

CS FOR HOUSE BILL NO. 278(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the base student allocation used in the formula for state funding of**
2 **public education; relating to high school course credit earned through assessment;**
3 **relating to school performance reports; relating to assessments; relating to charter**
4 **schools and student transportation; relating to residential school applications; relating**
5 **to tenure of public school teachers; relating to unemployment contributions for the**
6 **Alaska technical and vocational education program; relating to earning high school**
7 **credit for completion of vocational education courses offered by institutions receiving**
8 **technical and vocational education program funding; relating to schools operated by a**
9 **federal agency; relating to the school size factor for public school funding; adjusting the**
10 **calculation of state aid for public school funding; relating to the local contribution to**
11 **public education funding; relating to the withholding of state aid to public education for**
12 **teacher retirement contributions; relating to the teachers' defined benefit retirement**

1 **plan; establishing the teachers' pension reserve fund; relating to education tax credits;**
 2 **establishing an optional municipal tax exemption for privately owned real property**
 3 **rented or leased for use as a charter school; requiring the Department of Administration**
 4 **to provide a proposal for a salary and benefits schedule for school districts; making**
 5 **conforming amendments; and providing for an effective date."**

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

7 * **Section 1.** AS 14.03 is amended by adding a new section to read:

8 **Sec. 14.03.073. Secondary school course credit.** (a) A school district shall
 9 provide the opportunity for students enrolled in a secondary school in the district to
 10 challenge a course provided by the district by demonstrating mastery in mathematics,
 11 language arts, science, social studies, and world languages at the level of the course
 12 challenged. A school district shall give full credit for a course to a student who
 13 successfully challenges that course as provided under this section.

14 (b) A school district shall establish, within a reasonable time, an assessment
 15 tool and a standard for demonstrating mastery in secondary school courses provided
 16 by the district that are likely to be or have been the subject of a challenge requested
 17 under this section.

18 (c) The board shall adopt regulations to implement this section.

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

20 * **Sec. 2.** AS 14.03.078 is amended to read:

21 **Sec. 14.03.078. Report.** The department shall provide to the legislature by
 22 February 15 of each year an annual report regarding the progress of each school and
 23 school district toward high academic performance by all students. The report required
 24 under this section must include

25 (1) information described under AS 14.03.120(d);

26 (2) the number and percentage of students in each school who pass the
 27 examination required under AS 14.03.075, and the number who pass each section of
 28 the examination;

29 (3) progress of the department

1 (A) toward implementing the school accountability provisions
2 of AS 14.03.123; and

3 (B) in assisting high schools to become accredited;

4 (4) a description of the resources provided to each school and school
5 district for coordinated school improvement activities and staff training in each school
6 and school district;

7 (5) each school district's and each school's progress in aligning
8 curriculum with state education performance standards;

9 (6) a description of the efforts by the department to assist a public
10 school **or school district** that receives a **low performance** designation **under**
11 **AS 14.03.123** [OF DEFICIENT OR IN CRISIS];

12 (7) a description of intervention efforts by each school district and
13 school for students who are not meeting state performance standards;

14 (8) the number and percentage of turnover in certificated personnel and
15 superintendents;

16 (9) the number of teachers by district and by school who are teaching
17 outside the teacher's area of endorsement but in areas tested by the high school
18 competency examination.

19 * **Sec. 3.** AS 14.03.120(d) is amended to read:

20 (d) Annually, before the date set by the district under (e) of this section, each
21 public school shall deliver to the department for posting on the department's Internet
22 website and provide, in a public meeting of parents, students, and community
23 members, a report on the school's performance and the performance of the school's
24 students. The report shall be prepared on a form prescribed by the department and
25 must include

26 (1) information on accreditation;

27 (2) results of norm-referenced achievement tests;

28 (3) results of state standards-based assessments in **language arts**
29 [READING, WRITING,] and mathematics;

30 (4) a description, including quantitative and qualitative measures, of
31 student, parent, community, and business involvement in student learning;

1 (5) a description of the school's attendance, retention, dropout, and
2 graduation rates, including the number and percentage of students who received a
3 diploma under a waiver from the competency examination required under
4 AS 14.03.075(a), as specified by the state board;

5 (6) the annual percent of enrollment change, regardless of reason, and
6 the annual percent of enrollment change due to student transfers into and out of the
7 school district;

8 (7) if Native language education is provided, a summary and
9 evaluation of the curriculum described in AS 14.30.420;

10 (8) the number and percentage of students in each school who take and
11 who successfully complete an alternative assessment program in reading, English, or
12 mathematics; and the number and percentage of pupils in each school who
13 successfully complete the alternative assessment program but who do not reach the
14 state performance standards at the competency exam level in reading, English, or
15 mathematics; a school may not report results under this paragraph unless the school
16 complies with the family educational rights and privacy requirements of 34 C.F.R. 99;

17 (9) the performance designation assigned the school under
18 AS 14.03.123 and the methodology used to assign the performance designation,
19 including the measures used and their relative weights; [AND]

20 (10) other information concerning school performance and the
21 performance of the school's students as required by the state board in regulation; **and**

22 **(11) information on the number, attendance, and performance of**
23 **students enrolled in the school whose parents or guardians are on active duty in**
24 **the armed forces of the United States, the United States Coast Guard, the Alaska**
25 **National Guard, the Alaska Naval Militia, or the Alaska State Defense Force.**

26 * **Sec. 4.** AS 14.03.123(f) is amended to read:

27 (f) In the accountability system for schools and districts required by this
28 section, the department shall

29 (1) implement 20 U.S.C. 6301 - 7941 (Elementary and Secondary
30 Education Act of 1965), as amended;

31 (2) implement state criteria and priorities for accountability including

1 the use of

2 (A) measures of student performance on standards-based
3 assessments in language arts [READING, WRITING,] and mathematics, and
4 including competency tests required under AS 14.03.075;

5 (B) measures of student improvement; and

6 (C) other measures identified that are indicators of student
7 success and achievement; and

8 (3) to the extent practicable, minimize the administrative burden on
9 districts.

10 * **Sec. 5.** AS 14.03.250 is repealed and reenacted to read:

11 **Sec. 14.03.250. Application for charter school.** (a) A local school board shall
12 prescribe an application procedure for the establishment of a charter school in that
13 school district. The application procedure must include provisions for an academic
14 policy committee consisting of parents of students attending the school, teachers, and
15 school employees and a proposed form for a contract between a charter school and the
16 local school board, setting out the contract elements required under AS 14.03.255(c).

17 (b) A decision of a local school board approving or denying an application for
18 a charter school must be in writing, must be issued within 60 days after the
19 application, and must include all relevant findings of fact and conclusions of law.

20 (c) If a local school board approves an application for a charter school, the
21 local school board shall forward the application to the state Board of Education and
22 Early Development for review and approval.

23 (d) If a local school board denies an application for a charter school, the
24 applicant may appeal the denial to the commissioner. The appeal to the commissioner
25 shall be filed not later than 60 days after the local school board issues its written
26 decision of denial. The commissioner shall review the local school board's decision to
27 determine whether the findings of fact are supported by substantial evidence and
28 whether the decision is contrary to law. A decision of the commissioner upholding the
29 denial by the local school board may be appealed within 30 days to the state Board of
30 Education and Early Development.

31 (e) If the commissioner approves a charter school application, the

1 commissioner shall forward the application to the state Board of Education and Early
2 Development for review and approval. The application shall be forwarded not later
3 than 30 days after the commissioner issues a written decision. The state Board of
4 Education and Early Development shall exercise independent judgment in evaluating
5 the application.

6 (f) A local school board that denied an application for a charter school
7 approved by the state board on appeal shall operate the charter school as provided in
8 AS 14.03.255 - 14.03.290.

9 * **Sec. 6.** AS 14.03 is amended by adding a new section to read:

10 **Sec. 14.03.253. Charter school application appeal.** (a) In an appeal to the
11 commissioner under AS 14.03.250, the commissioner shall review the record before
12 the local school board. The commissioner may request written supplementation of the
13 record from the applicant or the local school board. The commissioner may

14 (1) remand the appeal to the local school board for further review;

15 (2) approve the charter school application and forward the application
16 to the state Board of Education and Early Development with or without added
17 conditions; or

18 (3) uphold the decision denying the charter school application; if the
19 commissioner upholds a local school board's decision to deny a charter school
20 application and the applicant appeals to the State Board of Education and Early
21 Development, the commissioner shall immediately forward the application and record
22 to the state Board of Education and Early Development.

23 (b) In an appeal to the state Board of Education and Early Development of a
24 denial of a charter school application under (a)(3) of this section, the state board shall
25 determine, based on the record, whether the commissioner's findings are supported by
26 substantial evidence and whether the decision is contrary to law. The state board shall
27 issue a written decision within 90 days after an appeal.

28 * **Sec. 7.** AS 14.03.255(d) is amended to read:

29 (d) A school district shall offer to a charter school the right of first refusal
30 for a lease of space [CHARTER SCHOOL MAY BE OPERATED] in an existing
31 school district facility or in a facility within the school district that is not currently

1 being used as a public school, if the chief school administrator determines the facility
2 meets requirements for health and safety applicable to public buildings or other public
3 schools in the district. **If the school district requires lease payments by a charter**
4 **school, the school district shall negotiate a lease agreement with the charter**
5 **school for an amount that does not exceed the true operational costs calculated**
6 **on a square foot basis for space leased under this subsection.**

7 * **Sec. 8.** AS 14.03.260(a) is amended to read:

8 (a) A local school board shall provide an approved charter school with an
9 annual program budget. The budget shall be not less than the amount generated by the
10 students enrolled in the charter school less administrative costs retained by the local
11 school district, determined by applying the indirect cost rate approved by the
12 **department up to 4 percent. A local school board shall provide a charter school**
13 **with a report itemizing the administrative costs retained by the local school**
14 **board under this section** [DEPARTMENT OF EDUCATION AND EARLY
15 DEVELOPMENT]. The "amount generated by students enrolled in the charter school"
16 is to be determined in the same manner as it would be for a student enrolled in another
17 public school in that school district **and includes funds generated by special needs**
18 **under AS 14.17.420(a)(1) and secondary school vocational and technical**
19 **instruction under AS 14.17.420(a)(3). A school district shall direct state aid under**
20 **AS 14.11 for the construction or major maintenance of a charter school facility to**
21 **the charter school that generated the state aid, subject to the same terms and**
22 **conditions that apply to state aid under AS 14.11 for construction or major**
23 **maintenance of a school facility that is not a charter school.**

24 * **Sec. 9.** AS 14.07.020(a)(16) is amended to read:

25 (16) establish by regulation criteria, based on low student performance,
26 under which the department may intervene in a school district to improve instructional
27 practices, as described in AS 14.07.030(14) or (15); the regulations must include

28 (A) a notice provision that alerts the district to the deficiencies
29 and the instructional practice changes proposed by the department;

30 (B) an end date for departmental intervention, as described in
31 AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three

1 consecutive years of improvement consisting of not less than two percent
2 increases in student proficiency on standards-based assessments in language
3 arts and mathematics, [READING, AND WRITING] as provided in
4 AS 14.03.123(f)(2)(A); and

5 (C) a process for districts to petition the department for
6 continuing or discontinuing the department's intervention;

7 * **Sec. 10.** AS 14.07.020(b) is amended to read:

8 (b) In implementing its duties under (a)(2) of this section, the department shall
9 develop

10 (1) performance standards in language arts [READING, WRITING,]
11 and mathematics to be met at designated age levels by each student in public schools
12 in the state; and

13 (2) a comprehensive system of student assessments, composed of
14 multiple indicators of proficiency in language arts [READING, WRITING,] and
15 mathematics; this comprehensive system must

16 (A) be made available to all districts and regional educational
17 attendance areas;

18 (B) include a developmental profile for students entering
19 kindergarten or first grade; and

20 (C) include performance standards in language arts
21 [READING, WRITING,] and mathematics for students in age groups five
22 through seven, eight through 10, and 11 - 14.

23 * **Sec. 11.** AS 14.07.168 is amended to read:

24 **Sec. 14.07.168. Report to the legislature.** Not later than the 30th legislative
25 day of each regular session of the legislature, the board shall prepare and present in
26 person to the legislative committees having jurisdiction over education an annual
27 report that describes the efforts of the board to develop, maintain, and continuously
28 improve a comprehensive quality public education system, as provided for under the
29 bylaws of the board. The report must include

30 (1) a summary of the resolves and rationales provided in support of
31 policy decisions made under AS 14.03.015;

(2) program and curriculum changes made, discussed, or recommended in meetings held under AS 14.07.125;

(3) additional information relevant to efforts made to improve and maintain the public education system;

(4) recommendations for changes in the method of education spending by the state and school districts that result in improved efficiencies in and administration of public education in the state.

* **Sec. 12.** AS 14.09.010 is amended by adding new subsections to read:

(e) A school district that provides transportation services under this section shall provide transportation services to students attending a charter school operated by the district under a policy adopted by the district. The policy must

(1) be developed with input solicited from individuals involved with the charter school, including staff, students, and parents;

(2) at a minimum, provide transportation services for students enrolled in the charter school on a space available basis along the regular routes that the students attending schools in an attendance area in the district are transported; and

(3) be approved by the department.

(f) If a school district fails to adopt a policy under (e) of this section, the school district shall allocate the amount received for each student under (a) of this section to each charter school operated by the district based on the number of students enrolled in the charter school.

(g) Nothing in (e) of this section requires a school district to establish dedicated transportation routes for the exclusive use of students enrolled in a charter school or authorizes a charter school to opt out of a policy adopted by a school district for the purpose of acquiring transportation funding.

* **Sec. 13.** AS 14.16.050(a) is amended to read:

(a) The following provisions apply with respect to the operation and management of a state boarding school as if it were a school district:

(1) requirements relating to school district operations:

(A) AS 14.03.030 - 14.03.050 (defining the school term, day in session, and school holidays);

1 (B) AS 14.03.073 and 14.03.083 - 14.03.140 [AS 14.03.083 -
2 14.03.140] (miscellaneous provisions applicable to school district operations);

3 (C) regulations adopted by the board under authority of
4 AS 14.07.020(a) that are applicable to school districts and their schools, unless
5 the board specifically exempts state boarding schools from compliance with a
6 regulation;

7 (D) AS 14.12.150 (authorizing school districts to establish and
8 participate in the services of a regional resource center);

9 (E) AS 14.14.050 (imposing the requirement of an annual
10 audit);

11 (F) AS 14.14.110 (authorizing cooperation with other school
12 districts);

13 (G) AS 14.14.140(b) (establishing a prohibition on
14 employment of a relative of the chief school administrator);

15 (H) AS 14.18 (prohibiting discrimination based on sex in
16 public education);

17 (2) requirements relating to the public school funding program and the
18 receipt and expenditure of that funding:

19 (A) AS 14.17.500 (relating to student count estimates);

20 (B) AS 14.17.505 (relating to school operating fund balances);

21 (C) AS 14.17.500 - 14.17.910 (setting out the procedure for
22 payment of public school funding and imposing general requirements and
23 limits on money paid);

24 (3) requirements relating to teacher employment and retirement:

25 (A) AS 14.14.105 and 14.14.107 (relating to sick leave);

26 (B) AS 14.20.095 - 14.20.215 (relating to the employment and
27 tenure of teachers);

28 (C) AS 14.20.220 (relating to the salaries of teachers
29 employed);

30 (D) AS 14.20.280 - 14.20.350 (relating to sabbatical leave
31 provisions for teachers);

1 (E) AS 23.40.070 - 23.40.260 (authorizing collective
2 bargaining by certificated employees), except with regard to teachers who are
3 administrators and except that the board may delegate some or all of its
4 responsibilities under those statutes;

5 (F) AS 14.25 (provisions regarding the teachers' retirement
6 system);

7 (4) requirements relating to students and educational programs:

8 (A) AS 14.30.180 - 14.30.350 (relating to educational services
9 for children with disabilities);

10 (B) AS 14.30.360 - 14.30.370 (establishing health education
11 program standards);

12 (C) AS 14.30.400 - 14.30.410 (relating to bilingual and
13 bicultural education).

14 * **Sec. 14.** AS 14.16 is amended by adding a new section to article 2 to read:

15 **Sec. 14.16.100. Application for residential school.** A school district shall
16 apply to the department for approval to establish and operate a statewide or district-
17 wide residential school. The department shall accept applications during an open
18 application period conducted annually. A period of open application in itself does not
19 indicate that the department will approve the establishment of a new residential
20 school.

21 * **Sec. 15.** AS 14.17.300(a) is amended to read:

22 (a) The public education fund is established. The fund consists of
23 appropriations for

24 (1) distribution to school districts, to the state boarding school, and for
25 centralized correspondence study under this chapter; [AND]

26 (2) transportation of pupils under AS 14.09.010; **and**

27 **(3) the teachers' retirement system.**

28 * **Sec. 16.** AS 14.17.410(b) is amended to read:

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

31 (1) state aid equals basic need minus a required local contribution and

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

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

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

8 (C) the ADMs of each school in a district, as adjusted
9 according to (A) and (B) of this paragraph, are added; the sum is then
10 multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the
11 secondary school vocational and technical instruction funding factor set out in
12 AS 14.17.420(a)(3);

13 (D) the number obtained for intensive services under
14 AS 14.17.420(a)(2), [AND] the number obtained for correspondence study
15 under AS 14.17.430, **and the number obtained under (E) of this paragraph,**
16 are added to the number obtained under (C) of this paragraph;

17 (E) **if the commissioner of administration or the**
18 **commissioner's designee under AS 14.25.003 determines that the defined**
19 **benefit plan under AS 14.25.009 - 14.25.220 has an unfunded liability, the**
20 **commissioner shall determine a teachers' retirement cost adjustment**
21 **equal to the annual rate applied under AS 14.25.070(a) for the ensuing**
22 **fiscal year minus 12.56 percent, multiplied by the estimated total of all**
23 **base salaries paid by the employer to active members of the teachers'**
24 **retirement system (AS 14.25) for the ensuing fiscal year, and divided by**
25 **the base student allocation under AS 14.17.470;**

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

31 (i) for the first fiscal year after the base fiscal year

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

6 (ii) for the second fiscal year after the base fiscal year
7 determined under this subparagraph, the school district's ADM adjusted
8 for school size determined under (A) of this paragraph is calculated as
9 the district's ADM adjusted for school size, plus 50 percent of the
10 difference in the district's ADM adjusted for school size between the
11 base fiscal year and the second fiscal year after the base fiscal year;

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

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

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

28 (2) the required local contribution of a city or borough school district is
29 the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and
30 personal property in the district as of January 1 of the second preceding fiscal year, as
31 determined by the Department of Commerce, Community, and Economic

1 Development under AS 14.17.510 and AS 29.45.110, not to exceed 40 [45] percent of
2 a district's basic need for the preceding fiscal year as determined under (1) of this
3 subsection.

4 * **Sec. 17.** AS 14.17.450(a) is amended to read:

5 (a) For purposes of calculating a school's ADM to determine state aid, the
6 ADM of each school in a district shall be computed by applying the following
7 formula:

If the student count			The adjusted student count is			
in a school is			The number of			
			students in			
At least	But less than		Base	Multiplier	excess of	
10	- 20		39.6			
20	- 30		39.6	+	(1.62	x 20)
30	- 75		55.8	+	(1.49	x 30)
75	- 150		122.85	+	(1.27	x 75)
150	- 250		218.1	+	(1.08	x 150)
250 <u>or over</u>	[- 400]		326.1	+	(0.97	x 250)
[400	- 750		471.6	+	(0.92	x 400)
750 OR OVER			793.6	+	(0.84	x 750)].

18 * **Sec. 18.** AS 14.17.470 is amended to read:

19 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,865
20 [\$5,680].

21 * **Sec. 19.** AS 14.17.470, as amended by sec. 18 of this Act, is amended to read:

22 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,923
23 [\$5,865].

24 * **Sec. 20.** AS 14.17.470, as amended by secs. 18 and 19 of this Act, is amended to read:

25 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,981
26 [\$5,923].

27 * **Sec. 21.** AS 14.17.610 is amended by adding a new subsection to read:

28 (d) Notwithstanding the distribution required under (a) and (b) of this section,
29 the department may withhold from a school district an amount of state aid calculated
30
31

1 under AS 14.17.410(b)(1) for the school district that is equivalent to the projected
2 annual employer contribution to the teachers' retirement system calculated under
3 AS 14.25.070(a), including the amount added as a result of the teachers' retirement
4 cost adjustment under AS 14.17.410(b)(1)(E). If the department withholds state aid
5 under this subsection, the department shall

6 (1) on July 1, or as soon after July 1 as funds become available,
7 transmit the withheld funds to the teachers' retirement system for deposit into the
8 teachers' retirement trust fund; and

9 (2) in the last month of the fiscal year in which the funds were
10 withheld, distribute the balance of funds as necessary to make up the difference
11 between the amount withheld and the total annual amount owed under
12 AS 14.25.070(a) for employer contributions by the district.

13 * **Sec. 22.** AS 14.20.150(a) is amended to read:

14 (a) Except as provided in (c) or (d) of this section, a teacher acquires tenure
15 rights in a district when the teacher

16 (1) possesses a valid teaching certificate that authorizes the teacher to
17 be employed as a certificated teacher or as an administrator under regulations adopted
18 by the department;

19 (2) has been employed as a teacher in the same district continuously
20 for **five** [THREE] full school years;

21 (3) receives, in the **fifth** [THIRD] year of any **five-year** [THREE-
22 YEAR] period of continuous employment with the district, an evaluation under the
23 district's evaluation system stating that the teacher's performance meets the district
24 performance standards; and

25 (4) on or before October 15 of the school year,

26 (A) accepts a contract for employment as a teacher in the
27 district for a **sixth** [FOURTH] consecutive school year; and

28 (B) performs a day of teaching services in the district during
29 that school year.

30 * **Sec. 23.** AS 14.20 is amended by adding a new section to read:

31 **Sec. 14.20.152. Tenure subject to review.** After a teacher acquires or

1 reacquires tenure under AS 14.20.150, the tenure shall be reviewed by the school
2 employing the teacher at the end of each subsequent five-year period of continuous
3 employment. The school district may terminate the tenure if, upon conclusion of the
4 review, the school district finds that during the five-year review period

5 (1) the teacher did not meet the school district's goals for student
6 academic achievement for two of the five years;

7 (2) the teacher's work performance did not improve as required in a
8 plan of improvement provided under AS 14.20.149; or

9 (3) the teacher did not adequately assist the school district with the
10 implementation of a school-wide change made by the school district to the
11 instructional model that is used by a school where the teacher is employed.

12 * **Sec. 24.** AS 14.20.160 is amended to read:

13 **Sec. 14.20.160. Loss of tenure rights.** Tenure rights are lost when the
14 teacher's employment in the district is interrupted or terminated **or when tenure is**
15 **terminated under AS 14.20.152.** However, a teacher on layoff status does not lose
16 tenure rights during the period of layoff except as provided under AS 14.20.177.

17 * **Sec. 25.** AS 14.25.070(a) is amended to read:

18 (a) Each employer shall contribute to the system every payroll period an
19 amount calculated by applying [A RATE OF 12.56 PERCENT] to the total of all base
20 salaries paid by the employer to active members of the system **an annual rate that is**
21 **the lesser of**

22 **(1) 32.56 percent; or**

23 **(2) a rate calculated by dividing the total pension benefits the**
24 **administrator expects to be paid from the plan for the ensuing fiscal year minus**
25 **employee contributions the administrator expects to be made to the plan for the**
26 **ensuing fiscal year, by the total of all base salaries the employer expects to pay to**
27 **active members of the system for the ensuing fiscal year** [, INCLUDING ANY
28 ADJUSTMENTS TO CONTRIBUTIONS REQUIRED BY AS 14.25.173(a)].

29 * **Sec. 26.** AS 14.25.070 is amended by adding a new subsection to read:

30 (i) Notwithstanding (b) of this section, if the department withholds funds for
31 contribution to the teachers' retirement system under AS 14.17.610(d), the department

1 shall transmit the funds to the administrator for deposit in the teachers' retirement trust
2 fund. The administrator shall allocate the contributions received from the department
3 for full payment of employer contributions as provided in (b)(1) and (2) of this
4 section.

5 * **Sec. 27.** AS 14.25.085 is amended to read:

6 **Sec. 14.25.085. Additional state contributions.** In addition to the
7 contributions that the state is required to make under AS 14.25.070 as an employer,
8 the state shall contribute **annually** to the plan **on** [EACH] July 1 or, if funds are not
9 available on July 1, as soon after July 1 as funds become available, an amount for the
10 ensuing fiscal year that, when combined with **the corpus of the plan's trust fund,**
11 **money appropriated to the plan for the ensuing fiscal year from the teachers'**
12 **pension reserve fund established under AS 37.14.900, the total of contributions**
13 **the administrator estimates will be made by members under AS 14.25.050 for the**
14 **ensuing fiscal year, and** the total employer contributions that the administrator
15 estimates will be allocated under AS 14.25.070(c) **for the ensuing fiscal year,** is
16 sufficient to pay the **pension benefits that the administrator estimates will become**
17 **payable under the plan for the ensuing** [PLAN'S PAST SERVICE LIABILITY AT
18 THE CONTRIBUTION RATE ADOPTED BY THE BOARD UNDER AS 37.10.220
19 FOR THAT] fiscal year.

20 * **Sec. 28.** AS 23.15.835(d) is amended to read:

21 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
22 2009, through June 30, **2017** [2014], the money collected under this section or
23 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
24 the Alaska Human Resource Investment Council, shall be allocated directly in the
25 following percentages to the following institutions for programs consistent with
26 AS 23.15.820 - 23.15.850 and capital improvements:

27	University of Alaska	45 percent
28	University of Alaska Southeast	5 percent
29	Galena Project Education Vocational Training Center	4 percent
30	Kotzebue Technical Center	9 percent
31	Alaska Vocational Technical Center	17 percent

1	Northwestern Alaska Career and Technical Center	3 percent
2	Southwest Alaska Vocational and Education Center	3 percent
3	Yuut Elitnaurviat, Inc. People's Learning Center	9 percent
4	Delta Career Advancement Center	3 percent
5	New Frontier Vocational Technical Center	2 percent.

6 * **Sec. 29.** AS 23.15.835(e) is amended to read:

7 (e) The institutions receiving funding under (d) of this section shall provide an
8 expenditure and performance report to the department by November 1 of each year
9 that includes [THE]

10 (1) **the** percentage of former participants in the program who have jobs
11 one year after leaving the program;

12 (2) **the** median wage of former participants seven to 12 months after
13 leaving the program;

14 (3) **the** percentage of former participants who were employed after
15 leaving the program who received training under the program that was related or
16 somewhat related to the former participants' jobs seven to 12 months after leaving the
17 program;

18 (4) **the** percentage of former participants who indicate some level of
19 satisfaction with the training received under the program; [AND]

20 (5) **the** percentage of employers who indicate satisfaction with the
21 services provided through the program;

22 **(6) a description of each vocational education course funded**
23 **through the allocation set out in (d) of this section that permits high school**
24 **students to earn dual credit upon course completion, and the number of high**
25 **school students who earned dual credit in the past year;**

26 **(7) a copy of any articulation agreement established under (g) of**
27 **this section that either was in effect for the preceding year or is in process for the**
28 **next year of funding, and the number of high school students who earned dual**
29 **credit under each articulation agreement; and**

30 **(8) the performance and financial information needed to verify the**
31 **performance of the program as specified by the department by regulation.**

1 * **Sec. 30.** AS 23.15.835 is amended by adding a new subsection to read:

2 (g) The institutions receiving funding under (d) of this section shall establish
3 and maintain at least one articulation agreement under which dual credit may be
4 earned by high school students upon completion of a vocational education course.

5 * **Sec. 31.** AS 23.15.850 is amended by adding new paragraphs to read:

6 (3) "articulation agreement" means a dual-credit partnership between a
7 school district and an institution receiving funding under AS 23.15.835(d) that
8 describes vocational education courses, student eligibility, course location, academic
9 policies, student support services, credit on a student's transcript, funding, and other
10 items required by the partnering institutions;

11 (4) "dual credit" means simultaneous high school credit and credit
12 toward a career or vocational certification.

13 * **Sec. 32.** AS 29.45.050 is amended by adding a new subsection to read:

14 (v) A municipality may by ordinance classify and exempt or partially exempt
15 from taxation all or a portion of privately owned real property rented or leased for use
16 as a charter school established under AS 14.03.250.

17 * **Sec. 33.** AS 37.10.210(a) is amended to read:

18 (a) The Alaska Retirement Management Board is established in the
19 Department of Revenue. The board's primary mission is to serve as the trustee of the
20 assets of the state's retirement systems, the State of Alaska Supplemental Annuity Plan
21 [.] and the deferred compensation program for state employees, **the teachers' pension**
22 **reserve fund under AS 37.14.900,** and the Alaska retiree health care trusts
23 established under AS 39.30.097. Consistent with standards of prudence, the board has
24 the fiduciary obligation to manage and invest these assets in a manner that is sufficient
25 to meet the liabilities and pension obligations of the systems, plan, program, and
26 trusts. The board may, with the approval of the commissioner of revenue and upon
27 agreement with the responsible fiduciary, manage and invest other state funds so long
28 as the activity does not interfere with the board's primary mission. In making
29 investments, the board shall exercise the powers and duties of a fiduciary of a state
30 fund under AS 37.10.071.

31 * **Sec. 34.** AS 37.10.220(a) is amended to read:

1 (a) The board shall

2 (1) hold regular and special meetings at the call of the chair or of at
3 least five members; meetings are open to the public, and the board shall keep a full
4 record of all its proceedings;

5 (2) after reviewing recommendations from the Department of
6 Revenue, adopt investment policies for each of the funds entrusted to the board;

7 (3) determine the appropriate investment objectives for the defined
8 benefit plans established under the teachers' retirement system under AS 14.25 and the
9 public employees' retirement system under AS 39.35;

10 (4) assist in prescribing the policies for the proper operation of the
11 systems and take other actions necessary to carry out the intent and purpose of the
12 systems in accordance with AS 37.10.210 - 37.10.390;

13 (5) provide a range of investment options and establish the rules by
14 which participants can direct their investments among those options with respect to
15 accounts established under

16 (A) AS 14.25.340 - 14.25.350 (teachers' retirement system
17 defined contribution individual accounts);

18 (B) AS 39.30.150 - 39.30.180 (State of Alaska Supplementary
19 Annuity Plan);

20 (C) AS 39.35.730 - 39.35.750 (public employees' retirement
21 system defined contribution individual accounts); and

22 (D) AS 39.45.010 - 39.45.060 (public employees' deferred
23 compensation program);

24 (6) establish the rate of interest that shall be annually credited to each
25 member's individual contribution account in accordance with AS 14.25.145 and
26 AS 39.35.100 and the rate of interest that shall be annually credited to each member's
27 account in the health reimbursement arrangement plan under AS 39.30.300 -
28 39.30.495; the rate of interest shall be adopted on the basis of the probable effective
29 rate of interest on a long-term basis, and the rate may be changed from time to time;

30 (7) adopt a contribution surcharge as necessary under AS 39.35.160(c);

31 (8) coordinate with the retirement system administrator to have an

1 annual actuarial valuation of each retirement system prepared to determine system
2 assets, accrued liabilities, and funding ratios and to certify to the appropriate
3 budgetary authority of each employer in the system

4 [(A)] an appropriate contribution rate for normal costs; [AND

5 (B) AN APPROPRIATE CONTRIBUTION RATE FOR
6 LIQUIDATING ANY PAST SERVICE LIABILITY;]

7 (9) review actuarial assumptions prepared and certified by a member
8 of the American Academy of Actuaries and conduct experience analyses of the
9 retirement systems not less than once every four years, except for health cost
10 assumptions, which shall be reviewed annually; the results of all actuarial assumptions
11 prepared under this paragraph shall be reviewed and certified by a second member of
12 the American Academy of Actuaries before presentation to the board;

13 (10) contract for an independent audit of the state's actuary not less
14 than once every four years;

15 (11) contract for an independent audit of the state's performance
16 consultant not less than once every four years;

17 (12) obtain an external performance review to evaluate the investment
18 policies of each fund entrusted to the board and report the results of the review to the
19 appropriate fund fiduciary;

20 (13) by the first day of each regular legislative session, report to the
21 governor, the legislature, and the individual employers participating in the state's
22 retirement systems on the financial condition of the systems in regard to

23 (A) the valuation of trust fund assets and liabilities;

24 (B) current investment policies adopted by the board;

25 (C) a summary of assets held in trust listed by the categories of
26 investment;

27 (D) the income and expenditures for the previous fiscal year;

28 (E) the return projections for the next calendar year;

29 (F) one-year, three-year, five-year, and 10-year investment
30 performance for each of the funds entrusted to the board; and

31 (G) other statistical data necessary for a proper understanding

of the financial status of the systems;

(14) submit quarterly updates of the investment performance reports to the Legislative Budget and Audit Committee;

(15) develop an annual operating budget; [AND]

(16) administer pension forfeitures required under AS 37.10.310 using the procedures of AS 44.62 (Administrative Procedure Act); **and**

(17) manage the teachers' pension reserve fund established under AS 37.14.900.

* **Sec. 35.** AS 37.14 is amended by adding a new section to read:

Article 11. Teachers' Pension Reserve Fund.

Sec. 37.14.900. Teachers' pension reserve fund. (a) The teachers' pension reserve fund is established in the general fund. The fund consists of money appropriated to the fund and the accumulated earnings of the fund. Money appropriated to the fund does not lapse.

(b) The legislature may appropriate money from the teachers' pension reserve fund to the teachers' defined benefit retirement plan in AS 14.25.009 - 14.25.220. Nothing in this section creates a dedicated fund.

(c) The Alaska Retirement Management Board shall manage the teachers' pension reserve fund in accordance with AS 37.10.210(a) and 37.10.220(a).

* **Sec. 36.** 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 for

(1) 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, **or by a public or private nonprofit elementary or secondary school in the state;**

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

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

1 (4) a facility or an annual intercollegiate sports tournament by a
2 nonprofit, public or private, Alaska two-year or four-year college accredited by a
3 regional accreditation association **or by a public or private nonprofit elementary or**
4 **secondary school in the state;**

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

8 (6) education, research, rehabilitation, and facilities by an institution
9 that is located in the state and that qualifies as a coastal ecosystem learning center
10 under the Coastal America Partnership established by the federal government; [AND]

11 (7) the Alaska higher education investment fund under AS 37.14.750;

12 **(8) funding a scholarship awarded by a nonprofit organization to a**
13 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

14 **(A) tuition and textbooks;**

15 **(B) registration, course, and programmatic student fees;**

16 **(C) on-campus room and board at the postsecondary**
17 **institution in the state that provides the dual-credit course;**

18 **(D) transportation costs to and from a residential school**
19 **approved by the Department of Education and Early Development under**
20 **AS 14.16.200 or the postsecondary school in the state that provides the**
21 **dual-credit course; and**

22 **(E) other related educational and programmatic costs;**

23 **(9) constructing, operating, or maintaining a residential housing**
24 **facility by a residential school in the state approved by the Department of**
25 **Education and Early Development under AS 14.16.200;**

26 **(10) childhood early learning and development programs and**
27 **educational support to childhood early learning and development programs**
28 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
29 **a school district in the state, by the Department of Education and Early**
30 **Development, or through a state grant; and**

31 **(11) science, technology, engineering, and math programs**

provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state.

* **Sec. 37.** AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 15, ch. 74, SLA 2012, 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, **or by a public or private nonprofit elementary or secondary school in the state;**

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

(3) by a state-operated vocational technical education and training school; [AND]

(4) for the Alaska higher education investment fund under AS 37.14.750;

(5) for funding a scholarship awarded by a nonprofit organization to a dual-credit student to defray the cost of a dual-credit course, including the cost of

(A) tuition and textbooks;

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(6) for constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education

1 **and Early Development under AS 14.16.200; and**
 2 **(7) for childhood early learning and development programs and**
 3 **educational support to childhood early learning and development programs**
 4 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
 5 **a school district in the state, by the Department of Education and Early**
 6 **Development, or through a state grant.**

7 * **Sec. 38.** AS 43.20.014(f) is amended by adding new paragraphs to read:

8 (3) "dual-credit student" means a secondary level student in the state
 9 who simultaneously earns college and high school credit for a course;

10 (4) "nonprofit organization" means a charitable or educational
 11 organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3)
 12 (Internal Revenue Code).

13 * **Sec. 39.** AS 43.65.018(a) is amended to read:

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

16 (1) direct instruction, research, and educational support purposes,
 17 including library and museum acquisitions, and contributions to endowment, by an
 18 Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year
 19 or four-year college accredited by a regional accreditation association, **or by a public**
 20 **or private nonprofit elementary or secondary school in the state;**

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

23 (3) vocational education courses, programs, and facilities by a state-
 24 operated vocational technical education and training school;

25 (4) a facility or an annual intercollegiate sports tournament by a
 26 nonprofit, public or private, Alaska two-year or four-year college accredited by a
 27 regional accreditation association **or by a public or private nonprofit elementary or**
 28 **secondary school in the state;**

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

1 (6) education, research, rehabilitation, and facilities by an institution
2 that is located in the state and that qualifies as a coastal ecosystem learning center
3 under the Coastal America Partnership established by the federal government; [AND]

4 (7) the Alaska higher education investment fund under AS 37.14.750;

5 **(8) funding a scholarship awarded by a nonprofit organization to a**
6 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

7 **(A) tuition and textbooks;**

8 **(B) registration, course, and programmatic student fees;**

9 **(C) on-campus room and board at the postsecondary**
10 **institution in the state that provides the dual-credit course;**

11 **(D) transportation costs to and from a residential school**
12 **approved by the Department of Education and Early Development under**
13 **AS 14.16.200 or the postsecondary school in the state that provides the**
14 **dual-credit course; and**

15 **(E) other related educational and programmatic costs;**

16 **(9) constructing, operating, or maintaining a residential housing**
17 **facility by a residential school approved by the Department of Education and**
18 **Early Development under AS 14.16.200;**

19 **(10) childhood early learning and development programs and**
20 **educational support to childhood early learning and development programs**
21 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
22 **a school district in the state, by the Department of Education and Early**
23 **Development, or through a state grant; and**

24 **(11) science, technology, engineering, and math programs**
25 **provided by a nonprofit agency or a school district for school staff and for**
26 **students in grades kindergarten through 12 in the state.**

27 * **Sec. 40.** AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7,
28 FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

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

31 (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
3 or four-year college accredited by a regional accreditation association, **or by a public**
4 **or private nonprofit elementary or secondary school in the state;**

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

7 (3) by a state-operated vocational technical education and training
8 school; [AND]

9 (4) for the Alaska higher education investment fund under
10 AS 37.14.750;

11 **(5) for funding a scholarship awarded by a nonprofit organization**
12 **to a dual-credit student to defray the cost of a dual-credit course, including the**
13 **cost of**

14 **(A) tuition and textbooks;**

15 **(B) registration, course, and programmatic student fees;**

16 **(C) on-campus room and board at the postsecondary**
17 **institution in the state that provides the dual-credit course;**

18 **(D) transportation costs to and from a residential school**
19 **approved by the Department of Education and Early Development under**
20 **AS 14.16.200 or the postsecondary school in the state that provides the**
21 **dual-credit course; and**

22 **(E) other related educational and programmatic costs;**

23 **(6) for constructing, operating, or maintaining a residential**
24 **housing facility by a residential school approved by the Department of Education**
25 **and Early Development under AS 14.16.200; and**

26 **(7) for childhood early learning and development programs and**
27 **educational support to childhood early learning and development programs**
28 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
29 **a school district in the state, by the Department of Education and Early**
30 **Development, or through a state grant.**

31 * **Sec. 41.** AS 43.65.018(f) is amended by adding new paragraphs to read:

1 (3) "dual-credit student" means a secondary level student in the state
2 who simultaneously earns college and high school credit for a course;

3 (4) "nonprofit organization" means a charitable or educational
4 organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3)
5 (Internal Revenue Code).

6 * **Sec. 42.** AS 43.75.018(a) is amended to read:

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

9 (1) direct instruction, research, and educational support purposes,
10 including library and museum acquisitions, and contributions to endowment, by an
11 Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year
12 or four-year college accredited by a regional accreditation association, **or by a public**
13 **or private nonprofit elementary or secondary school in the state;**

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

16 (3) vocational education courses, programs, and facilities by a state-
17 operated vocational technical education and training school;

18 (4) a facility or an annual intercollegiate sports tournament by a
19 nonprofit, public or private, Alaska two-year or four-year college accredited by a
20 regional accreditation association **or by a public or private nonprofit elementary or**
21 **secondary school in the state;**

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

25 (6) education, research, rehabilitation, and facilities by an institution
26 that is located in the state and that qualifies as a coastal ecosystem learning center
27 under the Coastal America Partnership established by the federal government; [AND]

28 (7) the Alaska higher education investment fund under AS 37.14.750;

29 **(8) funding a scholarship awarded by a nonprofit organization to a**
30 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

31 **(A) tuition and textbooks;**

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(9) constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

(10) childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant; and

(11) science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state.

* **Sec. 43.** AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 23, ch. 74, SLA 2012, 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, 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, **or by a public or private nonprofit elementary or secondary school in the state;**

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

(3) by a state-operated vocational technical education and training

1 school; [AND]

2 (4) for the Alaska higher education investment fund under
3 AS 37.14.750;

4 **(5) for funding a scholarship awarded by a nonprofit organization**
5 **to a dual-credit student to defray the cost of a dual-credit course, including the**
6 **cost of**

7 **(A) tuition and textbooks;**

8 **(B) registration, course, and programmatic student fees;**

9 **(C) on-campus room and board at the postsecondary**
10 **institution in the state that provides the dual-credit course;**

11 **(D) transportation costs to and from a residential school**
12 **approved by the Department of Education and Early Development under**
13 **AS 14.16.200 or the postsecondary school in the state that provides the**
14 **dual-credit course; and**

15 **(E) other related educational and programmatic costs;**

16 **(6) for constructing, operating, or maintaining a residential**
17 **housing facility by a residential school approved by the Department of Education**
18 **and Early Development under AS 14.16.200; and**

19 **(7) for childhood early learning and development programs and**
20 **educational support to childhood early learning and development programs**
21 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
22 **a school district in the state, by the Department of Education and Early**
23 **Development, or through a state grant.**

24 * **Sec. 44.** AS 43.75.018(f) is amended by adding new paragraphs to read:

25 (3) "dual-credit student" means a secondary level student in the state
26 who simultaneously earns college and high school credit for a course;

27 (4) "nonprofit organization" means a charitable or educational
28 organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3)
29 (Internal Revenue Code).

30 * **Sec. 45.** AS 43.77.045(a) is amended to read:

31 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in

1 a floating fisheries business is allowed a credit against the tax due under this chapter
2 for cash contributions accepted for

3 (1) direct instruction, research, and educational support purposes,
4 including library and museum acquisitions, and contributions to endowment, by an
5 Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year
6 or four-year college accredited by a regional accreditation association, **or by a public**
7 **or private nonprofit elementary or secondary school in the state;**

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

10 (3) vocational education courses, programs, and facilities by a state-
11 operated vocational technical education and training school;

12 (4) a facility or an annual intercollegiate sports tournament by a
13 nonprofit, public or private, Alaska two-year or four-year college accredited by a
14 regional accreditation association **or by a public or private nonprofit elementary or**
15 **secondary school in the state;**

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

19 (6) education, research, rehabilitation, and facilities by an institution
20 that is located in the state and that qualifies as a coastal ecosystem learning center
21 under the Coastal America Partnership established by the federal government; [AND]

22 (7) the Alaska higher education investment fund under AS 37.14.750;

23 **(8) funding a scholarship awarded by a nonprofit organization to a**
24 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

25 **(A) tuition and textbooks;**

26 **(B) registration, course, and programmatic student fees;**

27 **(C) on-campus room and board at the postsecondary**
28 **institution in the state that provides the dual-credit course;**

29 **(D) transportation costs to and from a residential school**
30 **approved by the Department of Education and Early Development under**
31 **AS 14.16.200 or the postsecondary school in the state that provides the**

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dual-credit course; and

(E) other related educational and programmatic costs;

(9) constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

(10) childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant; and

(11) science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state.

* **Sec. 46.** AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 25, ch. 74, SLA 2012, is amended to read:

(a) In addition to the credit allowed under AS 43.77.040, a person engaged in a floating 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, 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, **or by a public or private nonprofit elementary or secondary school in the state;**

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

(3) by a state-operated vocational technical education and training school; [AND]

(4) for the Alaska higher education investment fund under AS 37.14.750;

(5) for funding a scholarship awarded by a nonprofit organization to a dual-credit student to defray the cost of a dual-credit course, including the

cost of

(A) tuition and textbooks;

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(6) for constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200; and

(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development.

* **Sec. 47.** AS 43.77.045(f) is amended by adding new paragraphs to read:

(3) "dual-credit student" means a secondary level student in the state who simultaneously earns college and high school credit for a course;

(4) "nonprofit organization" means a charitable or educational organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

* **Sec. 48.** AS 14.20.147(b) is repealed.

* **Sec. 49.** Section 3, ch. 91, SLA 2010, is repealed.

* **Sec. 50.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Sections 22 - 24 of this Act apply to a contract or collective bargaining agreement that becomes legally binding on or after the effective date of secs. 22 - 24 of this Act.

1 * **Sec. 51.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 5 and 6 of this Act
4 apply to charter school applications filed with a local school board on or after July 1, 2014.

5 * **Sec. 52.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITION: REGULATIONS. The Department of Education and Early
8 Development, the Department of Labor and Workforce Development, and the Department of
9 Revenue may adopt regulations necessary to implement their respective changes made by this
10 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
11 before the effective date of the relevant provision of this Act implemented by the regulation.

12 * **Sec. 53.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 DEPARTMENT OF ADMINISTRATION SALARY AND BENEFITS PROPOSAL.
15 Not later than January 1, 2016, the Department of Administration shall present to the
16 legislature a written proposal to implement a salary and benefits schedule for school districts
17 as defined under AS 14.30.350.

18 * **Sec. 54.** Sections 22 - 24, 28, 50, and 52 of this Act take effect immediately under
19 AS 01.10.070(c).

20 * **Sec. 55.** Sections 16, 25, 27, and 33 - 35 of this Act take effect June 30, 2014.

21 * **Sec. 56.** Sections 1, 19, and 29 - 31 of this Act take effect July 1, 2015.

22 * **Sec. 57.** Section 20 of this Act takes effect July 1, 2016.

23 * **Sec. 58.** Sections 37, 40, 43, and 46 of this Act take effect January 1, 2021.

24 * **Sec. 59.** Except as provided in secs. 54 - 58 of this Act, this Act takes effect July 1, 2014.