

HOUSE CS FOR CS FOR SENATE BILL NO. 84(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL**FOR AN ACT ENTITLED**

1 "An Act amending the funding for statewide residential educational programs; relating
2 to funding for high school vocational and technical instruction as a component of
3 funding for public schools; relating to education tax credits; creating a pilot project in
4 the Iditarod Area School District; providing for an effective date by amending the
5 effective date in sec. 57, ch. 92, SLA 2010; and providing for an effective date."

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

7 * **Section 1.** AS 14.16.200 is amended by adding a new subsection to read:

8 (c) In addition to the programs eligible for reimbursement of costs under (a) of
9 this section, the department may approve three district-operated statewide residential
10 educational programs that began operating after January 1, 2005, for reimbursement of
11 costs incurred by the district in operating the program under regulations adopted by
12 the department.

13 * **Sec. 2.** AS 14.17.410(b) is amended to read:

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450;

(B) the number obtained under (A) of this paragraph is multiplied by the district cost factor described in AS 14.17.460;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) **and the high school vocational education factor set out in AS 14.17.420(a)(3);**

(D) the number obtained for intensive services under AS 14.17.420(a)(2) and the number obtained for correspondence study under AS 14.17.430 are added to the number obtained under (C) of this paragraph;

(E) notwithstanding (A) - (C) of this paragraph, if a school district's ADM adjusted for school size under (A) of this paragraph decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

(ii) for the second fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as

the district's ADM adjusted for school size, plus 50 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the second fiscal year after the base fiscal year;

(iii) for the third fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 25 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the third fiscal year after the base fiscal year;

(F) the method established in (E) of this paragraph is available to a school district for the three fiscal years following the base fiscal year determined under (E) of this paragraph only if the district's ADM adjusted for school size determined under (A) of this paragraph for each fiscal year is less than the district's ADM adjusted for school size in the base fiscal year;

(G) the method established in (E) of this paragraph does not apply to a decrease in the district's ADM adjusted for school size resulting from a loss of enrollment that occurs as a result of a boundary change under AS 29;

(2) the required local contribution of a city or borough school district is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

* Sec. 3. AS 14.17.420(a) is amended to read:

(a) As a component of public school funding, a district is eligible for special needs **and high school vocational and technical instruction** funding and may be eligible for intensive services funding as follows:

(1) special needs funding is available to a district to assist the district in providing special education, gifted and talented education, vocational education,

1 and bilingual education services to its students; a special needs funding factor of 1.20
2 shall be applied as set out in AS 14.17.410(b)(1);

3 (2) in addition to the special needs funding for which a district is
4 eligible under (1) of this subsection, a district is eligible for intensive services funding
5 for each special education student who needs and receives intensive services and is
6 enrolled on the last day of the count period; for each such student, intensive services
7 funding is equal to the intensive student count multiplied by 13;

8 **(3) in addition to the special needs and intensive services funding**
9 **available under (1) and (2) of this subsection, high school vocational and**
10 **technical instruction funding is available to assist districts in providing vocational**
11 **and technical instruction to students who are enrolled in grades nine through 12;**
12 **a high school vocational and technical instruction funding factor of 1.01 shall be**
13 **applied as set out in AS 14.17.410(b)(1); in this paragraph, "vocational and**
14 **technical instruction" excludes costs associated with**

15 **(A) administrative expenses; and**

16 **(B) instruction in general literacy, mathematics, and job**
17 **readiness skills.**

18 * **Sec. 4.** AS 14.17.440(a) is amended to read:

19 (a) Except as provided in AS 14.17.400(b), funding for state boarding schools
20 established under AS 14.16.010 includes an allocation from the public education fund
21 in an amount calculated by

22 (1) determining the ADM of state boarding schools by applying the
23 school size factor to the student count as described in AS 14.17.450;

24 (2) multiplying the number obtained under (1) of this subsection by the
25 special needs factor in AS 14.17.420(a)(1) **and the high school vocational education**
26 **factor set out in AS 14.17.420(a)(3)** and multiplying that product by the base student
27 allocation; and

28 (3) multiplying the product determined under (2) of this subsection by
29 the district cost factor that is applicable to calculation of the state aid for the adjacent
30 school district under AS 14.17.460.

31 * **Sec. 5.** AS 21.96.070(a) is amended to read:

(a) A taxpayer is allowed a credit against the tax due under AS 21.09.210 or AS 21.66.110 for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school; [AND]

(4) for a facility or an annual intercollegiate sports tournament by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association; and

(5) for Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state.

* **Sec. 6.** AS 43.20.014(a) is amended to read:

(a) A taxpayer is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school; [AND]

(4) for a facility or an annual intercollegiate sports tournament by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association; and

(5) for Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state.

* **Sec. 7.** AS 43.55.019(a) is amended to read:

(a) A producer of oil or gas is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school; [AND]

(4) for a facility **or an annual intercollegiate sports tournament** by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association; **and**

(5) for Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state.

* **Sec. 8.** AS 43.56.018(a) is amended to read:

(a) The owner of property taxable under this chapter is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school; [AND]

(4) for a facility **or an annual intercollegiate sports tournament** by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association; **and**

(5) for Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state.

* **Sec. 9.** AS 43.65.018(a) is amended to read:

(a) A person engaged in the business of mining in the state is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association;

(2) for secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) for vocational education courses, programs, and facilities by a state-operated vocational technical education and training school; [AND]

(4) for a facility **or an annual intercollegiate sports tournament** by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association; **and**

(5) for Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state.

* **Sec. 10.** AS 43.75.018(a) is amended to read:

(a) A person engaged in a fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes,

1 including library and museum acquisitions, and contributions to endowment, by an
2 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
3 four-year college accredited by a regional accreditation association;

4 (2) for secondary school level vocational education courses, programs,
5 and facilities by a school district in the state;

6 (3) for vocational education courses, programs, and facilities by a
7 state-operated vocational technical education and training school; [AND]

8 (4) for a facility **or an annual intercollegiate sports tournament** by a
9 nonprofit, public or private, Alaska two-year or four-year college accredited by a
10 regional accreditation association; **and**

11 **(5) for Alaska Native cultural or heritage programs and**
12 **educational support, including mentoring and tutoring, provided by a nonprofit**
13 **agency for public school staff and for students who are in grades kindergarten**
14 **through 12 in the state.**

15 * **Sec. 11.** AS 43.77.045(a) is amended to read:

16 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in
17 a floating fisheries business is allowed a credit against the tax due under this chapter
18 for cash contributions accepted

19 (1) for direct instruction, research, and educational support purposes,
20 including library and museum acquisitions, and contributions to endowment, by an
21 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
22 four-year college accredited by a regional accreditation association;

23 (2) for secondary school level vocational education courses, programs,
24 and facilities by a school district in the state;

25 (3) for vocational education courses, programs, and facilities by a
26 state-operated vocational technical education and training school; [AND]

27 (4) for a facility **or an annual intercollegiate sports tournament** by a
28 nonprofit, public or private, Alaska two-year or four-year college accredited by a
29 regional accreditation association; **and**

30 **(5) for Alaska Native cultural or heritage programs and**
31 **educational support, including mentoring and tutoring, provided by a nonprofit**

1 agency for public school staff and for students who are in grades kindergarten
2 through 12 in the state.

3 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 IDITAROD AREA SCHOOL DISTRICT; PILOT PROJECT. (a) The regional school
6 board for the Iditarod Area School District shall establish a pilot project for the purpose of
7 developing and implementing culturally relevant and theme-based curriculum materials and
8 strategies for students who are enrolled in the district in grades kindergarten through 12. The
9 materials and strategies developed under this section shall be made available to other school
10 districts in the state on request.

11 (b) The legislature may appropriate not more than \$1,500,000 to the Iditarod Area
12 School District to carry out the pilot project established in (a) of this section.

13 (c) The Iditarod Area School District regional school board shall provide data and
14 information developed under this section in an annual report to the legislature and shall
15 cooperate with and provide information requested by a joint legislative task force established
16 for the purpose of evaluating and implementing theme-based curriculum in the state.

17 (d) The pilot project established under this section shall terminate on June 30, 2014.

18 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 STATEWIDE RESIDENTIAL EDUCATIONAL PROGRAMS; ROOM AND
21 BOARD STIPEND. (a) Notwithstanding the amounts established in AS 14.16.200(b)(2), for
22 the fiscal years ending June 30, 2012, and June 30, 2013, a district may claim room and board
23 expenses for reimbursement under AS 14.16.200(a) as a per-pupil monthly stipend for a
24 period of not more than 10 months in the following maximum amounts:

- 25 (1) for the Southeast Region (Region I), \$820;
- 26 (2) for the Southcentral Region (Region II), \$800;
- 27 (3) for the Interior Region (Region III), \$968;
- 28 (4) for the Southwest Region (Region IV), \$1,006;
- 29 (5) for the Northern Remote Region (Region V), \$1,184.

30 (b) In this section, "district" has the meaning given in AS 14.17.990.

31 * **Sec. 14.** AS 21.96.070(a)(4), 21.96.070(a)(5); AS 43.20.014(a)(4), 43.20.014(a)(5);

1 AS 43.55.019(a)(4), 43.55.019(a)(5); AS 43.56.018(a)(4), 43.56.018(a)(5);
2 AS 43.65.018(a)(4), 43.65.018(a)(5); AS 43.75.018(a)(4), 43.75.018(a)(5);
3 AS 43.77.045(a)(4), 43.77.045(a)(5) are repealed January 1, 2021.

4 * **Sec. 15.** Section 57, ch. 92, SLA 2010, is amended to read:

5 Sec. 57. Except as provided in sec. 56 of this Act, this Act takes effect
6 January 1, **2021** [2014].

7 * **Sec. 16.** This Act takes effect July 1, 2011.