

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 69

BY REPRESENTATIVE SCHWANKE

Page 1, line 1:

Delete "**funding**"

Insert "**; relating to achievement incentive funding; relating to the fund for the improvement of school performance; relating to the base student allocation**"

Page 1, following line 2:

Insert new bill sections to read:

"* Section 1. AS 14.07.020(a) is amended to read:

(a) The department shall

(1) exercise general supervision over the public schools of the state except the University of Alaska;

(2) study the conditions and needs of the public schools of the state, adopt or recommend plans, [ADMINISTER AND EVALUATE GRANTS TO IMPROVE SCHOOL PERFORMANCE AWARDED UNDER AS 14.03.125,] and adopt regulations for the improvement of the public schools; the department may consult with the University of Alaska to develop secondary education requirements to improve student achievement in college preparatory courses;

(3) provide advisory and consultative services to all public school governing bodies and personnel;

(4) prescribe by regulation a minimum course of study for the public schools; the regulations must provide that, if a course in American Sign Language is given, the course shall be given credit as a course in a foreign language;

(5) establish, in coordination with the Department of Family and

1 Community Services, a program for the continuing education of children who are held
2 in juvenile detention facilities or juvenile treatment facilities, as those terms are
3 defined in AS 47.12.990, in the state during the period of detention or treatment;

4 (6) accredit those public schools that meet accreditation standards
5 prescribed by regulation by the department; these regulations shall be adopted by the
6 department and presented to the legislature during the first 10 days of any regular
7 session, and become effective 45 days after presentation or at the end of the session,
8 whichever is earlier, unless disapproved by a resolution concurred in by a majority of
9 the members of each house;

10 (7) prescribe by regulation, after consultation with the state fire
11 marshal and the state sanitarian, standards that will ensure healthful and safe
12 conditions in the public and private schools of the state, including a requirement of
13 physical examinations and immunizations in pre-elementary schools; the standards for
14 private schools may not be more stringent than those for public schools;

15 (8) exercise general supervision over early education programs that
16 receive direct state or federal funding, including early education programs provided by
17 a school district for students four and five years of age, approve an early education
18 program provided by a school district that complies with the standards adopted by the
19 board under AS 14.07.165(a)(5), and revoke approval of an early education program if
20 the program does not comply with the standards adopted by the board under
21 AS 14.07.165(a)(5);

22 (9) exercise general supervision over elementary and secondary
23 correspondence study programs offered by municipal school districts or regional
24 educational attendance areas; the department may also offer and make available to any
25 Alaskan through a centralized office a correspondence study program;

26 (10) accredit private schools that request accreditation and that meet
27 accreditation standards prescribed by regulation by the department; nothing in this
28 paragraph authorizes the department to require religious or other private schools to be
29 licensed;

30 (11) review plans for construction of new public elementary and
31 secondary schools and for additions to and major rehabilitation of existing public

1 elementary and secondary schools and, in accordance with regulations adopted by the
2 department, determine and approve the extent of eligibility for state aid of a school
3 construction or major maintenance project; for the purposes of this paragraph, "plans"
4 include educational specifications, schematic designs, projected energy consumption
5 and costs, and final contract documents;

6 (12) provide educational opportunities in the areas of vocational
7 education and training, and basic education to individuals over 16 years of age who
8 are no longer attending school; the department may consult with businesses and labor
9 unions to develop a program to prepare students for apprenticeships or internships that
10 will lead to employment opportunities;

11 (13) administer the grants awarded under AS 14.11;

12 (14) establish, in coordination with the Department of Public Safety, a
13 school bus driver training course;

14 (15) require the reporting of information relating to school disciplinary
15 and safety programs under AS 14.33.120 and of incidents of disruptive or violent
16 behavior;

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

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

22 (B) an end date for departmental intervention, as described in
23 AS 14.07.030(a)(14)(A) and (B) and (15), after the district demonstrates three
24 consecutive years of improvement consisting of not less than two percent
25 increases in student proficiency on standards-based assessments in language
26 arts and mathematics, as provided in AS 14.03.123(f)(1)(A); and

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

29 (17) notify the legislative committees having jurisdiction over
30 education before intervening in a school district under AS 14.07.030(a)(14) or
31 redirecting public school funding under AS 14.07.030(a)(15);

1 (18) establish a reading program to provide direct support for and
 2 intervention in the reading intervention programs of participating schools as described
 3 in AS 14.30.765 and 14.30.770;

4 (19) annually convene, either in person or electronically, a panel to
 5 review and comment on the effectiveness of the programs created by the department
 6 and the regulations adopted by the board to implement AS 14.03.410, 14.03.420,
 7 AS 14.30.760 - 14.30.770, and 14.30.800; the panel

8 (A) shall provide recommendations and guidance to the board,
 9 the department, and the legislature on how to integrate early education and
 10 reading programs created under this title with tribal compacting or programs
 11 focused on cultural education within the department;

12 (B) shall discuss support for reading in Alaska Native
 13 languages and other non-English languages;

14 (C) must collectively represent the regions of the state and
 15 include teachers of grades kindergarten through three, school administrators,
 16 parents of students in grades kindergarten through three, stakeholders from
 17 indigenous language immersion programs, representatives from early
 18 education stakeholder groups, and researchers of best practices for improving
 19 literacy performance, including best practices for instruction of indigenous
 20 students and students whose first language is not English.

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

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

24 (1) state aid equals basic need minus a required local contribution and
 25 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
 26 obtained under (D) of this paragraph, multiplied by the base student allocation set out
 27 in AS 14.17.470; district adjusted ADM is calculated as follows:

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

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

1 (C) the ADMs of each school in a district, as adjusted
 2 according to (A) and (B) of this paragraph, are added; the sum is then
 3 multiplied by the special needs factor set out in AS 14.17.420(a)(1), [AND] the
 4 secondary school vocational and technical instruction funding factor set out in
 5 AS 14.17.420(a)(3), **and the achievement incentive funding factor**
 6 **calculated under AS 14.17.422;**

7 (D) the number obtained for intensive services under
 8 AS 14.17.420(a)(2) and the number obtained for correspondence study under
 9 AS 14.17.430 are added to the number obtained under (C) of this paragraph or
 10 under (H) and (I) of this paragraph;

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

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

22 (ii) for the second fiscal year after the base fiscal year
 23 determined under this subparagraph, the school district's ADM adjusted
 24 for school size determined under (A) of this paragraph is calculated as
 25 the district's ADM adjusted for school size, plus 50 percent of the
 26 difference in the district's ADM adjusted for school size between the
 27 base fiscal year and the second fiscal year after the base fiscal year;

28 (iii) for the third fiscal year after the base fiscal year
 29 determined under this subparagraph, the school district's ADM adjusted
 30 for school size determined under (A) of this paragraph is calculated as
 31 the district's ADM adjusted for school size, plus 25 percent of the

1 difference in the district's ADM adjusted for school size between the
 2 base fiscal year and the third fiscal year after the base fiscal year;

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

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

12 (H) notwithstanding (A) - (C) of this paragraph, if one or more
 13 schools close and consolidate with one or more other schools in the same
 14 community and district and, as a result of the consolidation, basic need
 15 generated by the district's ADM of the consolidated schools as adjusted under
 16 (A) - (C) of this paragraph decreases, the district may use the last fiscal year
 17 before the consolidation as the base fiscal year to offset that decrease for the
 18 first four fiscal years following consolidation according to the following
 19 method:

20 (i) for the first two fiscal years after the base fiscal year,
 21 the district's ADM of the consolidated schools as adjusted under (A) -
 22 (C) of this paragraph is calculated by dividing the sum of the district's
 23 ADM of the consolidated schools as adjusted under (A) - (C) of this
 24 paragraph for the base fiscal year by the sum of the district's ADM of
 25 the consolidated schools for the base fiscal year without adjustment,
 26 and subtracting the quotient obtained by dividing the district's ADM of
 27 the consolidated schools for the current fiscal year as adjusted under
 28 (A) - (C) of this paragraph by the sum of the district's ADM of the
 29 consolidated schools for the current fiscal year without adjustment,
 30 multiplying that number by the sum of the district's ADM of the
 31 consolidated schools for the current fiscal year without adjustment, and

1 adding that number to the sum of the district's ADM of the consolidated
2 schools for the current fiscal year as adjusted under (A) - (C) of this
3 paragraph;

4 (ii) for the third fiscal year after the base fiscal year, the
5 district's ADM of the consolidated schools as adjusted under (A) - (C)
6 of this paragraph is calculated by dividing the sum of the district's
7 ADM of the consolidated schools as adjusted under (A) - (C) of this
8 paragraph for the base fiscal year by the sum of the district's ADM of
9 the consolidated schools for the base fiscal year without adjustment,
10 and subtracting the quotient obtained by dividing the sum of the
11 district's ADM of the consolidated schools for the current fiscal year as
12 adjusted under (A) - (C) of this paragraph by the sum of the district's
13 ADM of the consolidated schools for the current fiscal year,
14 multiplying that number by the sum of the district's ADM of the
15 consolidated schools for the current fiscal year without adjustment,
16 multiplying that number by 66 percent, and adding that number to the
17 sum of the district's ADM of the consolidated schools for the current
18 fiscal year as adjusted under (A) - (C) of this paragraph;

19 (iii) for the fourth fiscal year after the base fiscal year,
20 the district's ADM of the consolidated schools as adjusted under (A) -
21 (C) of this paragraph is calculated by dividing the sum of the district's
22 ADM of the consolidated schools as adjusted under (A) - (C) of this
23 paragraph for the base fiscal year by the sum of the district's ADM of
24 the consolidated schools for the base fiscal year without adjustment,
25 and subtracting the quotient obtained by dividing the sum of the
26 district's ADM of the consolidated schools for the current fiscal year as
27 adjusted under (A) - (C) of this paragraph by the sum of the district's
28 ADM of the consolidated schools for the current fiscal year,
29 multiplying that number by the sum of the district's ADM of the
30 consolidated schools for the current fiscal year without adjustment,
31 multiplying that number by 33 percent, and adding that number to the

1 sum of the district's ADM of the consolidated schools for the current
2 fiscal year as adjusted under (A) - (C) of this paragraph;

3 (iv) to calculate the district's basic need for each fiscal
4 year, the number obtained through the calculation in (i), (ii), or (iii) of
5 this subparagraph is added to the number obtained under (C) of this
6 paragraph for the remainder of the district;

7 (I) if the basic need calculated under (H)(i) - (iii) of this
8 paragraph for one of the first four fiscal years after consolidation is less than
9 the basic need calculated under (A) - (C) of this paragraph for that fiscal year,
10 the basic need may not be adjusted under (H) of this paragraph for that fiscal
11 year;

12 (J) a district may not offset a decrease under (H) of this
13 paragraph if

14 (i) a new facility is constructed in the district for the
15 consolidation; or

16 (ii) the district offset a decrease under (E) of this
17 paragraph in the same fiscal year;

18 (K) a district that offsets a decrease under (H) of this paragraph
19 may not reopen a school that was closed for consolidation in the district until

20 (i) seven or more years have passed since the school
21 closure; and

22 (ii) the district provides evidence satisfactory to the
23 department that the schools affected by the consolidation are over
24 capacity;

25 (L) a district may not reopen and reconsolidate a school that
26 was consolidated in the district more than once every seven years for purposes
27 of the calculations made under (H) of this paragraph;

28 (M) a district offsetting a decrease under (H) of this paragraph
29 shall provide the department with the list of schools participating in the
30 consolidation and the corresponding ADM;

31 (2) the required local contribution of a city or borough school district is

the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

* **Sec. 3.** AS 14.17 is amended by adding a new section to read:

Sec. 14.17.422. Achievement incentive funding. (a) As a component of public school funding, a district or state boarding school is eligible to receive achievement incentive funding based on an achievement incentive funding factor calculated as described in (b) of this section and applied as described in AS 14.17.410(b)(1) and 14.17.440(a)(2).

(b) The achievement funding factor may not exceed 1.2 and is calculated by adding 1.0 to the sum of the following components:

(1) math proficiency; the math proficiency component is calculated by multiplying .017 by the percentage of students in the district enrolled in kindergarten through grade 10 who, in the previous school year, scored proficient or above on the spring math assessment;

(2) math proficiency growth; the math proficiency growth component is calculated by multiplying .033 by the percentage of students in the district enrolled in kindergarten through grade 10 who, in the previous school year, showed growth between the math assessments taken in the fall and the spring;

(3) reading proficiency; the reading proficiency component is calculated by multiplying .017 by the percentage of students in the district enrolled in kindergarten through grade 10 who, in the previous school year, scored proficient or above on the spring reading assessment;

(4) reading proficiency growth; the reading proficiency growth component is calculated by multiplying .033 by the percentage of students in the district enrolled in kindergarten through grade 10 who, in the previous school year, showed growth between the reading assessments taken in the fall and the spring;

(5) graduation rate; if the graduation rate for the previous school year

1 is

2 (A) at least 70 percent but less than 80 percent, the component

3 is .017;

4 (B) at least 80 percent but less than 90 percent, the component

5 is .033;

6 (C) 90 percent or higher, the component is .05; and

7 (6) postgraduation achievement rate; if the postgraduation achievement
8 rate for the previous school year is

9 (A) at least 70 percent but less than 80 percent, the component

10 is .017;

11 (B) at least 80 percent but less than 90 percent, the component

12 is .033;

13 (C) 90 percent or higher, the component is .05.

14 (c) The department shall select the math assessments and reading assessments
15 used for the purposes of calculating a component under (b) of this section.

16 (d) The department shall annually prepare a report containing information
17 relating to the components and achievement incentive funding factor applied for each
18 district and state boarding school in the previous school year, including the data
19 relating to each component and factor. The department shall, not later than the seventh
20 day of each regular legislative session, submit the report to the senate secretary and the
21 chief clerk of the house of representatives and notify the legislature that the report is
22 available.

23 (e) In this section,

24 (1) "graduation rate" has the meaning given by the department by
25 regulation;

26 (2) "math assessment" means a national, norm-referenced assessment
27 that measures student performance in math;

28 (3) "postgraduation achievement rate" means a quotient, expressed as a
29 percentage, obtained by dividing the number of students who, within six months after
30 graduating from a high school in the district, were accepted into a postsecondary
31 educational institution or an apprenticeship program, enlisted in the military service of

a state or the United States, or accepted full-time employment, by the number of students who graduated from high schools in the district;

(4) "postsecondary educational institution" has the meaning given in AS 14.48.210;

(5) "reading assessment" means a national, norm-referenced assessment that measures student performance in reading;

(6) "state boarding school" means a state boarding school established under AS 14.16.010.

* **Sec. 4.** 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

(1) multiplying the ADM of the correspondence program by 90 percent;

(2) multiplying the ADM of the correspondence program by the sum of the district's achievement incentive funding factor components under AS 14.17.422(b)(1) - (6); and

(3) adding the number obtained in (1) of this section to the number obtained in (2) of this section.

* **Sec. 5.** AS 14.17.440(a) is amended to read:

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

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

(2) multiplying the number obtained under (1) of this subsection by the special needs factor in AS 14.17.420(a)(1), [AND] the secondary school vocational and technical instruction funding factor set out in AS 14.17.420(a)(3), **and the achievement incentive funding factor for each state boarding school calculated**

1 **under AS 14.17.422,** and multiplying that product by the base student allocation; and
2 (3) multiplying the product determined under (2) of this subsection by
3 the district cost factor that is applicable to calculation of the state aid for the adjacent
4 school district under AS 14.17.460."

5
6 Page 1, line 3:

7 Delete "**Section 1**"

8 Insert "**Sec. 6**"

9
10 Renumber the following bill section accordingly.

11
12 Page 2, following line 9:

13 Insert a new bill section to read:

14 "*** Sec. 7.** AS 14.03.125 and AS 14.07.165(a)(2) are repealed."

15
16 Renumber the following bill section accordingly.