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FREE CONFERENCE CS FOR HOUSE BILL NO. 278

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE FREE CONFERENCE COMMITTEE

Offered:

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 school**
3 **performance reports; relating to accountability standards; providing funding for**
4 **Internet services; relating to secondary school course credit earned through assessment;**
5 **relating to public school college and career readiness assessments and diplomas; relating**
6 **to the secondary school competency examination and related requirements; relating to**
7 **charter schools and student transportation; relating to residential school applications;**
8 **relating to school construction bond debt reimbursement; increasing the stipend for**
9 **boarding school students; relating to the local contribution to public school funding;**
10 **increasing the base student allocation used in the formula for state funding of public**
11 **education; relating to correspondence programs, funding, and student allotments;**
12 **relating to funding of and reporting by Alaska technical and vocational education**

1 programs; relating to earning high school credit for completion of vocational education
2 courses offered by institutions receiving technical and vocational education program
3 funding; relating to schools operated by a federal agency; relating to education tax
4 credits; establishing an optional municipal tax exemption for privately owned real
5 property rented or leased for use as a charter school; establishing a pilot project for
6 public middle school students; requiring the Department of Administration to provide a
7 proposal for a salary and benefits schedule for school districts and for teacher tenure;
8 requiring the Legislative Budget and Audit Committee to provide for studies on the
9 school size factor and the school district cost factor for public education funding;
10 requiring the Department of Education and Early Development to report to the
11 legislature on school design and construction; relating to grants to school districts; and
12 providing for an 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. Secondary school course credit.** (a) A school district shall
24 provide the opportunity for students enrolled in a secondary school in the district to
25 challenge a course provided by the district by demonstrating mastery in mathematics,
26 language arts, science, social studies, and world languages at the level of the course
27 challenged. A school district shall give full credit for a course to a student who

successfully challenges that course as provided under this section.

(b) A school district shall establish, within a reasonable time, an assessment tool and a standard for demonstrating mastery in secondary school courses provided by the district under this section.

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

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

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

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

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

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

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

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

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

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

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

(3)] progress of the department

(A) toward implementing the school accountability provisions

of AS 14.03.123; and

(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 14.03.083 is amended by adding a new subsection to read:

(d) The department and the state Board of Education and Early Development may not enter into or renew a contract or agreement, or participate, with any organization, entity, group, or consortium after the effective date of this section that requires the state to cede any measure of autonomy or control over education standards and assessments, including the determination of passing scores.

* **Sec. 6.** 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;
- (9) [AND (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. 7.** 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. 8.** AS 14.03 is amended by adding a new section 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. 9.** 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

1 Education and Early Development shall exercise independent judgment in evaluating
2 the application.

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

6 * **Sec. 10.** AS 14.03 is amended by adding a new section to read:

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

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

12 (2) approve the charter school application and forward the application
13 to the state Board of Education and Early Development with or without added
14 conditions; or

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

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

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

26 (a) A charter school operates as a school in the local school district except that
27 the charter school (1) is exempt from the local school district's textbook, program,
28 curriculum, and scheduling requirements; (2) is exempt from AS 14.14.130(c); the
29 principal of the charter school shall be selected by the academic policy committee and
30 shall select, appoint, or otherwise supervise employees of the charter school; and (3)
31 operates under the charter school's annual program budget as set out in the contract

1 between the local school board and the charter school under (c) of this section. A local
2 school board may exempt a charter school from other local school district
3 requirements if the exemption is set out in the contract. A charter school is subject to
4 [SECONDARY SCHOOL COMPETENCY TESTING AS PROVIDED IN
5 AS 14.03.075 AND OTHER COMPETENCY] tests required by the department.

6 * **Sec. 12.** AS 14.03.255(d) is amended to read:

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

16 * **Sec. 13.** AS 14.03.260(a) is amended to read:

17 (a) A local school board shall provide an approved charter school with an
18 annual program budget. The budget shall be not less than the amount generated by the
19 students enrolled in the charter school less administrative costs retained by the local
20 school district, determined by applying the indirect cost rate approved by the
21 **department up to four percent. Costs directly related to charter school facilities,**
22 **including rent, utilities, and maintenance, may not be included in an annual**
23 **program budget for the purposes of calculating the four percent cap on**
24 **administrative costs under this subsection. A local school board shall provide a**
25 **charter school with a report itemizing the administrative costs retained by the**
26 **local school board under this section** [DEPARTMENT OF EDUCATION AND
27 EARLY DEVELOPMENT]. The "amount generated by students enrolled in the
28 charter school" is to be determined in the same manner as it would be for a student
29 enrolled in another public school in that school district **and includes funds generated**
30 **by grants, appropriations, federal impact aid, the required local contribution, the**
31 **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. 14.** 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. 15.** 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. 16.** 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. 17.** AS 14.07.020(b) is amended to read:

(b) In implementing its duties under (a)(2) of this section, the department **may not expend any money to implement the set of educational curriculum standards for grades kindergarten through 12 established by the Common Core Standards Initiative and** 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. 18.** 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. 19.** 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. 20.** 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. 21.** AS 14.11.100(a) is amended to read:

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

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

6 (2) 90 percent of

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

11 (B) cash payments made after June 30, 1976, and before July 1,
12 1978, by the municipality during the fiscal year two years earlier to pay costs
13 of school construction;

14 (3) 90 percent of

15 (A) payments made by the municipality during the fiscal year
16 two years earlier for the retirement of principal and interest on outstanding
17 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
18 January 1, 1982, to pay costs of school construction projects approved under
19 AS 14.07.020(a)(11);

20 (B) cash payments made after June 30, 1978, and before July 1,
21 1982, by the municipality during the fiscal year two years earlier to pay costs
22 of school construction projects approved under AS 14.07.020(a)(11);

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

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

30 (B) cash payments made after June 30, 1982, and before July 1,
31 1983, by the municipality during the fiscal year two years earlier to pay costs

1 of school construction, additions to schools, and major rehabilitation projects
2 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

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

17 (A) payments made by the municipality during the fiscal year
18 for the retirement of principal and interest on outstanding bonds, notes, or
19 other indebtedness authorized by the qualified voters of the municipality

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

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

28 (B) cash payments made after June 30, 1983, by the
29 municipality during the fiscal year two years earlier to pay costs of school
30 construction, additions to schools, and major rehabilitation projects that exceed
31 \$25,000 and are approved by the department before July 1, 1990, under

1 AS 14.07.020(a)(11);

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

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

13 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
14 projects funded by the bonds, notes, or other indebtedness have been approved by the
15 commissioner, 70 percent of payments made by the municipality during the fiscal year
16 for the retirement of principal and interest on outstanding bonds, notes, or other
17 indebtedness authorized by the qualified voters of the municipality on or after July 1,
18 1995, but before July 1, 1998, to pay costs of school construction, additions to
19 schools, and major rehabilitation projects that exceed \$200,000 and are approved
20 under AS 14.07.020(a)(11);

21 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
22 projects funded by the bonds, notes, or other indebtedness have been approved by the
23 commissioner, 70 percent of payments made by the municipality during the fiscal year
24 for the retirement of principal and interest on outstanding bonds, notes, or other
25 indebtedness authorized by the qualified voters of the municipality on or after July 1,
26 1998, but before July 1, 2006, to pay costs of school construction, additions to
27 schools, and major rehabilitation projects that exceed \$200,000 and are approved
28 under AS 14.07.020(a)(11);

29 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
30 projects funded by the bonds, notes, or other indebtedness have been approved by the
31 commissioner, 70 percent of payments made by the municipality during the fiscal year

1 for the retirement of principal and interest on outstanding bonds, notes, or other
2 indebtedness authorized by the qualified voters of the municipality on or after June 30,
3 1998, to pay costs of school construction, additions to schools, and major
4 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
5 and are not reimbursed under (n) of this section;

6 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
7 funded by the bonds, notes, or other indebtedness have been approved by the
8 commissioner, 70 percent of payments made by a municipality during the fiscal year
9 for the retirement of principal and interest on outstanding bonds, notes, or other
10 indebtedness authorized by the qualified voters of the municipality on or after June 30,
11 1999, but before January 1, 2005, to pay costs of school construction, additions to
12 schools, and major rehabilitation projects and education-related facilities that exceed
13 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
14 or (o) of this section;

15 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
16 of payments made by a municipality during the fiscal year for the retirement of
17 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
18 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
19 2005, to pay costs of school construction, additions to schools, and major
20 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 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
24 projects funded by the tax exempt bonds, notes, or other indebtedness have been
25 approved by the commissioner, 70 percent of payments made by a municipality during
26 the fiscal year for the retirement of principal and interest on outstanding tax exempt
27 bonds, notes, or other indebtedness authorized by the qualified voters of the
28 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
29 school construction, additions to schools, and major rehabilitation projects and
30 education-related facilities that exceed \$200,000, are approved under
31 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

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

9 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
10 projects funded by the bonds, notes, or other indebtedness have been approved by the
11 commissioner, 90 percent of payments made by a municipality during the fiscal year
12 for the retirement of principal and interest on outstanding bonds, notes, or other
13 indebtedness authorized by the qualified voters of the municipality on or after June 30,
14 1999, but before October 31, 2006, to pay costs of school construction, additions to
15 schools, and major rehabilitation projects and education-related facilities that exceed
16 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
17 share requirement for a municipal school district under the former participating share
18 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of
19 this section;

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

28 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
29 of payments made by a municipality during the fiscal year for the retirement of
30 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
31 authorized by the qualified voters of the municipality on or after October 1, 2006, **but**

before May 1, 2015, 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), (3), and (5) of this section, 50 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 May 1, 2015, 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. 22.** AS 14.16 is amended by adding a new section to article 2 to read:

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

* **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 90 [80] percent.

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

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

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

(2) not later than February 15, the charter school shall submit for approval of the governing board of the district a plan for the following school year that includes a statement about whether the school will continue to operate if the student

count remains the same that year and, if so, a projection of the funding anticipated from the state and other sources, a proposed budget, and a description of anticipated changes to the school staff, program, and curriculum; if the school intends to close if the student count remains the same the following year, the plan must describe transfer plans for students, staff, facilities, and materials.

* **Sec. 27.** AS 14.17.470 is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is \$5,830 [\$5,680].

* **Sec. 28.** AS 14.17.470, as amended by sec. 27 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is \$5,880 [\$5,830].

* **Sec. 29.** AS 14.17.470, as amended by secs. 27 and 28 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is \$5,930 [\$5,880].

* **Sec. 30.** 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. 31.** 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]	

1	<u>Alaska</u> [KOTZEBUE] Technical Center	9 percent
2	Alaska Vocational Technical Center	17 percent
3	Northwestern Alaska Career and Technical Center	3 percent
4	Southwest Alaska Vocational and Education Center	3 percent
5	Yuut Elitnaurviat, Inc. People's Learning Center	9 percent
6	<u>Partners for Progress in Delta, Inc.</u> [DELTA CAREER	3 percent
7	ADVANCEMENT CENTER]	
8	<u>Amundsen Educational Center</u> [NEW FRONTIER	2 percent
9	VOCATIONAL TECHNICAL CENTER]	
10	<u>Ilisagvik College</u>	<u>5 percent.</u>

* **Sec. 32.** 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 SATISFACTION WITH THE SERVICES PROVIDED THROUGH THE PROGRAM].

* **Sec. 33.** AS 23.15.835 is amended by adding new subsections to read:

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

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

* **Sec. 34.** AS 23.15.850 is amended by adding new paragraphs to read:

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

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

* **Sec. 35.** AS 29.45.050 is amended by adding a new subsection to read:

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

* **Sec. 36.** AS 43.20.014(a) is amended to read:

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

(1) direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an

Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

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

(3) vocational education courses, programs, 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. 37. AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

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

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

(3) 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. 38. 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

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

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

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

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

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

17 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
18 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
19 college accredited by a regional accreditation association **or by a public or private**
20 **nonprofit elementary or secondary school in the state;**

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

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

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

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

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

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

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

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

7 (E) other related educational and programmatic costs;

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

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

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

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

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

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

27 (1) for direct instruction, research, and educational support purposes,
28 including library and museum acquisitions, and contributions to endowment, by an
29 Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year
30 or four-year college accredited by a regional accreditation association, or by a public
31 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. 41.** 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. 42.** 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. 43.** AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

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

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

or private nonprofit elementary or secondary school in the state;

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

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

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

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

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

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

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

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

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

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

20 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
21 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
22 college accredited by a regional accreditation association **or by a public or private**
23 **nonprofit elementary or secondary school in the state;**

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

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

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

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

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

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

including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

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

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

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

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

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

* **Sec. 48.** 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 limited opportunities who are enrolled in a public school in the state. A nonprofit organization may apply for the grant by submitting an application to the commissioner of education and early development. A grant may be awarded only to a nonprofit organization with experience in administering a similar education program.

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

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

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

RETROACTIVE ISSUANCE OF A HIGH SCHOOL DIPLOMA. (a) At the request of a student, a school district shall issue a high school diploma to a student who did not receive a high school diploma because the student failed to pass all or a portion of the secondary school competency examination but who received a certificate of achievement under former AS 14.03.075. A school district shall mail a notice consistent with this section to

each student who qualifies for a diploma under this section to the student's last known address.

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

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

* **Sec. 50.** AS 14.20.147(b) is repealed.

* **Sec. 51.** Section 3, ch. 91, SLA 2010, is repealed.

* **Sec. 52.** 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 for a salary and benefits schedule for school districts, including an evaluation of, and recommendations for, teacher tenure. In this section, "school district" has the meaning given in AS 14.30.350.

* **Sec. 53.** 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. 54.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE BUDGET AND AUDIT COMMITTEE STUDY OF PUBLIC SCHOOL FUNDING. The Legislative Budget and Audit Committee shall procure a study to be completed not later than January 20, 2015, by an entity with expertise in school finance to evaluate the current education funding provisions, identify strengths and deficiencies, and validate the current funding provisions, recommend changes to the current funding provisions, or recommend alternate methods of education funding. The study must include consideration of

(1) stable and sustainable funding for basic education needs and an ancillary

1 system of providing funding above basic education needs;

2 (2) appropriate proportions and mechanisms for state and local contributions
3 to public school funding;

4 (3) methods for funding alternate public school options, including charter
5 schools, residential schools, and correspondence programs;

6 (4) current public school funding provisions under AS 14.11 - AS 14.17, with
7 particular focus on

8 (A) the school size factor under AS 14.17.450, including a review of
9 the most recent school operating cost data and the same criteria used in the "Alaska
10 School Operating Cost Study" by the McDowell Group in 1998;

11 (B) the school district cost factor under AS 14.17.460, including a
12 review of the most recent school district operating cost data and the same criteria used
13 in the "Alaska School District Cost Study Update" by the Institute of Social and
14 Economic Research in 2005.

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

17 GRANTS TO SCHOOL DISTRICTS. (a) The Department of Education and Early
18 Development shall distribute \$42,953,500 as state aid to school districts according to the
19 average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D), for
20 the fiscal year ending June 30, 2015.

21 (b) The Department of Education and Early Development shall distribute \$32,243,700
22 as state aid to school districts according to the average daily membership for each district
23 adjusted under AS 14.17.410(b)(1)(A) - (D), for the fiscal year ending June 30, 2016.

24 (c) The Department of Education and Early Development shall distribute \$19,904,200
25 as state aid to school districts according to the average daily membership for each district
26 adjusted under AS 14.17.410(b)(1)(A) - (D), for the fiscal year ending June 30, 2017.

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

29 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 9 and 10 of this
30 Act apply to charter school applications filed with a local school board on or after July 1,
31 2014.

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

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

8 * **Sec. 58.** Sections 31 and 57 of this Act take effect immediately under AS 01.10.070(c).

9 * **Sec. 59.** Sections 28 and 32 - 34 of this Act take effect July 1, 2015.

10 * **Sec. 60.** Section 29 of this Act takes effect July 1, 2016.

11 * **Sec. 61.** Sections 37, 40, 43, and 46 of this Act take effect January 1, 2021.

12 * **Sec. 62.** Except as provided in secs. 58 - 61 of this Act, this Act takes effect July 1, 2014.