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SENATE CS FOR CS FOR HOUSE BILL NO. 278()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

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

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to the exemption from jury service for certain teachers; relating to the**
2 **powers of the Department of Education and Early Development; relating to high school**
3 **course credit earned through assessment; relating to school performance reports;**
4 **relating to assessments and accountability standards; providing for funding for Internet**
5 **services; relating to the secondary school competency examination and related**
6 **requirements; relating to charter schools and student transportation; establishing a**
7 **grant program to be administered by the Association of Alaska School Boards for the**
8 **purchase of student equipment and technology services; establishing a public school**
9 **grant program for innovative approaches to learning; relating to correspondence study**
10 **programs, funding, and student allotments; relating to residential school applications;**
11 **increasing the stipend for boarding school students; relating to school construction bond**
12 **debt reimbursement; relating to tenure of public school teachers; relating to funding of**

1 and reporting by Alaska technical and vocational education programs; relating to
2 earning high school credit for completion of vocational education courses offered by
3 institutions receiving technical and vocational education program funding; relating to
4 schools operated by a federal agency; relating to education tax credits; establishing an
5 optional municipal tax exemption for privately owned real property rented or leased for
6 use as a charter school; requiring the Department of Administration to provide a
7 proposal for a salary and benefits schedule for school districts; requiring the Legislative
8 Budget and Audit Committee to provide for studies on the school size factor and the
9 school district cost factor for public education funding; requiring the Department of
10 Education and Early Development to report to the legislature on school design and
11 construction; establishing a pilot project for public middle schools; and providing for an
12 effective date."

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

14 * **Section 1.** AS 09.20.030(b) is amended to read:

15 (b) A person may claim exemption and shall be excused by the court from
16 service as a juror during the school term if it is shown that the person is a teacher in a
17 school that is designated as a low performing school under regulations adopted by
18 the state Board of Education and Early Development [FAILING TO MAKE
19 ADEQUATE YEARLY PROGRESS UNDER P.L. 107-110]. In this subsection,
20 "teacher" means a person who serves a school district in a teaching capacity in a
21 classroom setting and is required to be certificated in order to hold the position.

22 * **Sec. 2.** AS 14.03 is amended by adding a new section to read:

23 **Sec. 14.03.073. Course credit earned through mastery of course content.**

24 (a) A school district shall provide a high school student with the opportunity to earn
25 credit for a course offered in the school in mathematics, language arts, science, social
26 studies, and world languages, if the student proves mastery of the course content
27 through a district-approved assessment. Course credit earned under this subsection

1 must meet district and statewide requirements for graduation and course credit
2 requirements of the Alaska performance scholarship program under AS 14.43.810 -
3 14.43.849.

4 (b) The board shall adopt regulations implementing this section.

5 * **Sec. 3.** AS 14.03.075 is repealed and reenacted to read:

6 **Sec. 14.03.075. College and career readiness assessment.** (a) A school may
7 not issue a secondary school diploma to a student unless the student takes a college
8 and career readiness assessment or receives a waiver from the governing body.

9 (b) A school shall award a certificate of achievement to a student who fails to
10 qualify for a diploma under (a) of this section by the end of the student's final semester
11 of attendance but who has met all other graduation requirements of the governing
12 body and the state.

13 (c) The department shall provide funding for the fee for a single
14 administration of a college and career readiness assessment for each secondary student
15 within two years of the student's expected graduation.

16 (d) In this section, "college and career readiness assessment" means the SAT,
17 ACT, or WorkKeys assessment.

18 * **Sec. 4.** AS 14.03.078 is amended to read:

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

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

24 (2) [THE NUMBER AND PERCENTAGE OF STUDENTS IN
25 EACH SCHOOL WHO PASS THE EXAMINATION REQUIRED UNDER
26 AS 14.03.075, AND THE NUMBER WHO PASS EACH SECTION OF THE
27 EXAMINATION;

28 (3)] progress of the department

29 (A) toward implementing the school accountability provisions
30 of AS 14.03.123; and

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

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

(4) [(5)] each school district's and each school's progress in aligning curriculum with state education performance standards;

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

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

(7) [(8)] the number and percentage of turnover in certificated personnel and superintendents [;

(9) THE NUMBER OF TEACHERS BY DISTRICT AND BY SCHOOL WHO ARE TEACHING OUTSIDE THE TEACHER'S AREA OF ENDORSEMENT BUT IN AREAS TESTED BY THE HIGH SCHOOL COMPETENCY EXAMINATION].

* **Sec. 5.** AS 14.03.120(d) is amended to read:

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

(1) information on accreditation;

(2) results of norm-referenced achievement tests;

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

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

(5) a description of the school's attendance, retention, dropout, and graduation rates [, INCLUDING THE NUMBER AND PERCENTAGE OF

STUDENTS WHO RECEIVED A DIPLOMA UNDER A WAIVER FROM THE COMPETENCY EXAMINATION REQUIRED UNDER AS 14.03.075(a),] as specified by the state board;

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

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

(8) [THE NUMBER AND PERCENTAGE OF STUDENTS IN EACH SCHOOL WHO TAKE AND WHO SUCCESSFULLY COMPLETE AN ALTERNATIVE ASSESSMENT PROGRAM IN READING, ENGLISH, OR MATHEMATICS; AND THE NUMBER AND PERCENTAGE OF PUPILS IN EACH SCHOOL WHO SUCCESSFULLY COMPLETE THE ALTERNATIVE ASSESSMENT PROGRAM BUT WHO DO NOT REACH THE STATE PERFORMANCE STANDARDS AT THE COMPETENCY EXAM LEVEL IN READING, ENGLISH, OR MATHEMATICS; A SCHOOL MAY NOT REPORT RESULTS UNDER THIS PARAGRAPH UNLESS THE SCHOOL COMPLIES WITH THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY REQUIREMENTS OF 34 C.F.R. 99;

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

(9) [(10)] other information concerning school performance and the performance of the school's students as required by the state board in regulation; and

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

* Sec. 6. AS 14.03.123(f) is amended to read:

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

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

(2) implement state criteria and priorities for accountability including the use of

(A) measures of student performance on standards-based assessments in language arts [READING, WRITING,] and mathematics [, AND INCLUDING COMPETENCY TESTS REQUIRED UNDER AS 14.03.075];

(B) measures of student improvement; and

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

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

* **Sec. 7.** AS 14.03 is amended by adding new sections to read:

Sec. 14.03.126. Funding for Internet services. (a) Each fiscal year, a district in which one or more schools qualify for a discounted rate for Internet services under the federal universal services program is eligible to receive an amount for each school that is equal to the amount needed to bring the applicant's share to 10 megabits of download a second of the Internet services.

(b) If insufficient funding is appropriated to provide funding authorized under this section, the state share shall be distributed pro rata to eligible school districts.

(c) In this section,

(1) "applicant's share" means the difference between the cost of Internet services that are eligible for the discount under the federal universal services program and the discount received for those services under the federal universal services program;

(2) "federal universal services program" means the program established in 47 U.S.C. 254 and regulations implementing that section.

Sec. 14.03.127. Personalized learning opportunity grant program. (a) The personalized learning opportunity grant program is established in the department for the purpose of providing technological equipment, technical support, and training in

the use of one electronic device for each student. The program shall be administered consistent with state law by the Association of Alaska School Boards recognized under AS 14.14.150 through a direct grant from the department using funds appropriated from the state general fund. As a condition of the grant, the Association of Alaska School Boards shall submit an annual report of its activities under the grant. The department may deny subsequent grants on the basis of the report if the commissioner finds that the Association of Alaska School Boards has not served the purpose of the grant program.

(b) A school district may apply for a subgrant under this section by

(1) agreeing to grant conditions established by the Association of Alaska School Boards consistent with the purpose of the program;

(2) submitting an application on an approved form to the Association of Alaska School Boards; the application must include

(A) A description of the grant project;

(B) proof of district readiness to fulfill the grant project;

(C) project goals;

(3) providing written assurances that the district will implement the grant project in a manner that is consistent with the district's grant application and conditions;

(4) agreeing to provide a final grant report that compares student performance data before and after the grant period; and

(5) providing a matching amount equivalent to 20 percent of the total amount of the grant project costs; the match may be met using 10 percent or less from the value of in-kind services.

Sec. 14.03.128. Innovative approach to learning grant. (a) The department shall establish a grant program to make grants for the purpose of encouraging innovative approaches to learning by school districts.

(b) A school district may apply to the department for a grant under this section by submitting an application on a form approved by the department in an amount and for a period established by the department. The department shall give priority to grant awards for

(1) a district-operated boarding school operated on a regional basis as described in AS 14.16.200;

(2) a public correspondence program;

(3) a public charter school;

(4) a vocational education program in a public school;

(5) a pre-elementary demonstration project;

(6) other public programs.

(c) A grant awarded under this section may be used for planning or implementation of an innovative approach to learning. The department may not award a grant for implementation of a project unless the applicant can demonstrate, to the satisfaction of the department, that the project has been planned and shown to be feasible.

(d) A district that has been awarded a grant for implementation of a project under this section shall provide to the department a description of a method for replicating successful results of the grant project.

(e) The department shall submit an annual report to the legislature that describes the

(1) number and time period of grants awarded;

(2) purpose of each grant project;

(3) results obtained from each grant project; and

(4) methods available to replicate successful results under the project that demonstrate an innovative approach to learning.

* **Sec. 8.** AS 14.03.250 is repealed and reenacted to read:

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

(b) A decision of a local school board approving or denying an application for a charter school must be in writing, must be issued within 60 days after the

application, and must include all relevant findings of fact and conclusions of law.

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

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

(e) If the commissioner approves a charter school application, the commissioner shall forward the application to the state Board of Education and Early Development for review and approval. The application shall be forwarded not later than 30 days after the commissioner issues a written decision. The state Board of Education and Early Development shall exercise independent judgment in evaluating the application.

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

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

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

- (1) remand the appeal to the local school board for further review;
- (2) approve the charter school application and forward the application to the state Board of Education and Early Development with or without added conditions; or
- (3) uphold the decision denying the charter school application; if the

commissioner upholds a local school board's decision to deny a charter school application and the applicant appeals to the State Board of Education and Early Development, the commissioner shall immediately forward the application and record to the state Board of Education and Early Development.

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

* **Sec. 10.** AS 14.03.255(a) is amended to read:

(a) A charter school operates as a school in the local school district except that the charter school (1) is exempt from the local school district's textbook, program, curriculum, and scheduling requirements; (2) is exempt from AS 14.14.130(c); the principal of the charter school shall be selected by the academic policy committee and shall select, appoint, or otherwise supervise employees of the charter school; and (3) operates under the charter school's annual program budget as set out in the contract between the local school board and the charter school under (c) of this section. A local school board may exempt a charter school from other local school district requirements if the exemption is set out in the contract. A charter school is subject to [SECONDARY SCHOOL COMPETENCY TESTING AS PROVIDED IN AS 14.03.075 AND OTHER COMPETENCY] tests required by the department.

* **Sec. 11.** AS 14.03.255(d) is amended to read:

(d) A **school district shall offer to a charter school the right of first refusal for a lease of space** [CHARTER SCHOOL MAY BE OPERATED] in an existing school district facility or in a facility within the school district that is not currently being used as a public school, if the chief school administrator determines the facility meets requirements for health and safety applicable to public buildings or other public schools in the district. **If the school district requires lease payments by a charter school, the school district shall negotiate a lease agreement with the charter school for an amount that does not exceed the true operational costs calculated on a square foot basis for space leased under this subsection.**

* **Sec. 12.** AS 14.03.260(a) is amended to read:

(a) A local school board shall provide an approved charter school with an annual program budget. The budget shall be not less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, determined by applying the indirect cost rate approved by the department up to four percent. Costs directly related to charter school facilities, including rent, utilities, and maintenance, may not be included in an annual program budget for the purposes of calculating the four percent cap on administrative costs under this subsection. A local school board shall provide a charter school with a report itemizing the administrative costs retained by the local school board under this section [DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT]. The "amount generated by students enrolled in the charter school" is to be determined in the same manner as it would be for a student enrolled in another public school in that school district and includes funds generated by grants, appropriations, federal impact aid, the required local contribution, the local contribution under AS 14.17.410(c), special needs under AS 14.17.420(a)(1), and secondary school vocational and technical instruction under AS 14.17.420(a)(3). A school district shall direct state aid under AS 14.11 for the construction or major maintenance of a charter school facility to the charter school that generated the state aid, subject to the same terms and conditions that apply to state aid under AS 14.11 for construction or major maintenance of a school facility that is not a charter school.

* **Sec. 13.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.263. Charter school grant program. (a) A charter school that is established on or after the effective date of this section may receive a one-time grant from the department equal to the amount of \$500 for each student enrolled in the school on October 1 of the first year in which the school applies for the grant. The charter school shall use a grant received under this section to provide educational services. In this subsection, "educational services" includes curriculum development, program development, and special education services.

(b) The department shall establish by regulation procedures for the application

for and expenditure of grant funds under (a) of this section.

(c) If the amount appropriated in a fiscal year for the charter school grant program is insufficient to meet the amounts authorized under (a) of this section, the department shall reduce pro rata the per pupil grant amount by the necessary percentage as determined by the department. If a charter school grant is reduced under this subsection, the charter school may apply to the department in a subsequent fiscal year for the balance of the grant amount.

* **Sec. 14.** AS 14.03 is amended by adding new sections to read:

Article 3. Correspondence Study Programs.

Sec. 14.03.300. Correspondence study programs; individual learning plans. (a) A district or the department that provides a correspondence study program shall annually provide an individual learning plan for each student enrolled in the program developed in collaboration with the student, the parent or guardian of the student, a certificated teacher assigned to the student, and other individuals involved in the student's learning plan. An individual learning plan must

(1) be developed with the assistance and approval of the certificated teacher assigned to the student by the district;

(2) provide for a course of study for the appropriate grade level consistent with state and district standards;

(3) provide for an ongoing assessment plan that includes statewide assessments required for public schools under AS 14.03.123(f);

(4) include a provision for modification of the individual learning plan if the student is below proficient on a standardized assessment in a core subject;

(5) provide for a signed agreement between the certificated teacher assigned to the student and at least one parent or the guardian of each student that verifies compliance with an individual learning plan;

(6) provide for monitoring of each student's work and progress by the certificated teacher assigned to the student.

(b) Notwithstanding another provision of law, the department may not impose additional requirements, other than the requirements specified under (a) of this section and under AS 14.03.320, on a student who is proficient or advanced on statewide

assessments required under AS 14.03.123(f).

Sec. 14.03.320. Student allotments. (a) Except as provided in (e) of this section, the department or a district that provides a correspondence study program may provide an annual student allotment to a parent or guardian of a student enrolled in the correspondence study program for the purpose of meeting instructional expenses for the student enrolled in the program as provided in this section.

(b) A parent or guardian may purchase nonsectarian services and materials from a public, private, or religious organization with a student allotment provided under (a) of this section if

(1) the services and materials are required for the course of study in the individual learning plan developed for the student under AS 14.03.300;

(2) textbooks, services, and other curriculum materials and the course of study

(A) are approved by the school district;

(B) are appropriate for the student;

(C) are aligned to state standards; and

(D) comply with AS 14.03.090 and AS 14.18.060; and

(3) otherwise support a public purpose.

(c) Except as provided in (d) of this section, an annual student allotment provided under this section is reserved and excluded from the unreserved portion of a district's year-end fund balance in the school operating fund under AS 14.17.505.

(d) The department or a district that provides for an annual student allotment under (a) of this section shall

(1) account for the balance of an unexpended annual student allotment during the period in which a student continues to be enrolled in the correspondence program for which the annual allotment was provided;

(2) return the unexpended balance of a student allotment to the budget of the department or district for a student who is no longer enrolled in the correspondence program for which the allotment was provided;

(3) maintain a record of expenditures and allotments; and

(4) implement a routine monitoring of audits and expenditures.

(e) A student allotment provided under (a) of this section may not be used to pay for services provided to a student by a family member. In this subsection, "family member" means the student's spouse, guardian, parent, stepparent, sibling, stepsibling, grandparent, stepgrandparent, child, uncle, or aunt.

* **Sec. 15.** AS 14.07.020(a)(16) is amended to read:

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

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

(B) an end date for departmental intervention, as described in AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three consecutive years of improvement consisting of not less than two percent increases in student proficiency on standards-based assessments in language arts and mathematics, [READING, AND WRITING] as provided in AS 14.03.123(f)(2)(A); and

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

* **Sec. 16.** AS 14.07.020(b) is amended to read:

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

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

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

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

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

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

* **Sec. 17.** AS 14.07.165 is amended to read:

Sec. 14.07.165. Duties. The board shall adopt

(1) statewide goals and require each governing body to adopt written goals that are consistent with local needs;

(2) regulations regarding the application for and award of grants under AS 14.03.125;

(3) regulations implementing provisions of AS 14.11.014(b);

(4) regulations requiring approval by the board before a charter school, state boarding school, or a public school may provide domiciliary services;

(5) regulations implementing the college and career readiness assessment [SECONDARY SCHOOL STUDENT COMPETENCY EXAMINATION] provisions of AS 14.03.075, providing for the needs of a student who is a child with a disability, and setting standards for a waiver under AS 14.03.075; the regulations may address the conditions, criteria, procedure, and scheduling of the assessment [, INCLUDING THE CRITERIA AND PROCEDURE UNDER WHICH A GOVERNING BODY USES A WAIVER TO GRANT A DIPLOMA TO A STUDENT; CRITERIA REGARDING GRANTING A WAIVER MUST INCLUDE PROVISIONS THAT A WAIVER MAY ONLY BE GRANTED FOR STUDENTS WHO ENTER THE SYSTEM LATE OR HAVE RARE OR UNUSUAL CIRCUMSTANCES MERITING A WAIVER].

* **Sec. 18.** AS 14.07.165 is amended by adding a new subsection to read:

(b) In this section, "child with a disability" has the meaning given in AS 14.30.350.

* **Sec. 19.** 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. 20.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before

January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year

1 for the retirement of principal and interest on outstanding bonds, notes, or
2 other indebtedness authorized by the qualified voters of the municipality

3 (i) after June 30, 1983, but before March 31, 1990, to
4 pay costs of school construction, additions to schools, and major
5 rehabilitation projects that exceed \$25,000 and are approved under
6 AS 14.07.020(a)(11); or

7 (ii) before July 1, 1989, and reauthorized before
8 November 1, 1989, to pay costs of school construction, additions to
9 schools, and major rehabilitation projects that exceed \$25,000 and are
10 approved under AS 14.07.020(a)(11); and

11 (B) cash payments made after June 30, 1983, by the
12 municipality during the fiscal year two years earlier to pay costs of school
13 construction, additions to schools, and major rehabilitation projects that exceed
14 \$25,000 and are approved by the department before July 1, 1990, under
15 AS 14.07.020(a)(11);

16 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
17 made by the municipality during the fiscal year for the retirement of principal and
18 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
19 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
20 costs of school construction, additions to schools, and major rehabilitation projects
21 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

22 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
23 made by the municipality during the fiscal year for the retirement of principal and
24 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
25 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
26 costs of school construction, additions to schools, and major rehabilitation projects;

27 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
28 projects funded by the bonds, notes, or other indebtedness have been approved by the
29 commissioner, 70 percent of payments made by the municipality during the fiscal year
30 for the retirement of principal and interest on outstanding bonds, notes, or other
31 indebtedness authorized by the qualified voters of the municipality on or after July 1,

1 1995, but before July 1, 1998, to pay costs of school construction, additions to
2 schools, and major rehabilitation projects that exceed \$200,000 and are approved
3 under AS 14.07.020(a)(11);

4 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
5 projects funded by the bonds, notes, or other indebtedness have been approved by the
6 commissioner, 70 percent of payments made by the municipality during the fiscal year
7 for the retirement of principal and interest on outstanding bonds, notes, or other
8 indebtedness authorized by the qualified voters of the municipality on or after July 1,
9 1998, but before July 1, 2006, to pay costs of school construction, additions to
10 schools, and major rehabilitation projects that exceed \$200,000 and are approved
11 under AS 14.07.020(a)(11);

12 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
13 projects funded by the bonds, notes, or other indebtedness have been approved by the
14 commissioner, 70 percent of payments made by the municipality during the fiscal year
15 for the retirement of principal and interest on outstanding bonds, notes, or other
16 indebtedness authorized by the qualified voters of the municipality on or after June 30,
17 1998, to pay costs of school construction, additions to schools, and major
18 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
19 and are not reimbursed under (n) of this section;

20 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
21 funded by the bonds, notes, or other indebtedness have been approved by the
22 commissioner, 70 percent of payments made by a municipality during the fiscal year
23 for the retirement of principal and interest on outstanding bonds, notes, or other
24 indebtedness authorized by the qualified voters of the municipality on or after June 30,
25 1999, but before January 1, 2005, to pay costs of school construction, additions to
26 schools, and major rehabilitation projects and education-related facilities that exceed
27 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
28 or (o) of this section;

29 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
30 of payments made by a municipality during the fiscal year for the retirement of
31 principal and interest on outstanding bonds, notes, or other indebtedness authorized by

1 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
2 2005, to pay costs of school construction, additions to schools, and major
3 rehabilitation projects and education-related facilities that exceed \$200,000, are
4 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
5 section;

6 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
7 projects funded by the tax exempt bonds, notes, or other indebtedness have been
8 approved by the commissioner, 70 percent of payments made by a municipality during
9 the fiscal year for the retirement of principal and interest on outstanding tax exempt
10 bonds, notes, or other indebtedness authorized by the qualified voters of the
11 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
12 school construction, additions to schools, and major rehabilitation projects and
13 education-related facilities that exceed \$200,000, are approved under
14 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

15 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60
16 percent of payments made by a municipality during the fiscal year for the retirement
17 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
18 authorized by the qualified voters of the municipality on or after June 30, 1999, but
19 before October 31, 2006, to pay costs of school construction, additions to schools, and
20 major rehabilitation projects and education-related facilities that exceed \$200,000, are
21 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
22 section;

23 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
24 projects funded by the bonds, notes, or other indebtedness have been approved by the
25 commissioner, 90 percent of payments made by a municipality during the fiscal year
26 for the retirement of principal and interest on outstanding bonds, notes, or other
27 indebtedness authorized by the qualified voters of the municipality on or after June 30,
28 1999, but before October 31, 2006, to pay costs of school construction, additions to
29 schools, and major rehabilitation projects and education-related facilities that exceed
30 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
31 share requirement for a municipal school district under the former participating share

amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, **but before June 30, 2014,** to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, **but before June 30, 2014,** to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(18) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 2014, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(19) subject to (h), (i), and (j)(2), (3), and (5) of this section, 40 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or

after July 1, 2014, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

* **Sec. 21.** 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);

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

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

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

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

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

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

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

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

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

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

(C) AS 14.17.500 - 14.17.910 (setting out the procedure for

1 payment of public school funding and imposing general requirements and
2 limits on money paid);

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

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

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

7 (C) AS 14.20.220 (relating to the salaries of teachers
8 employed);

9 (D) AS 14.20.280 - 14.20.350 (relating to sabbatical leave
10 provisions for teachers);

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

15 (F) AS 14.25 (provisions regarding the teachers' retirement
16 system);

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

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

20 (B) AS 14.30.360 - 14.30.370 (establishing health education
21 program standards);

22 (C) AS 14.30.400 - 14.30.410 (relating to bilingual and
23 bicultural education).

24 * **Sec. 22.** AS 14.16 is amended by adding a new section to article 2 to read:

25 **Sec. 14.16.100. Application for residential school.** A school district shall
26 apply to the department for approval to establish and operate a statewide or district-
27 wide residential school. The department shall accept applications during an open
28 application period conducted annually. A period of open application in itself does not
29 indicate that the department will approve the establishment of a new residential
30 school.

31 * **Sec. 23.** AS 14.16.200(b) is amended to read:

(b) Costs that may be claimed by a district for reimbursement under (a) of this section are

(1) one round trip on the least expensive means of transportation between the student's community of residence and the school during the school year if the district expends money for the trip; and

(2) a per-pupil monthly stipend to cover room and board expenses as determined by the department on a regional basis and not to exceed the following amounts:

(A) for the Southeast Region (Region I), \$1,230 [\$820];

(B) for the Southcentral Region (Region II), \$1,200 [\$800];

(C) for the Interior Region (Region III), \$1,452 [\$968];

(D) for the Southwest Region (Region IV), \$1,509 [\$1,006];

(E) for the Northern Remote Region (Region V), \$1,776

[\$1,184].

* **Sec. 24.** AS 14.17.410(c) is amended to read:

(c) In addition to the local contribution required under (b)(2) of this section, a city or borough school district in a fiscal year may make a local contribution of not more than the greater of

(1) the equivalent of a two 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; or

(2) 23 percent of the total of the district's basic need for the fiscal year under (b)(1) of this section and any additional funding distributed to the district in a fiscal year according to (b) of this section.

* **Sec. 25.** AS 14.17.430 is amended to read:

Sec. 14.17.430. State funding for correspondence study. Except as provided in AS 14.17.400(b), funding for the state centralized correspondence study program or a district correspondence program, including a district that offers a statewide correspondence study program, includes an allocation from the public education fund in an amount calculated by multiplying the ADM of the correspondence program by

1 90 [80] percent.

2 * **Sec. 26.** AS 14.17.450(d) is amended to read:

3 (d) If a charter school has a student count of at least 75 [MORE THAN 120]
4 but less than 150 for the current year and is in the first three years [YEAR] of
5 operation or had a student count of at least 75 [150 OR MORE] in the previous year
6 of operation,

7 (1) the adjusted student count for the school shall be calculated by
8 multiplying the student count by [95 PERCENT OF] the student rate for a school that
9 has a student count of 150; and

10 (2) not later than February 15, the charter school shall submit for
11 approval of the governing board of the district a plan for the following school year that
12 includes a statement about whether the school will continue to operate if the student
13 count remains the same that year and, if so, a projection of the funding anticipated
14 from the state and other sources, a proposed budget, and a description of anticipated
15 changes to the school staff, program, and curriculum; if the school intends to close if
16 the student count remains the same the following year, the plan must describe transfer
17 plans for students, staff, facilities, and materials.

18 * **Sec. 27.** AS 14.20.150(a) is amended to read:

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

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

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

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

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

31 (A) accepts a contract for employment as a teacher in the

district for a sixth [FOURTH] consecutive school year; and

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

* **Sec. 28.** AS 14.20.150 is amended by adding a new subsection to read:

(f) For teachers employed by a rural school district, the years of employment required to acquire tenure rights as provided in (a) of this section shall be reduced by two years. In this subsection, "rural school district" means a regional educational attendance area or a school district located in a small borough or first class city with a population of less than 5,500.

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

(a) In the manner provided in AS 23.20 and for the benefit of the program, the department shall collect from each employee an amount equal to .16 [.15] percent of the wages, as set out in AS 23.20.175, on which the employee is required to make contributions under AS 23.20.290(d). The department shall remit to the Department of Revenue, in accordance with AS 37.10.050, money collected under this subsection.

* **Sec. 30.** AS 23.15.835(d) is amended to read:

(d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30, 2015 [2009], through June 30, 2017 [2014], the money collected under this section or otherwise appropriated to the Alaska Workforce Investment Board, formerly known as the Alaska Human Resource Investment Council, shall be allocated directly in the following percentages to the following institutions for programs consistent with AS 23.15.820 - 23.15.850 and capital improvements:

University of Alaska	45 percent
[UNIVERSITY OF ALASKA SOUTHEAST	5 PERCENT]
Galena <u>Interior Learning Academy</u> [PROJECT	4 percent
EDUCATION VOCATIONAL TRAINING CENTER]	
<u>Alaska</u> [KOTZEBUE] Technical Center	9 percent
Alaska Vocational Technical Center	17 percent
Northwestern Alaska Career and Technical Center	3 percent
Southwest Alaska Vocational and Education Center	3 percent
Yuut Elitnaurviat, Inc. People's Learning Center	9 percent

Partners for Progress in Delta, Inc. [DELTA CAREER
ADVANCEMENT CENTER]

3 percent

Amundsen Educational Center [NEW FRONTIER
VOCATIONAL TECHNICAL CENTER]

2 percent

Ilisagvik College

5 percent

* **Sec. 31.** AS 23.15.835(e) is amended to read:

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

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

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

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

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

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

(6) **the performance and financial information needed to verify the performance of the program as specified by the department by regulation** [PERCENTAGE OF FORMER PARTICIPANTS WHO INDICATE SOME LEVEL OF SATISFACTION WITH THE TRAINING RECEIVED UNDER THE PROGRAM; AND

(5) PERCENTAGE OF EMPLOYERS WHO INDICATE

1 SATISFACTION WITH THE SERVICES PROVIDED THROUGH THE
2 PROGRAM].

3 * **Sec. 32.** AS 23.15.835 is amended by adding new subsections to read:

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

7 (h) An institution's failure to comply with (e) or (g) of this section shall result
8 in a withholding penalty of 20 percent of the funding allocated under (d) of this
9 section in the following year.

10 * **Sec. 33.** AS 23.15.850 is amended by adding new paragraphs to read:

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

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

18 * **Sec. 34.** AS 29.45.050 is amended by adding a new subsection to read:

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

22 * **Sec. 35.** AS 43.20.014(a) is amended to read:

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

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

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

(3) vocational education courses, programs, equipment, and facilities by a state-operated vocational technical education and training school, a nonprofit regional training center recognized by the Department of Labor and Workforce Development, and an apprenticeship program in the state that is registered with the United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship Act);

(4) 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 or by a public or private nonprofit elementary or secondary school in the state;

(5) 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;

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

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

(8) 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;

(9) constructing, operating, or maintaining a residential housing facility by a residential school in the state 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;

(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; and

(12) the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 36. 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) for vocational education courses, programs, equipment, and facilities by a state-operated vocational technical education and training school, a nonprofit regional training center recognized by the Department of Labor and Workforce Development, and an apprenticeship program in the state that is registered with the United States Department of Labor under 29 U.S.C. 50 - 50b (National Apprenticeship Act); [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;

(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, or through a state grant; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* **Sec. 37.** AS 43.20.014(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. 38.** 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 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;

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

(5) 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;

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

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

(8) 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;

(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;

(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; and

(12) the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* **Sec. 39.** AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 21, ch. 74, SLA 2012, 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, 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;

(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, or through a state grant; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* **Sec. 40.** AS 43.65.018(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. 41.** 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 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;

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

(5) 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;

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

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

(8) 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;

(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;

(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; and

(12) the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 42. 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 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;

(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, or through a state grant; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 43. AS 43.75.018(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. 44.** AS 43.77.045(a) 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 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;

(4) 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 or by a public or private nonprofit elementary or secondary school in the state;

(5) 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;

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

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

(8) 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;

(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;

(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; and

(12) the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 45. 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;

(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; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 46. 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

1 who simultaneously earns college and high school credit for a course;

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

5 * **Sec. 47.** AS 14.07.165(5) and AS 14.20.147(b) are repealed.

6 * **Sec. 48.** Section 3, ch. 91, SLA 2010, is repealed.

7 * **Sec. 49.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 APPLICABILITY. Sections 27 and 28 of this Act apply to a contract or collective
10 bargaining agreement that becomes legally binding on or after the effective date of secs. 27
11 and 28 of this Act.

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

14 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 8 and 9 of this Act
15 apply to charter school applications filed with a local school board on or after July 1, 2014.

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

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

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

25 SCHOOL DISTRICT COST FACTOR STUDY. The Legislative Budget and Audit
26 Committee shall provide for a study to be completed not later than January 31, 2017, by an
27 entity with expertise in school finance to evaluate the school district cost factor under
28 AS 14.17.460. The study must either validate the school district cost factor or recommend
29 changes to update the school district cost factor. The study must include a review of the most
30 recent school district operating cost data and the same criteria as the study conducted by the
31 Institute of Social and Economic Research in 2005 titled "Alaska School District Cost Study

Update." The committee shall provide a copy of the study conducted under this section to the legislature not later than January 31, 2017.

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

SCHOOL SIZE FACTOR STUDY. The Legislative Budget and Audit Committee shall provide for a study to be completed not later than January 31, 2017, by an entity with expertise in school finance to evaluate the school size factor under AS 14.17.450. The study must either validate the school size factor or recommend changes to update the school size factor. The study must include a review of the most recent school operating cost data and the same criteria as the study conducted by the McDowell Group in 1998 titled "Alaska School Operating Cost Study." The committee shall provide a copy of the study conducted under this section to the legislature not later than January 31, 2017.

* **Sec. 54.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SCHOOL DESIGN AND CONSTRUCTION REPORT. The Department of Education and Early Development shall prepare and submit a report to the legislature not later than January 31, 2016, on the benefits and disadvantages of using prototypical designs for school construction in both the Railbelt and rural areas of the state.

* **Sec. 55.** The uncodified law of the State of Alaska is amended by adding a new section to read:

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

* **Sec. 56.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PILOT PROJECT TO EXPAND MIDDLE SCHOOL SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS EDUCATION. (a) Subject to appropriation, the Department of Education and Early Development may award a grant to a nonprofit organization for a pilot project for the purpose of expanding science, technology, engineering, and mathematics education for underserved and unrepresented middle school students with

1 limited opportunities who are enrolled in a public school in the state. A nonprofit organization
2 may apply for the grant by submitting an application to the commissioner of education and
3 early development. A grant may be awarded only to a nonprofit organization with experience
4 in administering a similar education program.

5 (b) A nonprofit organization receiving a grant under (a) of this section shall provide
6 data on educational opportunities provided under the pilot project in an annual report to the
7 Department of Education and Early Development and the legislature.

8 (c) The pilot project established under (a) of this section terminates June 30, 2017.

9 * **Sec. 57.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **RETROACTIVE ISSUANCE OF A HIGH SCHOOL DIPLOMA.** (a) At the request
12 of a student, a school district shall issue a high school diploma to a student who did not
13 receive a high school diploma because the student failed to pass all or a portion of the
14 secondary school competency examination but who received a certificate of achievement
15 under former AS 14.03.075. A school district shall mail a notice consistent with this section to
16 each student who qualifies for a diploma under this section to the student's last known
17 address.

18 (b) The Department of Education and Early Development shall post a notice
19 consistent with this section on the department's Internet website with information about how
20 to request a high school diploma.

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

22 * **Sec. 58.** Sections 30, 51, and 57 of this Act take effect immediately under
23 AS 01.10.070(c).

24 * **Sec. 59.** Sections 2 and 31 - 33 of this Act take effect July 1, 2015.

25 * **Sec. 60.** Sections 36, 39, 42, and 45 of this Act take effect January 1, 2021.

26 * **Sec. 61.** Except as provided in secs. 58 - 60 of this Act, this Act takes effect July 1, 2014.