ACT #2025 - 257

SB305

I3FQB6Z-3

By Senators Orr, Smitherman, Waggoner, Bell, Chesteen

RFD: Finance and Taxation Education

First Read: 08-Apr-25

Enrolled, An Act,

Relating to the funding of public K-12 education; to add Article 16 to Chapter 13 of Title 16, commencing with Section 16-13-360, to the Code of Alabama 1975; to create the Renewing Alabama's Investment in Student Excellence (RAISE) Act; to establish a process to provide additional funding for public K-12 schools for the purpose of addressing the educational needs of the student population and improving outcomes; to establish the Renewing Alabama's Investment in Student Excellence (RAISE) Fund and provide for its funding and appropriation; to require reporting of student data by local education agencies; to establish priorities for use of the additional funding; to establish goals for student achievement; to require accountability reports on the expenditure and use of the additional funding through the Renewing Alabama's Investment in Student Excellence (RAISE) Fund; to establish a review committee on the Renewing Alabama's Investment in Student Excellence (RAISE) Act to identify needed revisions for continued improvement; to establish an accountability review board to review accountability reports and progress in achieving student achievement goals; and to require the State Department of Education to develop a unified application that streamlines applications and reporting for all state and federal funding programs.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Article 16 is added to Chapter 13 of Title 16, Code of Alabama 1975, commencing with Section 16-13-360, to read as follows:

§16-13-360

This act shall be known and may be cited as the Renewing Alabama's Investment in Student Excellence (RAISE) Act.

§16-13-361

For purposes of this act, the following terms have the following meanings:

(1) AVERAGE DAILY MEMBERSHIP (ADM). Average enrollment from the first 20 days of school after Labor Day of the preceding year.

(2) BASE FUNDING FACTOR. The sum certified by the Legislative Fiscal Officer prior to October 1 of each fiscal year beginning with the 2025-2026 fiscal year and calculated by dividing the total state and local cost of the Foundation Program by the average daily membership for the immediately preceding fiscal year, using the Foundation Program State Allocation report for the enacted Education Trust Fund appropriations act.

(3) CHARTER SCHOOL. A public charter school as defined in Section 16-6F-4.

(4) COMMISSION. The Alabama Commission on the Evaluation of Services (ACES).

(5) CONCENTRATED ENGLISH LANGUAGE LEARNERS. A large percentage of students in a local education agency having been identified as English Language Learners as defined in this

act.

(6) DEPARTMENT. The State Department of Education.

(7) DIRECT CERTIFICATION. A process conducted by the state and local educational agencies (LEAs) to certify eligible children for free meals without the need for household applications. If changes in the direct certification process occur, the department may recommend alternative measures that could be utilized in its place.

(8) ENGLISH LANGUAGE LEARNER (ELL). A student identified in accordance with federal or state law as entitled to receive English as a second language or bilingual services on the basis of the student's English language proficiency.

(9) FOUNDATION PROGRAM. The program established in Article 11 of Chapter 13 of Title 16, to provide the basic funding support for public K-12 schools.

(10) GIFTED STUDENT. A student who gives evidence of high achievement capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who needs services or activities not ordinarily provided by the school in order to fully develop those capabilities or as defined by state law.

(11) LOCAL EDUCATION AGENCY (LEA). A county board of education, city board of education, or charter school.

(12) PUBLIC SCHOOL. A school within an LEA providing instruction in grades K-12 that is supported by public funds.

(13) RAISE ACT ACCOUNTABILITY AND IMPLEMENTATION BOARD. The board established in Section 16-13-367 to monitor the progress of LEAs and schools in reaching their goals of

achievement and to ensure that RAISE Act funds are spent effectively.

(14) RAISE ACT REVIEW COMMITTEE. The committee established in Section 16-13-366 to determine the effectiveness of the RAISE Act program and any needed revisions for continuous improvement.

(15) RENEWING ALABAMA'S INVESTMENT IN STUDENT EXCELLENCE FUND (RAISE FUND). The fund established by this act to provide additional funding to local education agencies to address the educational needs of students in public K-12 schools.

(16) SPECIAL EDUCATION STUDENT. A child who has been identified with at least one of the specifically defined physical, emotional, learning, or cognitive disabilities and is identified for special education services under the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq, or as otherwise defined in state law.

(17) STATE BOARD. The State Board of Education.

(18) STATE SUPERINTENDENT. The State Superintendent of Education.

(19) UNIFIED APPLICATION. A system that aligns policy priorities, planning, and budgeting for LEAs in one application and streamlines applications and reporting for all state and federal funding programs.

(20) WEIGHTED ALLOCATION. Additional funding from the RAISE Fund for each qualifying student, the value of which shall be calculated by multiplying the percentage for each weighted allocation by the base funding factor.

§16-13-362

(a) There is established a fund in the State Treasury for the public schools of this state which shall be known as the Renewing Alabama's Investment in Student Excellence (RAISE) Fund. The fund shall be used to provide additional funding for public schools for the purpose of addressing the educational needs of the student population and improving student outcomes as provided in this article. The fund shall be comprised of all funds appropriated from the Education Trust Fund or allocated by the Legislature from other funds for the purposes of this act. The Legislature shall appropriate or allocate to this fund amounts sufficient to sustain the operation of the RAISE Act. All funds allocated to the RAISE Fund shall remain in the fund and not revert or be expended for any other purpose other than those set out in this act.

(b) The fund shall be administered and distributed in accordance with this act and the provisions of the annual Education Trust Fund appropriations act. The additional funding appropriated pursuant to this act is subject to and shall be allocated only in accordance with funding as provided by the Legislature in the annual Education Trust Fund appropriations act or other legislative act and shall be budgeted and allotted in accordance with Sections 41-4-80 through 41-4-96 and Sections 41-19-1 through 41-19-12. Any monetary interest that accrues to the RAISE Fund shall be retained in the fund from year to year and shall be subject only to this act.

(c) Any LEA as defined in this act shall be eligible to receive an allocation from the RAISE Fund, subject to the following conditions:

(1) The LEA provides the data required in Section 16-13-363.

(2) The LEA provides the accountability plan and reports required in Section 16-13-365.

(3) The LEA ensures that all funds received from the RAISE Fund are used to serve the student groups that generated the funds under Section 16-13-364.

(4) The LEA submits the unified application, including data and accountability reports through the unified application for the 2028-2029 school year and thereafter, as required in Section 16-13-368.

§16-13-363

(a) The department shall implement this act commencing with the 2025-2026 school year contingent upon funding being appropriated by the Legislature for such purpose.

(b) The funding described in this act shall be allocated in accordance with this act and rules adopted by the state board.

(c) On or before July 1, 2025, and each June 1 thereafter until the unified application created pursuant to Section 16-13-368 is implemented, the department shall create and publish a RAISE Act guide outlining the department's procedures for administering this act. At a minimum, the RAISE Act guide shall:

(1) Identify the data the department must receive from

each LEA for purposes of administering this act; and

(2) Explain how and when the data identified in subdivision (1) shall be submitted to the department.

(d) The department shall create or procure, and make available no later than January 1, 2027, and at no cost to participants, a professional learning series on the RAISE Act. The series must include, at a minimum, an overview of the RAISE Act, its logistics and data, the investments that will increase student achievement of the student group generating weighted allocations through the RAISE Fund, and how to budget the additional funding provided by the RAISE Fund for the specific purposes outlined in the annual Education Trust Fund appropriations act. LEA employees that are involved in budgeting at the school and system level, such as superintendents, assistant superintendents, chief school finance officers, other school business officers, and principals of schools, including leaders from public charter schools, shall be required to participate in the RAISE Act professional learning series. The department shall also make the professional learning series on the RAISE Act available to education leaders, LEA employees, and other interested stakeholders.

(e) A professional learning series created or procured pursuant to this section may be provided to participants virtually or in person at the discretion of the department. The department shall make all instructional materials used as part of the series publicly available on the department's website.

(f) Beginning in the 2028-2029 school year, the professional learning series on the RAISE Act shall be incorporated into the professional learning series on the unified application created in Section 16-13-368.

§16-13-364

(a)(1) DETERMINING THE ANNUAL COST OF THE RAISE PROGRAM. Subject to available funding for the RAISE Fund for any fiscal year of the state, the RAISE Fund weighted allocations for each qualifying student group shall be established in the annual Education Trust Fund appropriations act for that fiscal year and shall include weights for:

a. Poverty;

b. Special education;

c. English Language Learners;

d. Charter school students;

e. Gifted students; and

f. Other student groups as deemed necessary.

(2) The amount of funds determined necessary and available to provide the weighted allocations shall be appropriated from the RAISE Fund by the Legislature in the annual Education Trust Fund appropriations act.

(3) The weighted percentages established in this subsection may grow over time, as funding allows and determined necessary, but not to exceed the maximum weighted percentages established in this section.

(4) The weighted allocation for each qualifying student shall be calculated by multiplying the percentage for each weighted allocation by the base funding factor. LEAs will

receive weighted allocations for each qualifying student in each student group.

(5) It is the intent of the Legislature that LEAs are given flexibility in spending decisions when serving the needs of the student groups that generated the funds. Flexibility shall include the ability for LEAs to combine or shift funding across student groups that generated the funds to best serve students with the greatest need, while meeting federal maintenance of effort requirements under the Individuals with Disabilities Education Act 20 U.S.C. § 1400 et seq. LEAs with conversion charter schools shall allocate to the conversion charter school operator all weighted allocations generated by the students at the conversion charter school.

(b) The weighted allocations for each qualifying student shall be established as follows:

(1) A student who is identified through direct certification shall generate weighted allocations for poverty up to 20 percent.

(2) A student who is identified for special education services under the Individuals with Disabilities Education Act 20 U.S.C. § 1400 et seq. shall generate a weight based on any exceptionality identified in their Individual Education Plan (IEP). Three tiers shall be established in the annual Education Trust Fund appropriations act, with input from the department, based on the additional resources required to support students in each special education tier. A student shall generate a weighted allocation for each tier as follows:

a. The weighted allocation for a Tier I is within a

range of up to 25 percent.

b. The weighted allocation for a Tier II is within a range of up to 50 percent.

c. The weighted allocation for a Tier III is within a range of up to 150 percent.

(3) A student who is identified as an English Language Learner (ELL) shall generate a weighted allocation of up to 15 percent. A student shall generate an additional weighted allocation for concentrated ELL within a range of up to five percent if the students' LEA has a percentage of ELL students enrolled that is at or above the level specified in the Education Trust Fund appropriations act.

(4) An LEA shall generate a gifted student weighted allocation within a range of up to five percent, with an assumption that five percent of its ADM is made up of gifted students. The LEA may use these funds for any gifted or enrichment program for students who give evidence of high achievement capability.

(5) A student at a public charter school shall generate a weighted allocation within a range of up to 10 percent. This weighted allocation shall only be allocated to charter schools that are physically located in a county or city school system that receives local funding from all revenue sources exceeding the value of 10 mills of ad valorem taxes for that county or city school system.

(c) A student shall generate funding for each weight for which that student qualifies.

(d) Funding allocations made pursuant to this section

are based on data collected for an LEA during the immediately preceding school year and reported to the department pursuant to Section 16-13-363.

(e) When making future funding decisions, priority shall be given to the special education weight in order to meet the federal maintenance of effort requirements under the Individuals with Disabilities Education Act 20 U.S.C. § 1400 et seq.

§16-13-365

(a) Each LEA shall produce an accountability plan and report that:

(1) Establishes goals for the achievement of qualifying students in weighted categories. These goals shall be in alignment with the student achievement goals established in Alabama's plan under the Every Student Succeeds Act (ESSA) or its successors, and guidance provided by the department;

(2) Describes the LEA's planned expenditures at the system and school level for student groups receiving weighted allocations through the RAISE Fund; and

(3) Provides an analysis on the previous years progress on student groups receiving weighted allocations through the RAISE Fund and any needed revisions to spending. This will begin for the Fiscal Year 2027 budget.

(b) The report required by this section must be submitted to the department by November 1, 2026, and each November 1 thereafter until the unified application created pursuant to Section 16-13-368 is implemented. Beginning no later than the 2028-2029 school year, the report shall be

submitted using the unified application created pursuant to Section 16-13-368. Prior to the unified application becoming available, the department shall provide an accountability plan and report format for LEAs to submit information outlined in this section.

(c) The department shall add a section to the department's Education Report Card website established pursuant to Chapter 6C of Title 16, Code of Alabama 1975, where additional funding for each student group that receives a weighted allocation through the RAISE Fund is reported alongside the academic outcomes of students from those groups on state summative assessments. This section shall be added to the department's Education Report Cards for the state, every LEA, and every school. The following should be reported:

(1) Academic outcomes shall be disaggregated by each student group that receives a weighted allocation through the RAISE Act and include both academic achievement and growth on state summative assessments.

(2) Total and per-pupil funding disaggregated by each student group that receives a weighted allocation through the RAISE Act.

§16-13-366

(a) By January 1, 2028, the Legislature shall establish the RAISE Act Review Committee to review the overall progress of the RAISE Act and make recommendations for continuous improvement.

(b) The committee shall be led by the Chair of the Senate Finance and Taxation Education Committee and the Chair

of the House Ways and Means Education Committee.

(c) The membership of the committee shall include the following:

(1) The Governor, or his or her designee.

(2) The State Superintendent of Education, or his or her designee.

(3) The Director of Finance, or his or her designee.

(4) The Chair of the Senate Finance and Taxation Education Committee.

(5) The Chair of the House Ways and Means Education Committee.

(6) The Chair of the Senate Education Policy Committee.

(7) The Chair of the House Education Policy Committee.

(8) One member of the Senate, appointed by the President Pro Tempore of the Senate.

(9) One member of the Senate, appointed by the Minority Leader of the Senate.

(10) One member of the House of Representatives, appointed by the Speaker of the House of Representatives.

(11) One member of the House of Representatives, appointed by the Minority Leader of the House of Representatives.

(d) The RAISE Act Review Committee shall meet at least one time per year before November 1 and shall regularly review the RAISE base funding factor and weighted allocations, review the academic data from each student group targeted through weighted allocations at the state and LEA levels to determine the effectiveness of the RAISE program, and identify any

needed revisions for continuous improvement to the RAISE Act.

(e) The RAISE Act Review Committee shall prepare an annual report on the RAISE Act and shall provide the report, on or before November 1 of each year, to the Governor, the State Board of Education, the Senate Finance and Taxation Education Committee, the House Ways and Means Education Committee, the Senate Education Policy Committee, and the House Education Policy Committee, and the public. The report must include a review of academic achievement and growth data from each student group targeted through weighted allocations at the state and LEA levels and recommendations on needed revisions to the RAISE Act. ACES may provide research and analysis to support the work of the committee.

§16-13-367

(a) By July 1, 2028, the Legislature shall establish the RAISE Act Accountability and Implementation Board to establish a hearing process to monitor the progress of LEAs and schools to ensure that RAISE Act funds are spent effectively and hold them accountable for results.

(b) The RAISE Act Accountability and Implementation Board shall be led by the Chair of the Senate Finance and Taxation Education Committee and the Chair of the House Ways and Means Education Committee.

(c) The membership of the RAISE Act Accountability and Implementation Board shall include the following:

(1) The Governor, or his or her designee.

(2) The State Superintendent of Education.

(3) The Chair of the Senate Finance and Taxation

Education Committee.

(4) The Chair of the House Ways and Means Education Committee.

(5) The Chair of the Senate Education Policy Committee.

(6) The Chair of the House Education Policy Committee.

(7) One member with school turnaround experience and/or education policy experience appointed by the President Pro Tempore of the Senate.

(8) One member with school turnaround experience and/or education policy experience appointed by the Minority Leader of the Senate.

(9) One member with school turnaround experience and/or education policy experience appointed by the Speaker of the House of Representatives.

(10) One member with school turnaround experience and/or education policy experience appointed by the Minority Leader of the House of Representatives.

(11) Two members of the Office of School Improvement team appointed by the State Superintendent.

(12) One member with experience in the charter school sector appointed by the Governor.

(13) Two members with school turnaround experience and/or education policy experience appointed by the Governor.

(d) If a member no longer meets the qualifications for the member's position on the board, then the member's position on the board is vacated and replaced by the appropriate appointing authority.

(e) With the support of the department, the board shall

annually monitor progress of LEAs and schools, and review and provide feedback on accountability plan and reports submitted pursuant to Section 16-13-365.

(f) By July 1, 2030, the department shall propose a hearing process to determine if RAISE Act funds are being used by LEAs to adequately improve student outcomes for student groups identified in this act. The hearing proposal shall include the process, timeline, and metrics used to determine adequate progress of LEAs. The RAISE Act Accountability and Implementation Board shall approve or amend the proposed hearing process.

(g) By July 1, 2033, at the end of a five-year period, the department shall identify LEAs, or individual schools under the jurisdiction of the LEA, that have not made adequate progress in reaching the goals of achievement established pursuant to Section 16-13-365, and shall recommend them for a hearing before the RAISE Act Accountability and Implementation Board. The RAISE Act Accountability and Implementation Board shall approve or amend the department's list of recommended LEAs. With the support of the department, the RAISE Act Accountability and Implementation Board shall then hold the hearings.

(h) Following any hearings, the department shall recommend corrective action for LEAs or individual schools under the jurisdiction of the LEAs. The RAISE Act Accountability and Implementation Board shall approve or amend any proposed corrective action. Corrective action may include, but not be limited to, the loss of autonomy to make budgeting

decisions with RAISE Fund allocations; state academic intervention; and/or other relevant academic interventions, such as those included in the Alabama Numeracy Act in Section 16-6H-12.

§16-13-368

(a) The department shall develop, with the support of an external partner with expertise in streamlining state and federal funding, a unified application that aligns policy priorities, planning, and budgeting in one application. The unified application shall streamline applications and reporting for all state and federal funding programs away from multiple plans, applications, budgets, and reports into a single application. The unified application shall be operational for the 2028-2029 budget cycle.

(b) In implementing the unified application, the department shall do all of the following:

(1) Set state priorities for funding that focus on achieving key improvements for students and student outcomes.

(2) Align grants to support each spending priority, maximize dollars leveraged for student outcomes, and eliminate redundancies.

(3) Design an application process that meets state and federal compliance requirements and ensures spending is aligned with state priorities.

(4) Support LEAs to build a strong plan for student learning and federal grant spending and articulate adequate achievement and growth goals for students.

(5) Review applications against a set of criteria for

plan approval and discretionary awards.

(6) Approve and allocate funding that supports a clear set of plans to support student achievement.

(c) As part of the development of the unified application, the State Superintendent, with the support of an external partner, shall conduct an audit to identify out-of-date, unnecessary, or otherwise burdensome state laws, regulations, reporting requirements, and processes that apply to public schools. The audit shall include considerations and recommendations from school and system leaders, educators, advocates, and families. The State Superintendent shall file a report with the Governor, Legislature, and the public by November 1, 2026, outlining the findings of the review and recommendations for corrective actions, including executive orders, statutory changes, or regulatory reforms to empower schools, reduce bureaucracy, and improve student achievement.

(d) Beginning June 1, 2025, the department shall complete the following actions:

(1) Hire an external partner to support the audit and development of the uniform application.

(2) Launch the audit established in subsection (c) and the development of the uniform application.

(e) During the 2027-2028 school year, the department shall complete the following actions:

(1) Complete the development of the unified application no later than February 2028, to allow LEAs to be able to use the unified application for strategic and financial planning for the 2028-2029 school year.

(2) Develop and launch professional learning about the unified application no later than February 2028.

(f) LEAs shall use the unified application to plan their system's budget beginning with the 2028-2029 school year.

Section 2. This act shall become effective on June 1, 2025.

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB305
Senate 10-Apr-25
I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 24-Apr-25

By: Senator Orr

APPROVED 5-5-2025

TIME 10:00 am

Kay Ivey
GOVERNOR

Alabama Secretary Of State

Act Num....: 2025-257
Bill Num...: S-305

Recv'd 05/05/25 02:21pmKCW

ENGROSSED

Senate Bill No. 305

SPONSOR

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CO-SPONSORS

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SENATE ACTION

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB 305.

yeas 27 nays 0 abstain 0

PATRICK HARRIS,
Secretary

I hereby certify that the notice & proof is attached to the Bill, SB _____ as required in the General Acts of Alabama, 1975 Act No. 919.

PATRICK HARRIS,
Secretary

CONFERENCE COMMITTEE

Senate Conferees _____

_____

_____

HOUSE ACTION

DATE: 4.10 2025

RD 1 RFD WAYS & MEANS EDUCATION

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on Ways & Means Education was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be Passed, w/amend(s) _____ w/sub Ø.

This 22nd day of April, 2025

Tracy Garrett, Chairperson

DATE: 4.22 2025

RF RD 2 CAL

DATE: 20__

RE-REFERRED ☐ RE-COMMITTED ☐

Committee _____

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB 302.

YEAS 103 NAYS 0

JOHN TREADWELL,
Clerk

FURTHER HOUSE ACTION (OVER)