

**ALASKA STATE LEGISLATURE  
HOUSE EDUCATION STANDING COMMITTEE**

March 11, 2014

5:03 p.m.

**MEMBERS PRESENT**

Representative Lynn Gattis, Chair  
Representative Lora Reinbold, Vice Chair  
Representative Gabrielle LeDoux  
Representative Dan Saddler  
Representative Paul Seaton  
Representative Peggy Wilson  
Representative Sam Kito III (Alternate)

**MEMBERS ABSENT**

Representative Harriet Drummond

**COMMITTEE CALENDAR**

HOUSE BILL NO. 278

"An Act increasing the base student allocation used in the formula for state funding of public education; repealing the secondary student competency examination and related requirements; relating to high school course credit earned through assessment; relating to a college and career readiness assessment for secondary students; relating to charter school application appeals and program budgets; relating to residential school applications; increasing the stipend for boarding school students; extending unemployment contributions for the Alaska technical and vocational education program; relating to earning high school credit for completion of vocational education courses offered by institutions receiving technical and vocational education program funding; relating to education tax credits; making conforming amendments; and providing for an effective date."

- MOVED CSHB 278(EDC) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 278

SHORT TITLE: EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/24/14	(H)	READ THE FIRST TIME - REFERRALS
01/24/14	(H)	EDC, FIN

02/03/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/03/14	(H)	Heard & Held
02/03/14	(H)	MINUTE(EDC)
02/07/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/07/14	(H)	Heard & Held
02/07/14	(H)	MINUTE(EDC)
02/10/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/10/14	(H)	Heard & Held
02/10/14	(H)	MINUTE(EDC)
02/14/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/14/14	(H)	Heard & Held
02/14/14	(H)	MINUTE(EDC)
02/17/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/17/14	(H)	Heard & Held
02/17/14	(H)	MINUTE(EDC)
02/24/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/24/14	(H)	Scheduled But Not Heard
02/26/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/26/14	(H)	Heard & Held
02/26/14	(H)	MINUTE(EDC)
02/28/14	(H)	EDC AT 8:00 AM CAPITOL 106
02/28/14	(H)	Heard & Held
02/28/14	(H)	MINUTE(EDC)
03/05/14	(H)	EDC AT 8:00 AM CAPITOL 106
03/05/14	(H)	Heard & Held
03/05/14	(H)	MINUTE(EDC)
03/07/14	(H)	EDC AT 8:00 AM CAPITOL 106
03/07/14	(H)	Heard & Held
03/07/14	(H)	MINUTE(EDC)
03/10/14	(H)	EDC AT 8:00 AM CAPITOL 106
03/10/14	(H)	Heard & Held
03/10/14	(H)	MINUTE(EDC)
03/10/14	(H)	EDC AT 3:00 PM CAPITOL 106
03/10/14	(H)	Heard & Held
03/10/14	(H)	MINUTE(EDC)
03/11/14	(H)	EDC AT 5:00 PM CAPITOL 106

**WITNESS REGISTER**

ANGELA RODELL, Commissioner  
 Department of Revenue (DOR)  
 Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions, during the hearing on HB 278.

ELIZABETH SWEENEY NUDELMAN, Director  
 School Finance and Facilities Section

Department of Education and Early Development (EED)  
Juneau, Alaska

**POSITION STATEMENT:** Responded to questions, during the hearing on HB 278.

SUSAN MCCAULEY, Director  
Teaching and Learning Support  
Department of Education and Early Development (EED)  
Juneau, Alaska

**POSITION STATEMENT:** Responded to questions, during the hearing on HB 278.

LES MORSE, Deputy Commissioner  
Office of the Commissioner  
Department of Education and Early Development (EED)  
Juneau, Alaska

**POSITION STATEMENT:** Responded to questions, during the hearing on HB 278.

DIANNE BLUMER, Commissioner  
Office of the Commissioner  
Department of Labor & Workforce Development (DLWD)

**POSITION STATEMENT:** Responded to questions, during the hearing on HB 278.

#### **ACTION NARRATIVE**

[5:03:50 PM](#)

**CHAIR LYNN GATTIS** called the House Education Standing Committee meeting to order at 5:03 p.m. Representatives Gattis, LeDoux, Reinbold, Kito III, and Seaton were present at the call to order. Representatives Saddler and P. Wilson arrived as the meeting was in progress. Representatives Chenault and Tuck were also in attendance.

#### **HB 278-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS**

[5:04:02 PM](#)

CHAIR GATTIS announced that the only order of business would be HOUSE BILL NO. 278, "An Act increasing the base student allocation used in the formula for state funding of public education; repealing the secondary student competency examination and related requirements; relating to high school course credit earned through assessment; relating to a college

and career readiness assessment for secondary students; relating to charter school application appeals and program budgets; relating to residential school applications; increasing the stipend for boarding school students; extending unemployment contributions for the Alaska technical and vocational education program; relating to earning high school credit for completion of vocational education courses offered by institutions receiving technical and vocational education program funding; relating to education tax credits; making conforming amendments; and providing for an effective date."

CHAIR GATTIS noted that before the committee was CSHB 278, Version U.

[5:04:54 PM](#)

REPRESENTATIVE REINBOLD moved Conceptual Amendment 25, as follows:

Page 2, line 25:

Following: "ACT"  
Insert: "or"

Following: "assessment,"  
Delete: ", or the Armed Services Vocational Aptitude Battery"

CHAIR GATTIS seeing no objection, announced Conceptual Amendment 25 was adopted.

[5:06:52 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 12, labeled 28-GH2716\U.29, Mischel, 3/11/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[5:07:17 PM](#)

REPRESENTATIVE SEATON directed attention to page 14, line 20 and said this amendment adds another category for receipt of tax credit funding. He paraphrased from Amendment 12 and said the intent is to provide a stimulus for contributions to early childhood learning programs; an action that has been discussed on multiple occasions and supported by the governor. He pointed

out that the committee packet includes material to identify what constitutes an early learning and development program.

[5:09:22 PM](#)

CHAIR GATTIS stated her understanding that the tax credits have no associated costs.

REPRESENTATIVE SEATON clarified that tax credits are allowed for educational purposes, and Amendment 12 does not increase the eligible tax credit amount, or alter the sunset date. Amendment 12 is intended to add a new contribution category.

CHAIR GATTIS suggested that, although it doesn't represent a direct cost, it may divert money from another area, and the state may then need to increase an allocation elsewhere in the budget to make up the difference.

REPRESENTATIVE SEATON acknowledged that it may effect where a donor chooses to take advantage of an educational tax credit.

[5:11:01 PM](#)

REPRESENTATIVE REINBOLD recalled discussions to allow for-profit entities to also take advantage of educational tax credits and offered [Conceptual] Amendment 1 to Amendment 12, as follows:

Page 1, line 8:

Following: "by a"

Insert: ", for-profit agencies, or"

The committee took an at-ease from 5:11 p.m. to 5:15 p.m.

[5:15:08 PM](#)

CHAIR GATTIS objected for discussion.

[5:15:46 PM](#)

REPRESENTATIVE REINBOLD said the intent here is to encourage all interested businesses to support early childhood learning.

[5:17:03 PM](#)

REPRESENTATIVE LEDOUX asked for the definition of the term "agency".

REPRESENTATIVE REINBOLD deferred to Legislative Legal Services, where the draft language was originated.

[5:18:01 PM](#)

REPRESENTATIVE P. WILSON inquired whether AS 10.20 are the statutes governing non-profit organizations.

[5:18:26 PM](#)

REPRESENTATIVE SEATON said, "Yes, that is correct," and directed attention to a committee handout labeled, "Chapter 10.20 Alaska Nonprofit Corporation Act," which lists the substantive provisions relating to nonprofit entities.

[5:18:57 PM](#)

REPRESENTATIVE LEDOUX cited three reasons that govern corporate donations: an advantageous state/local tax credit, benevolence, or for federal tax law benefits. She questioned whether federal law would allow a tax credit on a contribution made to a for-profit agency.

[5:21:13 PM](#)

ANGELA RODELL, Commissioner, Department of Revenue, responded that a tax credit is received by the donor, and the question is whether the for-profit is required to recognize such a donation as income, and, thus, declare tax on the contribution. She deferred commenting on federal tax implications. An important point to remember is that the tax credit is provided to the donor not the donee, she finished.

[5:22:15 PM](#)

CHAIR GATTIS observed that it is up to the for-profit facility to decide whether to accept a specific donation.

COMMISSIONER RODELL agreed and said, as recipient, the donee would handle any tax obligation.

[5:22:38 PM](#)

REPRESENTATIVE LEDOUX said the donor corporation receives the tax credit and would seek benefit under federal law. She theorized that a corporate entity would be loath to donate to any organization, if the action did not provide the maximum

state and federal tax benefit; and suggested a for-profit organization could not offer a good level of tax relief.

COMMISSIONER RODELL concurred and added that tax planning and due diligence would need to be heeded by the donor.

[5:23:56 PM](#)

REPRESENTATIVE SEATON pointed out that all of the other recipients are non-profit entities or state operated facilities, as indicated in Version U pages 13 and 14. He opined that by including for-profit entities, the effect of tax credits for early learning programs across the state may be lost. Maintaining concern for the overall ramifications, he stated opposition to Conceptual Amendment 1.

[5:25:20 PM](#)

CHAIR GATTIS maintained her objection to Conceptual Amendment 1 to Amendment 12.

A roll call vote was taken. Representatives LeDoux, Saddler, Reinbold and Gattis voted in favor of Conceptual Amendment 1 to Amendment 12. Representatives Seaton, Kito III (Alternate), and P. Wilson voted against it. Therefore, Conceptual Amendment 1 to Amendment 12 was adopted by a vote of 4-3.

CHAIR GATTIS removed her objection to Amendment 12, and without further objection, Amendment 12 was adopted, as amended.

[5:27:13 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 13 labeled 28-GH2716\U.12, Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[5:27:48 PM](#)

REPRESENTATIVE REINBOLD explained that the amendment caps the indirect cost rate at 4 percent.

[5:28:19 PM](#)

REPRESENTATIVE SEATON asked what effect this amendment may have on the fiscal arrangement between the school districts and the charter schools.

[5:29:28 PM](#)

ELIZABETH SWEENEY NUDELMAN, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), responded that it would depend on the district's current federal rate. Providing an example, she said if the current federal rate was above 4 percent then the school district would retain a lesser amount of money and the charter school would retain more funding. There are a range of rates, from 3 percent to over 10 percent, which are specific to each district.

[5:30:17 PM](#)

REPRESENTATIVE REINBOLD explained that charter schools pay back to the district a varying percentage each year, and the amount is variable. Amendment 13 proposes to cap the percentage to be paid back to a district, at a reasonable rate, and in doing so provide charter schools with more predictable and staid budgets.

[5:30:59 PM](#)

REPRESENTATIVE KITO III noted that the indirect rate is a federal rate, and asked what types of services are included in the calculation.

MS. NUDELMAN answered that the costs would typically include the area wide business operations of school districts. To arrive at the percentage, she explained, the pool of indirect costs is divided by the eligible costs.

REPRESENTATIVE KITO III expressed further interest in identifying specific costs that are included in arriving at the rate, and whether there is a relationship with the activities that a district provides to a charter school.

MS. NUDELMAN answered that the business manager's salary would be one item, and possibly the technical support department; however, it may vary between districts.

[5:33:40 PM](#)

REPRESENTATIVE SADDLER noted that the range is from 3-10 percent and asked if there is a median rate and if so, would 4 percent be reasonable.

MS. NUDELMAN said no median exists, and declined to opine on the reasonableness of the proposed 4 percent.

[5:34:58 PM](#)

CHAIR GATTIS suggested that under an established cap budgetary planning could be more focused, optional services considered, and spending priorities identified, rather than operating on an annual sliding scale.

[5:36:01 PM](#)

REPRESENTATIVE REINBOLD referred to the committee packet and testimony labeled as, "Alaska Charter Schools Legislator Information," to paraphrase information under the page 3 heading, "Why should the state place a cap on indirect fees?" which read as follows [original punctuation provided]:

Presently, charter schools pay indirect fees to their local school districts out of the BSA received per pupil. The indirect fees vary each year - from roughly less than 3% to more than 6%. While charter schools recognize and appreciate the symbiotic relationship with the individual school districts, there is no transparency with regard to the benefits received as a result of these indirect fees and there is no consistency as to the amount of the fee itself. The Department of Education and Early Development sets the indirect fees and it appears as though some districts may also add on to that. We ask that, for planning purposes, the local district submits to the state the value of services received and that the amount be capped at 4%.

[5:37:14 PM](#)

REPRESENTATIVE LEDOUX asked whether the department sets the fee.

MS. NUDELMAN responded that it is a federal indirect rate and is a result of reported expenditures. Flexibility is not a characteristic, and the calculation is based on spending information received from each district. The department procedurally processes and approves the rate.

REPRESENTATIVE LEDOUX inquired as to whether indirect costs are mandated to be delivered by a school district, and is it incumbent for the charter school to accept the services. She provided a scenario of a charter school opening bids for technical services and choosing a competitive provider over the school district. She asked how an arrangement of that nature might be handled.

[5:38:51 PM](#)

SUSAN MCCAULEY, Director, Teaching and Learning Support, Department of Education and Early Development (EED), said the answer is likely no, and offered statutory language, which indicates that the budget shall not be less than the amount generated by students enrolled, less administrative costs retained by the local school district. The method for determining what the administrative costs will be is the department approved indirect rate. There is not meant to be a direct correlation between the indirect cost rate and the services that contribute to calculation of that rate, and the services received by a charter school. She said negotiations do occur, when a charter school is forming a contract with a district to agree upon what services will be provided and covered by the amount retained by the district. The conversation may include a litany of services and take into account the consideration of private service contractors.

[5:41:05 PM](#)

REPRESENTATIVE P. WILSON noted that the fees vary between districts.

The committee took an at-ease from 5:41 p.m. to 5:44 p.m.

[5:44:13 PM](#)

MS. MCCAULEY pointed out that a reasonable cap may be the intent; however, Amendment 13 links the indirect rate to the unadjusted base student allocation (BSA). She opined that using the BSA in this manner, may not prove optimal, and suggested inserting language cleanly and clearly stating a 4 percent cap.

[5:46:07 PM](#)

MS. NUDELMAN added that the indirect rate is applied to other requirements and, as such, is not being adjusted, but is being

capped for this specific provision. On request, she indicated that the amendment would better serve the purpose if the language being inserted was "up to four percent".

[Proposed language treated as Conceptual Amendment 1 to Amendment 13.]

[5:48:25 PM](#)

REPRESENTATIVE P. WILSON described how the situation is handled by the Ketchikan Gateway School District. The indirect costs are calculated and divided among each school to create a fair and equitable distribution. Furthermore, she stressed, every school service is different every year for any number of reasons, and although it seems that having a set budget should be possible, it is not seated in reality. Citing fairness issues, she said she would not be able to support Conceptual Amendment 1 to Amendment 13.

[5:50:40 PM](#)

REPRESENTATIVE KITO III indicated interest in providing a predictable environment for funding charter schools; however, not knowing the extent of the indirect rate, it would be difficult to support the amendment. He said a variety of costs may be impacted and the ramifications could include personnel/retirement services.

MS. NUDELMAN assured that the salaries and benefits would only be the ones attributable to a business manager type position; not teaching staff.

REPRESENTATIVE KITO III asked if all of the teaching staff costs and benefits are part of the direct costs a charter school is receiving from the district or is any aspect attributable to the indirect rate.

MS. NUDELMAN replied:

The costs are direct costs of the positions, wherever those positions are located. So for the charter school, the retirement costs are part of the teachers at the charter school.

[5:53:13 PM](#)

REPRESENTATIVE SADDLER recalled that the indirect rate varies from 3-10 percent and asked if the variance is between districts or between schools within a district.

MS. NUDELMAN answered that the indirect rate is attached to the district.

[5:53:40 PM](#)

CHAIR GATTIS asked if the indirect rates are attributable to each neighborhood school in a district, as well as the charter schools.

MS. NUDELMAN responded that for the non-charter schools, the district makes the decision on the funding levels for each school, and could use the indirect rate; however, she added, that the policy is not practiced.

[5:55:08 PM](#)

REPRESENTATIVE SADDLER voiced his understanding that an indirect rate is set for the district but not all the schools in the district are subject equally to the indirect rate.

MS. NUDELMAN clarified that the charter schools receive the funding generated by the facility. Other schools within the district are not under mandate to receive a specific amount of funding as generated. The district makes decisions for the non-charter schools in a different manner.

[5:56:01 PM](#)

REPRESENTATIVE P. WILSON emphasized the importance of having the indirect fees imposed to cover the services being rendered. A small charter school may rely on the district office to issue pay checks, along with other administrative activities. Every school district handles this differently, and placing this in statute may be good for some districts but not others. She stressed the importance for a better understanding of how this action might affect all districts.

[5:57:45 PM](#)

REPRESENTATIVE LEDOUX asked about effects if the districts were to bill the charter schools directly for services rendered, which would allow for cost saving decisions. If the cap were at 4 percent, the district could indicate which services would be

provided to the cap and the charter school would need to budget for the remainder. She questioned the benefit of Amendment 13.

MS. MCCAULEY answered that negotiations are part of the contract, which typically spans five years unless changed through mutual agreement. The indirect rate is not negotiated but takes into consideration the provided services. By capping the indirect rate, the discussion will be altered regarding how these services are addressed.

[5:59:30 PM](#)

REPRESENTATIVE REINBOLD summarized that the intent of Amendment 13 is to provide transparency and consistency for calculating the indirect rate, and capping it at 4 percent.

The committee took an at-ease at 6:01 p.m.

[6:01:24 PM](#)

REPRESENTATIVE REINBOLD withdrew Amendment 13.

[6:02:50 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 14, labeled 28-GH2716\U.13, Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[6:03:12 PM](#)

REPRESENTATIVE REINBOLD said that Amendment 14 allows a school district to offer a charter school the right of first refusal to lease space and may negotiate a lease agreement with the charter school for the true operational costs calculated on a square foot basis for space leased.

REPRESENTATIVE SADDLER indicated he had prepared a similar amendment, and stated support for Amendment 14.

REPRESENTATIVE KITO III indicated he had prepared a similar amendment, and stated support for Amendment 14.

CHAIR GATTIS withdrew her objection, and without further objection Amendment 14 was adopted.

[6:04:41 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 15, labeled 28-GH2716\U.14, Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

REPRESENTATIVE REINBOLD withdrew Amendment 15.

[6:05:17 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 16, labeled 28-GH2716\U.15, Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[6:05:34 PM](#)

REPRESENTATIVE REINBOLD noted that the High School Graduation Qualifying Examination (HSGQE) was repealed with the passage of [HB 220]. Amendment 16 will remove the SAT and ACT assessments, as well, from Version U. She expressed concern that these two well established assessments have recently undergone alignment with the Common Core standards.

[6:06:08 PM](#)

CHAIR GATTIS questioned the impact of removing the verbiage, as proposed under Amendment 16.

[6:06:25 PM](#)

LES MORSE, Deputy Commissioner, Department of Education and Early Development (EED), responded that it was envisioned that students would take either the SAT or ACT, initially paid for by the state and have the participation effort, not the score, be made a requirement for receipt of a diploma. The amendment removes this requirement from the bill.

[6:07:21 PM](#)

CHAIR GATTIS stated her understanding that HB 278 allows a student to choose to take the ACT, SAT, or WorkKeys assessment, and have the cost billed to the state. Amendment 16 removes this requirement from Version U.

MR. MORSE said the governor and administration would like to see an aspirational assessment provided, which would give students a direction for their future. It is an important component of the original bill and would be removed by this amendment.

[6:08:02 PM](#)

REPRESENTATIVE LEDOUX said a test is taken to pass or fail, and it is difficult to support an examination effort that results in a mark of participation. She stated support for Amendment 16.

[6:08:22 PM](#)

REPRESENTATIVE SEATON asked if Amendment 16 removes the requirement for eleventh grade students to take the WorkKeys assessment.

MR. MORSE responded that, under the current structure, WorkKeys would be retained status quo. To follow-up questions he said the eleventh grade students would still have the WorkKeys Assessment proctored, and the cost is retained in the budget.

[6:09:43 PM](#)

REPRESENTATIVE KITO III expressed his support for having the state fund the ACT/SAT college preparation tests, and opined on the importance to include these tests along with the career assessment.

[6:10:10 PM](#)

CHAIR GATTIS stated her understanding Amendment 16 removes the references for taking the ACT or SAT but the WorkKeys remains in place as it is established under a different section.

MR. MORSE concurred.

[6:10:35 PM](#)

REPRESENTATIVE REINBOLD pointed out that any student can decide to take the ACT or SAT; however, the amendment removes the state sponsorship for the proctoring. She said traditionally students have paid for college entrance exams and that practice should continue.

CHAIR GATTIS maintained her objection to Amendment 16.

[6:11:20 PM](#)

A roll call vote was taken. Representatives LeDoux, Seaton, Reinbold, and P. Wilson voted in favor of Amendment 16. Representatives Saddler, Kito III (Alternate), and Gattis voted against it. Therefore, Amendment 16 was adopted by a vote of 4-3.

[6:12:31 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 17, labeled 28-GH2716\U.16, Luckhaupt/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[6:12:38 PM](#)

REPRESENTATIVE P. WILSON said Amendment 17 seeks to include an additional technical/vocational facility to the list of recipients for the Alaska Workforce Investment Board funding, formerly known as the Alaska Human Resource Investment Council. Currently the University of Alaska (UA) receives 45 percent of the funds and this would redirect 3 percent of that allocation to support the Southern Southeast Alaska Technical Education Center (SSATEC), and added there is no effect to the fiscal note. She described the SSATEC as a successful facility whose graduates are in high demand in the region. Reportedly, the students are tracked through the vocational center by local businesses and offered jobs prior to graduation. To a question from Representative Saddler, she said the allocation amount varies annually, as it is based on the amount that is collected through the unemployment tax.

[6:15:28 PM](#)

REPRESENTATIVE LEDOUX asked why the school wasn't originally included, conjecturing that perhaps it lacked accreditation.

[6:16:24 PM](#)

DIANNE BLUMER, Commissioner, Department of Labor & Workforce Development, deferred and offered to provide information regarding the facilities accreditation status.

[6:16:51 PM](#)

REPRESENTATIVE P. WILSON said many of the schools on the list are not accredited, and pointed out that SSATEC was not in existence when the distribution list was initially established.

[6:17:15 PM](#)

CHAIR GATTIS asked for an opinion on adjusting the UA percentage to accommodate the SSATEC facility.

COMMISSIONER BLUMER said the department has been a neutral party in the allocation of the formula funding, as an agency that serves all of the training centers; it is a legislative decision.

[6:17:51 PM](#)

REPRESENTATIVE LEDOUX asked for the number of students that the facility serves, and how much money the 3 percent might represent.

[6:18:15 PM](#)

CHAIR GATTIS resolved that the question is whether the committee will adjust the percentage allocation. She asked if 3 percent is in line with the other allocations.

COMMISSIONER BLUMER reported that other schools of similar size receive 2-9 percent, and opined that 3 percent seems fair.

[6:20:16 PM](#)

REPRESENTATIVE LEDOUX questioned whether being an accredited facility is of concern.

COMMISSIONER BLUMER offered that not all of the facilities on the recipient list are accredited.

[6:20:51 PM](#)

REPRESENTATIVE SADDLER indicated that he would like to have more information on the facility in order to support Amendment 17.

REPRESENTATIVE P. WILSON described how some of the programs work using hands on activities, and operates in conjunction with the Ketchikan Indian Association. The way in which it is set up,

each student receives personal, social support as well as skill building. She touted it as a possible blue ribbon program.

[6:24:04 PM](#)

CHAIR GATTIS asked if there is any reason why this school was not initially included in the list.

COMMISSIONER BLUMER deferred.

[6:25:03 PM](#)

CHAIR GATTIS expressed regret that SSATEC has come to the fore late in the session.

REPRESENTATIVE P. WILSON said the facility has come under discussion in a variety of committees, during session. She emphasized that the facility didn't exist when the technical list was generated. However, SSATEC now represents a successful vocational facility, similar to what is supported in other areas of the state. The facility is doing a good job of work force development for the state and should be included in the allocation list.

[6:26:17 PM](#)

REPRESENTATIVE SADDLER asked how long the facility has been operational.

REPRESENTATIVE P. WILSON estimated that the center has operated for about three years. The facilities that existed at the time of the original allocations were included in the list and, she maintained, this is the time for amending the list.

[6:27:06 PM](#)

REPRESENTATIVE SEATON pointed out the five year sunset date, as indicated on page 1, line 9, with the 2009-2014 allocations. The allocations being proposed are for the years 2015-2024, and he concurred that this is the appropriate time for amending the list to include additional vocational facilities. Further, he indicated that the departments do not get involved in allocating funds to the facilities.

[6:29:43 PM](#)

REPRESENTATIVE P. WILSON noted that traditionally labor and workforce development has been in charge of distributing the funds, and asked if it is a new activity for the department.

[6:30:53 PM](#)

CHAIR GATTIS asked for further direction from the department.

COMMISSIONER BLUMER said if the formula funding did not exist the department would make decisions based on a competitive granting process, but at this point it is formula funded and under the purview of the legislature.

CHAIR GATTIS maintained her objection to Amendment 17.

[6:32:06 PM](#)

A roll call vote was taken. Representatives LeDoux, Seaton, Reinbold, P. Wilson, Kito III (Alternate), and Gattis voted in favor of Amendment 17. Representative Saddler voted against it. Therefore, Amendment 17 was adopted by a vote of 6-1.

The committee took an at-ease from 6:32 p.m. to 6:40 p.m.

[6:40:44 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 18, labeled 28-GH2716\U.17, Martin/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

The committee took an at-ease at 6:41 p.m.

[6:42:37 PM](#)

CHAIR GATTIS announced Amendment 18 withdrawn.

[6:42:50 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 19, labeled 28-GH2716\U.23, Martin/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[6:43:04 PM](#)

REPRESENTATIVE SADDLER withdrew Amendment 19.

[6:43:35 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 18, labeled 28-GH2716\U.17, Martin/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[6:43:48 PM](#)

REPRESENTATIVE KITO III explained that Amendment 18 provides start-up funding for charter schools at the rate of \$500.00 per student, for purchase of supplies and teaching materials.

[6:44:57 PM](#)

REPRESENTATIVE SEATON asked what would be the source of the allocation, does it come directly from the EED budget, and, if so, does the department have any planning over the number of charter schools to be authorized.

MR. MORSE responded that the department would not be absorbing the costs, as Amendment 18 indicates a legislative appropriation. He directed attention to page 1, line 17 and pointed out the language regarding the requirement for appropriation, and said the funds would be distributed by the department pro rata to whatever schools qualified.

REPRESENTATIVE SEATON asked whether it was the sponsor's intent to require legislative appropriation, and Representative Kito, III, replied, "Yes."

[6:46:33 PM](#)

REPRESENTATIVE P. WILSON queried what the current start up practice is for establishing a charter school.

MR. MORSE responded that once approval has been granted, the department provides funding at the beginning of the fiscal year, July 1. To a follow-up question, he confirmed that there are no extra funds provided to cover start-up costs.

[6:47:32 PM](#)

REPRESENTATIVE LEDOUX inquired about the costs related for implementing Amendment 18.

MR. MORSE offered that from a historical look back on a 20 year average, it would be about \$225,000 annually.

REPRESENTATIVE LEDOUX asked from where the \$225,000 would be allocated.

CHAIR GATTIS interjected her understanding that funding would be through a legislative grant.

REPRESENTATIVE LEDOUX asked for direction to locate the bill language indicating the legislative grant.

[6:49:10 PM](#)

REPRESENTATIVE KITO III offered that adopting Amendment 18, thereby placing the requirement in statute, the grant would be established and the program further defined through departmental regulation.

[6:49:30 PM](#)

REPRESENTATIVE REINBOLD asked whether a grant is available when a non-charter public school is starting up.

MR. MORSE replied, "No," and added that the district would fund a new neighborhood school.

[6:50:00 PM](#)

REPRESENTATIVE KITO III pointed out that a start-up neighborhood public school is allowed capital funding to purchase supplies and materials. In response to a committee member, he clarified that charter schools are not eligible for similar capital funds, as it is part of the building cost; charter schools generally lease space versus build new.

REPRESENTATIVE REINBOLD asked, "And nothing we've done in all these amendments changes that, is that correct."

REPRESENTATIVE KITO III responded that one item has been added into the bond debt reimbursement program allowing a district to construct a charter school, in which case capital funds could be accessed for purchase of supplies and materials. He emphasized

that a charter school operating in a leased or renovated space would not have the same access to capital funds.

[6:52:02 PM](#)

REPRESENTATIVE P. WILSON recapped that the committee has adopted Amendments 1, 2, 4, 7, 11, and 13, all of which pertain to charter schools. She expressed concern for possible cumulative effects the amendments may carry, including fiscal impacts, and stressed the need for the committee to exercise caution. She voiced reluctance to support further charter school related amendments, lacking a compelling argument.

CHAIR GATTIS agreed that the financial aspect may be in question, but bringing parity to charter schools, and all schools, is important.

REPRESENTATIVE SADDLER expressed similar concern for the cumulative effects and costs of the amendments being adopted.

CHAIR GATTIS maintained her objection.

[6:54:54 PM](#)

A roll call vote was taken. Representatives LeDoux and Kito III (Alternate), voted in favor of Amendment 18. Representative Saddler, Seaton, Reinbold, P. Wilson, and Gattis voted against it. Therefore, Amendment 18 failed by a vote of 2-5.

[6:55:41 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 20 labeled 28-GH2716\U.26, Martin/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[6:55:57 PM](#)

REPRESENTATIVE SEATON explained that Amendment 20 addresses the secondary school vocational and technical instruction component of the block grant, which allocates 1.5 percent per student. Amendment 20 restricts the funding for distribution according to the students being served; currently a school gets funded for students of all ages. He pointed out that technical and vocational classes are typically offered at the secondary level, but kindergarten through eighth grade students are counted for

the block grant allocation. The amendment corrects the apportionment to be directed to secondary students.

[6:57:44 PM](#)

CHAIR GATTIS asked whether Amendment 20 represents additional funding or a redistribution of the current proposed allocation.

REPRESENTATIVE SEATON clarified that it is a re-distribution.

[6:58:20 PM](#)

REPRESENTATIVE LEDOUX queried why Amendment 20 doesn't include funds generated by special need students.

REPRESENTATIVE SEATON said that, although considered, special needs funding applies not only to disabled students, but encompasses other programs that are integrated throughout the grades; vocational/technical studies are specific to secondary level students. He pointed out that a charter school could receive a portion of the grant, based on the actual number of secondary students in attendance of seventh grade and above. A kindergarten through sixth grade program would no longer receive vocational/technical grant money.

[6:59:32 PM](#)

REPRESENTATIVE SADDLER directed attention to a drafting error and suggested the need to amend a coma, to clarify the intention for placement of Amendment 20.

REPRESENTATIVE SEATON said a friendly amendment would be accepted; however, it may not be required by the drafters. He said the intent is understood.

[7:00:17 PM](#)

CHAIR GATTIS asked for clarity of how the funds are to be distributed.

REPRESENTATIVE SEATON responded that the definition of a secondary school is from seventh grade through graduation, and 1.5 percent would be calculated for distribution, based on the attendance in those grades; including charter schools.

REPRESENTATIVE LEDOUX conjectured that a charter school might be focused on the fine arts, and asked how such a facility would be affected under the original language, as well as Amendment 20.

REPRESENTATIVE SEATON emphasized that the intent is to direct funds appropriately to secondary schools offering vocational/technical classes. He deferred to the department for further comment.

[7:02:14 PM](#)

REPRESENTATIVE P. WILSON clarified that Amendment 20 provides identical funding to charter as well as non-charter schools in this regard.

REPRESENTATIVE SEATON responded, "Correct."

[7:02:45 PM](#)

REPRESENTATIVE REINBOLD observed that Amendment 20 represents defining language.

REPRESENTATIVE SEATON said, "Correct."

[7:03:01 PM](#)

REPRESENTATIVE SADDLER asked whether the measure would be a result of less money to schools under current law, and asked for further clarification of Amendment 20 effects on the formula.

REPRESENTATIVE SEATON noted that the members question regards allocations of funds and clarified that the districts receive a vocational/technical allocation, for distribution to the secondary schools. However, the concern being addressed is that a school may only span kindergarten through eighth grade and yet still receive the vocational/technical education increment on a per student basis; contrary to the original intent of the funding. The amendment allows a charter school to receive the increment based on secondary grade student attendance; disallowing the primary student count. He pointed out that this does not require additional funding, only a redistribution of what has been allocated.

[7:04:50 PM](#)

MR. MORSE clarified that the vocational/technical increment is one component of the funding formula that drives the amount of

money that each district receives. It is an aspect of the larger educational block grant. He said that every student, regardless of grade level, generates these dollars. The legislature's original intent was for these dollars to support vocational/technical education for secondary students; however, the allocation is currently based on student counts from all grades. Potentially, he opined, Amendment 20 could direct fewer dollars to a charter school, as the current statutory language for charter schools is based on student counts in generating funding for a district; lacking this language to clarify the intent.

REPRESENTATIVE LEDOUX stated her understanding of how the student count influences the funds distributed to a district. She acknowledged that a charter school with kindergarten through sixth grade levels, as proposed under Amendment 20, would no longer receive the vocational/technical increment, due to the curricula not traditionally pertaining to those grade levels. Finally, she noted that a charter school with a secondary level would receive this increment under current law, as well as under the proposed amendment; even if the charter school focus were on fine arts.

MR. MORSE affirmed Representative LeDoux's understanding, and added that a kindergarten through sixth grade school may incorporate vocational/technical study, as it could take a form in the lower grade curriculum, but agreed that it is not traditionally brought to those grade levels.

[7:09:16 PM](#)

REPRESENTATIVE SADDLER recapped his understanding of the situation, and added that it appears to tighten up the distribution of funds, and could result in fewer dollars for a charter school.

MR. MORSE concurred.

[7:09:51 PM](#)

EPRESENTATIVE REINBOLD reported that all charter schools in the Anchorage area may receive less funding, under Amendment 20. A school which she contacted has estimated a loss of \$40,000 would be realized.

[7:10:06 PM](#)

REPRESENTATIVE SEATON stressed that the intent of Amendment 20 is to support vocational education in secondary schools; lacking an ear mark, it may be used in other ways. However, vocational education is more expensive than many classes, requiring an equipped shop, lab, kitchen or other specifically designed classroom. If a charter school has a secondary level class, the school would be eligible for the funding. Without Amendment 20, he said funds are being directed away from vocational/technical training; funding that was originally intended as stimulus for these programs in each district.

[7:11:35 PM](#)

EPRESENTATIVE SADDLER asked whether the amendment alters the calculation of the vocational funding.

MR. MORSE reported that the districts are expected to follow the intent language and distribute the funds to schools with seventh to twelfth grade levels; however, all students generate the state funds.

REPRESENTATIVE SADDLER surmised that Amendment 20 creates a disparity.

MR. MORSE clarified that, if districts are following the current law for distribution of funds, charter schools may receive less funding; however, it may not represent a disparity, he opined.

[7:12:58 PM](#)

CHAIR GATTIS maintained her objection to Amendment 20.

A roll call vote was taken. Representatives LeDoux, P. Wilson, and Seaton voted in favor of Amendment 20. Representatives Saddler, Reinbold, Kito III (Alternate), and Gattis voted against it. Therefore, Amendment 20 failed by a vote of 3-4.

[7:13:50 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 21 labeled 28-GH2716\U.27, Mischel, 3/11/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

REPRESENTATIVE REINBOLD withdrew Amendment 21.

[7:14:49 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 22, labeled 28-GH2716\U.20, Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[7:15:42 PM](#)

MS. NUDELMAN said Amendment 22 substitutes a 75 average daily membership (ADM) requirement for the existing 150, and removes the 95 percent calculator. Thus, a charter school with a 75 ADM may exist at this formative level for three years, which provides an extended period to become established.

[7:17:06 PM](#)

REPRESENTATIVE SEATON stated his understanding that a charter school, starting up with fewer than 150 students will be funded at the 150 level, and the 95 percent factor will not be applied.

MS. NUDELMAN clarified that, currently, for one year, if a school ADM is below 150 but above 120, funding would be received at the 150 level. The amendment increases that variance to an ADM of 75, instead of 120, and be funded at the 150 level for three years.

[7:18:13 PM](#)

REPRESENTATIVE KITO III asked about the fiscal impact, and whether it represents an addition to the foundation formula, or a reallocation of the existing formula funding.

MS. NUDELMAN replied that it is part of the foundation program, the school size chart calculation, which applies to charter schools. It adjusts the floor from 120 for one year to 75 for a three year period. Looking at the last six years of school start-ups, she estimated that, if this provision had been in practice, the cost would have been \$230,000 per school.

[7:19:31 PM](#)

REPRESENTATIVE SADDLER surmised that Amendment 22 may provide additional funding to start-up charter schools by basing the allocation at the 150 student level, and allow the funding to be

at 100 percent of the count rather than 95 percent, for the first three years of operation.

MS. NUDELMAN clarified that a school will only receive funding for the number of students that are enrolled.

[7:20:49 PM](#)

REPRESENTATIVE P. WILSON asked to have the actual rates stated.

MS. NUDELMAN clarified that currently a charter school with an ADM of 120 or more would be paid at a rate of 1.45, for the first year. The amendment lowers this to an ADM of 75 or above, and allows the rate of 1.45 to be paid for three years. In the sense of a hold harmless, it adds two years, she finished.

REPRESENTATIVE P. WILSON requested the rates and terms for a standard public school of the same size.

MS. NUDELMAN responded that the rate begins at 1.45, with an ADM requirement of 150.

REPRESENTATIVE P. WILSON observed that Amendment 22 provides a boost to charter schools at start-up; district money will be directed away from the neighborhood schools to the charter schools.

MS. NUDELMAN clarified that the proposed measure will not affect the district as the calculation will be undertaken for the charter school and it will provide a solid base for the charter school for three years.

REPRESENTATIVE P. WILSON questioned how it would not affect the district funding and asked for the source of the money.

MS. NUDELMAN indicated that it's provided for through the foundation formula. The state aid would be provided for the amount that the charter school generates.

REPRESENTATIVE P. WILSON stated her understanding that the amount of money which a school receives is calculated through the formula and provided to the school district.

MS. NUDELMAN answered, "Correct," and statute specifies that the funding generated by a charter school is forwarded on; thus, the charter school with at least 75 students would receive funding at the 150 ADM level for the first three years.

REPRESENTATIVE P. WILSON added, "Which is in the school district which the money comes from the school district."

MS. NUDELMAN clarified that the money is first allocated by the state, at the level specified, and directed to the district for distribution.

[7:25:28 PM](#)

REPRESENTATIVE KITO III offered that it is an increase to the funding that the schools will get. It doesn't come out of the existing funding, but rather changes the formula and increases the amount that is allocated to a district.

CHAIR GATTIS maintained her objection.

[7:26:20 PM](#)

REPRESENTATIVE P. WILSON maintained that the amendment will cost more money, not directly to a district, but to the state.

CHAIR GATTIS said, "It does."

[7:26:30 PM](#)

A roll call vote was taken. Representatives LeDoux, Saddler, Reinbold, Kito III (Alternate), and Gattis voted in favor of Amendment 22. Representatives Seaton and P. Wilson voted against it. Therefore, Amendment 22 was adopted by a vote of 5-2.

[7:27:28 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 23, labeled 28-GH2716\U.24, Nauman/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[7:27:54 PM](#)

COMMISSIONER RODELL said Amendment 23 is proposed to encourage contributions towards educational opportunities around public service leadership programs. It will help students by advancing and fostering public service for future generations in Alaska

and advance their education towards public service leadership. She opined that this is an important aspect to encourage.

[7:28:51 PM](#)

REPRESENTATIVE LEDOUX asked if the amendment was drafted with particular non-profits in mind, and if so, what non-profits are being considered.

COMMISSIONER RODELL replied that a number of non-profits may benefit from this addition, whether it's a program offered through the University of Alaska system or a particular entity. One organization that comes to mind, she said, is the Elders & Youth program through the First Alaskans Institute of the [Alaska Federation of Natives] (AFN). A number of entities within the state may find benefit and it encourages and provides an avenue for public service to be pursued by students.

[7:29:55 PM](#)

REPRESENTATIVE P. WILSON questioned the meaning of the terminology, "legacy of public service."

MR. MORSE offered that the intent for using the word legacy is to embrace the history of, and indicate a look forward to, the future of public service.

[7:31:03 PM](#)

REPRESENTATIVE KITO III pointed out that the university is not, to his understanding, a non-profit organization. Additionally, the AFN Youth & Elders program is not promoting a legacy for public service. He asked for organizations that will be impacted by this measure.

COMMISSIONER RODELL said that the Ted Stevens Foundation has established a legacy of public service. Fostering public service is important and practiced throughout the state, she maintained.

[7:32:24 PM](#)

REPRESENTATIVE SEATON expressed concern and directed attention to Version U page 18, [line 27], which indicates that a nonprofit must be a 501(c)(3) charitable or educational organization, and Amendment 23 does not appear to align with that requirement. Further, he pointed out that the amendment

also appears to be restrictive and he agreed with the previous member's statement that the university would not qualify.

[7:32:28 PM](#)

REPRESENTATIVE REINBOLD stated similar concerns and said a resolution might be a better vehicle to accomplish this goal.

[7:33:55 PM](#)

REPRESENTATIVE SADDLER asked whether deleting the term "legacy of" would change the intent of Amendment 23.

COMMISSIONER RODELL said striking "legacy of" would not materially affect.

REPRESENTATIVE SADDLER opined that deleting "legacy of" would bring focus to promoting public service and be more broadly applied to many public service organizations.

COMMISSIONER RODELL suggested that the intent is to recognize and foster public service. She opined that, for implementation purposes, one of the points that will be considered is the 501(c) (3) status and the organizations intent for fulfilling that status.

[7:35:35 PM](#)

REPRESENTATIVE KITO III asked whether the measure would apply to organizations such as Rotary International.

COMMISSIONER RODELL responded that the educational opportunity supported by Rotary is not clear, and she deferred response.

REPRESENTATIVE KITO III mentioned the Rotarian's international student exchange program, which appears to foster public service and education.

COMMISSIONER RODELL said the criteria would be reviewed and qualification could be possible.

REPRESENTATIVE LEDOUX interjected that the Rotary organization is dedicated to public service and education.

[7:37:18 PM](#)

CHAIR GATTIS inquired about the Ted Stevens Foundation, and the functions promoted.

COMMISSIONER RODELL stated her understanding that it provides a variety of educational opportunities and acts as a center for students to pursue public service.

CHAIR GATTIS acknowledged the public service cultivated by the late Honorable Ted Stevens, and the work that is fulfilled in his name.

[7:38:20 PM](#)

REPRESENTATIVE LEDOUX moved Conceptual Amendment 1 to Amendment 23, as follows:

Page 1, line 7:  
Delete the language: "legacy of"

[7:39:07 PM](#)

CHAIR GATTIS objected for discussion.

[7:39:18 PM](#)

REPRESENTATIVE SADDLER voiced support for the Conceptual Amendment 1 to Amendment 23.

CHAIR GATTIS maintained her objection to Conceptual Amendment 1 to Amendment 23.

[7:39:42 PM](#)

A roll call vote was taken. Representatives LeDoux, Saddler, P. Wilson, Kito III (Alternate), and Seaton voted in favor of Conceptual Amendment 1 to Amendment 23. Representatives Gattis and Reinbold voted against it. Therefore, Conceptual Amendment 1 to Amendment 23 was adopted by a vote of 5-2.

[7:40:30 PM](#)

CHAIR GATTIS maintained her objection to Amendment 23, as amended.

A roll call vote was taken. Representatives LeDoux, Saddler, and Gattis voted in favor of Amendment 23, as amended. Representatives P. Wilson, Kito III (Alternate), Seaton, and

Reinbold voted against it. Therefore, Amendment 23, as amended, failed by a vote of 3-4.

[7:41:33 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 24, labeled 28-GH2716\U.25, Nauman/Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[7:42:07 PM](#)

MR. MORSE paraphrased the substantive language of Amendment 24 page 1, lines 3-14 [text provided at the end of this document] and added that the measure is intended to assist students to take advantage of, and earn dual educational credits for programs such as the Alaska Native Science and Engineering Program (ANSEP), the Alaska Summer Research Academy, and the Rural Alaska Honors Institute (RAHI).

[7:43:12 PM](#)

REPRESENTATIVE KITO III referred to page 1, line 14, subparagraph (E) and asked whether the proposed language, "other related educational and programmatic costs ...", is articulate enough to assure that the costs would only be associated/affiliated with a dual credit program.

MR. MORSE opined that "programmatic costs" refers to the program in which a student is participating, and provides the necessary clarity.

[7:43:50 PM](#)

REPRESENTATIVE P. WILSON asked for a further explanation of Amendment 24.

MR. MORSE said a business could contribute to the non-profit which operates the programs mentioned, or other similar programs. The tax credit applies to the businesses which are specifically contributing to these programs.

[7:44:45 PM](#)

REPRESENTATIVE SEATON directed attention to page 1, line 12, to query whether the language restricts student participation to

schools located in Alaska or the United States, considering that the transportation costs are funded.

MR. MORSE reviewed the language page 1, line 10, which states, "(D) transportation costs to and from a residential school approved by the Department ...", and said that would clearly be in-state. He opined that the intent is for the facility to be located in Alaska.

REPRESENTATIVE SEATON suggested an amendment to include language restricting transportation costs to in-state travel.

CHAIR GATTIS expressed concern for programs that are operated virtually and centered out-of-state.

REPRESENTATIVE SEATON opined that transportation costs would not apply to a virtual classroom or on-line study. He agreed that the intent is for enrollment in a state facility that offers dual credit. Other dual credit facilities may exist, in other parts of the world, and he maintained the importance to ensure intent.

MR. MORSE reiterated that the intent is for in-state travel and agreed that an amendment would add clarity.

[7:47:14 PM](#)

REPRESENTATIVE REINBOLD asked, "Can we exempt on-line."

MR. MORSE pointed out that on-line courses do not enter under this component, as the language is restricted to transportation costs.

[7:47:50 PM](#)

REPRESENTATIVE KITO III stated support for including "in-state", and said it would be appropriate.

[7:48:18 PM](#)

REPRESENTATIVE SEATON moved Conceptual Amendment 1 to Amendment 24, as follows:

Page 1, line 12:  
Following: "school"  
Insert: "in the state"

[7:48:38 PM](#)

REPRESENTATIVE P. WILSON objected for discussion. She referred to [page 1, lines 8-9, subparagraph] (C) and pointed out that it would be important to include "in the state", in this paragraph also, to clarify the reference regarding room and board at a postsecondary institution. She stressed that this should also be restricted to Alaska.

REPRESENTATIVE SEATON agreed to incorporate the member's suggestion.

REPRESENTATIVE P. WILSON removed her objection.

REPRESENTATIVE SEATON reworded Conceptual Amendment 1 to Amendment 24, as follows:

Page 1, line 9:  
Following: "institution"  
Insert: "in the state"

Page 1, line 12:  
Following: "school"  
Insert: "in the state"

[7:49:48 PM](#)

COMMISSIONER RODELL stated her understanding that the language would be drafted throughout the five page amendment.

REPRESENTATIVE SEATON assured that it will be duplicated as necessary throughout the amendment.

CHAIR GATTIS hearing no further objection announced Conceptual Amendment 1 to Amendment 24 was adopted.

[7:51:27 PM](#)

REPRESENTATIVE SADDLER directed attention to page 1, line 10, subparagraph (D) and conjectured on the need for language to limit transportation costs and suggested inserting a term to the effect of reasonable or lowest practicable rate.

CHAIR GATTIS opined that the term reasonable is a qualifying term and subjective.

[7:52:42 PM](#)

COMMISSIONER RODELL explained that the intent is to establish a scholarship and the administrator of the fund would determine reasonableness costs, as well as applicability to the sponsor's tax credit requirements.

[7:53:08 PM](#)

CHAIR GATTIS agreed with the intent of Amendment 24, and stated that it would be difficult to insert a non-subjective term.

[7:53:40 PM](#)

[A brief conversation ensued to provide clarity regarding the comprehensive placement of Conceptual Amendment 1 throughout Amendment 24; requested by a member.]

The committee took an at-ease from 7:56 p.m. to 7:59 p.m.

[7:59:17 PM](#)

CHAIR GATTIS maintained her objection to Amendment 24, as amended.

A roll call vote was taken. Representatives LeDoux, Saddler, Reinbold, Seaton, P. Wilson, Kito III (Alternate), and Gattis voted in favor of Amendment 24, as amended. Therefore, Amendment 24, as amended, was adopted by a vote of 7-0.

[8:00:36 PM](#)

REPRESENTATIVE REINBOLD moved Amendment 13, labeled 28-GH2716\U.12, Mischel, 3/10/14 [text provided at the end of this document].

CHAIR GATTIS objected for discussion.

[8:01:30 PM](#)

REPRESENTATIVE REINBOLD proposed Conceptual Amendment 1 to Amendment 13, which would amend Amendment 13 such that the language being inserted would be: "department, up to four percent." Therefore, Amendment 13, as amended, would read as follows:

Page 7, line 11:

Delete "Department of Education and Early Development"

Insert "department, up to four percent."

[8:02:15 PM](#)

MR. MORSE stated departmental agreement for Conceptual Amendment 1 to Amendment 13.

[8:02:36 PM](#)

REPRESENTATIVE SEATON said that the four charter schools in his district work well together and stated concern for imposing this restriction without further clarity regarding the scope of what indirect costs cover. He noted that this cap could be experienced significantly different depending on the size of the district. The limitation may put districts and charter schools at odds with each other and said he could not support Conceptual Amendment 1 to Amendment 13.

[8:03:36 PM](#)

REPRESENTATIVE REINBOLD reminded members of prior testimony from successful charter schools which consider this an important measure for budgeting purposes. The intent of the bill is to encourage charter school success, she opined, and stressed the importance to provide a stable budget for that end.

[8:04:27 PM](#)

CHAIR GATTIS indicated concern for the financial situation of the charter schools and stated support for Conceptual Amendment 1 to Amendment 13.

[8:05:07 PM](#)

REPRESENTATIVE KITO III agreed with the need for predictable budgets, which should prove helpful to the charter schools, and stated support for Conceptual Amendment 1 to Amendment 13.

[8:05:33 PM](#)

REPRESENTATIVE P. WILSON cautioned that the measure may impact districts differently depending on size and, echoing Representative Seaton's concerns, said she could not support Conceptual Amendment 1 to Amendment 13.

The committee took an at-ease from 8:07 p.m. to 8:10 p.m.

8:12:05 PM

CHAIR GATTIS maintained her objection to Conceptual Amendment 1 to Amendment 13.

8:11:45 PM

A roll call vote was taken. Representatives LeDoux, Saddler, Reinbold, Seaton, P. Wilson, Kito III (Alternate), and Gattis voted in favor of Conceptual Amendment 1 to Amendment 13. Therefore, Conceptual Amendment 1 to Amendment 13 was adopted by a vote of 7-0.

CHAIR GATTIS maintained her objection to Amendment 13, as amended.

8:13:28 PM

A roll call vote was taken. Representatives Saddler, Reinbold, Kito III (Alternate), and Gattis voted in favor of Amendment 13, as amended. Representatives Seaton, P. Wilson, and LeDoux voted against it. Therefore, Amendment 13, as amended, was adopted by a vote of 4-3.

8:13:28 PM

REPRESENTATIVE REINBOLD moved to report CSHB 278, Version 28-GH2716\U, Mischel, 3/8/14, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

8:14:44 PM

REPRESENTATIVE SEATON objected and, noting the comprehensive amendments and pointing out the regularly scheduled meeting pending for the morning, requested a clean CS be provided to the committee for final consideration.

CHAIR GATTIS expressed her intent to move the bill from committee at this hour.

REPRESENTATIVE SEATON withdrew his objection.

8:15:41 PM

REPRESENTATIVE KITO III requested an opportunity to comment on passage of the bill.

CHAIR GATTIS cited the late hour and asked members to hold comments.

[8:16:09 PM](#)

CHAIR GATTIS, hearing no further objection, announced CSHB 278(EDC) was moved from the House Education Standing Committee.

Following is the text for Amendments 12-24:

**Amendment 12, labeled 28-GH2716\U.29, Mischel, 3/11/14:**

Page 14, line 17:

Delete "and"

Page 14, line 20, following "AS 14.16.200":

Insert "; and

(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"

Page 15, line 6:

Delete "and"

Page 15, line 9, following "AS 14.16.200":

Insert "; and

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

Page 16, line 8:

Delete "and"

Page 16, line 11, following "AS 14.16.200":

Insert "; and

(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"

Page 16, line 28:  
Delete "and"

Page 16, line 31, following "AS 14.16.200":  
Insert "; and  
(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant"

Page 17, line 30:  
Delete "and"

Page 18, line 2, following "AS 14.16.200":  
Insert "; and  
(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"

Page 18, line 19:  
Delete "and"

Page 18, line 22, following "AS 14.16.200":  
Insert "; and  
(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant"

Page 19, line 22:  
Delete "and"

Page 19, line 25, following "AS 14.16.200":

Insert "; and  
(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"

Page 20, line 12:  
Delete "and"

Page 20, line 15, following "AS 14.16.200":  
Insert "; and  
(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development"

**Amendment 13 labeled 28-GH2716\U.12, Mischel, 3/10/14:**

Page 7, line 11:  
Delete "Department of Education and Early Development"  
Insert "department. The indirect cost rate may not exceed four percent of the unadjusted base student allocation under AS 14.17.470 for each student enrolled in the charter school [DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT]."

**Amendment 14 labeled 28-GH2716\U.13, Mischel, 3/10/14:**

Page 1, line 5:  
Delete "school application appeals and program budgets"  
Insert "schools"

Page 7, following line 5:  
Insert a new bill section to read:  
\* **Sec. 9.** AS 14.03.255(d) is amended to read:  
"(d) A school district shall offer to a charter school the right of first refusal for a lease of space [CHARTER SCHOOL MAY BE OPERATED] in an existing school district facility or in a facility within the school district that is not currently being used as a public

school, if the chief school administrator determines the facility meets requirements for health and safety applicable to public buildings or other public schools in the district. The school district may negotiate a lease agreement with the charter school for the true operational costs calculated on a square foot basis for space leased under this subsection."

Renumber the following bill sections accordingly.

Page 11, line 25:

Delete "sec. 17"

Insert "sec. 18"

Page 11, line 28:

Delete "secs. 17 and 18"

Insert "secs. 18 and 19"

Page 21, line 10:

Delete "Sections 20 and 38"

Insert "Sections 21 and 39"

Page 21, line 11:

Delete "Sections 15, 16, and 17"

Insert "Sections 16, 17, and 18"

Page 21, line 12:

Delete "18, and 21 - 23"

Insert "19, and 22 - 24"

Page 21, line 13:

Delete "Section 19"

Insert "Section 20"

Page 21, line 14:

Delete "Sections 25, 28, 31, and 34"

Insert "Sections 26, 29, 32, and 35"

Page 21, line 15:

Delete "secs. 39 - 43"

Insert "secs. 40 - 44"

**Amendment 15 labeled 28-GH2716\U.14, Mischel, 3/10/14:**

Page 20, following line 21:

Insert a new bill section to read:

"\* **Sec. 36.** Section 3, ch. 91, SLA 2010, is repealed."

Renumber the following bill sections accordingly.

Page 21, line 10:  
Delete "Sections 20 and 38"  
Insert "Sections 20 and 39"

Page 21, line 15:  
Delete "secs. 39 - 43"  
Insert "secs. 40 - 44"

**Amendment 16 labeled 28-GH2716\U.15, Mischel, 3/10/14:**

Page 1, lines 3 - 4:  
Delete "**relating to a college and career readiness assessment for secondary students;**"

Page 2, lines 13 - 25:  
Delete all material.

Renumber the following bill sections accordingly.

Page 8, line 20, through page 9, line 8:  
Delete all material.

Renumber the following bill sections accordingly.

Page 11, line 25:  
Delete "sec. 17"  
Insert "sec. 15"

Page 11, line 28:  
Delete "secs. 17 and 18"  
Insert "secs. 15 and 16"

Page 20, following line 21:  
Insert a new bill section to read:  
" \* **Sec. 34.** AS 14.03.075 and AS 14.07.165(5) are repealed."

Page 20, line 31:  
Delete "Sections 6 and 7"  
Insert "Sections 5 and 6"

Page 21, line 10:

Delete "Sections 20 and 38"  
Insert "Sections 18 and 37"

Page 21, line 11:  
Delete "Sections 15, 16, and 17"  
Insert "Sections 13, 14, 15, and 34"

Page 21, line 12:  
Delete "Section 18, and 21 - 23"  
Insert "16, and 19 - 21"

Page 21, line 13:  
Delete "Section 19"  
Insert "Section 17"

Page 21, line 14:  
Delete "Sections 25, 28, 31, and 34"  
Insert "Sections 23, 26, 29, and 32"

Page 21, line 15:  
Delete "secs. 39 - 43"  
Insert "secs. 38 - 42"

**Amendment 17 labeled 28-GH2716\U.16, Luckhaupt/Mischel, 3/10/14:**

Page 1, line 7:  
Delete "**extending**"  
Insert "**relating to**"

Page 11, line 31, through page 12, line 16:  
Delete all material and insert:

"\* **Sec. 20.** 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, **2024** [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 **42** [45] percent  
University of Alaska Southeast 5 percent  
Galena Project Education Vocational Training Center 4 percent  
Kotzebue Technical Center 9 percent  
Alaska Vocational Technical Center 17 percent

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

**Amendment 18 labeled 28-GH2716\U.17, Martin/Mischel, 3/10/14:**

Page 1, line 5:  
Delete "school application appeals and program  
budgets"  
Insert "schools"

Page 7, following line 20:  
Insert a new bill section to read:  
" \* **Sec. 10.** 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."

Renumber the following bill sections accordingly.

Page 11, line 25:

Delete "sec. 17"

Insert "sec. 18"

Page 11, line 28:

Delete "secs. 17 and 18"

Insert "secs. 18 and 19"

Page 21, line 10:

Delete "Sections 20 and 38"

Insert "Sections 21 and 39"

Page 21, line 11:

Delete "Sections 15, 16, and 17"

Insert "Section 16, 17, and 18"

Page 21, line 12:

Delete "18, and 21 - 23"

Insert "19, and 22 - 24"

Page 21, line 13:

Delete "Section 19"

Insert "Section 20"

Page 21, line 14:

Delete "Sections 25, 28, 31, and 34"

Insert "Sections 26, 29, 32, and 35"

Page 21, line 15:

Delete "secs. 39 - 43"

Insert "secs. 40 - 44"

**Amendment 19 labeled 28-GH2716\U.23, Martin/Mischel, 3/10/14:**

Page 1, line 5:

Delete "school application appeals and program budgets"

Insert "schools"

Page 7, following line 5:

Insert a new bill section to read:

"\* **Sec. 9.** AS 14.03.255(d) is amended to read:

(d) A school district shall provide for the operation of an approved charter school [MAY BE OPERATED] in an existing school district facility or in a facility

within the school district that is not currently being used as a public school, if the chief school administrator determines the facility meets requirements for health and safety applicable to public buildings or other public schools in the district."

Renumber the following bill sections accordingly.

Page 11, line 25:

Delete "sec. 17"

Insert "sec. 18"

Page 11, line 28:

Delete "secs. 17 and 18"

Insert "secs. 18 and 19"

Page 21, line 10:

Delete "Sections 20 and 38"

Insert "Sections 21 and 39"

Page 21, line 11:

Delete "Sections 15, 16, and 17"

Insert "Sections 16, 17, and 18"

Page 21, line 12:

Delete "18, and 21 - 23"

Insert "19, and 22 - 24"

Page 21, line 13:

Delete "Section 19"

Insert "Section 20"

Page 21, line 14:

Delete "Sections 25, 28, 31, and 34"

Insert "Sections 26, 29, 32, and 35"

Page 21, line 15:

Delete "secs. 39 - 43"

Insert "secs. 40 - 44"

**Amendment 20 labeled 28-GH2716\U.26, Martin/Mischel, 3/10/14:**

Page 7, line 15, following "AS 14.17.420(a)(3),":

Insert "in proportion to the number of students enrolled in the grades in which the vocational and technical instruction is provided,"

**Amendment 21 labeled 28-GH2716\U.27, Mischel, 3/11/14:**

Page 1, line 4:

Delete "**college and career readiness**"

Insert "**standards-based**"

Following "**students;**":

Insert "**relating to reporting by the Department of Education and Early Development;**"

Page 2, lines 13 - 25:

Delete all material and insert:

"\* **Sec. 2.** AS 14.03.075 is repealed and reenacted to read:

**Sec. 14.03.075. High school graduation; standards-based assessment.** (a) A school may not issue a secondary school diploma to a student unless the student passes standards-based assessments demonstrating mastery of language arts and Algebra I at the 10th grade level or receives a waiver from the local school board under (b) of this section.

(b) The school board of a school district may grant a waiver of the standards-based assessments required under (a) of this section to

(1) a student who is a child with a disability and who does not achieve a passing score on the standards-based assessments required under (a) of this section, with or without accommodation if the student successfully completes an alternative assessment program required by the student's individualized education program or required in the education plan developed for the student under 29 U.S.C. 794; the alternative assessment program must, to the maximum extent possible, conform to state performance standards established for the standards-based assessments required under (a) of this section; this paragraph does not apply to a student unless the department determines that the student has taken and failed to pass the standards-based assessments with or without accommodation and the department approves the student's alternative assessment program described under this paragraph; or

(2) a student who transfers into a public high school in this state who

(A) meets graduation requirements imposed by the school board and the state; and

(B) has passed standards-based assessments demonstrating mastery of the subjects listed in (a) of this section at the 10th grade level in the state from which the student transferred.

(c) The department shall provide sufficient funding to each school district for a single administration of the assessments required under (a) of this section for each student. The department shall by regulation establish uniform standards and procedures for the assessments required under (a) of this section and for alternative assessments under (b)(1) of this section that demonstrate mastery at the 10th grade level in the areas of language arts and Algebra I.

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

Page 3, line 20:

Delete "[;"

Insert ";

(8) the number and overall percentage of students who (A) received high school diplomas and waivers issued under AS 14.03.075;

(B) met annual grade level progress expectations based on standards-based tests;

(C) required additional support to meet annual progress expectations and the type of support the students are provided;

(D) failed to meet grade level expectation in reading, writing, and mathematics for each school or district that receive a low performance designation under AS 14.03.123 [ "

Page 5, lines 9 - 12:

Delete all material and insert:

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

Page 8, line 29, through page 9, line 8:

Delete all material and insert:

"(5) regulations implementing the [SECONDARY SCHOOL STUDENT COMPETENCY EXAMINATION] provisions of AS 14.03.075 [, 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]."

**Amendment 22 labeled 28-GH2716\U.20, Mischel, 3/10/14:**

Page 1, line 5:

Delete "school application appeals and program budgets"

Insert "schools"

Page 11, following line 21:

Insert a new bill section to read:

"\* **Sec. 17.** AS 14.17.450(d) is amended to read:

(d) If a charter school has a student count of more than 74 [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."

Renumber the following bill sections accordingly.

Page 11, line 25:

Delete "sec. 17"

Insert "sec. 18"

Page 11, line 28:

Delete "secs. 17 and 18"

Insert "secs. 18 and 19"

Page 21, line 10:  
Delete "Sections 20 and 38"  
Insert "Sections 21 and 39"

Page 21, line 11:  
Delete "17"  
Insert "18"

Page 21, line 12:  
Delete "18, and 21 - 23"  
Insert "19, and 22 - 24"

Page 21, line 13:  
Delete "Section 19"  
Insert "Section 20"

Page 21, line 14:  
Delete "Sections 25, 28, 31, and 34"  
Insert "Sections 26, 29, 32, and 35"

Page 21, line 15:  
Delete "secs. 39 - 43"  
Insert "secs. 40 - 44"

**Amendment 23 labeled 28-GH2716\U.24, Nauman/Mischel, 3/10/14:**

Page 14, line 17:  
Delete "and"

Page 14, line 20, following "AS 14.16.200":  
Insert "; and  
(10) the operations 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"

Page 15, line 6:  
Delete "and"

Page 15, line 9, following "AS 14.16.200":  
Insert "; and  
(7) for the operations 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"

Page 16, line 8:

Delete "and"

Page 16, line 11, following "AS 14. 16. 200":

Insert "; and

(10) the operations 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"

Page 16, line 28:

Delete "and"

Page 16, line 31, following "AS 14.16.200":

Insert "; and

(7) for the operations 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"

Page 17, line 30:

Delete "and"

Page 18, line 2, following "AS 14.16.200":

Insert "; and

(10) the operations 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"

Page 18, line 19:

Delete "and"

Page 18, line 22, following "AS 14.16.200":

Insert "; and"

(7) for the operations 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"

Page 19, line 22:  
Delete "and"

Page 19, line 25, following "AS 14.16.200":

Insert "; and

(10) the operations 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"

Page 20, line 12:  
Delete "and"

Page 20, line 15, following "AS 14.16.200":

Insert "; and

(7) for the operations 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"

Amendment 24 labeled 28-GH2716\U.25, Nauman/Mischel, 3/10/14:

Page 14, lines 15 - 17:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs;  
and"

Page 15, lines 4 - 6:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs;  
and"

Page 16, lines 6 - 8:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs;  
and"

Page 16, lines 26 - 28:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs; and"

Page 17, lines 28 - 30:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs; and"

Page 18, lines 17 - 19:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs; and"

Page 19, lines 20 - 22:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs; and"

Page 20, lines 10 - 12:

Delete all material and insert:

"(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 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 that provides the dual-credit course; and  
(E) other related educational and programmatic costs; and"

[HB 278 was held over.]

[8:16:10 PM](#)

#### ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 8:16 p.m.