

DEPARTMENTS OF ADMINISTRATION (DOA), EDUCATION & EARLY DEVELOPMENTS (EED), LABOR & WORKFORCE  
DEVELOPMENT (DOL/WD) AND REVENUE (DOR)  
CSHB 278 (FIN) am SECTIONAL ANALYSIS//**VERSION H.A**  
EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

**NEW TITLE:**

An Act increasing the base student allocation used in the formula for state funding of public education; relating to the exemption from jury service for certain teachers; relating to the powers of the Department of Education & Early Development; relating to high school course credit earned through assessment; relating to performance reports; relating to assessments; **establishing a public school and school district grading system;** relating to charter schools and pupil transportation; relating to residential school applications; relating to tenure of public school teachers; relating to unemployment contributions of the Alaska technical and vocational education program; relating to earning high school credit for completion of vocational education courses offered by institutions receiving technical and vocational education program funding; relating to schools operated by a federal agency; **relating to a grant for school districts;** relating to education tax credits; establishing an optional municipal tax exemption for privately owned real property rented or leased for use as a charter school; requiring the Department of Administration to provide a proposal for a Salary and benefits schedule from school districts; making conforming amendments; and providing for an effective date.

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
1	09.20.030(b)-Exemptions	2	6-13	Allows for jury service exemptions for certain teachers.	Public School Districts- Alaska Court System
2	14.03.073- Course credit earned through mastery of course content	2	14-25	Requires school districts to allow high school students the opportunity to prove mastery through a district-approved assessment of course content for all courses offered. <b>Removes the Governor’s language on naming specific courses in mathematics, language arts, science, social studies, and world languages.</b>	EED – Public School Districts
3	14.03.078-Reports	2-3	26-29 1-24	Conforming language that is required to be included in the annual School Report Cards to the Public.	EED – Public School Districts
4	<b>14.03.083</b>	3	<b>25-30</b>	<b>Prohibits the department and the state Board of Education &amp; Early Development from entering or renewing a contract that would cede the state’s measure of autonomy or control over education standards and assessments.</b>	<b>EED</b>
5	<b>14.03.120 (d)- Education planning; reports</b>	3-5	31 1-31 1-6	<b>Conforming language. Also adds a reporting provision by school districts to provide information on the number, attendance and performance of students whose parents or guardians are on active duty military.</b>	<b>EED – Public School Districts</b>

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
6	14.03.123 (c)-School and district accountability	5	7-22	<b>Requires EED to establish a second school rating system by establishing a school grading (A-F) system. The A-F system is a new structure in addition to the existing Alaska School Performance Index (ASPI) star rating system that EED has had in place since 2013. The A-F structure is based on progress only and excludes factors that are in ASPI.</b>	<b>EED-Public School Districts-Parents &amp; Students</b>
7	14.03.123 (f)-School and district accountability	5-6	23-31 1-6	Conforming language. Amends language to match what is measured on the standard-based assessments. Specifically “language arts” replaced “reading and writing”.	EED
8	<b>14.03.124-Public school and school district grading system</b>	<b>6</b>	<b>7-15</b>	<b>Establishes an additional set of performance designations under an A-F school rating system.</b>	<b>EED-Public School Districts-Parents &amp; Students</b>
9	14.03.250 –Application for charter school	6-7	16-31 1-14	Repeals and reenacts language regarding the application process for charter schools. Changes include the requirement that a local school board provide in writing a decision to approve or deny a charter school including and relevant findings of fact and conclusions of law. <b>Requires an appeal of a decision by the commissioner be done so within 30 days.</b>	EED-Public School Districts-State Board
10	14.03.253-Charter school application appeal to commissioner	7-8	15-31 1-2	Amends language to outline the possible actions the commissioner may take in an appeal process for a charter school application denied by the local school board. <b>Adds subsection (b) requiring an appeal to the state Board of a denial by the commissioner be based on the record and will be issued in written form within 90 days of appeal.</b>	EED – Public School Districts
11	<b>14.03.255(d)- Organization &amp; operation of a charter school</b>	<b>8</b>	<b>3-12</b>	<b>Adds that a school district shall offer to a charter school the first right of refusal for lease space in an existing district facility that is not currently being used. The district may negotiate a lease agreement for the true operational costs.</b>	<b>EED-Public School Districts</b>
12	14.03.260(a)- Funding for a charter school	8	13-29	<b>Replaces the federal indirect rates approved by EED with a 4% cap.</b> Amended to require the inclusion of funds generated by special needs, secondary school vocational and technical instruction based on the amount generated by students enrolled in the charter school.	EED – Public School District

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
13	14.03.263-Charter School Grant Program	8-9	30-31 1-14	Amends the section to include a charter school start-up grant program. The program offers \$500 per enrolled student as a one-time grant for a charter established on or after the effective date of this section.	EED-Public School Districts
14	14.07.020(a)(16)-Duties of the department	9	15-28	Conforming language. Amends language to match what is measured on the standard-based assessments. Specifically “language arts” replaced “reading and writing”.	EED
15	14.07.020(b)-Duties of the department	9-10	29-31 1-15	Prevents the department from spending money on the implementation of educational curriculum standards for K-12 established by the Common Core State Standards Initiative. Also provides conforming language specifically “language arts” replaced “reading and writing”.	EED-Public School Districts
16	14.07.168-Report to the legislature	10	16-31	Adds an additional requirement for the state Board of Education & Early Development to report to the legislature around educational spending and efficiencies.	EED-State Board
17	14.09.010-Transportation of students	11	1-18	Amends the section by including transportation of charter school students by a school district when reasonable.	EED-Public School Districts
18	14.16.050(a)-Applicability laws	11-13	19-31 1-31 1-6	Includes Mt. Edgecumbe High School into section 1 of the bill, Course credit earned through mastery of course content.	EED- MEHS
19	14.16.100- Application for residential school	13	7-13	Adding a new section to provide for an annual open application period for residential applications. An application period in itself does not indicate that the department will approve new schools into the program.	EED – Public School Districts
20	14.17.470-Base student allocation	13	14-16	Amended to increase the base student allocation in FY2015 to \$5865. <b>Increase by \$185.</b>	EED – Public School Districts
21	14.17.470-Base student allocation	13	17-19	Amended to increase the base student allocation in FY2016 to \$5923. Increased by \$58.	EED – Public School Districts
22	14.17.470-Base student allocation	13	20-22	Amended to increase the base student allocation in FY2017 to \$5981. Increased by \$58.	EED – Public School Districts

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
23	14.20.150(a)- Acquisition and reacquisition of tenure rights	13-14	23-31 1-8	Amends the section by making tenure rights attainable for public school teachers in 5 years instead of 3 years.	EED-Public School Districts-Teachers
24	14.20.150- Acquisition and reacquisition of tenure rights	14	9-14	Allows public school teachers in rural districts with a community population of less than 5500 to obtain tenure rights in 3 years.	EED-Public School Districts-Teachers
25	23.15.835(d)-Special employee unemployment contrib.	14	15-31	Amended to extend the Technical Vocational Education Program (TVEP) through June 30, 2017.	DOL/WD – TVEP Institutions
26	23.15.835- Special employee unemployment contributions for program	15	1-28	Amended to include in department report a description of each vocational course funded through TVEP that permits high school students to earn dual credit upon course completion. And to provide a copy of the articulation agreement in effect for the prior year or that is in process to include the number of high school students who earned dual credit under the agreement. <b>Removes former subsections (4) &amp; (5), renumbers the subsections and adds (6) by allowing the department to collect performance and financial information from TVEP participants.</b>	DOL/WD – TVEP Institutions
27	23.15.835- Special employee unemployment contributions for program	15-16	29-31 1-4	Amended to require institutions receiving TVEP funding to establish and maintain at least one articulation agreement under which high school students have completed a vocational ed. course. Allows the department to withhold 20% of TVEP funding if participants are not complying with reporting requirements.	DOL/WD – TVEP Institutions – Public School Districts
28	23.15.850-Definitions	16	5-12	Amending to define articulation agreement and dual credit	DOL/WD-TVEP Institutions-Public School Districts
29	29.45.050-Municipal governments	16	13-16	<b>A municipality may exempt or partially exempt from taxation all or a portion of privately owned real property for rent or lease by a charter school.</b>	<b>Public School Districts-Private Property Owners</b>

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
30	43.20.014(a)-Income tax education credit	16-14	17-31 1-30	Amends by adding two options to the list of opportunities for a taxpayer to claim a credit against their tax liability for a cash contribution made. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. <b>4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b>	DOR
31	43.20.014(a)- Income tax education credit	17-19	31 1-31 1-3	Amends by adding two options to the list of opportunities for a taxpayer to claim a credit against their tax liability for a cash contribution made. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, <b>on-campus room and board, and transportation costs.</b> 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. <b>tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state.</b> 4. <b>STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b> When the credit language reverts back to pre-2010 language, these two contributions will continue to apply.	DOR
32	43.20.014(f)- Income tax education credit	19	4-9	Amended to define of dual-credit student and nonprofit organization.	DOR

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
33	43.65.018(a)-Mining business education credit	19-20	10-31 1-23	Amends by adding two options to the list of opportunities that a taxpayer involved in the business of mining in the state may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees <b>on-campus room and board, and transportation costs.</b> 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. <b>3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state.</b> 4. <b>STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b>	DOR
34	43.65.018(a)- Mining business education credit	20-21	24-31 1-27	Amends by adding two options to the list of opportunities that a taxpayer involved in the business of mining in the state may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. <b>This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b> When the credit language reverts back to pre-2010 language, these two contributions will continue to apply.	DOR
35	43.65.018(f)- Mining business education credit	21-22	28-31 1-2	Amended to define dual-credit student and nonprofit organization	DOR

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
36	43.75.018(a)- Fisheries business education credit	22-23	3-31 1-16	Amends by adding two options to the list of opportunities that a taxpayer engaged in a fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, <b>on-campus room and board, and transportation costs</b> . 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. <b>3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. 4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b>	DOR
37	43.75.018(a)- Fisheries business education credit	23-24	17-31 1-20	Amends by adding two options to the list of opportunities that a taxpayer engaged in a fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, <b>on-campus room and board, and transportation costs</b> . 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. <b>3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b> When the credit language reverts back to pre-2010 language, these two contributions will continue to apply.	
38	43.75.018(f)- Fisheries business education credit	24	21-26	Amended to define dual-credit student and nonprofit organization	DOR

BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
39	43.77.045(a)-Fisheries resource landing tax education credit	24-26	27-31 1-31 1-10	Amends by adding two options to the list of opportunities that a taxpayer engaged in a floating fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, <b>on-campus room and board, and transportation costs.</b> 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. <b>3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state.</b> 4. <b>STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b>	DOR
40	43.77.045(a)- Fisheries resource landing tax education credit	26-27	11-31 1-15	Amends by adding two options to the list of opportunities that a taxpayer engaged in a floating fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. <b>This tax credit is available for a public or private nonprofit elementary or secondary school in the state.</b> When the credit language reverts back to pre-2010 language, these two contributions will continue to apply.	DOR
41	43.77.045(f)- Fisheries resource landing tax education credit	27	16-21	Amended to define dual-credit student and nonprofit organization	DOR



BILL SECTION	AK STATUTE SECTION TITLE	PAGE	LINE	PURPOSE OF SECTION	AGENCY IMPACTED
42	14.20.147(b)-Transfer or absorption of attendance area or federal agency school and teachers	27	22	Relating to transfer or absorption of a federal agency school and teachers is repealed.	EED
43	Section 3, ch. 91, SLA 2010	27	23	Removes the sunset provision for Alaska to apply for and receive federal grants around charter school start-up funds.	EED-Public School Funds
<b>44</b>	<b>Applicability: Sections 23 &amp; 24</b>	<b>27</b>	<b>24-28</b>	<b>Applicability language relating to teacher tenure provisions in sections 22-24 has been added.</b>	<b>Public School Districts</b>
45	Transition: Charter school applications	27-28	29-31 1-2	A new section is placed in uncodified law to apply an appeal processes for denied charter school applications received on or after <b>July 1, 2014.</b>	EED – Public School Districts
46	Transition: regulations	28	3-9	A new section is placed in uncodified law to allow the department to proceed with adopting regulations that are necessary to implement the changes made by this act.	EED – State Board of Education & Early Development
<b>47</b>	<b>Dept. of Administration Salary &amp; Benefits Proposal</b>	<b>28</b>	<b>10-15</b>	<b>Requires the Department of Administration to submit a written proposal to the legislature to implement a statewide salary and benefit schedule for school districts by 1/1/2016.</b>	<b>Dept. of Administration</b>
<b>48</b>	<b>Grants to School Districts</b>	<b>28</b>	<b>16-22</b>	<b>The Department of Education &amp; Early Development shall distribute a one-time grant of \$30,000,000 to school districts by AADM.</b>	<b>EED-Public School Districts</b>
49	Effective date notice	28	23	Sections 25 and 46 take effect immediately under AS 01.10.070 (c)	
50	Effective date notice	28	24	Sections 2, 21 and 26-25 take effect July 1, 2015	
51	Effective date notice	28	25	Section 22 takes effect July 1, 2016	
52	Effective date notice	28	26	Sections 31, 34, 37 and 40 take effect January 1, 2021	
53	Effective date notice	28	27	Except as provided, sections 49-52 take effect <b>July1, 2014</b>	