year. Money carried forward under this subsection is reserved and excluded from the unreserved portion of a district's year-end fund balance in the school operating fund under AS 14.17.505.

(d) In this section, "school district" has the meaning given in AS 14.30.350.

* **Sec. 5.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.145. Chaplains in schools. Each school shall employ or accept as a volunteer a chaplain to provide support to students and teachers.

* **Sec. 6.** AS 14.20 is amended by adding a new section to article 3 to read:

Sec. 14.20.255. Lump sum payment for certain teachers. (a) Subject to appropriation for the fiscal years ending June 30, 2027, June 30, 2030, and June 30, 2033, a certificated full-time teacher is entitled to receive a lump sum payment as a retention and recruitment incentive if the teacher was employed in a full-time classroom teaching position for the entirety of the school term for the school year immediately preceding the date of payment. The department shall pay the retention and recruitment incentive on or within a reasonable period after July 1, 2026, July 1, 2029, and July 1, 2032. The department shall reduce the retention and recruitment incentive by the amount necessary to pay mandatory employee and employer deductions, including a deduction required under AS 14.25. Subject to the application and certification requirements described in (e) of this section, the department shall pay the retention and recruitment incentives through grants to school districts as described in (b) - (e) of this section.

(b) The department shall pay \$7,000 for each eligible certificated full-time teacher teaching in the following districts:

(1) Anchorage School District;

(2) Fairbanks North Star Borough School District;

(3) Juneau Borough School District;

(4) Kenai Peninsula Borough School District;

(5) Matanuska-Susitna Borough School District.

(c) The department shall pay \$12,000 for each eligible certificated full-time teacher teaching in the following districts:

(1) Alaska Gateway School District;

(2) Aleutian Region School District;

(3) Aleutians East Borough School District;

(4) Annette Island School District;

(5) Chugach School District;

(6) Copper River School District;

(7) Cordova City School District;

(8) Delta/Greely School District;

(9) Denali Borough School District;

(10) Galena City School District;

(11) Haines Borough School District;

(12) Ketchikan Gateway Borough School District;

(13) Kodiak Island Borough School District;

(14) Mt. Edgecumbe High School;

(15) Nenana City School District;

(16) Nome Public Schools;

(17) Petersburg Borough School District;

(18) Saint Mary's School District;

(19) Sitka School District;

(20) Skagway School District;

(21) Unalaska City School District;

(22) Valdez City School District;

(23) Wrangell Public School District;

(24) Yakutat School District.

(d) The department shall pay \$17,000 for each eligible certificated full-time

teacher teaching in the following districts:

- (1) Bering Strait School District;
- (2) Bristol Bay Borough School District;
- (3) Chatham School District;
- (4) Craig City School District;
- (5) Dillingham City School District;
- (6) Hoonah City School District;
- (7) Hydaburg City School District;
- (8) Iditarod Area School District;
- (9) Kake City School District;
- (10) Kashunamiut School District;
- (11) Klawock City School District;
- (12) Kuspuk School District;
- (13) Lake and Peninsula Borough School District;
- (14) Lower Kuskokwim School District;
- (15) Lower Yukon School District;
- (16) North Slope Borough School District;
- (17) Northwest Arctic Borough School District;
- (18) Pelican City School District;
- (19) Pribilof School District;
- (20) Southeast Island School District;
- (21) Southwest Region School District;
- (22) Tanana City School District;
- (23) Yukon Flats School District;
- (24) Yukon-Koyukuk School District;
- (25) Yupiit School District.

(e) To be eligible for the retention and recruitment incentive described in this section, a certificated full-time teacher must apply during each eligible calendar year to the department on a date not later than the final day in session for the school term established by the governing body of the teacher's school district or regional educational attendance area. Application for payment shall be made on a form

designated by the commissioner. For each teacher who applies, the school district or regional educational attendance area shall certify the teacher's eligibility for payment under this section to the department.

(f) Payment made under this section is considered compensation for the purposes of AS 14.25.

(g) The department may adopt regulations necessary to carry out the purposes of this section.

(h) In this section, "certificated full-time teacher"

(1) means an individual occupying a position that requires

(A) a teaching certificate as a condition of employment; and

(B) teaching on a regular basis during the normal work period for each day or week at a classroom teaching assignment in a public elementary or secondary school;

(2) does not include an individual teaching as an assistant or graduate assistant or teaching on a substitute, temporary, or per diem basis.

* **Sec. 7.** AS 44.27 is amended by adding new sections to read:

Article 3. Education Scholarship Account Program.

Sec. 44.27.100. Education scholarship account program; regulations. The education scholarship account program is established in the department. The department shall administer the program for the purpose of providing public funding for the education of a student who is being educated in the state as described in AS 44.27.110(2). The department shall create an account for each student who is participating in the program. The department may adopt regulations necessary to administer the program.

Sec. 44.27.110. Education scholarship account eligibility. A parent or guardian of a student may participate in the education scholarship account program on behalf of the student if

(1) the parent or guardian applies to the department on a form or in a format prescribed by the department and enters into a written agreement with the department to participate in the program; and

(2) the student is being educated in the state through

(A) attendance at a school or program, or enrollment in a state boarding school or correspondence study program, that meets the requirements of AS 14.30.010(b)(1)(A) or (C) or (10) and the school or program implements annual testing that measures student improvement and academic achievement; or

(B) tutoring as described in AS 14.30.010(b)(1)(B) and annually takes a test that measures student improvement and academic achievement.

Sec. 44.27.120. Education scholarship account amount and use. (a) Subject to appropriation, the department shall deposit annually into each participating student's account an amount equal to the amount of the base student allocation set out in AS 14.17.470 for the student's education for the school year.

(b) For a participating student with a disability who is eligible to receive special education and related services under AS 14.30.180 - 14.30.350, the department shall deposit annually into the participating student's account the amount described in (a) of this section, plus additional funding in an amount determined by the department. The department's determination must be based on the degree of the student's special education needs and may not exceed \$20,000 for the participating student's education for the school year.

(c) The department shall, using money in a participating student's account, pay for a participating student's qualifying education expenses described in AS 44.27.130. The department shall provide the payment directly to the school or program providing the service to which the expense relates. The department may not refund, rebate, or share with the parent, guardian, or participating student funds deposited into the participating student's account. A refund or rebate for goods or services purchased with funds in the participating student's account must be credited directly to the participating student's account and may be used only as described in AS 44.27.130.

(d) Unused funds in a participating student's account carry over from year to year unless the department closes the participating student's account. After a participating student's account is closed under this subsection, all unexpended and unobligated funds in the account lapse into the general fund. The department shall

close a participating student's account if

(1) the student no longer meets the eligibility criteria required to participate in the program under AS 44.27.110;

(2) the parent or guardian of the participating student withdraws the participating student from the program;

(3) the participating student has obtained a high school diploma or a general education development diploma or its equivalent; or

(4) the participating student or parent or guardian of the participating student has failed to comply with a requirement of this section or a regulation adopted under this section.

(e) If insufficient funding is appropriated to fund the allocations authorized under (a) and (b) of this section, the department shall distribute the funding proportionately among accounts of participating students.

Sec. 44.27.130. Qualifying education expenses. Money in a participating student's account may be used only for the cost of

(1) tuition for a school or program described in AS 14.30.010(b)(1)(A) or (C) or (10) that the student attends;

(2) tuition for a course in which the student is enrolled at the University of Alaska;

(3) tutoring provided to the student under AS 14.30.010(b)(1)(B);

(4) nutrition for the student;

(5) supplies relating to the education of the student; and

(6) transportation for the student for educational purposes.

Sec. 44.27.140. Definitions. In AS 44.27.100 - 44.27.140,

(1) "account" means an education scholarship account established for a participating student under AS 44.27.100;

(2) "department" means the Department of Education and Early Development;

(3) "participating student" means a student participating in the education scholarship account program established in AS 44.27.100;

(4) "program" means the education scholarship account program

established in AS 44.27.100.

* **Sec. 8.** AS 14.20.255 is repealed July 1, 2033.

* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: EDUCATION SCHOLARSHIP ACCOUNT ELIGIBILITY.
Notwithstanding AS 44.27.110 and 44.27.120(a), added by sec. 7 of this Act, a student may participate in the education scholarship account program

(1) for the fiscal year ending June 30, 2026, only if the student is a child with a disability as defined in AS 14.30.350 and is eligible to receive special education and related services under AS 14.30.180 - 14.30.350;

(2) for the fiscal year ending June 30, 2027, only if

(A) the student is eligible under (1) of this section;

(B) the student is entitled to English as a second language or bilingual services based on the student's English language proficiency;

(C) the student is a foster child; if the department deposits education scholarship account program funding into an account for a foster child under this subparagraph, the department shall also deposit education scholarship account program funding into accounts for other children who are being educated in the state as described in AS 44.27.110(2) and who live in the same household as the foster child; in this subparagraph, "foster child" means a child committed to the custody of the Department of Family and Community Services under AS 47.10; or

(D) the student's family has an income equal to or less than 125 percent of the most recent federal poverty guidelines for the state set by the United States Department of Health and Human Services.