

HB

278

<TARGET><BILL>HB 278</BILL><SUBJECT>HB
278</SUBJECT><COMM>HFIN28</COMM></TARGET>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 12, 2014

FURTHER REFERRALS:

Date of Committee Action: 4/2/14

The FINANCE Committee considered:

HB 278

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."

HB 278-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

Recommends it be replaced with [] HCS or [] CS for HB 278 (FIN)
 For Senate Bills with new title: [] Technical Title [] New Title: HCR [] Same Title [] New Title

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 DHS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

NEW FISCAL NOTES				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	H FIN/EED			✓
	HFIN/ ^{Fund} Transfers	✓		
	HFIN/EED	✓		
	HFIN/LWF	✓		
	UA	✓		
	REV		✓	
	REV			✓
	HFIN/EED	✓		
	HFIN/EED	✓		
	HFIN/LWF	✓		
	HFIN/ ^{Fund} Transfers	✓		
	HFIN/SAR	✓		
	ADM	✓		

PREVIOUS FISCAL NOTES				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	NEDMAN			✓	
	CATHERINE BICK				✓
	Gove				✓
	Holmes				X
	Munoz			✓	
	Thompson			✓	
	Edgmon			✓	
	T. Wilson			✓	
	COSTELLO	✓			
Chair:					
Chair:	Stoffe			✓	

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)-DOA-DOP-04-02-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Personnel
OMB Component Number: 56

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	108.3		92.2				
Travel	2.3		2.3				
Services	500.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	610.6	0.0	94.5	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	610.6		94.5				
Total	610.6	0.0	94.5	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	1.0		1.0				

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial submission for the committee substitute

Prepared By: Nicki Neal, Director
Division: Personnel & Labor Relations
Approved By: Curtis Thayer, Commissioner
Agency: Department of Administration

Phone: (907)465-4429
Date: 04/01/2014 03:13 PM
Date: 04/01/14

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

This proposed legislation extends the current Technical and Vocational Education Program (TVEP) allocation through June 30, 2017. Currently, the allocation expires June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the department's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

The grants line authorization represents the legislation's direct allocations that pass through the department to Kotzebue Technical Center; Alaska Vocational Technical Center; Northwestern Alaska Career and Technical Center; Southwest Alaska Vocational and Education Center; Yuut Elitnaurviat, Inc. People's Learning Center; Delta Career Advancement Center; and New Frontier Vocational Technical Center.

Personal services and services expenses are related to TVEP grant administration and revenue collection through the unemployment insurance tax system. Expenses related to these activities must be charged to a state fund source as they are related to a state program and are not an allowable federal expense.

Position counts are based on an average personal services cost of approximately \$100.0 per full-time position and rounded to the nearest whole number.

The proposed legislation would also require the department to collect information from Technical and Vocational Education Program (TVEP) recipients to ensure they are meeting statutory requirements and to amend grants accordingly if requirements are not met.

The department already gathers information from TVEP recipients for annual reporting purposes and currently administers the grants to the TVEP recipients so no additional fiscal impact is anticipated.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-EED-K12 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance Committee

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

The analysis for this note has changed and is part of the Public Education Fund/Fund Transfer fiscal note. Funding for the Foundation Program comes from the Public Education Fund and this note remains zero.

The CS changes the school size chart; adds BSA increases; removes prior version charter school size chart change for 75 ADM; adds a TRS on behalf factor to basic need; at 14.17.410(b)(2) changes 45% local effort to 40%.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

Department of Education & Early Development

Prepared 4/1/2014

FN: School Size/BSA Increase for FY15 - FY17

School District	FY2015		FY2016		FY2017	
	Amends School Size table AS14.17.450 Changes highest school count adj. to 250 or over	Year 1 BSA increase of \$185	Total FY2015 School Size change and BSA change	Yr 2 BSA increase \$58	Yr 3 BSA increase \$58	
BSA		\$5,865		\$5,923		\$5,981
Alaska Gateway	-	\$ 253,178	\$ 253,178	\$ 79,375	\$ 79,375	
Aleutian Region	-	41,818	41,818	13,110	13,110	
Alcutians East Borough	-	179,173	179,173	56,173	56,173	
Anchorage	9,037,786	14,005,755	23,043,541	4,390,993	4,390,993	
Annette Island	-	141,195	141,195	44,267	44,267	
Bering Strait	-	1,252,629	1,252,629	392,716	392,717	
Bristol Bay Borough	-	74,202	74,202	23,263	23,263	
Chatham	-	102,262	102,262	32,061	32,060	
Chugach	-	86,377	86,377	27,080	27,080	
Copper River	-	212,781	212,781	66,710	66,710	
Cordova	-	138,420	138,420	43,397	43,397	
Craig	-	166,898	166,898	52,324	52,325	
Delta/Greely	-	322,947	322,947	101,248	101,248	
Denali Borough	-	219,293	219,293	68,752	68,751	
Dillingham	-	233,065	233,065	73,069	73,069	
Fairbanks N. Star Borough	1,501,181	4,942,886	6,444,067	1,549,661	1,549,661	
Galena	-	652,876	652,876	204,685	204,686	
Haines Borough	-	115,512	115,512	36,215	36,215	
Hoonah	-	77,962	77,962	24,443	24,442	
Hydaburg	-	49,619	49,619	15,556	15,556	
Iditarod Area	-	185,028	185,028	58,008	58,009	
Juneau Borough	403,903	1,632,744	2,036,647	511,887	511,887	
Kake	-	62,482	62,482	19,589	19,589	
Kashunamiut	-	174,289	174,289	54,641	54,642	
Kenai Peninsula Borough	232,967	3,187,362	3,420,329	999,281	999,280	
Ketchikan Gateway Borough	31,726	880,717	912,443	276,116	276,117	
Klawock	-	77,332	77,332	24,244	24,245	
Kodiak Island Borough	216,903	970,000	1,186,903	304,108	304,107	
Kuspuk	-	243,495	243,495	76,339	76,339	
Lake & Peninsula Borough	-	296,188	296,188	92,859	92,860	
Lower Kuskokwim	110,218	2,389,484	2,499,702	749,136	749,136	
Lower Yukon	27,568	1,279,949	1,307,517	401,281	401,281	
Mat-Su Borough	1,914,711	5,574,139	7,488,850	1,747,568	1,747,568	
Nenana	-	209,150	209,150	65,571	65,572	
Nome	-	314,765	314,765	98,683	98,683	
North Slope Borough	100,648	983,606	1,084,254	308,374	308,374	
Northwest Arctic Borough	-	1,230,548	1,230,548	385,793	385,793	
Pelican	-	18,124	18,124	2,479	2,479	
Petersburg	-	210,088	210,088	65,865	65,865	
Pribilof	-	65,271	65,271	20,464	20,463	
Saint Mary's	-	111,068	111,068	34,822	34,821	
Sitka Borough	4,899	544,742	549,641	170,784	170,784	
Skagway	-	38,264	38,264	11,996	11,996	
Southeast Island	-	181,303	181,303	56,841	56,842	
Southwest Region	-	416,481	416,481	130,573	130,572	
Tanana	-	37,609	37,609	11,791	11,790	
Unalaska	-	193,336	193,336	60,613	60,614	
Valdez	-	249,911	249,911	78,350	78,350	
Wrangell	-	120,753	120,753	37,858	37,857	
Yakutat	-	51,868	51,868	16,262	16,261	
Yukon Flats	-	245,302	245,302	76,906	76,906	
Yukon/Koyukuk	-	414,964	414,964	130,097	130,097	
Yupit	-	287,149	287,149	90,026	90,025	
Mt. Edgcumbe High School	-	126,986	126,986	39,811	39,812	
TOTAL	13,582,510	\$ 46,273,345	\$ 59,855,855	\$ 14,504,114	\$ 14,504,114	

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS DEED Special Schools 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Special Schools
OMB Component Number: 2735

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	177.0		177.0	177.0	177.0	177.0	177.0	177.0
Miscellaneous								
Total Operating	177.0	0.0	177.0	177.0	177.0	177.0	177.0	177.0

Fund Source (Operating Only)

1004 Gen Fund	177.0		177.0	177.0	177.0	177.0	177.0	177.0
Total	177.0	0.0	177.0	177.0	177.0	177.0	177.0	177.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version - This fiscal note reflects funding for the Special Education Servicing Agency (SESA), a TRS employer who is not a school district and, therefore, would not receive additional funding through the foundation formula.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The following TRS employers are not school districts and will not receive additional funding through the foundation formula. Funding is provided through this fiscal note as follows:

Department of Education and Early Development (Agencywide Unallocated)	\$1,174,000
Southeast Regional Resource Center <i>(will be included in the DEED/Agencywide Unallocated fiscal note)</i>	\$127,000
Special Education Services Agency (DEED/K-12 Support/Special Schools)	\$177,000
<u>Alaska Vocational Technical Center (Labor & Workforce Development/AVTEC)</u>	<u>\$156,000</u>
TOTAL	\$1,634,000

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)-EED-SSA-4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance Committee

Department: Department of Education and Early Development
Appropriation: Teaching and Learning Support
Allocation: Student and School Achievement
OMB Component Number: 2796

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	80.0		10.0	10.0	10.0			
Commodities								
Capital Outlay								
Grants & Benefits	168.8	434.5	603.3	603.3	168.8	168.8	168.8	
Miscellaneous								
Total Operating	248.8	434.5	613.3	613.3	178.8	168.8	168.8	

Fund Source (Operating Only)

1004 Gen Fund	248.8		178.8	178.8	178.8	168.8	168.8
1151 VoTech Ed		434.5	434.5	434.5			
Total	248.8	434.5	613.3	613.3	178.8	168.8	168.8

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 09/30/14

Why this fiscal note differs from previous version:

House Finance amended the CS to add \$168.8 UGF for a Charter School Grant Program.

The CS removes the repeal of the secondary school exit exam, and changes the sunset date provision on TVEP to June 30, 2017. The language also includes a new provision extending teacher tenure from 3 years of service to 5 years.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/01/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB278

Analysis

Section 3: Adds additional data requirements regarding military data. Under AS 14.03.120 (d) (10) The Student Report Manager software system, to gather data reliably, is \$35.0 to modify. Handbook modifications and initial year district technical assistance on new reporting requirement is estimated at \$45.0. Technical assistance for districts with military personnel to establishing reliable data gathering methods around these elements for three subsequent years is \$10.0.

FY 15: 80.0 - Military Data gathering and reporting

FY 16 - FY18: 10.0 - Military data technical assistance to school districts

Section 22: Amends AS 14.20.150(a) by increasing the time for a teacher to acquire tenure from 3 years of service to 5 years. This section has no fiscal impact on the department.

Section 28: AS 23.15.835(d) is amended

The legislation continues the Alaska technical and vocational education program (TVEP) through June 30, 2017. The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the Department of Education & Early Development's (DEED) FY2015 budget request and will be revised on an annually based on the balance of the fund.

This funding is a grant from DEED to the Galena Project Education Vocational Training Center, currently \$434.5.

Charter School Grant Program establishes a one-time grant from the department for new charter schools in 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 fiscal note for this section of the bill uses historical data regarding the number of students enrolled in new charter schools as a basis for projecting funds needed. Since 1996, 27 charter schools have been established and currently enroll 6,093 students. On average, these data reflect adding 1.5 charter schools a year with an average enrollment of 225 students per school.

The proposed legislation addresses converting existing public schools to charter schools. As a result the projected number of new charter schools annually, as well the projected number of students enrolled in new charter schools, could exceed the historical average.

The proposed legislation requires the department to establish by regulation procedures for the application and expenditure of grant funds.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS DEED Unallocated 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Education and Early Development
Appropriation: Agencywide Unallocated
Allocation: Agencywide Unallocated
OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	1,174.0		1,174.0	1,174.0	1,174.0	1,174.0	1,174.0
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	127.0		127.0	127.0	127.0	127.0	127.0
Miscellaneous							
Total Operating	1,301.0	0.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0

Fund Source (Operating Only)

1004 Gen Fund	1,301.0		1,301.0	1,301.0	1,301.0	1,301.0	1,301.0
Total	1,301.0	0.0	1,301.0	1,301.0	1,301.0	1,301.0	1,301.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version - This fiscal note reflects funding for TRS employers who are not school districts and, therefore, would not receive additional funding through the foundation formula. Personal services funding in this note is for DEED and the grants line will be distributed to the Southeast Regional Resource Center (SERRC).

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The following TRS employers are not school districts and will not receive additional funding through the foundation formula. Funding is provided through this fiscal note as follows:

Department of Education and Early Development (Agencywide Unallocated)	\$1,174,000
Southeast Regional Resource Center <i>(will be included in the DEED/Agencywide Unallocated fiscal note)</i>	\$127,000
Special Education Services Agency (DEED/K-12 Support/Special Schools)	\$177,000
<u>Alaska Vocational Technical Center (Labor & Workforce Development/AVTEC)</u>	<u>\$156,000</u>
TOTAL	\$1,634,000

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)-DOLWD-CO-4-02-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Labor and Workforce Development
Appropriation: Commissioner and Administrative Services
Allocation: Commissioner's Office
OMB Component Number: 340

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015					
Personal Services	(400.0)	509.1	109.1	109.1			
Travel							
Services		26.8	26.8	26.8			
Commodities							
Capital Outlay							
Grants & Benefits		4,997.2	4,997.2	4,997.2			
Miscellaneous							
Total Operating	(400.0)	5,533.1	5,133.1	5,133.1	0.0	0.0	0.0

Fund Source (Operating Only)

1151 VoTech Ed	(400.0)	5,533.1	5,133.1	5,133.1			
Total	(400.0)	5,533.1	5,133.1	5,133.1	0.0	0.0	0.0

Positions

Full-time	(4.0)	5.0	1.0	1.0			
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/15**

Why this fiscal note differs from previous version:

House Finance removed (\$400.0) in personal services and 4 PFT positions.

Changed to reflect the House Finance committee substitute's change to the TVEP allocation sunset of June 30, 2017. The House Finance CS also changed the recipients from those in the House Education CS back to those in the original bill.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

This proposed legislation extends the current Technical and Vocational Education Program (TVEP) allocation through June 30, 2017. Currently, the allocation expires June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the department's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

The grants line authorization represents the legislation's direct allocations that pass through the department to Kotzebue Technical Center; Alaska Vocational Technical Center; Northwestern Alaska Career and Technical Center; Southwest Alaska Vocational and Education Center; Yuut Elitnaurviat, Inc. People's Learning Center; Delta Career Advancement Center; and New Frontier Vocational Technical Center.

Personal services and services expenses are related to TVEP grant administration and revenue collection through the unemployment insurance tax system. Expenses related to these activities must be charged to a state fund source as they are related to a state program and are not an allowable federal expense.

Position counts are based on an average personal services cost of approximately \$100.0 per full-time position and rounded to the nearest whole number.

The proposed legislation would also require the department to collect information from Technical and Vocational Education Program (TVEP) recipients to ensure they are meeting statutory requirements and to amend grants accordingly if requirements are not met.

The department already gathers information from TVEP recipients for annual reporting purposes and currently administers the grants to the TVEP recipients so no additional fiscal impact is anticipated.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS LWD AVTEC 4-2-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Labor and Workforce Development
Appropriation: Alaska Vocational Technical Center
Allocation: Alaska Vocational Technical Center
OMB Component Number: 2686

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services	156.0		156.0	156.0	156.0	156.0	156.0	156.0
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	156.0	0.0	156.0	156.0	156.0	156.0	156.0	156.0

Fund Source (Operating Only)

1004 Gen Fund	156.0		156.0	156.0	156.0	156.0	156.0	156.0
Total	156.0	0.0	156.0	156.0	156.0	156.0	156.0	156.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version - This fiscal note reflects funding for the Alaska Vocational Technical Center (AVTEC), a TRS employer who is not a school district and, therefore, would not receive additional funding through the foundation formula.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/02/2014
Co-Chair Representative Stoltze
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The following TRS employers are not school districts and will not receive additional funding through the foundation formula. Funding is provided through this fiscal note as follows:

Department of Education and Early Development (Agencywide Unallocated)	\$1,174,000
Southeast Regional Resource Center	\$127,000
<i>(will be included in the DEED/Agencywide Unallocated fiscal note)</i>	
Special Education Services Agency (DEED/K-12 Support/Special Schools)	\$177,000
<u>Alaska Vocational Technical Center (Labor & Workforce Development/AVTEC)</u>	<u>\$156,000</u>
TOTAL	\$1,634,000

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)-DOR-TAX-04-01-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) FIN

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	***		***	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect changes made in the CS H FIN.

Prepared By:	Matt Fonder, Director	Phone:	(907)269-6628
Division:	Tax	Date:	04/01/2014 01:10 PM
Approved By:	Angela M. Rodell, Commissioner	Date:	04/01/14
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278 (FIN)

Analysis

Bill Language:

This bill expands the education credit allowed against corporate income tax, mining license tax, fisheries business tax, and fishery resource landing tax to include contributions made for:

---direct instruction, research, and educational support purposes by a public or private nonprofit elementary or secondary school in the state;

---a facility or an annual intercollegiate sports tournament by a public or private nonprofit elementary or secondary school in the state;

---funding scholarships awarded to dual-credit students for tuition and textbooks; registration, course and program fees; on campus room and board; transportation costs; and other related education and program expenses;

---contributions made for the construction, operation, or maintenance of a residential housing facility by a residential school approved by the Department of Education and Early Development;

---contributions made for childhood early learning and development programs provided by a nonprofit corporation, a tribal entity, a school district, the Department of Education and Early Development, or through a state grant; and

---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.

Revenues:

This bill does not increase or decrease the aggregate amount of total education tax credits allowed against the tax types identified above. It merely identifies additional types of contributions that can qualify for the credit. It is possible that taxpayers who have not made qualifying contributions and not claimed an education tax credit in the past, may contribute to one or more of these types of entities and claim a credit. However, it is difficult to determine the affect this bill will have on taxpayer behavior and, therefore, it is difficult to determine if this bill will affect revenue from the tax types identified above. It is important to note that the total education tax credit allowed for each entity each year is currently capped at \$5 million across all tax types. This bill does not increase the maximum contribution amount.

Expenditures:

Department of Revenue can implement and administer the provisions of this bill with existing resources.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)-DOR-TRS-03-31-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) FIN

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
---------------------------	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **No**
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial note for CS in H FIN.

Prepared By:	Pamela Leary, Director	Phone:	(907)465-3751
Division:	Treasury	Date:	03/31/2014 04:00 PM
Approved By:	Angela M. Rodell, Commissioner	Date:	03/31/14
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HBCS 278 (FIN)

Analysis

Bill Language:

The CS for this bill establishes the Teachers' Pension Reserve Fund to be managed by the Alaska Retirement Management Board. The Alaska Retirement Management Board shall manage the teachers' pension reserve fund in accordance with AS 37.10.210(a) and 37.10.220(a).

Depending upon the asset allocation, additional management fees may be incurred by the fund that would not result in a budget increment.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN)-UA-SYSBRA-4-02-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: University of Alaska
Appropriation: University of Alaska
Allocation: Budget Reductions/Additions - Systemwide
OMB Component Number: 1296

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	8,381.3		8,381.3	8,381.3	8,381.3	8,381.3	8,381.3
Travel							
Services		5,431.8	5,431.8	5,431.8			
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	8,381.3	5,431.8	13,813.1	13,813.1	8,381.3	8,381.3	8,381.3

Fund Source (Operating Only)

1004 Gen Fund	8,381.3		8,381.3	8,381.3	8,381.3	8,381.3	8,381.3
1151 VoTech Ed		5,431.8	5,431.8	5,431.8			
Total	8,381.3	5,431.8	13,813.1	13,813.1	8,381.3	8,381.3	8,381.3

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated/Revised for CS (FIN) with teachers' retirement system rate changes.

Prepared By: <u>Michelle Rizk</u>	Phone: <u>(907)450-8187</u>
Division: <u>University of Alaska</u>	Date: <u>04/01/2014 05:30 PM</u>
Approved By: <u>Michelle Rizk</u>	Date: <u>04/02/14</u>
Agency: <u>University of Alaska</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

Section 25

Increases the University of Alaska's teachers' retirement system (TRS) employer rate from 12.56 percent to 32.56 percent. The FY13 TRS payroll for UA was \$41,906,504. Therefore the projected impact of the rate increase is the difference between 32.56 percent and 12.56 percent multiplied by the base payroll. Out-year costs estimates are based on the FY13 payroll amounts. In an effort to streamline the transaction, the State could consider administering the fiscal note amount as an on-behalf payment.

Section 28

The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014. This bill extends the current Technical and Vocational Education program (TVEP) through June 30, 2017. Out-year cost estimates are based on TVEP receipts included in UA's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the key source of funds for that purpose. The UA System office of Workforce Programs works with representatives from the UA campuses and the Alaska Workforce Investment Board to identify state priority industry sectors and high-demand jobs, including regional priorities for occupational training programs. The campuses submit proposals based on the identified needs, and funding is distributed to the highest priority programs.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN) - TRS Trust Fund 4-1-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: State Assistance to Retirement Funds
Appropriation: TRS State Assistance
Allocation: School District TRS
OMB Component Number: 2863

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	1,400,000.0						
Total Operating	1,400,000.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	1,400,000.0						
Total	1,400,000.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial fiscal note - Reflects a deposit of \$1,400,000,000 UGF into the Teachers' Retirement Trust Fund.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/01/2014
Co-Chair Representative Stoltze
House Finance Committee

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN) - PEF 4-1-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Fund Transfers
Appropriation: Designated Reserves/Endowments
Allocation: Public Education Fund (AS. 14.17.300)
OMB Component Number: 2929

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2015 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	281,044.7		240,188.0	245,059.0	250,170.0	255,539.0	261,027.0	
Miscellaneous								
Total Operating	281,044.7	0.0	240,188.0	245,059.0	250,170.0	255,539.0	261,027.0	

Fund Source (Operating Only)

1004 Gen Fund	281,044.7		240,188.0	245,059.0	250,170.0	255,539.0	261,027.0
Total	281,044.7	0.0	240,188.0	245,059.0	250,170.0	255,539.0	261,027.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial fiscal note - Reflects a deposit of \$146.8 million UGF into the Public Education Fund for FY15 to cover school district's TRS cost increases resulting from an increase in the employer contribution rate from 12.56% to 32.56%. The deposit to cover the increased BSA and change to the size table is \$59.9 million, and forward funding the formula changes for FY16 adds \$74.4 million.

Prepared By: Co-Chair Representative Austerman
House Finance Committee
Co-Chair Representative Stoltze
House Finance Committee

Phone: (907)465-6258
Date: 04/01/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

This fiscal note capitalizes the Public Education Fund (PEF) as set out in CSHB(FIN) 278. There is a separate fiscal note for the Foundation Program that provides supporting schedules for the increases.

The PEF note includes formula changes :

Year one formula increases: $\$13,582.5 + \$46,273.3 = \$59,855.8$.

Year two formula increases: sustain year one formula changes ($\$59,855.8$) and add $\$14,504.1 = \$74,359.9$.

Year three formula increases sustain year one and two formula increases ($\$74,359.9$) and add $\$14,504.1 = \$88,864.0$.

Future year foundation sustains formula changes at year three.

Increases for the TRS factor:

The department used the schedule provided by Legislative Finance in order to reflect the costs of the TRS factor corresponding to section 15:

FY2015 \$146.829 million

FY2016 \$151.324 million

FY2017 \$156.195 million

FY2018 \$161.306 million

FY2019 \$166.675 million

FY2020 \$172.163 million

The factor continues increasing each year reaching a high of \$627.9 million in FY2051 (for all employers) and then turning to zero at FY2053 and years after. For fiscal note presentation the department is using the prior Legislative Finance data and has not performed a separate calculation.

The FY2015 appropriation request includes:
 $\$59,855.8$ plus forward funding $\$74,359.9$

The FY2016 cost estimate includes:
forward funding $\$88,864.0$

The FY2017 cost estimate includes:
forward funding $\$88,864.0$

The FY2018 cost estimate includes :
forward funding $\$88,864.0$

The FY2019 cost estimate includes:
forward funding $\$88,864.0$

The FY2020 cost estimate includes:
forward funding $\$88,864.0$

The effective dates for the BSA increases are July 1, 2014, July 1, 2015, and July 1, 2016, respectively.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(FIN) - Teachers' PRF 4-1-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Fund Transfers
Appropriation: Designated Reserves/Endowments
Allocation: Teachers' Pension Reserve Fund
OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous	100,000.0							
Total Operating	100,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	100,000.0						
Total	100,000.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial fiscal note - Reflects a deposit of \$100 million UGF into the Teachers' Pension Reserve Fund (AS 37.14.900) in FY15.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/01/2014
Co-Chair Representative Stoltze
House Finance Committee

AMENDMENT

#15 + 17

OFFERED IN THE HOUSE

BY REPRESENTATIVES MUÑOZ,

TO: CSHB 278(FIN), Draft Version "G"

EDGMON

sponsors
Additional *Gava*?
Guttenberg

1 Page 1, line 10, through page 2, line 1:

2 Delete "relating to the local contribution to public education funding; relating to
3 the withholding of state aid to public education for teacher retirement contributions;
4 relating to the teachers' defined benefit retirement plan; establishing the teachers'
5 pension reserve fund;"

6
7 Page 11, line 21, through page 14, line 3:

8 Delete all material.

9
10 Renumber the following bill sections accordingly.

11
12 Page 14, line 23:

13 Delete "sec. 18"

14 Insert "sec. 16"

15
16 Page 14, line 26:

17 Delete "secs. 18 and 19"

18 Insert "secs. 16 and 17"

19
20 Page 16, line 17, through page 17, line 19:

21 Delete all material.

22
23 Renumber the following bill sections accordingly.

1

2 Page 19, line 17, through page 22, line 19:

3 Delete all material.

4

5 Renumber the following bill sections accordingly.

6

7 Page 33, line 29:

8 Delete "Sections 22 - 24"

9 Insert "Sections 20 - 22"

10

11 Page 33, lines 30 - 31:

12 Delete "secs. 22 - 24"

13 Insert "secs. 20 - 22"

14

15 Page 34, line 18:

16 Delete "Sections 22 - 24, 28, 50, and 52"

17 Insert "Sections 20 - 23, 42, and 44"

18

19 Page 34, line 20:

20 Delete all material.

21

22 Renumber the following bill sections accordingly.

23

24 Page 34, line 21:

25 Delete "19, and 29 - 31"

26 Insert "17, and 24 - 26"

27

28 Page 34, line 22:

29 Delete "Section 20"

30 Insert "Section 18"

31

1 Page 34, line 23:

2 Delete "Sections 37, 40, 43, and 46"

3 Insert "Sections 29, 32, 35, and 38"

4

5 Page 34, line 24:

6 Delete "secs. 54 - 58"

7 Insert "secs. 46 - 49"

AMENDMENT #17

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 278(FIN), Draft Version "G"

1 Page 1, line 10, through page 2, line 1:

2 Delete "relating to the local contribution to public education funding; relating to
3 the withholding of state aid to public education for teacher retirement contributions;
4 relating to the teachers' defined benefit retirement plan; establishing the teachers'
5 pension reserve fund;"

6

7 Page 11, line 21, through page 14, line 3:

8 Delete all material.

9

10 Renumber the following bill sections accordingly.

11

12 Page 14, line 23:

13 Delete "sec. 18"

14 Insert "sec. 16"

15

16 Page 14, line 26:

17 Delete "secs. 18 and 19"

18 Insert "secs. 16 and 17"

19

20 Page 16, line 17, through page 17, line 19:

21 Delete all material.

22

23 Renumber the following bill sections accordingly.

1

2 Page 19, line 17, through page 22, line 19:

3 Delete all material.

4

5 Renumber the following bill sections accordingly.

6

7 Page 33, line 29:

8 Delete "Sections 22 - 24"

9 Insert "Sections 20 - 22"

10

11 Page 33, lines 30 - 31:

12 Delete "secs. 22 - 24"

13 Insert "secs. 20 - 22"

14

15 Page 34, line 18:

16 Delete "Sections 22 - 24, 28, 50, and 52"

17 Insert "Sections 20 - 23, 42, and 44"

18

19 Page 34, line 20:

20 Delete all material.

21

22 Renumber the following bill sections accordingly.

23

24 Page 34, line 21:

25 Delete "19, and 29 - 31"

26 Insert "17, and 24 - 26"

27

28 Page 34, line 22:

29 Delete "Section 20"

30 Insert "Section 18"

31

1 Page 34, line 23:

2 Delete "Sections 37, 40, 43, and 46"

3 Insert "Sections 29, 32, 35, and 38"

4

5 Page 34, line 24:

6 Delete "secs. 54 - 58"

7 Insert "secs. 46 - 49"

revised

28-GH2716/G.10

Mischel

4/1/14

AMENDMENT

#16

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

By Representatives
Stoltze and
Austerman

- 1 Page 34, line 20:
- 2 Delete "Sections 16, 25, 27, and 33 - 35"
- 3 Insert "AS 14.17.410(b)(1), as amended by sec. 16 of this Act, and secs. 25 and 33 -
- 4 35"

Adopted

28-GH2716G.12
Mischel
4/1/14

AMENDMENT #3

OFFERED IN THE HOUSE

BY REPRESENTATIVE TAMMIE WILSON

TO: CSHB 278(FIN), Draft Version "G"

1 Page 15, line 30, through page 16, line 16:

2 Delete all material.

3

4 Renumber the following bill sections accordingly.

5

6 Page 33, line 29:

7 Delete "Sections 22 - 24 of this Act apply"

8 Insert "Section 22 of this Act applies"

9

10 Page 33, lines 30 - 31:

11 Delete "secs. 22 - 24"

12 Insert "sec. 22"

13

14 Page 34, line 18:

15 Delete "Sections 22 - 24, 28, 50, and 52"

16 Insert "Sections 22, 26, 48, and 50"

17

18 Page 34, line 20:

19 Delete "25, 27, and 33 - 35"

20 Insert "23, 25, and 31 - 33"

21

22 Page 34, line 21:

23 Delete "29 - 31"

1 Insert "27 - 29"

2

3 Page 34, line 23:

4 Delete "Sections 37, 40, 43, and 46"

5 Insert "Sections 35, 38, 41, and 44"

6

7 Page 34, line 24:

8 Delete "secs. 54 - 58"

9 Insert "secs. 52 - 56"

1710PT09
AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE EDGMON

TO: CSHB 278(FIN), Draft Version "G"

1 Page 15, following line 29:

2 Insert a new bill section to read:

3 **** Sec. 23.** AS 14.20.150 is amended by adding a new subsection to read:

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

9

10 Renumber the following bill sections accordingly.

11

12 Page 33, line 29:

13 Delete "Sections 22 - 24"

14 Insert "Sections 22 - 25"

15

16 Page 33, lines 30 - 31:

17 Delete "secs. 22 - 24"

18 Insert "secs. 22 - 25"

19

20 Page 34, line 18:

21 Delete "Sections 22 - 24, 28, 50, and 52"

22 Insert "Sections 22 - 25, 29, 51, and 53"

23

1 Page 34, line 20:

2 Delete "25, 27, and 33 - 35"

3 Insert "26, 28, and 34 - 36"

4

5 Page 34, line 21:

6 Delete "29 - 31"

7 Insert "30 - 32"

8

9 Page 34, line 23:

10 Delete "Sections 37, 40, 43, and 46"

11 Insert "Sections 38, 41, 44, and 47"

12

13 Page 34, line 24:

14 Delete "secs. 54 - 58"

15 Insert "secs. 55 - 59"

AMENDMENT #5

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

BY REPRESENTATIVE GARA and
Guttenberg

- 1 Page 15, line 13, through page 16, line 16:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 33, lines 27 - 31:
- 7 Delete all material.
- 8
- 9 Renumber the following bill sections accordingly.
- 10
- 11 Page 34, line 18:
- 12 Delete "Sections 22 - 24, 28, 50, and 52"
- 13 Insert "Sections 25 and 48"
- 14
- 15 Page 34, line 20:
- 16 Delete "25, 27, and 33 - 35"
- 17 Insert "22, 24, and 30 - 32"
- 18
- 19 Page 34, line 21:
- 20 Delete "29 - 31"
- 21 Insert "26 - 28"
- 22
- 23 Page 34, line 23:

- 1 Delete "Sections 37, 40, 43, and 46"
- 2 Insert "Sections 34, 37, 40, and 43"
- 3
- 4 Page 34, line 24:
- 5 Delete "secs. 54 - 58"
- 6 Insert "secs. 50 - 54"

Passed

28-GH2716G.21
Luckhaupt/Mischel
4/1/14

AMENDMENT #6 + Stoltze

OFFERED IN THE HOUSE

BY REPRESENTATIVE TAMMIE WILSON

TO: CSHB 278(FIN), Draft Version "G"

1 Page 1, line 2, following "education;":

2 Insert "relating to the powers of the Department of Education and Early
3 Development;"

4

5 Page 3, following line 18:

6 Insert a new bill section to read:

7 **** Sec. 3.** AS 14.03.083 is amended by adding a new subsection to read:

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

13

14 Renumber the following bill sections accordingly.

15

16 Page 8, line 8, following "department":

17 Insert "may not spend money on implementing standards that are based on the
18 Common Core State Standards Initiative and"

19

20 Page 14, line 23:

21 Delete "sec. 18"

22 Insert "sec. 19"

23

1 Page 14, line 26:

2 Delete "secs. 18 and 19"

3 Insert "secs. 19 and 20"

4

5 Page 33, line 29:

6 Delete "Sections 22 - 24"

7 Insert "Sections 23 - 25"

8

9 Page 33, lines 30 - 31:

10 Delete "secs. 22 - 24"

11 Insert "secs. 23 - 25"

12

13 Page 34, line 3:

14 Delete "Sections 5 and 6"

15 Insert "Sections 6 and 7"

16

17 Page 34, line 18:

18 Delete "Sections 22 - 24, 28, 50, and 52"

19 Insert "Sections 23 - 25, 29, 51, and 53"

20

21 Page 34, line 20:

22 Delete "Sections 16, 25, 27, and 33 - 35"

23 Insert "Sections 17, 26, 28, and 34 - 36"

24

25 Page 34, line 21:

26 Delete "19, and 29 - 31"

27 Insert "20, and 30 - 32"

28

29 Page 34, line 22:

30 Delete "Section 20"

31 Insert "Section 21"

1

2 Page 34, line 23:

3 Delete "Sections 37, 40, 43, and 46"

4 Insert "Sections 38, 41, 44, and 47"

5

6 Page 34, line 24:

7 Delete "secs. 54 - 58"

8 Insert "secs. 55 - 59"

Passed

AMENDMENT #2

OFFERED IN THE HOUSE

BY REPRESENTATIVE NEUMAN

TO: CSHB 278(FIN), Draft Version "G"

1 Page 18, lines 6 - 31:

2 Delete all material and insert:

3 **"* Sec. 29. AS 23.15.835(e) is amended to read:**

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

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

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

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

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

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

23 (6) the performance and financial information needed to verify the

1 performance of the program as specified by the department by regulation
2 [PERCENTAGE OF FORMER PARTICIPANTS WHO INDICATE SOME LEVEL
3 OF SATISFACTION WITH THE TRAINING RECEIVED UNDER THE
4 PROGRAM; AND

5 (5) PERCENTAGE OF EMPLOYERS WHO INDICATE
6 SATISFACTION WITH THE SERVICES PROVIDED THROUGH THE
7 PROGRAM]."

Adopted

AMENDMENT #1

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

*By: Representative
Stoltze*

1 Page 19, line 1:

2 Delete "a new subsection"

3 Insert "new subsections"

4

5 Page 19, following line 4:

6 Insert a new subsection to read:

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

Kasse 91

28-GH2716\G.7
Mischel
4/1/14

AMENDMENT #14

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA and
Guttenberg

TO: CSHB 278(FIN), Draft Version "G"

1 Page 1, line 2, following "education;":

2 Insert "relating to the exemption from jury service for certain teachers;"

3

4 Page 2, following line 6:

5 Insert a new bill section to read:

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

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

14

15 Page 2, line 7:

16 Delete "Section 1"

17 Insert "Sec. 2"

18

19 Renumber the following bill sections accordingly.

20

21 Page 14, line 23:

22 Delete "sec. 18"

23 Insert "sec. 19"

- 1
- 2 Page 14, line 26:
 - 3 Delete "secs. 18 and 19"
 - 4 Insert "secs. 19 and 20"
 - 5
- 6 Page 33, line 29:
 - 7 Delete "Sections 22 - 24"
 - 8 Insert "Sections 23 - 25"
 - 9
- 10 Page 33, lines 30 - 31:
 - 11 Delete "secs. 22 - 24"
 - 12 Insert "secs. 23 - 25"
 - 13
- 14 Page 34, line 3
 - 15 Delete "Sections 5 and 6"
 - 16 Insert "Sections 6 and 7"
 - 17
- 18 Page 34, line 18:
 - 19 Delete "Sections 22 - 24, 28, 50, and 52"
 - 20 Insert "Sections 23 - 25, 29, 51, and 53"
 - 21
- 22 Page 34, line 20:
 - 23 Delete "Sections 16, 25, 27, and 33 - 35"
 - 24 Insert "Sections 17, 26, 28, and 34 - 36"
 - 25
- 26 Page 34, line 21:
 - 27 Delete "Sections 1, 19, and 29 - 31"
 - 28 Insert "Sections 2, 20, and 30 - 32"
 - 29
- 30 Page 34, line 22:
 - 31 Delete "Section 20"

1 Insert "Section 21"

2

3 Page 34, line 23:

4 Delete "Sections 37, 40, 43, and 46"

5 Insert "Sections 38, 41, 44, and 47"

6

7 Page 34, line 24:

8 Delete "secs. 54 - 58"

9 Insert "secs. 55 - 59"

Adopted

28-GH2716\G.23
Gardner/Mischel
4/2/14

AMENDMENT # 19

OFFERED IN THE HOUSE

BY REPRESENTATIVE HOLMES

TO: CSHB 278(FIN), Draft Version "G"

- 1 Page 34, line 18:
- 2 Delete "22 - 24,"
- 3
- 4 Page 34, line 21, following "19,":
- 5 Insert "22 - 24,"

July 1st 2014
effective date for tenure section

1011201
AMENDMENT

13

OFFERED IN THE HOUSE FINANCE COMMITTEE
TO: CSHB 278(FIN)

BY REPRESENTATIVES GARA
AND GUTTENBERG

12 ← Adopted

- 1 Page 34, lines 14-17:
- 2 Delete all material

~~Delete Section~~

line 12

AMENDMENT

#12

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

BY REPRESENTATIVE GARA and
Guttenberg

1 Page 22, line 27:

2 Delete "or private nonprofit"

3

4 Page 23, line 3:

5 Delete "or private nonprofit"

6

7 Page 24, line 11:

8 Delete "or private nonprofit"

9

10 Page 25, line 20:

11 Delete "or private nonprofit"

12

13 Page 25, line 27:

14 Delete "or private nonprofit"

15

16 Page 27, line 4:

17 Delete "or private nonprofit"

18

19 Page 28, line 13:

20 Delete "or private nonprofit"

21

22 Page 28, line 20:

23 Delete "or private nonprofit"

1

2 Page 29, line 28:

3 Delete "or private nonprofit"

4

5 Page 31, line 7:

6 Delete "or private nonprofit"

7

8 Page 31, line 14:

9 Delete "or private nonprofit"

10

11 Page 32, line 23:

12 Delete "or private nonprofit"

AMENDMENT

#20

OFFERED IN THE HOUSE

BY REPRESENTATIVE HOLMES

TO: CSHB 278(FIN), Draft Version "G"

- 1 Page 14, line 21:
- 2 Delete "\$5.865"
- 3 Insert "\$5.965"
- 4
- 5 Page 14, lines 24 - 25:
- 6 Delete "\$5.923 [\$5,865]"
- 7 Insert "\$6.065 [\$5,965]"
- 8
- 9 Page 14, lines 27 - 28:
- 10 Delete "\$5.981 [\$5,923]"
- 11 Insert "\$6.165 [\$6,065]"

Failed

AMENDMENT #18

OFFERED IN THE HOUSE BY REPRESENTATIVE GARA
TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, line 21:

2 Delete "\$5,865"

3 Insert "\$6,084"

4

5 Page 14, lines 24 - 25:

6 Delete "\$5,923 [\$5,865]"

7 Insert "\$6,284"

8

9 Page 14, lines 27 - 28:

10 Delete "\$5,981 [\$5,923]"

11 Insert "\$6,484"

12

13 Page 14, following line 28:

14 Insert new bill sections to read:

15 "** Sec. 21. AS 14.17.470 is amended to read:

16 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,184

17 [\$5,680].

18 * Sec. 22. AS 14.17.470, as amended by sec. 21 of this Act, is amended to read:

19 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,384

20 [\$6,184].

21 * Sec. 23. AS 14.17.470, as amended by secs. 21 and 22 of this Act, is amended to read:

22 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,584

23 [\$6,434]."

1

2 Renumber the following bill sections accordingly.

3

4 Page 33, line 29:

5 Delete "Sections 22 - 24"

6 Insert "Sections 25 - 27"

7

8 Page 33, lines 30 - 31:

9 Delete "secs. 22 - 24"

10 Insert "secs. 25 - 27"

11

12 Page 34, following line 17:

13 Insert a new bill section to read:

14 **"* Sec. 57.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:16 CONTINGENT EFFECT. (a) Sections 18 - 20 of this Act take effect only if the
17 Twenty-Eighth Alaska State Legislature passes an appropriation bill that becomes law that
18 appropriates at least \$25,000,000 to the Department of Education and Early Development for
19 funding public education as state aid to districts according to the average daily membership
20 for each district adjusted under AS 14.17.410(b)(1), in addition to K-12 support provided
21 under the foundation program.22 (b) Sections 21 - 23 of this Act take effect only if the Twenty-Eighth Alaska State
23 Legislature fails to pass an appropriation bill that becomes law that appropriates at least
24 \$25,000,000 to the Department of Education and Early Development for funding public
25 education as state aid to districts according to the average daily membership for each district
26 adjusted under AS 14.17.410(b)(1), in addition to K-12 support provided under the foundation
27 program.

28

29 Renumber the following bill sections accordingly.

30

31 Page 34, line 18:

1 Delete "Sections 22 - 24, 28, 50, and 52"

2 Insert "Sections 25 - 27, 31, 53, and 55"

3

4 Page 34, line 20:

5 Delete "25, 27, and 33 - 35"

6 Insert "28, 30, and 36 - 38"

7

8 Page 34, line 21:

9 Delete "19, and 29 - 31"

10 Insert "and 32 - 34"

11

12 Page 34, line 22:

13 Delete all material.

14

15 Renumber the following bill sections accordingly.

16

17 Page 34, line 23:

18 Delete "Sections 37, 40, 43, and 46"

19 Insert "Sections 40, 43, 46, and 49"

20

21 Page 34, following line 23:

22 Insert new bill sections to read:

23 **** Sec. 62.** If sec. 18 of this Act takes effect, it takes effect July 1, 2014.

24 *** Sec. 63.** If sec. 19 of this Act takes effect, it takes effect July 1, 2015.

25 *** Sec. 64.** If sec. 20 of this Act takes effect, it takes effect July 1, 2016.

26 *** Sec. 65.** If sec. 21 of this Act takes effect, it takes effect July 1, 2014.

27 *** Sec. 66.** If sec. 22 of this Act takes effect, it takes effect July 1, 2015.

28 *** Sec. 67.** If sec. 23 of this Act takes effect, it takes effect July 1, 2016."

29

30 Renumber the following bill section accordingly.

31

- 1 Page 34, line 24:
- 2 Delete "secs. 54 - 58"
- 3 Insert "secs. 58 - 67"

REMOVED

28-GH2716\G.15
Mischel
4/1/14

AMENDMENT #7

OFFERED IN THE HOUSE

BY REPRESENTATIVE EDGMON

TO: CSHB 278(FIN), Draft Version "G"

- 1 Page 14, line 13:
- 2 Delete "1.62"
- 3 Insert "1.86 [1.62]"
- 4
- 5 Page 14, line 14:
- 6 Delete "1.49"
- 7 Insert "1.71 [1.49]"
- 8
- 9 Page 14, line 15:
- 10 Delete "1.27"
- 11 Insert "1.46 [1.27]"
- 12
- 13 Page 14, line 16:
- 14 Delete "1.08"
- 15 Insert "1.24 [1.08]"
- 16
- 17 Page 14, line 17:
- 18 Delete "or over [- 400]"
- 19 Insert "- 400"
- 20 Delete "0.97"
- 21 Insert "1.12 [0.97]"
- 22
- 23 Page 14, line 18:

- 1 Delete "["
- 2 Delete "0.92"
- 3 Insert "1.06 [0.92]"
- 4
- 5 Page 14, line 19:
- 6 Delete "OR OVER"
- 7 Insert "or over"
- 8 Delete "0.84"
- 9 Insert "0.97 [0.84]"
- 10 Delete "]"

withdrawn

#21

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE EDGMON

TO: CSHB 278(FIN), Draft Version "G"

- 1 Page 14, line 13:
- 2 Delete "1.62"
- 3 Insert "1.86 [1.62]"
- 4
- 5 Page 14, line 14:
- 6 Delete "55.8"
- 7 Insert "57.2 [55.8]"
- 8 Delete "1.49"
- 9 Insert "1.71 [1.49]"
- 10
- 11 Page 14, line 15:
- 12 Delete "122.5"
- 13 Insert "135.15 [122.5]"
- 14 Delete "1.27"
- 15 Insert "1.46 [1.27]"
- 16
- 17 Page 14, line 16:
- 18 Delete "218.1"
- 19 Insert "244.65 [218.1]"
- 20 Delete "1.08"
- 21 Insert "1.24 [1.08]"
- 22
- 23 Page 14, line 17:

- 1 Delete "or over [- 400]
- 2 Insert "- 400"
- 3 Delete "326.1"
- 4 Insert "368.65 [326.1]"
- 5 Delete "0.97"
- 6 Insert "1.12 [0.97]"

7

8 Page 14, line 18:

- 9 Delete "["
- 10 Delete "471.6"
- 11 Insert "528.65 [471.6]"
- 12 Delete "0.92"
- 13 Insert "1.06 [0.92]"

14

15 Page 14, line 19:

- 16 Delete "OR OVER"
- 17 Insert "or over"
- 18 Delete "793.6"
- 19 Insert "899.65 [793.6]"
- 20 Delete "0.84"
- 21 Insert "0.97 [0.84]"
- 22 Delete "]"

AMENDMENT

#8

By Rep. Gara and
Guttenberg

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, following line 28:

2 Insert a new bill section to read:

3 **** Sec. 21.** AS 14.17 is amended by adding a new section to read:

4 **Sec. 14.17.475. Charter school facility cost adjustment.** In addition to other
5 money available under AS 14.03.260(a), if a charter school operates in a facility that
6 requires a lease payment, the department shall pay to a charter school established
7 under AS 14.03.250 a facility cost adjustment in the amount of 10 percent of the base
8 student allocation under AS 14.17.470, multiplied by the number of students enrolled
9 in the charter school."

4 percent

10

11 Renumber the following bill sections accordingly.

12

13 Page 33, line 29:

14 Delete "Sections 22 - 24"

15 Insert "Sections 23 - 25"

16

17 Page 33, lines 30 - 31:

18 Delete "secs. 22 - 24"

19 Insert "secs. 23 - 25"

20

21 Page 34, line 18:

22 Delete "Sections 22 - 24, 28, 50, and 52"

23 Insert "Sections 23 - 25, 29, 51, and 53"

1

2 Page 34, line 20:

3 Delete "25, 27, and 33 - 35"

4 Insert "26, 28, and 34 - 36"

5

6 Page 34, line 21:

7 Delete "29 - 31"

8 Insert "30 - 32"

9

10 Page 34, line 23:

11 Delete "Sections 37, 40, 43, and 46"

12 Insert "Sections 38, 41, 44, and 47"

13

14 Page 34, line 24:

15 Delete "secs. 54 - 58"

16 Insert "secs. 55 - 59"

Adopted

#9

AMENDMENT

By Rep. Gara and
Guttenberg

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

1 Page 7, following line 23:

2 Insert a new bill section to read:

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

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

11 (b) The department shall establish by regulation procedures for the application
12 for and expenditure of grant funds under (a) of this section.

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

19

20 Renumber the following bill sections accordingly.

21

22 Page 14, line 23:

23 Delete "sec. 18"

- 1 Insert "sec. 19"
- 2
- 3 Page 14, line 26:
- 4 Delete "secs. 18 and 19"
- 5 Insert "secs. 19 and 20"
- 6
- 7 Page 33, line 29:
- 8 Delete "Sections 22 - 24"
- 9 Insert "Sections 23 - 25"
- 10
- 11 Page 33, lines 30 - 31:
- 12 Delete "secs. 22 - 24"
- 13 Insert "secs. 23 - 25"
- 14
- 15 Page 34, line 18:
- 16 Delete "Sections 22 - 24, 28, 50, and 52"
- 17 Insert "Sections 23 - 25, 29, 51, and 53"
- 18
- 19 Page 34, line 20:
- 20 Delete "Sections 16, 25, 27, and 33 - 35"
- 21 Insert "Sections 17, 26, 28, and 34 - 36"
- 22
- 23 Page 34, line 21:
- 24 Delete "19, and 29 - 31"
- 25 Insert "20, and 30 - 32"
- 26
- 27 Page 34, line 22:
- 28 Delete "Section 20"
- 29 Insert "Section 21"
- 30
- 31 Page 34, line 23:

1 Delete "Sections 37, 40, 43, and 46"

2 Insert "Sections 38, 41, 44, and 47"

3

4 Page 34, line 24:

5 Delete "secs. 54 - 58"

6 Insert "secs. 55 - 59"

AMENDMENT #11

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA *and*
Guttenberg

TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, line 21, following "\$5,865":

2 Insert "plus, in a school district where the student-to-teacher ratio has increased
3 by more than half a student between the academic year ending in 2012 and the academic
4 year ending in 2014, \$50"

5

6 Page 14, line 25, following "[\$5,865]":

7 Insert "plus, in a school district where the student-to-teacher ratio has increased by
8 more than half a student between the academic year ending in 2012 and the academic year
9 ending in 2014, \$50"

10

11 Page 14, line 28, following "[\$5,923]":

12 Insert "plus, in a school district where the student-to-teacher ratio has increased by
13 more than half a student between the academic year ending in 2012 and the academic year
14 ending in 2014, \$50"

AMENDMENT # 10

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA *and*
Guttenberg

TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, line 21:

2 Delete "\$5,865"

3 Insert "\$6,084"

4

5 Page 14, lines 24 - 25:

6 Delete "\$5,923 [\$5,865]"

7 Insert "\$6,334 [\$6,084]"

8

9 Page 14, lines 27 - 28:

10 Delete "\$5,981 [\$5,923]"

11 Insert "\$6,584 [\$6,334]"

12

13 Page 14, following line 28:

14 Insert new bill sections to read:

15 **** Sec. 21.** AS 14.17.470 is amended to read:

16 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,184
17 [\$5,680].

18 *** Sec. 22.** AS 14.17.470, as amended by sec. 21 of this Act, is amended to read:

19 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,434
20 [\$6,184].

21 *** Sec. 23.** AS 14.17.470, as amended by secs. 21 and 22 of this Act, is amended to read:

22 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,684
23 [\$6,434]."

1

2 Renumber the following bill sections accordingly.

3

4 Page 33, line 29:

5 Delete "Sections 22 - 24"

6 Insert "Sections 25 - 27"

7

8 Page 33, lines 30 - 31:

9 Delete "secs. 22 - 24"

10 Insert "secs. 25 - 27"

11

12 Page 34, following line 17:

13 Insert a new bill section to read:

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

16 CONTINGENT EFFECT. (a) Sections 18 - 20 of this Act take effect only if the
17 Twenty-Eighth Alaska State Legislature passes an appropriation bill that becomes law that
18 appropriates at least \$25,000,000 to the Department of Education and Early Development for
19 funding public education as state aid to districts according to the average daily membership
20 for each district adjusted under AS 14.17.410(b)(1), in addition to K-12 support provided
21 under the foundation program.

22 (b) Sections 21 - 23 of this Act take effect only if the Twenty-Eighth Alaska State
23 Legislature fails to pass an appropriation bill that becomes law that appropriates at least
24 \$25,000,000 to the Department of Education and Early Development for funding public
25 education as state aid to districts according to the average daily membership for each district
26 adjusted under AS 14.17.410(b)(1), in addition to K-12 support provided under the foundation
27 program.

28

29 Renumber the following bill sections accordingly.

30

31 Page 34, line 18:

1 Delete "Sections 22 - 24, 28, 50, and 52"

2 Insert "Sections 25 - 27, 31, 53, and 55"

3

4 Page 34, line 20:

5 Delete "25, 27, and 33 - 35"

6 Insert "28, 30, and 36 - 38"

7

8 Page 34, line 21:

9 Delete "19, and 29 - 31"

10 Insert "and 32 - 34"

11

12 Page 34, line 22:

13 Delete all material.

14

15 Renumber the following bill sections accordingly.

16

17 Page 34, line 23:

18 Delete "Sections 37, 40, 43, and 46"

19 Insert "Sections 40, 43, 46, and 49"

20

21 Page 34, following line 23:

22 Insert new bill sections to read:

23 **"* Sec. 62.** If sec. 18 of this Act takes effect, it takes effect July 1, 2014.

24 *** Sec. 63.** If sec. 19 of this Act takes effect, it takes effect July 1, 2015.

25 *** Sec. 64.** If sec. 20 of this Act takes effect, it takes effect July 1, 2016.

26 *** Sec. 65.** If sec. 21 of this Act takes effect, it takes effect July 1, 2014.

27 *** Sec. 66.** If sec. 22 of this Act takes effect, it takes effect July 1, 2015.

28 *** Sec. 67.** If sec. 23 of this Act takes effect, it takes effect July 1, 2016."

29

30 Renumber the following bill section accordingly.

31

1 Page 34, line 24:

2 Delete "secs. 54 - 58"

3 Insert "secs. 58 - 67"

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 15 + 17

MEMBER	Favor	Oppose
REP. GUTTENBERG	✓	
REP. HOLMES		✓
REP. MUNOZ	✓	
REP. NEUMAN		✓
REP. THOMPSON	✓	
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON	✓	
REP. GARA	✓	
REP. STOLTZE		✓
REP. AUSTERMAN		

YEA 5
NAY 5

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 5

MEMBER	Favor	Oppose
REP. HOLMES		✓
REP. MUNOZ	✓	
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON	✓	
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. AUSTERMAN		
REP. STOLTZE		✓

YEA 4 NAY 4

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4.12.14

Amendment: 14

MEMBER	Favor	Oppose
REP. GUTTENBERG	✓	
REP. HOLMES	✓	
REP. MUNOZ		✓
REP. NEUMAN		
REP. THOMPSON		
REP. WILSON	✓	
REP. COSTELLO	✓	
REP. EDGMON	✓	
REP. GARA	✓	
REP. STOLTZE		✓
REP. AUSTERMAN		

YEA 6 NAY 2

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 13

MEMBER	Favor	Oppose
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON		✓
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES		✓
REP. MUNOZ		✓
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. AUSTERMAN		
REP. STOLTZE		✓

YEA 2 NAY 8

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 9.2.14

Amendment: 12

MEMBER

Favor

Oppose

REP. COSTELLO		✓
REP. EDGMON		✓
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES		✓
REP. MUNOZ		✓
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. WILSON		✓
REP. AUSTERMAN		
REP. STOLTZE		✓

YEA 2 NAY 8

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 20

MEMBER	Favor	Oppose
REP. EDGMON	✓	
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES	✓	
REP. MUNOZ	✓	
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. WILSON		✓
REP. COSTELLO		✓
REP. STOLTZE		✓
REP. AUSTERMAN		

YEA 5 NAY 5

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 18

MEMBER	Favor	Oppose
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES		✓
REP. MUNOZ		✓
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON		✓
REP. AUSTERMAN		
REP. STOLTZE		✓

YEA 2 NAY 8

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4.2.14

Amendment: 8

MEMBER	Favor	Oppose
REP. MUNOZ		✓
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON		✓
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES		✓
REP. STOLTZE		
REP. AUSTERMAN		

YEA 2 NAY 8

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 9

MEMBER	Favor	Oppose
REP. THOMPSON	✓	
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON	✓	
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES	✓	
REP. MUNOZ	✓	
REP. NEUMAN		✓
		✓
REP. STOLTZE		
REP. AUSTERMAN		

YEA 6 NAY 4

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 11

MEMBER	Favor	Oppose
REP. HOLMES		✓
REP. MUNOZ		✓
REP. NEUMAN		✓
REP. THOMPSON		✓
REP. WILSON		✓
REP. COSTELLO		✓
REP. EDGMON		✓
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. AUSTERMAN		
REP. STOLTZE		✓

YEA 2
NAY 8

2014 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 4/2/14

Amendment: 6

MEMBER

Favor

Oppose

REP. MUNOZ	✓	
REP. NEUMAN	✓	
REP. THOMPSON	✓	
REP. WILSON	✓	
REP. COSTELLO	✓	
REP. EDGMON	✓	
REP. GARA	✓	
REP. GUTTENBERG	✓	
REP. HOLMES	✓	
REP. STOLTZE	✓	
REP. AUSTERMAN		

YEA

NAY

AMENDMENT #1

OFFERED IN THE HOUSE

By: Representative
Stoltze

TO: CSHB 278(FIN), Draft Version "G"

1 Page 19, line 1:

2 Delete "a new subsection"

3 Insert "new subsections"

4

5 Page 19, following line 4:

6 Insert a new subsection to read:

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

AMENDMENT #2

OFFERED IN THE HOUSE

BY REPRESENTATIVE NEUMAN

TO: CSHB 278(FIN), Draft Version "G"

1 Page 18, lines 6 - 31:

2 Delete all material and insert:

3 "* Sec. 29. AS 23.15.835(e) is amended to read:

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

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

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

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

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

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

23 (6) the performance and financial information needed to verify the

1 **performance of the program as specified by the department by regulation**
2 [PERCENTAGE OF FORMER PARTICIPANTS WHO INDICATE SOME LEVEL
3 OF SATISFACTION WITH THE TRAINING RECEIVED UNDER THE
4 PROGRAM; AND
5 (5) PERCENTAGE OF EMPLOYERS WHO INDICATE
6 SATISFACTION WITH THE SERVICES PROVIDED THROUGH THE
7 PROGRAM]."

AMENDMENT #3

OFFERED IN THE HOUSE

BY REPRESENTATIVE TAMMIE WILSON

TO: CSHB 278(FIN), Draft Version "G"

- 1 Page 15, line 30, through page 16, line 16:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 33, line 29:
- 7 Delete "Sections 22 - 24 of this Act apply"
- 8 Insert "Section 22 of this Act applies"
- 9
- 10 Page 33, lines 30 - 31:
- 11 Delete "secs. 22 - 24"
- 12 Insert "sec. 22"
- 13
- 14 Page 34, line 18:
- 15 Delete "Sections 22 - 24, 28, 50, and 52"
- 16 Insert "Sections 22, 26, 48, and 50"
- 17
- 18 Page 34, line 20:
- 19 Delete "25, 27, and 33 - 35"
- 20 Insert "23, 25, and 31 - 33"
- 21
- 22 Page 34, line 21:
- 23 Delete "29 - 31"

- 1 Insert "27 - 29"
- 2
- 3 Page 34, line 23:
- 4 Delete "Sections 37, 40, 43, and 46"
- 5 Insert "Sections 35, 38, 41, and 44"
- 6
- 7 Page 34, line 24:
- 8 Delete "secs. 54 - 58"
- 9 Insert "secs. 52 - 56"

AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE EDGMON

TO: CSHB 278(FIN), Draft Version "G"

1 Page 15, following line 29:

2 Insert a new bill section to read:

3 **** Sec. 23.** AS 14.20.150 is amended by adding a new subsection to read:

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

9

10 Renumber the following bill sections accordingly.

11

12 Page 33, line 29:

13 Delete "Sections 22 - 24"

14 Insert "Sections 22 - 25"

15

16 Page 33, lines 30 - 31:

17 Delete "secs. 22 - 24"

18 Insert "secs. 22 - 25"

19

20 Page 34, line 18:

21 Delete "Sections 22 - 24, 28, 50, and 52"

22 Insert "Sections 22 - 25, 29, 51, and 53"

23

1 Page 34, line 20:

2 Delete "25, 27, and 33 - 35"

3 Insert "26, 28, and 34 - 36"

4

5 Page 34, line 21:

6 Delete "29 - 31"

7 Insert "30 - 32"

8

9 Page 34, line 23:

10 Delete "Sections 37, 40, 43, and 46"

11 Insert "Sections 38, 41, 44, and 47"

12

13 Page 34, line 24:

14 Delete "secs. 54 - 58"

15 Insert "secs. 55 - 59"

AMENDMENT #5

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

BY REPRESENTATIVE GARA and
Guttenberg

- 1 Page 15, line 13, through page 16, line 16:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 33, lines 27 - 31:
- 7 Delete all material.
- 8
- 9 Renumber the following bill sections accordingly.
- 10
- 11 Page 34, line 18:
- 12 Delete "Sections 22 - 24, 28, 50, and 52"
- 13 Insert "Sections 25 and 48"
- 14
- 15 Page 34, line 20:
- 16 Delete "25, 27, and 33 - 35"
- 17 Insert "22, 24, and 30 - 32"
- 18
- 19 Page 34, line 21:
- 20 Delete "29 - 31"
- 21 Insert "26 - 28"
- 22
- 23 Page 34, line 23:

- 1 Delete "Sections 37, 40, 43, and 46"
- 2 Insert "Sections 34, 37, 40, and 43"
- 3
- 4 Page 34, line 24:
- 5 Delete "secs. 54 - 58"
- 6 Insert "secs. 50 - 54"

AMENDMENT #6

OFFERED IN THE HOUSE BY REPRESENTATIVE TAMMIE WILSON
TO: CSHB 278(FIN), Draft Version "G"

1 Page 1, line 2, following "education;":

2 Insert "relating to the powers of the Department of Education and Early
3 Development;"

4

5 Page 3, following line 18:

6 Insert a new bill section to read:

7 **** Sec. 3.** AS 14.03.083 is amended by adding a new subsection to read:

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

13

14 Renumber the following bill sections accordingly.

15

16 Page 8, line 8, following "department":

17 Insert "may not spend money on implementing standards that are based on the
18 Common Core State Standards Initiative and"

19

20 Page 14, line 23:

21 Delete "sec. 18"

22 Insert "sec. 19"

23

1 Page 14, line 26:

2 Delete "secs. 18 and 19"

3 Insert "secs. 19 and 20"

4

5 Page 33, line 29:

6 Delete "Sections 22 - 24"

7 Insert "Sections 23 - 25"

8

9 Page 33, lines 30 - 31:

10 Delete "secs. 22 - 24"

11 Insert "secs. 23 - 25"

12

13 Page 34, line 3:

14 Delete "Sections 5 and 6"

15 Insert "Sections 6 and 7"

16

17 Page 34, line 18:

18 Delete "Sections 22 - 24, 28, 50, and 52"

19 Insert "Sections 23 - 25, 29, 51, and 53"

20

21 Page 34, line 20:

22 Delete "Sections 16, 25, 27, and 33 - 35"

23 Insert "Sections 17, 26, 28, and 34 - 36"

24

25 Page 34, line 21:

26 Delete "19, and 29 - 31"

27 Insert "20, and 30 - 32"

28

29 Page 34, line 22:

30 Delete "Section 20"

31 Insert "Section 21"

1

2 Page 34, line 23:

3 Delete "Sections 37, 40, 43, and 46"

4 Insert "Sections 38, 41, 44, and 47"

5

6 Page 34, line 24:

7 Delete "secs. 54 - 58"

8 Insert "secs. 55 - 59"

AMENDMENT #7

OFFERED IN THE HOUSE

BY REPRESENTATIVE EDGMON

TO: CSHB 278(FIN), Draft Version "G"

- 1 Page 14, line 13:
2 Delete "1.62"
3 Insert "1.86 [1.62]"
4
5 Page 14, line 14:
6 Delete "1.49"
7 Insert "1.71 [1.49]"
8
9 Page 14, line 15:
10 Delete "1.27"
11 Insert "1.46 [1.27]"
12
13 Page 14, line 16:
14 Delete "1.08"
15 Insert "1.24 [1.08]"
16
17 Page 14, line 17:
18 Delete "or over [- 400]"
19 Insert "- 400"
20 Delete "0.97"
21 Insert "1.12 [0.97]"
22
23 Page 14, line 18:

- 1 Delete "["
- 2 Delete "0.92"
- 3 Insert "1.06 [0.92]"
- 4
- 5 Page 14, line 19:
- 6 Delete "OR OVER"
- 7 Insert "or over"
- 8 Delete "0.84"
- 9 Insert "0.97 [0.84]"
- 10 Delete "]"

AMENDMENT

#8

By Rep. Gara and
Guttenberg

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, following line 28:

2 Insert a new bill section to read:

3 **** Sec. 21.** AS 14.17 is amended by adding a new section to read:

4 **Sec. 14.17.475. Charter school facility cost adjustment.** In addition to other
5 money available under AS 14.03.260(a), if a charter school operates in a facility that
6 requires a lease payment, the department shall pay to a charter school established
7 under AS 14.03.250 a facility cost adjustment in the amount of 10 percent of the base
8 student allocation under AS 14.17.470, multiplied by the number of students enrolled
9 in the charter school."

10

11 Renumber the following bill sections accordingly.

12

13 Page 33, line 29:

14 Delete "Sections 22 - 24"

15 Insert "Sections 23 - 25"

16

17 Page 33, lines 30 - 31:

18 Delete "secs. 22 - 24"

19 Insert "secs. 23 - 25"

20

21 Page 34, line 18:

22 Delete "Sections 22 - 24, 28, 50, and 52"

23 Insert "Sections 23 - 25, 29, 51, and 53"

- 1
- 2 Page 34, line 20:
 - 3 Delete "25, 27, and 33 - 35"
 - 4 Insert "26, 28, and 34 - 36"
 - 5
- 6 Page 34, line 21:
 - 7 Delete "29 - 31"
 - 8 Insert "30 - 32"
 - 9
- 10 Page 34, line 23:
 - 11 Delete "Sections 37, 40, 43, and 46"
 - 12 Insert "Sections 38, 41, 44, and 47"
 - 13
- 14 Page 34, line 24:
 - 15 Delete "secs. 54 - 58"
 - 16 Insert "secs. 55 - 59"

#9

AMENDMENT

By Rep. Gara and
Guttenberg

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

1 Page 7, following line 23:

2 Insert a new bill section to read:

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

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

11 (b) The department shall establish by regulation procedures for the application
12 for and expenditure of grant funds under (a) of this section.

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

19

20 Renumber the following bill sections accordingly.

21

22 Page 14, line 23:

23 Delete "sec. 18"

- 1 Insert "sec. 19"
- 2
- 3 Page 14, line 26:
- 4 Delete "secs. 18 and 19"
- 5 Insert "secs. 19 and 20"
- 6
- 7 Page 33, line 29:
- 8 Delete "Sections 22 - 24"
- 9 Insert "Sections 23 - 25"
- 10
- 11 Page 33, lines 30 - 31:
- 12 Delete "secs. 22 - 24"
- 13 Insert "secs. 23 - 25"
- 14
- 15 Page 34, line 18:
- 16 Delete "Sections 22 - 24, 28, 50, and 52"
- 17 Insert "Sections 23 - 25, 29, 51, and 53"
- 18
- 19 Page 34, line 20:
- 20 Delete "Sections 16, 25, 27, and 33 - 35"
- 21 Insert "Sections 17, 26, 28, and 34 - 36"
- 22
- 23 Page 34, line 21:
- 24 Delete "19, and 29 - 31"
- 25 Insert "20, and 30 - 32"
- 26
- 27 Page 34, line 22:
- 28 Delete "Section 20"
- 29 Insert "Section 21"
- 30
- 31 Page 34, line 23:

1 Delete "Sections 37, 40, 43, and 46"

2 Insert "Sections 38, 41, 44, and 47"

3

4 Page 34, line 24:

5 Delete "secs. 54 - 58"

6 Insert "secs. 55 - 59"

AMENDMENT # 10

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA and
Guttenberg

TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, line 21:

2 Delete "\$5,865"

3 Insert "\$6,084"

4

5 Page 14, lines 24 - 25:

6 Delete "\$5,923 [\$5,865]"

7 Insert "\$6,334 [\$6,084]"

8

9 Page 14, lines 27 - 28:

10 Delete "\$5,981 [\$5,923]"

11 Insert "\$6,584 [\$6,334]"

12

13 Page 14, following line 28:

14 Insert new bill sections to read:

15 "* **Sec. 21.** AS 14.17.470 is amended to read:

16 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,184
17 [\$5,680].

18 * **Sec. 22.** AS 14.17.470, as amended by sec. 21 of this Act, is amended to read:

19 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,434
20 [\$6,184].

21 * **Sec. 23.** AS 14.17.470, as amended by secs. 21 and 22 of this Act, is amended to read:

22 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$6,684
23 [\$6,434]."

1

2 Renumber the following bill sections accordingly.

3

4 Page 33, line 29:

5 Delete "Sections 22 - 24"

6 Insert "Sections 25 - 27"

7

8 Page 33, lines 30 - 31:

9 Delete "secs. 22 - 24"

10 Insert "secs. 25 - 27"

11

12 Page 34, following line 17:

13 Insert a new bill section to read:

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

16 CONTINGENT EFFECT. (a) Sections 18 - 20 of this Act take effect only if the
17 Twenty-Eighth Alaska State Legislature passes an appropriation bill that becomes law that
18 appropriates at least \$25,000,000 to the Department of Education and Early Development for
19 funding public education as state aid to districts according to the average daily membership
20 for each district adjusted under AS 14.17.410(b)(1), in addition to K-12 support provided
21 under the foundation program.

22 (b) Sections 21 - 23 of this Act take effect only if the Twenty-Eighth Alaska State
23 Legislature fails to pass an appropriation bill that becomes law that appropriates at least
24 \$25,000,000 to the Department of Education and Early Development for funding public
25 education as state aid to districts according to the average daily membership for each district
26 adjusted under AS 14.17.410(b)(1), in addition to K-12 support provided under the foundation
27 program.

28

29 Renumber the following bill sections accordingly.

30

31 Page 34, line 18:

1 Delete "Sections 22 - 24, 28, 50, and 52"

2 Insert "Sections 25 - 27, 31, 53, and 55"

3

4 Page 34, line 20:

5 Delete "25, 27, and 33 - 35"

6 Insert "28, 30, and 36 - 38"

7

8 Page 34, line 21:

9 Delete "19, and 29 - 31"

10 Insert "and 32 - 34"

11

12 Page 34, line 22:

13 Delete all material.

14

15 Renumber the following bill sections accordingly.

16

17 Page 34, line 23:

18 Delete "Sections 37, 40, 43, and 46"

19 Insert "Sections 40, 43, 46, and 49"

20

21 Page 34, following line 23:

22 Insert new bill sections to read:

23 **"* Sec. 62.** If sec. 18 of this Act takes effect, it takes effect July 1, 2014.

24 *** Sec. 63.** If sec. 19 of this Act takes effect, it takes effect July 1, 2015.

25 *** Sec. 64.** If sec. 20 of this Act takes effect, it takes effect July 1, 2016.

26 *** Sec. 65.** If sec. 21 of this Act takes effect, it takes effect July 1, 2014.

27 *** Sec. 66.** If sec. 22 of this Act takes effect, it takes effect July 1, 2015.

28 *** Sec. 67.** If sec. 23 of this Act takes effect, it takes effect July 1, 2016."

29

30 Renumber the following bill section accordingly.

31

- 1 Page 34, line 24:
- 2 Delete "secs. 54 - 58"
- 3 Insert "secs. 58 - 67"

AMENDMENT #11

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA *and*
Guttenberg

TO: CSHB 278(FIN), Draft Version "G"

1 Page 14, line 21, following "\$5,865":

2 Insert "plus, in a school district where the student-to-teacher ratio has increased
3 by more than half a student between the academic year ending in 2012 and the academic
4 year ending in 2014, \$50"

5

6 Page 14, line 25, following "[\$5,865]":

7 Insert "plus, in a school district where the student-to-teacher ratio has increased by
8 more than half a student between the academic year ending in 2012 and the academic year
9 ending in 2014, \$50"

10

11 Page 14, line 28, following "[\$5,923]":

12 Insert "plus, in a school district where the student-to-teacher ratio has increased by
13 more than half a student between the academic year ending in 2012 and the academic year
14 ending in 2014, \$50"

AMENDMENT

#12

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

BY REPRESENTATIVE GARA and
Guttenberg

- 1 Page 22, line 27:
2 Delete "or private nonprofit"
3
4 Page 23, line 3:
5 Delete "or private nonprofit"
6
7 Page 24, line 11:
8 Delete "or private nonprofit"
9
10 Page 25, line 20:
11 Delete "or private nonprofit"
12
13 Page 25, line 27:
14 Delete "or private nonprofit"
15
16 Page 27, line 4:
17 Delete "or private nonprofit"
18
19 Page 28, line 13:
20 Delete "or private nonprofit"
21
22 Page 28, line 20:
23 Delete "or private nonprofit"

1

2 Page 29, line 28:

3 Delete "or private nonprofit"

4

5 Page 31, line 7:

6 Delete "or private nonprofit"

7

8 Page 31, line 14:

9 Delete "or private nonprofit"

10

11 Page 32, line 23:

12 Delete "or private nonprofit"

AMENDMENT

13

OFFERED IN THE HOUSE FINANCE COMMITTEE
TO: CSHB 278(FIN)

BY REPRESENTATIVES GARA
AND GUTTENBERG

- 1 Page 34, lines 14-17:
- 2 Delete all material

AMENDMENT #14

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA and
Guttenberg

TO: CSHB 278(FIN), Draft Version "G"

1 Page 1, line 2, following "education;":

2 Insert "relating to the exemption from jury service for certain teachers;"

3

4 Page 2, following line 6:

5 Insert a new bill section to read:

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

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

14

15 Page 2, line 7:

16 Delete "Section 1"

17 Insert "Sec. 2"

18

19 Renumber the following bill sections accordingly.

20

21 Page 14, line 23:

22 Delete "sec. 18"

23 Insert "sec. 19"

1

2 Page 14, line 26:

3 Delete "secs. 18 and 19"

4 Insert "secs. 19 and 20"

5

6 Page 33, line 29:

7 Delete "Sections 22 - 24"

8 Insert "Sections 23 - 25"

9

10 Page 33, lines 30 - 31:

11 Delete "secs. 22 - 24"

12 Insert "secs. 23 - 25"

13

14 Page 34, line 3

15 Delete "Sections 5 and 6"

16 Insert "Sections 6 and 7"

17

18 Page 34, line 18:

19 Delete "Sections 22 - 24, 28, 50, and 52"

20 Insert "Sections 23 - 25, 29, 51, and 53"

21

22 Page 34, line 20:

23 Delete "Sections 16, 25, 27, and 33 - 35"

24 Insert "Sections 17, 26, 28, and 34 - 36"

25

26 Page 34, line 21:

27 Delete "Sections 1, 19, and 29 - 31"

28 Insert "Sections 2, 20, and 30 - 32"

29

30 Page 34, line 22:

31 Delete "Section 20"

- 1 Insert "Section 21"
- 2
- 3 Page 34, line 23:
- 4 Delete "Sections 37, 40, 43, and 46"
- 5 Insert "Sections 38, 41, 44, and 47"
- 6
- 7 Page 34, line 24:
- 8 Delete "secs. 54 - 58"
- 9 Insert "secs. 55 - 59"

AMENDMENT #15

OFFERED IN THE HOUSE

BY REPRESENTATIVES MUÑOZ,

TO: CSHB 278(FIN), Draft Version "G"

EDGMON

1 Page 1, line 10, through page 2, line 1:

2 Delete "relating to the local contribution to public education funding; relating to
3 the withholding of state aid to public education for teacher retirement contributions;
4 relating to the teachers' defined benefit retirement plan; establishing the teachers'
5 pension reserve fund;"

6

7 Page 11, line 21, through page 14, line 3:

8 Delete all material.

9

10 Renumber the following bill sections accordingly.

11

12 Page 14, line 23:

13 Delete "sec. 18"

14 Insert "sec. 16"

15

16 Page 14, line 26:

17 Delete "secs. 18 and 19"

18 Insert "secs. 16 and 17"

19

20 Page 16, line 17, through page 17, line 19:

21 Delete all material.

22

23 Renumber the following bill sections accordingly.

1
2
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Page 19, line 17, through page 22, line 19:

Delete all material.

Renumber the following bill sections accordingly.

Page 33, line 29:

Delete "Sections 22 - 24"

Insert "Sections 20 - 22"

Page 33, lines 30 - 31:

Delete "secs. 22 - 24"

Insert "secs. 20 - 22"

Page 34, line 18:

Delete "Sections 22 - 24, 28, 50, and 52"

Insert "Sections 20 - 23, 42, and 44"

Page 34, line 20:

Delete all material.

Renumber the following bill sections accordingly.

Page 34, line 21:

Delete "19, and 29 - 31"

Insert "17, and 24 - 26"

Page 34, line 22:

Delete "Section 20"

Insert "Section 18"

1 Page 34, line 23:

2 Delete "Sections 37, 40, 43, and 46"

3 Insert "Sections 29, 32, 35, and 38"

4

5 Page 34, line 24:

6 Delete "secs. 54 - 58"

7 Insert "secs. 46 - 49"

AMENDMENT

#16

OFFERED IN THE HOUSE

TO: CSHB 278(FIN), Draft Version "G"

*By Representatives
Stoltze and
Austerman*

- 1 Page 34, line 20:
- 2 Delete "Sections 16, 25, 27, and 33 - 35"
- 3 Insert "AS 14.17.410(b)(1), as amended by sec. 16 of this Act, and secs. 25 and 33 -
- 4 35"

AMENDMENT #17

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 278(FIN), Draft Version "G"

1 Page 1, line 10, through page 2, line 1:

2 Delete "relating to the local contribution to public education funding; relating to
3 the withholding of state aid to public education for teacher retirement contributions;
4 relating to the teachers' defined benefit retirement plan; establishing the teachers'
5 pension reserve fund;"

6

7 Page 11, line 21, through page 14, line 3:

8 Delete all material.

9

10 Renumber the following bill sections accordingly.

11

12 Page 14, line 23:

13 Delete "sec. 18"

14 Insert "sec. 16"

15

16 Page 14, line 26:

17 Delete "secs. 18 and 19"

18 Insert "secs. 16 and 17"

19

20 Page 16, line 17, through page 17, line 19:

21 Delete all material.

22

23 Renumber the following bill sections accordingly.

- 1
- 2 Page 19, line 17, through page 22, line 19:
- 3 Delete all material.
- 4
- 5 Renumber the following bill sections accordingly.
- 6
- 7 Page 33, line 29:
- 8 Delete "Sections 22 - 24"
- 9 Insert "Sections 20 - 22"
- 10
- 11 Page 33, lines 30 - 31:
- 12 Delete "secs. 22 - 24"
- 13 Insert "secs. 20 - 22"
- 14
- 15 Page 34, line 18:
- 16 Delete "Sections 22 - 24, 28, 50, and 52"
- 17 Insert "Sections 20 - 23, 42, and 44"
- 18
- 19 Page 34, line 20:
- 20 Delete all material.
- 21
- 22 Renumber the following bill sections accordingly.
- 23
- 24 Page 34, line 21:
- 25 Delete "19, and 29 - 31"
- 26 Insert "17, and 24 - 26"
- 27
- 28 Page 34, line 22:
- 29 Delete "Section 20"
- 30 Insert "Section 18"
- 31

1 Page 34, line 23:

2 Delete "Sections 37, 40, 43, and 46"

3 Insert "Sections 29, 32, 35, and 38"

4

5 Page 34, line 24:

6 Delete "secs. 54 - 58"

7 Insert "secs. 46 - 49"

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-EED-SDR-3-14-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance Committee

Department: Debt Service
Appropriation: Debt Service
Allocation: School Debt Reimbursement
OMB Component Number: 153

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services	***		***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	***	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	***	0.0	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version

Prepared By:	Elizabeth Nudelman, Director	Phone:	(907)465-8679
Division:	School Finance and Facilities	Date:	03/14/2014 05:30 PM
Approved By:	Mike Hanley	Date:	03/14/14
Agency:	Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB278

Analysis

This legislation amends the school debt reimbursement program at AS 14.11.100 by adding a subsection (18).

This new subsection will authorize the department to reimburse 70% for the retirement of principle and interest on bonds issued for charter school construction, additions , or major rehabilitation projects. The bonds will require municipal voter approval.

The new language allows for 70% reimbursement for charter schools regardless of the school's qualification for the space standards. Currently a charter school that does not qualify for space in an attendance area would be eligible for reimbursement at 60%.

The legislation applies to indebtedness that has been authorized by the local voters after July 1, 2014 but before December 31, 2017.

The fiscal impact of this legislation cannot be determined at this time as it is unclear how many charter schools would seek to use this debt program, and how many municipalities would approve and advance to voters a bond debt proposition.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-EED-SSA-3-14-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance Committee

Department: Department of Education and Early Development
Appropriation: Teaching and Learning Support
Allocation: Student and School Achievement
OMB Component Number: 2796

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	(1,358.0)	2,759.4	(2,749.4)	(2,749.4)	(2,749.4)	(2,759.4)	(2,759.4)	
Commodities								
Capital Outlay								
Grants & Benefits		434.5	434.5	434.5	434.5	434.5	434.5	434.5
Miscellaneous								
Total Operating	(1,358.0)	3,193.9	(2,314.9)	(2,314.9)	(2,314.9)	(2,324.9)	(2,324.9)	

Fund Source (Operating Only)

1004 Gen Fund	(1,358.0)	3,193.9	(2,314.9)	(2,314.9)	(2,314.9)	(2,324.9)	(2,324.9)
Total	(1,358.0)	3,193.9	(2,314.9)	(2,314.9)	(2,314.9)	(2,324.9)	(2,324.9)

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
---------------------------	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 09/30/14

Why this fiscal note differs from previous version:

The CS adds reporting requirements to the DEED annual report on schools, adds the State Board of Education & Early Development to act as a school district when approving a charter school application that has been denied by a local school district, and adds one-year of transition language around the repeal of the secondary school exit exam.

Prepared By:	Paul R .Prussing	Phone:	(907)465-8721
Division:	Deputy Director, Teaching and Learning Support	Date:	03/14/2014 09:30 PM
Approved By:	Mike Hanley	Date:	03/14/14
Agency:	Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB278 (EDC)

Analysis

Military Reporting Requirements (Section 3): Adds additional data requirements regarding military data. AS 14.03.120 (d) (10) The Student Report Manager software system, to gather data reliably, is \$35.0 to modify. Handbook modifications and initial year district technical assistance on new reporting requirement is estimated at \$45.0. Technical assistance for districts with military personnel to establish reliable data gathering methods around these elements for three subsequent years is \$10.0 each year.

HSGQE (Section 38): AS 14.03.075 and AS 14.07.165(5) are repealed. Repeals the High School Graduation Qualifying Exam (HSGQE) , effective September 1, 2014.

Service line detail:

FY 15 Requested	FY15 Requested	FY 15 Governor	FY16-18	FY19-20
HSGQE	(\$1,438.0)	\$2,759.4	(\$2,759.4)	(\$2,759.4)
Military Report: Software and District Info	\$80.0			
Military Report: Data and Reporting			\$10.0	
Services Line	(\$1,358.0)	\$2,759.4	(\$2,749.4)	(\$2,759.4)
TVEP - Grants Line	0	\$434.5	\$434.5	\$434.5
Total Operating	(\$1,358.0)	\$3,193.9	(\$2,314.9)	(\$2,324.9)

Charter School Governance [Section 6 (F)]: Costs associated with this section are indeterminate and not included in the numbers on the front page of the fiscal note as it is unknown how many current charter schools or new charter schools may fall into this option if the local district does not renew or approve an application. As districts provide centralized services to support charter schools at different levels depending on the size of the charter, DEED is offering what types of costs may be associated with running a school district. These costs may include a division director (Range 27A, \$140.0); an Educational Administrator (Range 22 A, \$120.0) to provide oversight of the school(s); two Education Specialists to oversee instructional and special education programs (two range 21 A, at 105.0 each, 210.0); one School Finance Officer II for financial oversight (100.0); one admin assistant for clerical support (75.0); and Administrative Service position charge back for 5 positions (42.5). Additional costs would include centralized services to incorporate charter school staff into the state employment pool. Those costs too would depend on the number of charter schools that would fall under this provision.

TVEP (Section 17): AS 23.15.835(d) is amended.

The legislation continues the Alaska technical and vocational education program (TVEP) through June 30, 2018. The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the Department of Education & Early Development's (DEED) FY2015 budget request and will be revised annually based on the balance of the fund.

This funding is a grant from DEED to the Galena Project Education Vocational Training Center, currently \$434.5.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number 4
(H) Publish Date 1/24/14

Identifier (file name) EED-BHG-01-21-14 Dept. Affected Education & Early Development
Title Education Initiative Appropriation K-12 Support
Allocation Boarding Home Grants
Sponsor Rules by Request of Governor
Requester Governor OMB Component Number 148

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	2,249.5	4,710.8	2,249.5	2,249.5	2,249.5	2,249.5	2,249.5
Miscellaneous							
TOTAL OPERATING	2,249.5	4,710.8	2,249.5	2,249.5	2,249.5	2,249.5	2,249.5

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	2,249.5	4,710.8	2,249.5	2,249.5	2,249.5	2,249.5	2,249.5
1005	GF/Prgm (DGF)							
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		2,249.5	4,710.8	2,249.5	2,249.5	2,249.5	2,249.5	2,249.5

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Elizabeth Nudelman, Director
Division School Finance and Facilities
Approved by Mike Hanley
Division Commissioner

Phone (907) 465-8679
Date/Time 1/13/14 9:45 AM
Date 1/13/2014

FISCAL NOTE ANALYSIS #4

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The legislation adds a new section at AS 14.16.100 that provides for an annual open application period for residential applications. The legislation amends AS 14.16.200 to increase the monthly stipend rates.

The legislation increases the stipend rate from 2x to 3x the stipend rates beginning in FY2015.

The calculations and fiscal note cost estimates respond to the seven currently approved programs. Three of the programs (Galena, Lower Kuskokwim, and Nenana) are funded for FY2014, and the additional four will be funded beginning in FY2015. Future schools that may be approved under the amended law are not included in the fiscal note cost estimate and adding schools, including district-wide and variable-term schools, would cause this annual cost to increase.

The residential program per pupil monthly stipend is paid for nine months, times the rate, times the actual count. Calculating the rate from current to proposed rates for the seven currently approved statewide residential programs increases the cost by \$2,113.1 annually.

<u>Program</u>	<u>Maximum Capacity</u>	<u>Region</u>	<u>Current Rate</u>	<u>Current Total</u>	<u>New Rate</u>	<u>New Total</u>	<u>Increase in State Cost</u>
Anchorage	4	Region II	\$800	\$28,800	\$1,200	\$43,200	\$14,400
Chugach	24	Region II	\$800	\$172,800	\$1,200	\$259,200	\$86,400
Nenana	88	Region III	\$968	\$766,656	\$1,452	\$1,149,984	\$383,328
Lower Kuskokwim	35	Region IV	\$1,006	\$316,890	\$1,509	\$475,335	\$158,445
Galena	210	Region V	\$1,184	\$2,237,760	\$1,776	\$3,356,640	\$1,118,880
Bering Strait	26	Region V	\$1,184	\$277,056	\$1,776	\$415,584	\$138,528
NW Arctic	40	Region V	\$1,184	<u>\$426,240</u>	\$1,776	<u>\$639,360</u>	<u>\$213,120</u>
Totals:				\$4,226,202		\$6,339,303	\$2,113,101

The program also provides for one round trip ticket per student capacity, at the least expensive means, between the student's community of residence and the school if the district expends money for the trip.

Total per pupil monthly stipends per legislation	\$6,339,303
Additional cost of round trip tickets for all seven programs based on FY2015 Budget	\$ 435,081
Add Boarding Home Program (AS 14.07.030)	<u>\$ 185,900</u>
Total program if legislation passes and residential is funded at 3x the boarding stipend:	\$6,960,284
Total appropriation in budget	\$4,710,800
Total funding necessary to fund Residential & Boarding Home :	<u>\$6,960,284</u>
Additional funding necessary to fund residential (fiscal note)	\$2,249,484

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-EED-K12-3-18-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance Committee

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Foundation Program
OMB Component Number: 141

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Adds Charter school 75 average daily membership amendment and includes forward funding in the annual BSA increases.

Prepared By:	Elizabeth Nudelman	Phone:	(907)465-8679
Division:	Director of School Finance	Date:	03/18/2014 04:30 PM
Approved By:	Mike Hanley	Date:	03/18/14
Agency:	Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB278 (EDC)

Analysis

Section 18-20. Amends AS 14.17.470 by increasing the base student allocation (BSA) of \$5,680 for the next three fiscal years.

The BSA annual increases are as follows:

- * FY2015: \$85 to \$5,765 an increase for that year of \$21,063,557.
- * FY2016: \$58 to \$5,823 an increase for that year of \$14,365,810.
- * FY2017: \$58 to \$5,881 an increase for that year of \$14,365,810.

The BSA annual increases and forward funding are as follows:

The FY15 Appropriation Request includes FY15 costs (\$21m +.5m charter school amendment) plus forward funding BSA and charter school increases for FY16 (\$21m+\$14m +.5m charter school amendment) for a fiscal note amount of \$57.5m.

The FY16 appropriation request includes BSA and charter school increases including: \$85 effective FY2015; plus \$58 effective FY2016, and adds the \$58 effective for FY17 to forward fund FY2017. (\$21m+\$14m+\$14m+\$.5million charter school amendment=\$50.3m). Costs remain at FY2017 forwardfunded level of \$50.3 into the future.

The effective dates are July 1, 2014, July 1, 2015, and July 1, 2016, respectively.

The costs presented above include the provision added at Section 17. AS 14.17.450(d) and is amended to provide for Charter schools with a count of at least 75, if the school is in the first three years of operation, or had an average daily membership (ADM) of 75 in the prior year, the school shall be funded for the actual ADM at the school size table for 150 ADM providing a 1.45 multiplier. Currently charter schools under 150 are funded at a lower multiplier.

In the last six years there have been between 0-2 charter schools that would qualify for this requirement; and on average the additional cost is approximately \$250K a charter school. Based on fiscal year (FY) 2015 projections two charter schools are affected for a total dollar amount of \$.5 million. It is anticipated that at least two charter schools will be eligible for this in the out years.

The effective date is September 1, 2014.

These funds are deposited in the public education fund (PEF); a second fiscal note posting the expenditures to the PEF is attached.

Department of Education & Early Development

Prepared 1/21/2014

FN: BSA Increase for FY15 - FY17

BSA INCREASE BY YEAR

School District	BSA INCREASE BY YEAR		
	FY2015	FY2016	FY2017
BSA	\$5,765	\$5,823	\$5,881
	BSA increase of	Yr 2 BSA	Yr 3 BSA
	\$85	increase \$58	increase \$58
Alaska Gateway	\$ 116,325	\$ 79,375	\$ 79,375
Aleutian Region	19,214	13,110	13,110
Aleutians East Borough	82,323	56,173	56,173
Anchorage	6,300,208	4,298,965	4,298,965
Annette Island	64,873	44,267	44,267
Bering Strait	575,532	392,716	392,716
Bristol Bay Borough	34,093	23,263	23,263
Chatham	46,985	32,061	32,061
Chugach	39,687	27,080	27,080
Copper River	97,764	66,710	66,710
Cordova	63,598	43,397	43,397
Craig	76,683	52,324	52,324
Delta/Greely	148,381	101,248	101,248
Denali Borough	100,756	68,752	68,752
Dillingham	107,084	73,069	73,069
Fairbanks N. Star Borough	2,248,654	1,534,375	1,534,375
Galena	299,970	204,685	204,685
Haines Borough	53,073	36,215	36,215
Hoonah	35,820	24,443	24,443
Hydaburg	22,798	15,556	15,556
Iditarod Area	85,013	58,008	58,008
Juneau Borough	744,152	507,775	507,775
Kake	28,708	19,589	19,589
Kashunamiut	80,079	54,641	54,641
Kenai Peninsula Borough	1,460,987	996,909	996,909
Ketchikan Gateway Borough	404,180	275,793	275,793
Klawock	35,531	24,244	24,244
Kodiak Island Borough	442,438	301,900	301,900
Kuspuk	111,876	76,339	76,339
Lake & Peninsula Borough	136,086	92,859	92,859
Lower Kuskokwim	1,096,227	748,013	748,013
Lower Yukon	587,673	401,000	401,000
Mat-Su Borough	2,532,518	1,728,072	1,728,072
Nenana	96,096	65,571	65,571
Nome	144,622	98,683	98,683
North Slope Borough	450,425	307,349	307,349
Northwest Arctic Borough	565,387	385,793	385,793
Pelican	13,850	2,479	2,479
Petersburg	96,527	65,865	65,865
Pribilof	29,989	20,464	20,464
Saint Mary's	51,031	34,822	34,822
Sitka Borough	250,214	170,734	170,734
Skagway	17,581	11,996	11,996
Southeast Island	83,301	56,841	56,841
Southwest Region	191,356	130,573	130,573
Tanana	17,280	11,791	11,791
Unalaska	88,830	60,613	60,613
Valdez	114,824	78,350	78,350
Wrangell	55,481	37,858	37,858
Yakutat	23,831	16,262	16,262
Yukon Flats	112,706	76,906	76,906
Yukon/Koyukuk	190,659	130,097	130,097
Yupit	131,933	90,026	90,026
Mt. Edgecumbe High School	58,345	39,811	39,811
TOTAL	\$ 21,063,557	\$ 14,365,810	\$ 14,365,810

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-UA-SYSBRA-3-14-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: University of Alaska
Appropriation: University of Alaska
Allocation: Budget Reductions/Additions - Systemwide
OMB Component Number: 1296

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	(325.9)	5,431.8	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	(325.9)	5,431.8	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9

Fund Source (Operating Only)

1151 VoTech Ed	(325.9)	5,431.8	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9
Total	(325.9)	5,431.8	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9	5,105.9

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for CS

Prepared By: <u>Michelle Rizk</u>	Phone: <u>(907)450-8187</u>
Division: <u>University of Alaska</u>	Date: <u>03/14/2014 02:00 PM</u>
Approved By: <u>Michelle Rizk</u>	Date: <u>03/14/14</u>
Agency: <u>University of Alaska</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CS HB278 (EDC)

Analysis

The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014. CS House Bill 278 extends the current Technical and Vocational Education program (TVEP) through June 30, 2024. Out-year cost estimates are based on the CS and will be revised on an annual basis based on the balance of the fund.

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the key source of funds for that purpose. The UA System office of Workforce Programs works with representatives from the UA campuses and the Alaska Workforce Investment Board to identify state priority industry sectors and high-demand jobs, including regional priorities for occupational training programs. The campuses submit proposals based on the identified needs, and funding is distributed to the highest priority programs.

This CS reduces the total University of Alaska TVEP percentage from 45% University of Alaska and 5% University of Alaska Southeast (50% total) to 42% University of Alaska and 5% University of Alaska Southeast (47% total).

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-DOLWD-CO-03-14-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Labor and Workforce Development
Appropriation: Commissioner and Administrative Services
Allocation: Commissioner's Office
OMB Component Number: 340

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services		509.1	509.1	509.1	509.1	509.1	509.1	509.1
Travel								
Services		26.8	26.8	26.8	26.8	26.8	26.8	26.8
Commodities								
Capital Outlay								
Grants & Benefits	325.9	4,997.2	5,323.1	5,323.1	5,323.1	5,323.1	5,323.1	5,323.1
Miscellaneous								
Total Operating	325.9	5,533.1	5,859.0	5,859.0	5,859.0	5,859.0	5,859.0	5,859.0

Fund Source (Operating Only)

1151 VoTech Ed	325.9	5,533.1	5,859.0	5,859.0	5,859.0	5,859.0	5,859.0	5,859.0
Total	325.9	5,533.1	5,859.0	5,859.0	5,859.0	5,859.0	5,859.0	5,859.0

Positions

Full-time		5.0	5.0	5.0	5.0	5.0	5.0
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

Changed to reflect the addition of the Southern Southeast Technical Education Center to the Technical and Vocational Education Program allocation (AS 23.15.835(d)).

Prepared By: Paloma Harbour, Director	Phone: (907)465-5984
Division: Administrative Services	Date: 03/14/2014 10:00 AM
Approved By: Dianne Blumer, Commissioner	Date: 03/14/14
Agency: Office of the Commissioner	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

This proposed legislation changes the current Technical and Vocational Education Program (TVEP) allocation with a sunset of June 30, 2024. Currently, the allocation expires June 30, 2014.

Out-year cost estimates are based on the FY2015 TVEP fund balance level.

The grants line authorization represents the legislation's direct allocations that pass through the department to the Alaska Technical Center in Kotzebue; Alaska Vocational Technical Center; Northwestern Alaska Career and Technical Center; Southwest Alaska Vocational and Education Center; Yuut Elitnaurviat, Inc. People's Learning Center; Partners for Progress in Delta, Inc.; Amundsen Education Center; and Southern Southeast Technical Education Center.

Personal services and services expenses are related to TVEP grant administration and revenue collection through the unemployment insurance tax system. Expenses related to these activities must be charged to a state fund source as they are related to a state program and are not an allowable federal expense.

Position counts are based on an average personal services cost of approximately \$100.0 per full-time position and rounded to the nearest whole number.

The proposed legislation would also require the department to collect information from all the TVEP recipients to ensure they are meeting statutory requirements and to amend grants accordingly if requirements are not met.

The department already gathers information from TVEP recipients for annual reporting purposes and currently administers the grants to the TVEP recipients so no additional fiscal impact is anticipated.

Department of Labor and Workforce Development

FY2015 Technical and Vocational Education Program (TVEP) Distribution - CSHB 278 (EDC)

Prepared March 14, 2014

Entity*	CSSB 139 Percent	FY2012 Distribution	FY2013 Distribution	FY2014 Distribution	FY2015 Governor's Budget	FY2015 CSSB 139
University of Alaska	42%	4538.3	4904.2	4,842.0	4,888.6	\$ 4,562.7
University of Alaska Southeast	5%	504.3	544.9	538.0	543.2	\$ 543.2
Galena Project Education Vocational Training Center	4%	403.4	435.9	430.4	434.5	\$ 434.5
Kotzebue Technical Center	9%	907.7	980.8	968.4	977.7	\$ 977.7
Alaska Vocational Technical Center	17%	1714.5	1852.7	1,829.2	1,846.8	\$ 1,846.8
Northwestern Alaska Career and Technical Center	3%	302.6	326.9	322.8	325.9	\$ 325.9
Southwest Alaska Vocational and Education Center	3%	302.6	326.9	322.8	325.9	\$ 325.9
Yuut Elitnaurviat, Inc. People's Learning Center	9%	907.7	980.8	968.4	977.7	\$ 977.7
Delta Career Advancement Center	3%	302.6	326.9	322.8	325.9	\$ 325.9
New Frontier Vocational Technical Center	2%	201.7	218	215.2	217.3	\$ 217.3
Southern Southeast Alaska Technical Education Center	3%					\$ 325.9
Total	100%	\$ 10,085.4	\$ 10,898.0	\$ 10,760.0	\$ 10,863.5	\$ 10,863.5

TVEP funds are distributed to institutions based on the allocation outlined in AS 23.15.835(d).

*Entity names are based on what is in statute.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS (EDC)-DOR-TAX-03-14-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) FIN

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect amendments made to the education tax credit portions of the bill by the House Education Committee.

Prepared By: <u>Johanna Bales, Deputy Director</u>	Phone: <u>(907)269-6628</u>
Division: <u>Tax</u>	Date: <u>03/14/2014 03:30 PM</u>
Approved By: <u>Angela M. Rodell, Commissioner</u>	Date: <u>03/14/14</u>
Agency: <u>Department of Revenue</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 278

Analysis

Bill Language:

This bill expands the education credit allowed against corporate income tax, mining license tax, fisheries business tax, and fishery resource landing tax to include contributions made for funding scholarships awarded to dual-credit students for tuition and textbooks; registration, course and program fees; on campus room and board; transportation costs; and other related education and program expenses; for contributions made for the construction, operation, or maintenance of a residential housing facility by a residential school approved by the Department of Education and Early Development; and for contributions made for childhood early learning and development programs provided by a nonprofit corporation, a tribal entity, a school district, the Department of Education and Early Development, or through a state grant.

Revenues:

This bill does not increase or decrease the aggregate amount of total education tax credits allowed against the tax types identified above. It merely identifies three additional types of contributions that can qualify for the credit. It is possible that taxpayers who have not made qualifying contributions and not claimed an education tax credit in the past, may contribute to one or more of these types of entities and claim a credit. However, it is difficult to determine the affect this bill will have on taxpayer behavior and, therefore, it is difficult to determine if this bill will affect revenue from the tax types identified above. It is important to note that the total education tax credit allowed for each entity each year is currently capped at \$5 million across all tax types. This bill does not increase the maximum contribution amount.

Expenditures:

Department of Revenue can implement and administer the provisions of this bill utilizing existing resources.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 278
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB278CS(EDC)-EED-PEF-03-18-14
Title: EDUCATION: FUNDING/TAX
CREDITS/PROGRAMS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance Committee

Department: Fund Transfers
Appropriation: Designated Reserves/Endowments
Allocation: Public Education Fund (AS. 14.17.300)
OMB Component Number: 2929

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	57,460.7		50,279.1	50,279.1	50,279.1	50,279.1	50,279.1
Miscellaneous							
Total Operating	57,460.7	0.0	50,279.1	50,279.1	50,279.1	50,279.1	50,279.1

Fund Source (Operating Only)

1004 Gen Fund	57,460.7		50,279.1	50,279.1	50,279.1	50,279.1	50,279.1
Total	57,460.7	0.0	50,279.1	50,279.1	50,279.1	50,279.1	50,279.1

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Adds Charter school 75 average daily membership amendment and includes forward funding in the annual BSA increases.

Prepared By:	Elizabeth Nudelman	Phone:	(907)465-8679
Division:	Director of School Finance	Date:	03/18/2014 04:30 PM
Approved By:	Mike Hanley	Date:	03/18/14
Agency:	Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB278 (EDC)

Analysis

This fiscal note capitalizes the Public Education Fund (PEF) as set out in CSHB 278. There is a separate fiscal note for the Foundation Program that provides supporting schedules for the increases.

The PEF is capitalized for increases and forward funding of increases as follows:

-The FY15 request includes FY15 costs(\$21m +.5m charter school amendment) plus forwardfunding of BSA and charter school increases for FY16 (\$21m+\$14m +.5m charter school amendment) for a fiscal note amount of \$57.5m.

-The FY16 request includes the BSA and charter increases applicable to forward fund FY2017 costs (\$21m+\$14m+\$14m+\$.5million charter school amendment) for a fiscal note amount of \$50.3m.

Costs remain at FY2017 forwardfunded level of \$50.3 into the future.

The effective dates for the BSA increases are July 1, 2014, July 1, 2015, and July 1, 2016, respectively.

The effective date for the charter language is September 1, 2014.

Summary of Changes – HB 278 from Education version to Finance version (\N to \G)

Provided by the House Finance Committee

April 1, 2014

Title

Title changed **by adding** relating to tenure of public school teachers, relating to schools operated by a federal agency, relating to the school size factor for public school funding, adjusting the calculation of state aid for public school funding, relating to the local contribution to public education funding, relating to the withholding of state aid to public education for teacher retirement contributions, relating to the teachers' defined benefit retirement plan, establishing the teachers' pension reserve fund, establishing an optional municipal tax exemption for privately owned real property rented or leased for use as a charter school, requiring the Department of Administration to provide a proposal for a salary and benefits schedule for school districts, **by removing** relating to the secondary student competency examination and related requirements, relating to school construction bonds, increasing the stipend for boarding school students.

Changes by section: CS for HB 278(FIN), Version \G

Sec. 1

Page 2 lines 10-11 reinserts the Governor's original language specifying which subjects a school district must provide an opportunity to challenge for credit, with the addition of world languages. Still directs school districts to provide additional opportunities to challenge for credit, in other subjects which are "*likely to be or have been the subject of a challenge requested under this section.*"

Sections 2, 3, & 4

Page 2 lines 26-28; page 3 lines 16-18; page 4, lines 2-4 and 10-16; and page 5, lines 3-4 reinsert previously deleted existing statute language related to the HSGQE.

Sec. 5

Page 5, lines 29-30 creates an opportunity for a charter school applicant, upon being denied by the commissioner on appeal, to further appeal within 30 days to the state Board of Education and Early Development.

Page 6, lines 6-8 clarifies that a local school board that denied an application for a charter school which was subsequently approved by the state board on appeal *shall* operate the charter school. Also removes a former subsection stating that the state board would operate a charter school as if the state board were a school district.

Sec. 6

Page 6, lines 18-26 are added regarding charter school application appeals and timelines.

Sec. 7

Page 7, lines 3-5 are amended to clarify that *if the school district requires lease payments by a charter school*, the district *shall* negotiate a lease agreement with the charter school for *an amount that does not exceed* the true operational costs calculated on a square foot basis.

Sec. 8

Page 7, lines 12-14 are added to specify that a local school board shall provide a charter school with a report itemizing the administrative costs retained by the local board.

Sec. 11

Page 8, line 23 through page 9, line 7 inserts a new duty of the Board of Education and Early Development to report to the legislature *recommendations for changes in the method of education spending by the state and school districts that result in improved efficiencies in and administration of public education in the state.*

Section removed relating to school bond reimbursement program.

Section removed relating to boarding school stipends.

Section removed relating to student counts for charter schools.

Sec. 15

Page 11, lines 21-27 have been added, relating to the public education fund and appropriations for the teachers' retirement system.

Sec. 16

Page 11, line 28 through page 14, line 3 has been inserted, relating to unfunded liability and the teacher's retirement cost adjustment.

Page 14, line 1 includes a change in the required local contribution from 45% to 40% of a district's basic need.

Sec. 17

Page 14, lines 4-19 amend the school size factor table located at 14.17.450(a) for purposes of calculating a school's ADM to determine state aid, by removing the top two brackets of 750 and over, and 400 to 750. The result is that the top bracket becomes 250 or over.

Sections 18, 19, & 20

Page 14, lines 20-28 are amended to reflect an increase to the BSA of \$100, in addition to that of the Governor's plan, in the first year.

Sec. 21

Page 14, line 29 through page 15, line 15 has been inserted relating to state aid to school districts and withholding for the purpose of deposit into the teachers' retirement trust fund.

Sections 22, 23, & 24

Page 15, line 13 through page 16, line 16 has been inserted, relating to altering teacher tenure from three years to five, subjecting tenure to review, and regarding loss of tenure rights.

Sections 25, 26, & 27

Page 16, line 17 through page 17, line 19 have been inserted, relating to pension benefits and employer contribution rates, transmitting funds for deposit in the teacher's retirement trust fund, and additional state contributions and the teachers' pension reserve fund.

Sec. 28

Page 17, lines 22 and 27, and page 18 are amended to reflect a 3 year reauthorization of TVEP, and the allocations of TVEP funding present in existing statute.

Sec. 30

Subsection (h) relating to a 20% withholding penalty for failure to comply with new TVEP requirements has been removed.

Sec. 32

The option for a municipality to adopt by ordinance a partial or whole tax exemption for all or a portion of a privately owned real property rented or leased for use as a charter school has been added.

Sections 33, 34, & 35

Relating to the establishment, trusteeship, and management of the teachers' pension reserve fund, and the duties of the Alaska Retirement Management Board, have been inserted.

Sections 36-46

Relating to the income tax education credit, mining business education credit, fisheries business education credit, and fisheries resource landing tax education credit.

There have been three changes to the tax credits, two of which are permanent, and one of which expires in 2021 along with other tax credits.

The first permanent change was to include within existing education tax credits, for specified expenditures, *public or private nonprofit elementary or secondary schools*.

The second permanent change to the education tax credit programs is the removal of language added by the prior committee of referral, relating to early childhood development programs provided by *for-profit corporations*.

The third education tax credit change expires in 2021, and is specific to *science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for k-12 students*.

Sec. 48

AS 14.20.147(b) relating to transfer or absorption of a federal agency school and teachers is repealed.

Sec. 50

Transition language relating to the repeal of the HSGQE has been removed

Applicability language relating to teacher tenure provisions in sections 22-24 has been added.

Sec. 51

The effective date of transition language relating to charter school applications filed with a local school board has been amended from September to July 1, 2014.

Sec. 53

Directs the Department of Administration, no later than January 1, 2016, to present to the legislature a written proposal to implement a salary and benefits schedule for school districts.

Sections 54-59

Reflect the effective dates of various provisions of the act. Notably, the effective date of the act has been changed from September to July 1, 2014.

Topic 7.1.14

28-GH2716\G
Mischel
3/31/14

CS FOR HOUSE BILL NO. 278(FIN)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the base student allocation used in the formula for state funding of**
2 **public education; relating to high school course credit earned through assessment;**
3 **relating to school performance reports; relating to assessments; relating to charter**
4 **schools and student transportation; relating to residential school applications; relating**
5 **to tenure of public school teachers; relating to unemployment contributions for the**
6 **Alaska technical and vocational education program; relating to earning high school**
7 **credit for completion of vocational education courses offered by institutions receiving**
8 **technical and vocational education program funding; relating to schools operated by a**
9 **federal agency; relating to the school size factor for public school funding; adjusting the**
10 **calculation of state aid for public school funding; relating to the local contribution to**
11 **public education funding; relating to the withholding of state aid to public education for**
12 **teacher retirement contributions; relating to the teachers' defined benefit retirement**

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1 **plan; establishing the teachers' pension reserve fund; relating to education tax credits;**
2 **establishing an optional municipal tax exemption for privately owned real property**
3 **rented or leased for use as a charter school; requiring the Department of Administration**
4 **to provide a proposal for a salary and benefits schedule for school districts; making**
5 **conforming amendments; and providing for an effective date."**

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

7 * **Section 1.** AS 14.03 is amended by adding a new section to read:

8 **Sec. 14.03.073. Secondary school course credit.** (a) A school district shall
9 provide the opportunity for students enrolled in a secondary school in the district to
10 challenge a course provided by the district by demonstrating mastery in mathematics,
11 language arts, science, social studies, and world languages at the level of the course
12 challenged. A school district shall give full credit for a course to a student who
13 successfully challenges that course as provided under this section.

14 (b) A school district shall establish, within a reasonable time, an assessment
15 tool and a standard for demonstrating mastery in secondary school courses provided
16 by the district that are likely to be or have been the subject of a challenge requested
17 under this section.

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

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

20 * **Sec. 2.** AS 14.03.078 is amended to read:

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

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

26 (2) the number and percentage of students in each school who pass the
27 examination required under AS 14.03.075, and the number who pass each section of
28 the examination;

29 (3) progress of the department

1 (A) toward implementing the school accountability provisions
2 of AS 14.03.123; and

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

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

7 (5) each school district's and each school's progress in aligning
8 curriculum with state education performance standards;

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

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

14 (8) the number and percentage of turnover in certificated personnel and
15 superintendents;

16 (9) the number of teachers by district and by school who are teaching
17 outside the teacher's area of endorsement but in areas tested by the high school
18 competency examination.

19 * **Sec. 3.** AS 14.03.120(d) is amended to read:

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

26 (1) information on accreditation;

27 (2) results of norm-referenced achievement tests;

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

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

1 (5) a description of the school's attendance, retention, dropout, and
2 graduation rates, including the number and percentage of students who received a
3 diploma under a waiver from the competency examination required under
4 AS 14.03.075(a), as specified by the state board;

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

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

10 (8) the number and percentage of students in each school who take and
11 who successfully complete an alternative assessment program in reading, English, or
12 mathematics; and the number and percentage of pupils in each school who
13 successfully complete the alternative assessment program but who do not reach the
14 state performance standards at the competency exam level in reading, English, or
15 mathematics; a school may not report results under this paragraph unless the school
16 complies with the family educational rights and privacy requirements of 34 C.F.R. 99;

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

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

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

26 * Sec. 4. AS 14.03.123(f) is amended to read:

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

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

31 (2) implement state criteria and priorities for accountability including

1 the use of

2 (A) measures of student performance on standards-based
3 assessments in language arts [READING, WRITING,] and mathematics, and
4 including competency tests required under AS 14.03.075;

5 (B) measures of student improvement; and

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

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

10 * **Sec. 5.** AS 14.03.250 is repealed and reenacted to read:

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

17 (b) A decision of a local school board approving or denying an application for
18 a charter school must be in writing, must be issued within 60 days after the
19 application, and must include all relevant findings of fact and conclusions of law.

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

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

31 (e) If the commissioner approves a charter school application, the

1 commissioner shall forward the application to the state Board of Education and Early
2 Development for review and approval. The application shall be forwarded not later
3 than 30 days after the commissioner issues a written decision. The state Board of
4 Education and Early Development shall exercise independent judgment in evaluating
5 the application.

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

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

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

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

15 (2) approve the charter school application and forward the application
16 to the state Board of Education and Early Development with or without added
17 conditions; or

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

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

28 * **Sec. 7.** AS 14.03.255(d) is amended to read:

29 (d) A school district shall offer to a charter school the right of first refusal
30 for a lease of space [CHARTER SCHOOL MAY BE OPERATED] in an existing
31 school district facility or in a facility within the school district that is not currently

1 being used as a public school, if the chief school administrator determines the facility
 2 meets requirements for health and safety applicable to public buildings or other public
 3 schools in the district. If the school district requires lease payments by a charter
 4 school, the school district shall negotiate a lease agreement with the charter
 5 school for an amount that does not exceed the true operational costs calculated
 6 on a square foot basis for space leased under this subsection.

7 * Sec. 8. AS 14.03.260(a) is amended to read:

8 (a) A local school board shall provide an approved charter school with an
 9 annual program budget. The budget shall be not less than the amount generated by the
 10 students enrolled in the charter school less administrative costs retained by the local
 11 school district, determined by applying the indirect cost rate approved by the
 12 department up to 4 percent. A local school board shall provide a charter school
 13 with a report itemizing the administrative costs retained by the local school
 14 board under this section [DEPARTMENT OF EDUCATION AND EARLY
 15 DEVELOPMENT]. The "amount generated by students enrolled in the charter school"
 16 is to be determined in the same manner as it would be for a student enrolled in another
 17 public school in that school district and includes funds generated by special needs
 18 under AS 14.17.420(a)(1) and secondary school vocational and technical
 19 instruction under AS 14.17.420(a)(3). A school district shall direct state aid under
 20 AS 14.11 for the construction or major maintenance of a charter school facility to
 21 the charter school that generated the state aid, subject to the same terms and
 22 conditions that apply to state aid under AS 14.11 for construction or major
 23 maintenance of a school facility that is not a charter school.

24 * Sec. 9. AS 14.07.020(a)(16) is amended to read:

25 (16) establish by regulation criteria, based on low student performance,
 26 under which the department may intervene in a school district to improve instructional
 27 practices, as described in AS 14.07.030(14) or (15); the regulations must include
 28 (A) a notice provision that alerts the district to the deficiencies
 29 and the instructional practice changes proposed by the department;
 30 (B) an end date for departmental intervention, as described in
 31 AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three

1 consecutive years of improvement consisting of not less than two percent
2 increases in student proficiency on standards-based assessments in language
3 arts and mathematics, [READING, AND WRITING] as provided in
4 AS 14.03.123(f)(2)(A); and

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

7 * **Sec. 10.** AS 14.07.020(b) is amended to read:

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

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

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

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

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

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

23 * **Sec. 11.** AS 14.07.168 is amended to read:

24 **Sec. 14.07.168. Report to the legislature.** Not later than the 30th legislative
25 day of each regular session of the legislature, the board shall prepare and present in
26 person to the legislative committees having jurisdiction over education an annual
27 report that describes the efforts of the board to develop, maintain, and continuously
28 improve a comprehensive quality public education system, as provided for under the
29 bylaws of the board. The report must include

30 (1) a summary of the resolves and rationales provided in support of
31 policy decisions made under AS 14.03.015;

1 (2) program and curriculum changes made, discussed, or
2 recommended in meetings held under AS 14.07.125;

3 (3) additional information relevant to efforts made to improve and
4 maintain the public education system;

5 **(4) recommendations for changes in the method of education**
6 **spending by the state and school districts that result in improved efficiencies in**
7 **and administration of public education in the state.**

8 * **Sec. 12.** AS 14.09.010 is amended by adding new subsections to read:

9 (e) A school district that provides transportation services under this section
10 shall provide transportation services to students attending a charter school operated by
11 the district under a policy adopted by the district. The policy must

12 (1) be developed with input solicited from individuals involved with
13 the charter school, including staff, students, and parents;

14 (2) at a minimum, provide transportation services for students enrolled
15 in the charter school on a space available basis along the regular routes that the
16 students attending schools in an attendance area in the district are transported; and

17 (3) be approved by the department.

18 (f) If a school district fails to adopt a policy under (e) of this section, the
19 school district shall allocate the amount received for each student under (a) of this
20 section to each charter school operated by the district based on the number of students
21 enrolled in the charter school.

22 (g) Nothing in (e) of this section requires a school district to establish
23 dedicated transportation routes for the exclusive use of students enrolled in a charter
24 school or authorizes a charter school to opt out of a policy adopted by a school district
25 for the purpose of acquiring transportation funding.

26 * **Sec. 13.** AS 14.16.050(a) is amended to read:

27 (a) The following provisions apply with respect to the operation and
28 management of a state boarding school as if it were a school district:

29 (1) requirements relating to school district operations:

30 (A) AS 14.03.030 - 14.03.050 (defining the school term, day in
31 session, and school holidays);

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

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

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

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

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

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

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

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

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

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

(C) AS 14.17.500 - 14.17.910 (setting out the procedure for payment of public school funding and imposing general requirements and limits on money paid);

(3) requirements relating to teacher employment and retirement:

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

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

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

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

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

5 (F) AS 14.25 (provisions regarding the teachers' retirement
6 system);

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

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

10 (B) AS 14.30.360 - 14.30.370 (establishing health education
11 program standards);

12 (C) AS 14.30.400 - 14.30.410 (relating to bilingual and
13 bicultural education).

14 * **Sec. 14.** AS 14.16 is amended by adding a new section to article 2 to read:

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

21 * **Sec. 15.** AS 14.17.300(a) is amended to read:

22 (a) The public education fund is established. The fund consists of
23 appropriations for

24 (1) distribution to school districts, to the state boarding school, and for
25 centralized correspondence study under this chapter; [AND]

26 (2) transportation of pupils under AS 14.09.010; **and**

27 **(3) the teachers' retirement system.**

28 * **Sec. 16.** AS 14.17.410(b) is amended to read:

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

31 (1) state aid equals basic need minus a required local contribution and

1 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
2 obtained under (D) of this paragraph, multiplied by the base student allocation set out
3 in AS 14.17.470; district adjusted ADM is calculated as follows:

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

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

8 (C) the ADMs of each school in a district, as adjusted
9 according to (A) and (B) of this paragraph, are added; the sum is then
10 multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the
11 secondary school vocational and technical instruction funding factor set out in
12 AS 14.17.420(a)(3);

13 (D) the number obtained for intensive services under
14 AS 14.17.420(a)(2), [AND] the number obtained for correspondence study
15 under AS 14.17.430, **and the number obtained under (E) of this paragraph,**
16 are added to the number obtained under (C) of this paragraph;

17 (E) **if the commissioner of administration or the**
18 **commissioner's designee under AS 14.25.003 determines that the defined**
19 **benefit plan under AS 14.25.009 - 14.25.220 has an unfunded liability, the**
20 **commissioner shall determine a teachers' retirement cost adjustment**
21 **equal to the annual rate applied under AS 14.25.070(a) for the ensuing**
22 **fiscal year minus 12.56 percent, multiplied by the estimated total of all**
23 **base salaries paid by the employer to active members of the teachers'**
24 **retirement system (AS 14.25) for the ensuing fiscal year, and divided by**
25 **the base student allocation under AS 14.17.470;**

26 (F) notwithstanding (A) - (C) of this paragraph, if a school
27 district's ADM adjusted for school size under (A) of this paragraph decreases
28 by five percent or more from one fiscal year to the next fiscal year, the school
29 district may use the last fiscal year before the decrease as a base fiscal year to
30 offset the decrease, according to the following method:

31 (i) for the first fiscal year after the base fiscal year

1 determined under this subparagraph, the school district's ADM adjusted
2 for school size determined under (A) of this paragraph is calculated as
3 the district's ADM adjusted for school size, plus 75 percent of the
4 difference in the district's ADM adjusted for school size between the
5 base fiscal year and the first fiscal year after the base fiscal year;

6 (ii) for the second fiscal year after the base fiscal year
7 determined under this subparagraph, the school district's ADM adjusted
8 for school size determined under (A) of this paragraph is calculated as
9 the district's ADM adjusted for school size, plus 50 percent of the
10 difference in the district's ADM adjusted for school size between the
11 base fiscal year and the second fiscal year after the base fiscal year;

12 (iii) for the third fiscal year after the base fiscal year
13 determined under this subparagraph, the school district's ADM adjusted
14 for school size determined under (A) of this paragraph is calculated as
15 the district's ADM adjusted for school size, plus 25 percent of the
16 difference in the district's ADM adjusted for school size between the
17 base fiscal year and the third fiscal year after the base fiscal year;

18 (G) [(F)] the method established in (F) [(E)] of this paragraph
19 is available to a school district for the three fiscal years following the base
20 fiscal year determined under (F) [(E)] of this paragraph only if the district's
21 ADM adjusted for school size determined under (A) of this paragraph for each
22 fiscal year is less than the district's ADM adjusted for school size in the base
23 fiscal year;

24 (H) [(G)] the method established in (F) [(E)] of this paragraph
25 does not apply to a decrease in the district's ADM adjusted for school size
26 resulting from a loss of enrollment that occurs as a result of a boundary change
27 under AS 29;

28 (2) the required local contribution of a city or borough school district is
29 the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and
30 personal property in the district as of January 1 of the second preceding fiscal year, as
31 determined by the Department of Commerce, Community, and Economic

1 Development under AS 14.17.510 and AS 29.45.110, not to exceed 40 [45] percent of
2 a district's basic need for the preceding fiscal year as determined under (1) of this
3 subsection.

4 * **Sec. 17.** AS 14.17.450(a) is amended to read:

5 (a) For purposes of calculating a school's ADM to determine state aid, the
6 ADM of each school in a district shall be computed by applying the following
7 formula:

If the student count		The adjusted student count is			The number of		
in a school is					students in		
At least	But less than	Base	Multiplier			excess of	
10	- 20	39.6					
20	- 30	39.6	+	(1.62	x	20)	
30	- 75	55.8	+	(1.49	x	30)	
75	- 150	122.85	+	(1.27	x	75)	
150	- 250	218.1	+	(1.08	x	150)	
250 <u>or over</u>	[- 400]	326.1	+	(0.97	x	250)	
[400	- 750	471.6	+	(0.92	x	400)	
750 OR OVER		793.6	+	(0.84	x	750)].	

19 * **Sec. 18.** AS 14.17.470 is amended to read:

20 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,865
21 [\$5,680].

22 * **Sec. 19.** AS 14.17.470, as amended by sec. 18 of this Act, is amended to read:

23 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,923
24 [\$5,865].

25 * **Sec. 20.** AS 14.17.470, as amended by secs. 18 and 19 of this Act, is amended to read:

26 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,981
27 [\$5,923].

28 * **Sec. 21.** AS 14.17.610 is amended by adding a new subsection to read:

29 (d) Notwithstanding the distribution required under (a) and (b) of this section,
30 the department may withhold from a school district an amount of state aid calculated
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1 under AS 14.17.410(b)(1) for the school district that is equivalent to the projected
2 annual employer contribution to the teachers' retirement system calculated under
3 AS 14.25.070(a), including the amount added as a result of the teachers' retirement
4 cost adjustment under AS 14.17.410(b)(1)(E). If the department withholds state aid
5 under this subsection, the department shall

6 (1) on July 1, or as soon after July 1 as funds become available,
7 transmit the withheld funds to the teachers' retirement system for deposit into the
8 teachers' retirement trust fund; and

9 (2) in the last month of the fiscal year in which the funds were
10 withheld, distribute the balance of funds as necessary to make up the difference
11 between the amount withheld and the total annual amount owed under
12 AS 14.25.070(a) for employer contributions by the district.

13 * **Sec. 22.** AS 14.20.150(a) is amended to read:

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

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

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

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

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

26 (A) accepts a contract for employment as a teacher in the
27 district for a sixth [FOURTH] consecutive school year; and

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

30 * **Sec. 23.** AS 14.20 is amended by adding a new section to read:

31 **Sec. 14.20.152. Tenure subject to review.** After a teacher acquires or

1 reacquires tenure under AS 14.20.150, the tenure shall be reviewed by the school
2 employing the teacher at the end of each subsequent five-year period of continuous
3 employment. The school district may terminate the tenure if, upon conclusion of the
4 review, the school district finds that during the five-year review period

5 (1) the teacher did not meet the school district's goals for student
6 academic achievement for two of the five years;

7 (2) the teacher's work performance did not improve as required in a
8 plan of improvement provided under AS 14.20.149; or

9 (3) the teacher did not adequately assist the school district with the
10 implementation of a school-wide change made by the school district to the
11 instructional model that is used by a school where the teacher is employed.

12 * **Sec. 24.** AS 14.20.160 is amended to read:

13 **Sec. 14.20.160. Loss of tenure rights.** Tenure rights are lost when the
14 teacher's employment in the district is interrupted or terminated or when tenure is
15 terminated under AS 14.20.152. However, a teacher on layoff status does not lose
16 tenure rights during the period of layoff except as provided under AS 14.20.177.

17 * **Sec. 25.** AS 14.25.070(a) is amended to read:

18 (a) Each employer shall contribute to the system every payroll period an
19 amount calculated by applying [A RATE OF 12.56 PERCENT] to the total of all base
20 salaries paid by the employer to active members of the system an annual rate that is
21 the lesser of

22 (1) 32.56 percent; or

23 (2) a rate calculated by dividing the total pension benefits the
24 administrator expects to be paid from the plan for the ensuing fiscal year minus
25 employee contributions the administrator expects to be made to the plan for the
26 ensuing fiscal year, by the total of all base salaries the employer expects to pay to
27 active members of the system for the ensuing fiscal year [, INCLUDING ANY
28 ADJUSTMENTS TO CONTRIBUTIONS REQUIRED BY AS 14.25.173(a)].

29 * **Sec. 26.** AS 14.25.070 is amended by adding a new subsection to read:

30 (i) Notwithstanding (b) of this section, if the department withholds funds for
31 contribution to the teachers' retirement system under AS 14.17.610(d), the department

1 shall transmit the funds to the administrator for deposit in the teachers' retirement trust
 2 fund. The administrator shall allocate the contributions received from the department
 3 for full payment of employer contributions as provided in (b)(1) and (2) of this
 4 section.

5 * **Sec. 27.** AS 14.25.085 is amended to read:

6 **Sec. 14.25.085. Additional state contributions.** In addition to the
 7 contributions that the state is required to make under AS 14.25.070 as an employer,
 8 the state shall contribute annually to the plan on [EACH] July 1 or, if funds are not
 9 available on July 1, as soon after July 1 as funds become available, an amount for the
 10 ensuing fiscal year that, when combined with the corpus of the plan's trust fund,
 11 money appropriated to the plan for the ensuing fiscal year from the teachers'
 12 pension reserve fund established under AS 37.14.900, the total of contributions
 13 the administrator estimates will be made by members under AS 14.25.050 for the
 14 ensuing fiscal year, and the total employer contributions that the administrator
 15 estimates will be allocated under AS 14.25.070(c) for the ensuing fiscal year, is
 16 sufficient to pay the pension benefits that the administrator estimates will become
 17 payable under the plan for the ensuing [PLAN'S PAST SERVICE LIABILITY AT
 18 THE CONTRIBUTION RATE ADOPTED BY THE BOARD UNDER AS 37.10.220
 19 FOR THAT] fiscal year.

20 * **Sec. 28.** AS 23.15.835(d) is amended to read:

21 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
 22 2009, through June 30, 2017 [2014], the money collected under this section or
 23 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
 24 the Alaska Human Resource Investment Council, shall be allocated directly in the
 25 following percentages to the following institutions for programs consistent with
 26 AS 23.15.820 - 23.15.850 and capital improvements:

27	University of Alaska	45 percent
28	University of Alaska Southeast	5 percent
29	Galena Project Education Vocational Training Center	4 percent
30	Kotzebue Technical Center	9 percent
31	Alaska Vocational Technical Center	17 percent

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

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

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

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

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

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

18 (4) the percentage of former participants who indicate some level of
19 satisfaction with the training received under the program; [AND]

20 (5) the percentage of employers who indicate satisfaction with the
21 services provided through the program;

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

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

30 (8) the performance and financial information needed to verify the
31 performance of the program as specified by the department by regulation.

1 * **Sec. 30.** AS 23.15.835 is amended by adding a new subsection to read:

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

5 * **Sec. 31.** AS 23.15.850 is amended by adding new paragraphs to read:

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

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

13 * **Sec. 32.** AS 29.45.050 is amended by adding a new subsection to read:

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

17 * **Sec. 33.** AS 37.10.210(a) is amended to read:

18 (a) The Alaska Retirement Management Board is established in the
19 Department of Revenue. The board's primary mission is to serve as the trustee of the
20 assets of the state's retirement systems, the State of Alaska Supplemental Annuity Plan
21 [.] and the deferred compensation program for state employees, **the teachers' pension**
22 **reserve fund under AS 37.14.900**, and the Alaska retiree health care trusts
23 established under AS 39.30.097. Consistent with standards of prudence, the board has
24 the fiduciary obligation to manage and invest these assets in a manner that is sufficient
25 to meet the liabilities and pension obligations of the systems, plan, program, and
26 trusts. The board may, with the approval of the commissioner of revenue and upon
27 agreement with the responsible fiduciary, manage and invest other state funds so long
28 as the activity does not interfere with the board's primary mission. In making
29 investments, the board shall exercise the powers and duties of a fiduciary of a state
30 fund under AS 37.10.071.

31 * **Sec. 34.** AS 37.10.220(a) is amended to read:

- 1 (a) The board shall
- 2 (1) hold regular and special meetings at the call of the chair or of at
- 3 least five members; meetings are open to the public, and the board shall keep a full
- 4 record of all its proceedings;
- 5 (2) after reviewing recommendations from the Department of
- 6 Revenue, adopt investment policies for each of the funds entrusted to the board;
- 7 (3) determine the appropriate investment objectives for the defined
- 8 benefit plans established under the teachers' retirement system under AS 14.25 and the
- 9 public employees' retirement system under AS 39.35;
- 10 (4) assist in prescribing the policies for the proper operation of the
- 11 systems and take other actions necessary to carry out the intent and purpose of the
- 12 systems in accordance with AS 37.10.210 - 37.10.390;
- 13 (5) provide a range of investment options and establish the rules by
- 14 which participants can direct their investments among those options with respect to
- 15 accounts established under
- 16 (A) AS 14.25.340 - 14.25.350 (teachers' retirement system
- 17 defined contribution individual accounts);
- 18 (B) AS 39.30.150 - 39.30.180 (State of Alaska Supplementary
- 19 Annuity Plan);
- 20 (C) AS 39.35.730 - 39.35.750 (public employees' retirement
- 21 system defined contribution individual accounts); and
- 22 (D) AS 39.45.010 - 39.45.060 (public employees' deferred
- 23 compensation program);
- 24 (6) establish the rate of interest that shall be annually credited to each
- 25 member's individual contribution account in accordance with AS 14.25.145 and
- 26 AS 39.35.100 and the rate of interest that shall be annually credited to each member's
- 27 account in the health reimbursement arrangement plan under AS 39.30.300 -
- 28 39.30.495; the rate of interest shall be adopted on the basis of the probable effective
- 29 rate of interest on a long-term basis, and the rate may be changed from time to time;
- 30 (7) adopt a contribution surcharge as necessary under AS 39.35.160(c);
- 31 (8) coordinate with the retirement system administrator to have an

1 annual actuarial valuation of each retirement system prepared to determine system
2 assets, accrued liabilities, and funding ratios and to certify to the appropriate
3 budgetary authority of each employer in the system

4 [(A)] an appropriate contribution rate for normal costs; [AND

5 (B) AN APPROPRIATE CONTRIBUTION RATE FOR
6 LIQUIDATING ANY PAST SERVICE LIABILITY;]

7 (9) review actuarial assumptions prepared and certified by a member
8 of the American Academy of Actuaries and conduct experience analyses of the
9 retirement systems not less than once every four years, except for health cost
10 assumptions, which shall be reviewed annually; the results of all actuarial assumptions
11 prepared under this paragraph shall be reviewed and certified by a second member of
12 the American Academy of Actuaries before presentation to the board;

13 (10) contract for an independent audit of the state's actuary not less
14 than once every four years;

15 (11) contract for an independent audit of the state's performance
16 consultant not less than once every four years;

17 (12) obtain an external performance review to evaluate the investment
18 policies of each fund entrusted to the board and report the results of the review to the
19 appropriate fund fiduciary;

20 (13) by the first day of each regular legislative session, report to the
21 governor, the legislature, and the individual employers participating in the state's
22 retirement systems on the financial condition of the systems in regard to

23 (A) the valuation of trust fund assets and liabilities;

24 (B) current investment policies adopted by the board;

25 (C) a summary of assets held in trust listed by the categories of
26 investment;

27 (D) the income and expenditures for the previous fiscal year;

28 (E) the return projections for the next calendar year;

29 (F) one-year, three-year, five-year, and 10-year investment
30 performance for each of the funds entrusted to the board; and

31 (G) other statistical data necessary for a proper understanding

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of the financial status of the systems;

(14) submit quarterly updates of the investment performance reports to the Legislative Budget and Audit Committee;

(15) develop an annual operating budget; [AND]

(16) administer pension forfeitures required under AS 37.10.310 using the procedures of AS 44.62 (Administrative Procedure Act); and

(17) manage the teachers' pension reserve fund established under AS 37.14.900.

* Sec. 35. AS 37.14 is amended by adding a new section to read:

Article 11. Teachers' Pension Reserve Fund.

Sec. 37.14.900. Teachers' pension reserve fund. (a) The teachers' pension reserve fund is established in the general fund. The fund consists of money appropriated to the fund and the accumulated earnings of the fund. Money appropriated to the fund does not lapse.

(b) The legislature may appropriate money from the teachers' pension reserve fund to the teachers' defined benefit retirement plan in AS 14.25.009 - 14.25.220. Nothing in this section creates a dedicated fund.

(c) The Alaska Retirement Management Board shall manage the teachers' pension reserve fund in accordance with AS 37.10.210(a) and 37.10.220(a).

* 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, and facilities by a state-operated vocational technical education and training school;

1 (4) a facility or an annual intercollegiate sports tournament by a
2 nonprofit, public or private, Alaska two-year or four-year college accredited by a
3 regional accreditation association or by a public or private nonprofit elementary or
4 secondary school in the state;

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

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

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

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

14 (A) tuition and textbooks;

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

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

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

22 (E) other related educational and programmatic costs;

23 (9) constructing, operating, or maintaining a residential housing
24 facility by a residential school in the state approved by the Department of
25 Education and Early Development under AS 14.16.200;

26 (10) childhood early learning and development programs and
27 educational support to childhood early learning and development programs
28 provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or
29 a school district in the state, by the Department of Education and Early
30 Development, or through a state grant; and

31 (11) science, technology, engineering, and math programs

1 provided by a nonprofit agency or a school district for school staff and for
2 students in grades kindergarten through 12 in the state.

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

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

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

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

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

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

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

21 (A) tuition and textbooks;

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

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

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

29 (E) other related educational and programmatic costs;

30 (6) for constructing, operating, or maintaining a residential
31 housing facility by a residential school approved by the Department of Education

1 and Early Development under AS 14.16.200; and

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

7 * Sec. 38. AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

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

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

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

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

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

25 (4) a facility or an annual intercollegiate sports tournament by a
26 nonprofit, public or private, Alaska two-year or four-year college accredited by a
27 regional accreditation association or by a public or private nonprofit elementary or
28 secondary school in the state;

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

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

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

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

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

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

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

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

15 **(E) other related educational and programmatic costs;**

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

19 **(10) childhood early learning and development programs and**
20 **educational support to childhood early learning and development programs**
21 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
22 **a school district in the state, by the Department of Education and Early**
23 **Development, or through a state grant; and**

24 **(11) science, technology, engineering, and math programs**
25 **provided by a nonprofit agency or a school district for school staff and for**
26 **students in grades kindergarten through 12 in the state.**

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

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

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

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

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

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

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

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

14 (A) tuition and textbooks;

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

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

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

22 (E) other related educational and programmatic costs;

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

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

31 * Sec. 41. AS 43.65.018(f) is amended by adding new paragraphs to read:

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

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

6 * Sec. 42. AS 43.75.018(a) is amended to read:

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

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

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

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

18 (4) a facility or an annual intercollegiate sports tournament by a
19 nonprofit, public or private, Alaska two-year or four-year college accredited by a
20 regional accreditation association **or by a public or private nonprofit elementary or**
21 **secondary school in the state;**

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

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

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

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

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

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- (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; and
 - (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.

* 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

1 school; [AND]

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

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

7 (A) tuition and textbooks;

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

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

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

15 (E) other related educational and programmatic costs;

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

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

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

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

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

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

31 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in

1 a floating fisheries business is allowed a credit against the tax due under this chapter
2 for cash contributions accepted for

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

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

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

12 (4) a facility or an annual intercollegiate sports tournament by a
13 nonprofit, public or private, Alaska two-year or four-year college accredited by a
14 regional accreditation association **or by a public or private nonprofit elementary or**
15 **secondary school in the state;**

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

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

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

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

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

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

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

29 **(D) transportation costs to and from a residential school**
30 **approved by the Department of Education and Early Development under**
31 **AS 14.16.200 or the postsecondary school in the state that provides the**

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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; and

(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.

* 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

1 cost of

2 (A) tuition and textbooks;

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

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

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

10 (E) other related educational and programmatic costs;

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

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

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

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

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

25 * **Sec. 48.** AS 14.20.147(b) is repealed.

26 * **Sec. 49.** Section 3, ch. 91, SLA 2010, is repealed.

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

29 APPLICABILITY. Sections 22 - 24 of this Act apply to a contract or collective
30 bargaining agreement that becomes legally binding on or after the effective date of secs. 22 -
31 24 of this Act.

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

3 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 5 and 6 of this Act
4 apply to charter school applications filed with a local school board on or after July 1, 2014.

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

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

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

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

18 * **Sec. 54.** Sections 22 - 24, 28, 50, and 52 of this Act take effect immediately under
19 AS 01.10.070(c).

20 * **Sec. 55.** Sections 16, 25, 27, and 33 - 35 of this Act take effect June 30, 2014.

21 * **Sec. 56.** Sections 1, 19, and 29 - 31 of this Act take effect July 1, 2015.

22 * **Sec. 57.** Section 20 of this Act takes effect July 1, 2016.

23 * **Sec. 58.** Sections 37, 40, 43, and 46 of this Act take effect January 1, 2021.

24 * **Sec. 59.** Except as provided in secs. 54 - 58 of this Act, this Act takes effect July 1, 2014.

Helen Phillips

From: Daniel George
Sent: Thursday, March 20, 2014 2:51 PM
To: House Finance Legislation
Subject: HB 278 Committee Question & Answer

Good afternoon House Finance members and staff,

During the presentation for HB 278, Rep. Thompson asked about tax credits. Below is the reply from the Department of Revenue.

Daniel George
Staff to Representative Bill Stoltze / House Finance Committee
Daniel.George@akleg.gov
Direct – 907-465-6824

Question:

“Regarding the education tax credits in HB 278. In HB278 in Sections 25, 28, 31 and 34 the bill references the following education taxes respectively, Corporate tax, mining license tax, fisheries business tax, and the fisheries resource landing tax. However, the bill does not reference the following education tax credits, insurance premiums tax, title insurance premiums tax, oil and gas production tax, and the oil and gas property tax. Why were they not included?”

Department of Revenue Reply:

“In HB 278, the Governor did not make changes to the education tax credit against the other four tax types (oil and gas production, oil and gas property, insurance premiums and title insurance premiums tax) because, historically, the education credit has rarely been taken against them.

There was also consideration of remaining consistent with the Alaska Performance Scholarship tax credit.”

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
 Fiscal Note Number 7
 (H) Publish Date 1/24/14

Identifier (file name) UA-SYSBRA-1-23-14 Dept. Affected University of Alaska
 Title Education Initiative Appropriation University of Alaska
 Allocation Budget Reductions/Additions-Systemwide
 Sponsor Rules by request of the Governor
 Requester Governor OMB Component Number 1296

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services		5,431.8	5,431.8	5,431.8	5,431.8	5,431.8	5,431.8
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	5,431.8	5,431.8	5,431.8	5,431.8	5,431.8	5,431.8

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1151	VoTech Ed (DGF)		5,431.8	5,431.8	5,431.8	5,431.8	5,431.8	5,431.8
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		0.0	5,431.8	5,431.8	5,431.8	5,431.8	5,431.8	5,431.8

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Michelle Rizk
 Division University of Alaska
 Approved by Michelle Rizk
 Division University of Alaska

Phone 907-450-8187
 Date/Time 1/23/2014 9:00am
 Date 1/23/2014

FISCAL NOTE ANALYSIS #7

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014. This bill extends the current Technical and Vocational Education program (TVEP) through June 30, 2024. Out-year cost estimates are based on TVEP receipts included in UA's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

TVEP funding has been instrumental in UA's ability to meet Alaska's workforce training and educational needs and continues to be the key source of funds for that purpose. The UA System office of Workforce Programs works with representatives from the UA campuses and the Alaska Workforce Investment Board to identify state priority industry sectors and high-demand jobs, including regional priorities for occupational training programs. The campuses submit proposals based on the identified needs, and funding is distributed to the highest priority programs.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number 6
(H) Publish Date 1/24/14

Identifier (file name) DOLWD-CO-1-19-14 Dept. Affected Labor and Workforce Development
Title Education Initiative Appropriation Commissioner and Administrative Services
Allocation Commissioner's Office
Sponsor Rules by Request of the Governor
Requester Governor OMB Component Number 340

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services		509.1	509.1	509.1	509.1	509.1	509.1
Travel							
Services		26.8	26.8	26.8	26.8	26.8	26.8
Commodities							
Capital Outlay							
Grants, Benefits		4,997.2	4,997.2	4,997.2	4,997.2	4,997.2	4,997.2
Miscellaneous							
TOTAL OPERATING	0.0	5,533.1	5,533.1	5,533.1	5,533.1	5,533.1	5,533.1

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1151	VoTech Ed (DGF)	5,533.1	5,533.1	5,533.1	5,533.1	5,533.1	5,533.1	
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		0.0	5,533.1	5,533.1	5,533.1	5,533.1	5,533.1	

POSITIONS

Full-time		5	5	5	5	5	5
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended, or repealed? 7/1/2015 Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version.

Prepared by Paloma Harbour, Director
Division Administrative Services
Approved by Dianne Blumer, Commissioner
Division Office of the Commissioner

Phone 465-5984
Date/Time 1/19/14 4:30 PM
Date 1/19/2014

FISCAL NOTE ANALYSIS # 6

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

This proposed legislation extends the current Technical and Vocational Education Program (TVEP) allocation through June 30, 2024. Currently, the allocation expires June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the department's FY2015 budget request and will be revised on an annual basis based on the balance of the fund.

The grants line authorization represents the legislation's direct allocations that pass through the department to Kotzebue Technical Center; Alaska Vocational Technical Center; Northwestern Alaska Career and Technical Center; Southwest Alaska Vocational and Education Center; Yuut Elitnaurviat, Inc. People's Learning Center; Delta Career Advancement Center; and New Frontier Vocational Technical Center.

Personal services and services expenses are related to TVEP grant administration and revenue collection through the unemployment insurance tax system. Expenses related to these activities must be charged to a state fund source as they are related to a state program and are not an allowable federal expense.

Position counts are based on an average personal services cost of approximately \$100.0 per full-time position and rounded to the nearest whole number.

The proposed legislation would also require the department to collect information from Technical and Vocational Education Program (TVEP) recipients to ensure they are meeting statutory requirements and to amend grants accordingly if requirements are not met.

The department already gathers information from TVEP recipients for annual reporting purposes and currently administers the grants to the TVEP recipients so no additional fiscal impact is anticipated.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
 Fiscal Note Number 5
 (H) Publish Date 1/24/14

Identifier (file name) EED-SSA-01-21-14 Dept. Affected Education & Early Development
 Title Education Initiative Appropriation Teaching and Learning Support
 Allocation Student and School Achievement
 Sponsor Rules by Request of Governor
 Requester Governor OMB Component Number 2796

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates					
			FY15	FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	(913.0)	2,759.4	(913.0)	(913.0)	(913.0)	(913.0)	(913.0)	(913.0)
Commodities								
Capital Outlay								
Grants, Benefits		434.5	434.5	434.5	434.5	434.5	434.5	434.5
Miscellaneous								
TOTAL OPERATING	(913.0)	3,193.9	(478.5)	(478.5)	(478.5)	(478.5)	(478.5)	(478.5)

FUND SOURCE		(Thousands of Dollars)						
		FY15	FY16	FY17	FY18	FY19	FY20	
1002	Federal Receipts							
1003	GF Match							
1004	GF	(913.0)	2,759.4	(913.0)	(913.0)	(913.0)	(913.0)	
1151	VoTech Ed (DGF)		434.5	434.5	434.5	434.5	434.5	
1007	I/A Rcpts (Other)							
1156	Rcpt Svcs (DGF)							
		(913.0)	3,193.9	(478.5)	(478.5)	(478.5)	(478.5)	

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS
 Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended, or repealed? 9/30/2014 Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)
 Initial version

Prepared by Erik McCormick, Director of Assessment, Accountability & Info. Mgmt. Phone 465-8686
 Division Teaching and Learning Support Date/Time 1/21/14 5:14 PM
 Approved by Mike Hanley Date 1/21/2014
 Division Commissioner

FISCAL NOTE ANALYSIS #5

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

Repeal the HSGQE

The legislation changes the high school graduation requirement from passing a competency exam in reading, English, and mathematics to participating in a college and career readiness assessment.

Participation in the SAT, ACT or WorkKeys assessments will satisfy the requirement for participating in a college and career readiness assessment and will not require a minimum score to qualify for graduation.

The department will pay the fee for a single administration of a college and career readiness assessment for each secondary student in the two years prior to a student's graduation date.

The fiscal note is the result of the removal of the secondary student competency examination for students in high school. The new and continued fiscal impact that result from this legislation are : a) the cost of the ACT and SAT, and b) allowing former students who didn't pass the HSGQE the opportunities to continue participation and earn a public school diploma until June 30, 2017.

TVEP

In addition, the legislation continues the Alaska technical and vocational education program (TVEP) through June 30, 2024. The Technical and Vocational Education Fund authorized under AS 23.15.840 sunsets on June 30, 2014.

Out-year cost estimates are based on TVEP receipts included in the Department of Education & Early Development's (DEED) FY2015 budget request and will be revised on an annually based on the balance of the fund.

This funding is a grant from DEED to the Galena Project Education Vocational Training Center, currently \$434.5.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number 3
(H) Publish Date 1/24/14

Identifier (file name) EED-PEF-01-21-14 Dept. Affected Fund Transfer
Title Education Initiative Appropriation Designated Savings
Allocation Public Education Fund
Sponsor Rules by Request of Governor
Requester Governor OMB Component Number 2929

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	21,063.6		14,365.8	14,365.8			
Miscellaneous							
TOTAL OPERATING	21,063.6	0.0	14,365.8	14,365.8	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF	21,063.6		14,365.8	14,365.8		
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		21,063.6	0.0	14,365.8	14,365.8	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary						

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Elizabeth Nudelman, Director
Division School Finance and Facilities
Approved by Mike Hanley
Division Commissioner

Phone (907) 465-8679
Date/Time 1/17/14 1:00 PM
Date 1/17/2014

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

This fiscal note capitalizes the Public Education Fund (PEF) in order to provide sufficient funding to address the Public School Funding program (Foundation). There is a separate fiscal note for the Foundation Program that details the funding increase.

The effective dates are July 1, 2014, July 1, 2015, and July 1, 2016.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number 2
(H) Publish Date 1/24/14

Identifier (file name) DOR-TAX-01-21-14 Dept. Affected Revenue
Title Education Initiative Appropriation Taxation and Treasury
Allocation Tax Division
Sponsor Rules by request of the Governor
Requester Governor OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	0.0	***	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Johanna Bales, Deputy Director
Division Tax
Approved by Angela M. Rodell, Commissioner
Division Department of Revenue

Phone (907) 269-6628
Date/Time 1/20/2014 10:30 a.m.
Date 1/20/2014

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

Bill Language:

This bill expands the education credit allowed against corporate income tax, mining license tax, fisheries business tax, and fishery resource landing tax to include contributions made for funding scholarships awarded to dual-credit students for tuition, registration, course and textbook fees and for contributions made for the construction, operation, or maintenance of a residential housing facility by a residential school approved by the Department of Education and Early Development.

Revenues:

This bill does not increase or decrease the aggregate amount of total education tax credits allowed against the tax types identified above. It merely identifies two additional types of contributions that can qualify for the credit. It is possible that taxpayers who have not made qualifying contributions and not claimed an education tax credit in the past, may contribute to one or both of these types of entities and claim a credit. However, it is difficult to determine the affect this bill will have on taxpayer behavior and, therefore, it is difficult to determine if this bill will affect revenue from the tax types identified above. It is important to note that the total education tax credit allowed for each entity each year is currently capped at \$5 million across all tax types. This bill does not increase the maximum contribution amount.

Expenditures:

Department of Revenue can implement and administer the provisions of this bill utilizing existing resources.

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version HB 278
Fiscal Note Number 1
(H) Publish Date 1/24/14

Identifier (file name) EED-K12-01-21-14 Dept. Affected Education & Early Development
Title Education Initiative Appropriation K-12 Support
Allocation Foundation Program
Sponsor Rules by Request of Governor
Requester Governor OMB Component Number 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Elizabeth Nudelman, Director
Division School Finance and Facilities
Approved by Mike Hanley
Division Commissioner

Phone (907) 465-8679
Date/Time 1/17/14 1:00 PM
Date 1/17/2014

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 278

Analysis

This bill amends AS14.17.470 by increasing the base student allocation (BSA) of \$5,680 for the next three fiscal years.

The increases are as follows:

- * FY2015: \$85 to \$5,765 totaling \$21,063,557.
- * FY2016: \$58 to \$5,823 totaling \$14,365,810.
- * FY2017: \$58 to \$5,881 totaling \$14,365,810.

The effective dates are July 1, 2014, July 1, 2015, and July 1, 2016, respectively.

Department of Education & Early Development
Prepared 1/21/2014
FN: BSA Increase for FY15 - FY17

Prepared by School Finance

School District	FY2015		FY2016		FY2017	
	BSA	\$5,765 BSA increase of \$85	\$5,823 Yr 2 BSA increase \$58	\$5,881 Yr 3 BSA increase \$58		
Alaska Gateway	\$	116,325	\$	79,375	\$	79,375
Aleutian Region		19,214		13,110		13,110
Aleutians East Borough		82,323		56,173		56,173
Anchorage		6,300,208		4,298,965		4,298,965
Annette Island		64,873		44,267		44,267
Bering Strait		575,532		392,716		392,716
Bristol Bay Borough		34,093		23,263		23,263
Chatham		46,985		32,061		32,061
Chugach		39,687		27,080		27,080
Copper River		97,764		66,710		66,710
Cordova		63,598		43,397		43,397
Craig		76,683		52,324		52,324
Delta/Greely		148,381		101,248		101,248
Denali Borough		100,756		68,752		68,752
Dillingham		107,084		73,069		73,069
Fairbanks N. Star Borough		2,248,654		1,534,375		1,534,375
Galena		299,970		204,685		204,685
Haines Borough		53,073		36,215		36,215
Hoonah		35,820		24,443		24,443
Hydaburg		22,798		15,556		15,556
Iditarod Area		85,013		58,008		58,008
Juneau Borough		744,152		507,775		507,775
Kake		28,708		19,589		19,589
Kashunamiut		80,079		54,641		54,641
Kenai Peninsula Borough		1,460,987		996,909		996,909
Ketchikan Gateway Borough		404,180		275,793		275,793
Klawock		35,531		24,244		24,244
Kodiak Island Borough		442,438		301,900		301,900
Kuspuk		111,876		76,339		76,339
Lake & Peninsula Borough		136,086		92,859		92,859
Lower Kuskokwim		1,096,227		748,013		748,013
Lower Yukon		587,673		401,000		401,000
Mat-Su Borough		2,532,518		1,728,072		1,728,072
Nenana		96,096		65,571		65,571
Nome		144,622		98,683		98,683
North Slope Borough		450,425		307,349		307,349
Northwest Arctic Borough		565,387		385,793		385,793
Pelican		13,850		2,479		2,479
Petersburg		96,527		65,865		65,865
Pribilof		29,989		20,464		20,464
Saint Mary's		51,031		34,822		34,822
Sitka Borough		250,214		170,734		170,734
Skagway		17,581		11,996		11,996
Southeast Island		83,301		56,841		56,841
Southwest Region		191,356		130,573		130,573
Tanana		17,280		11,791		11,791
Unalaska		88,830		60,613		60,613
Valdez		114,824		78,350		78,350
Wrangell		55,481		37,858		37,858
Yakutat		23,831		16,262		16,262
Yukon Flats		112,706		76,906		76,906
Yukon/Koyukuk		190,659		130,097		130,097
Yupiit		131,933		90,026		90,026
Mt. Edgecumbe High School		58,345		39,811		39,811
TOTAL	\$	21,063,557	\$	14,365,810	\$	14,365,810

3/24/14

Funding Public Education in Alaska

Prepared for the

House Finance Committee

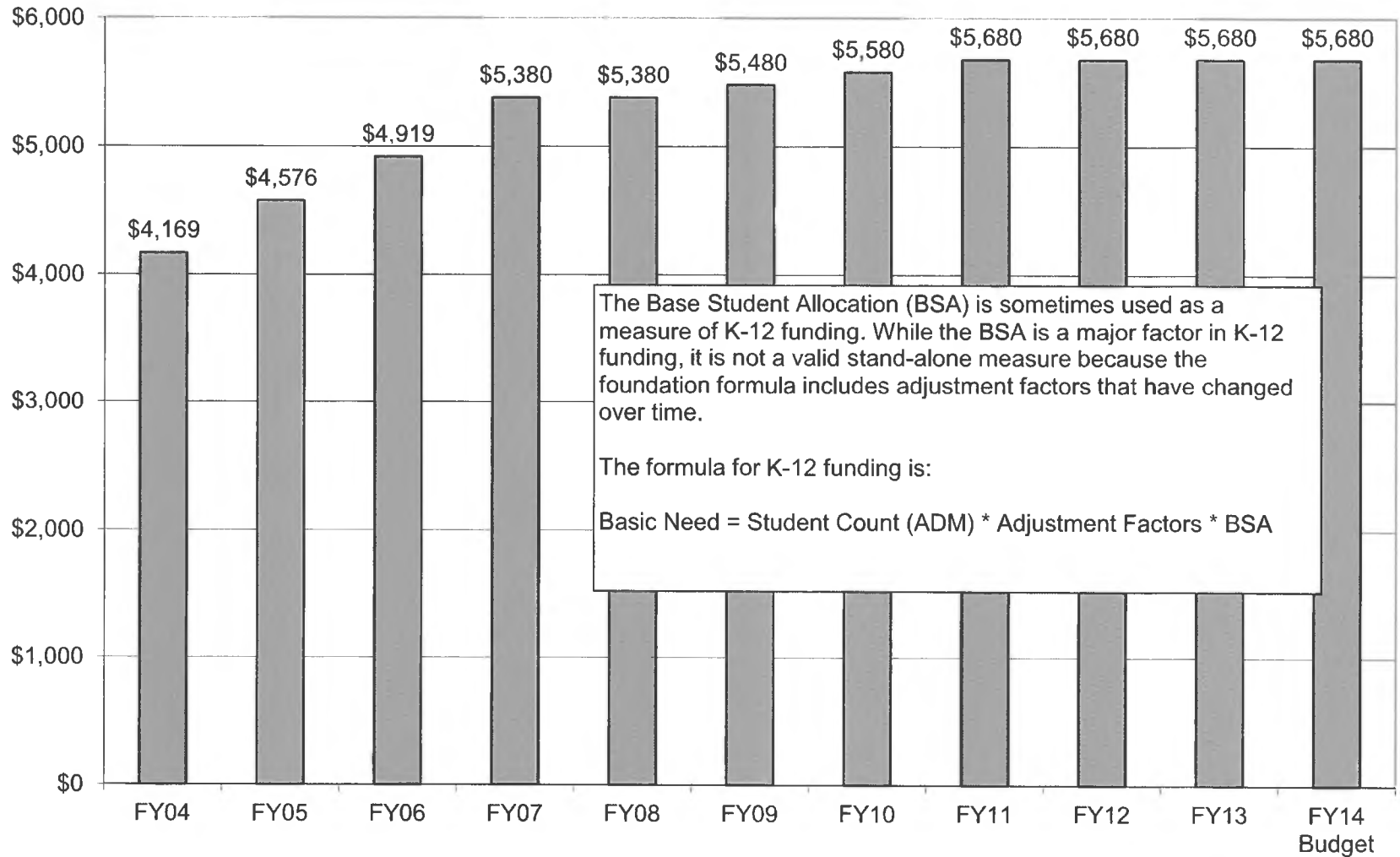
By

David Teal

Director, Legislative Finance Division

March 24, 2014

C1: Statutory Base Student Allocation (BSA)



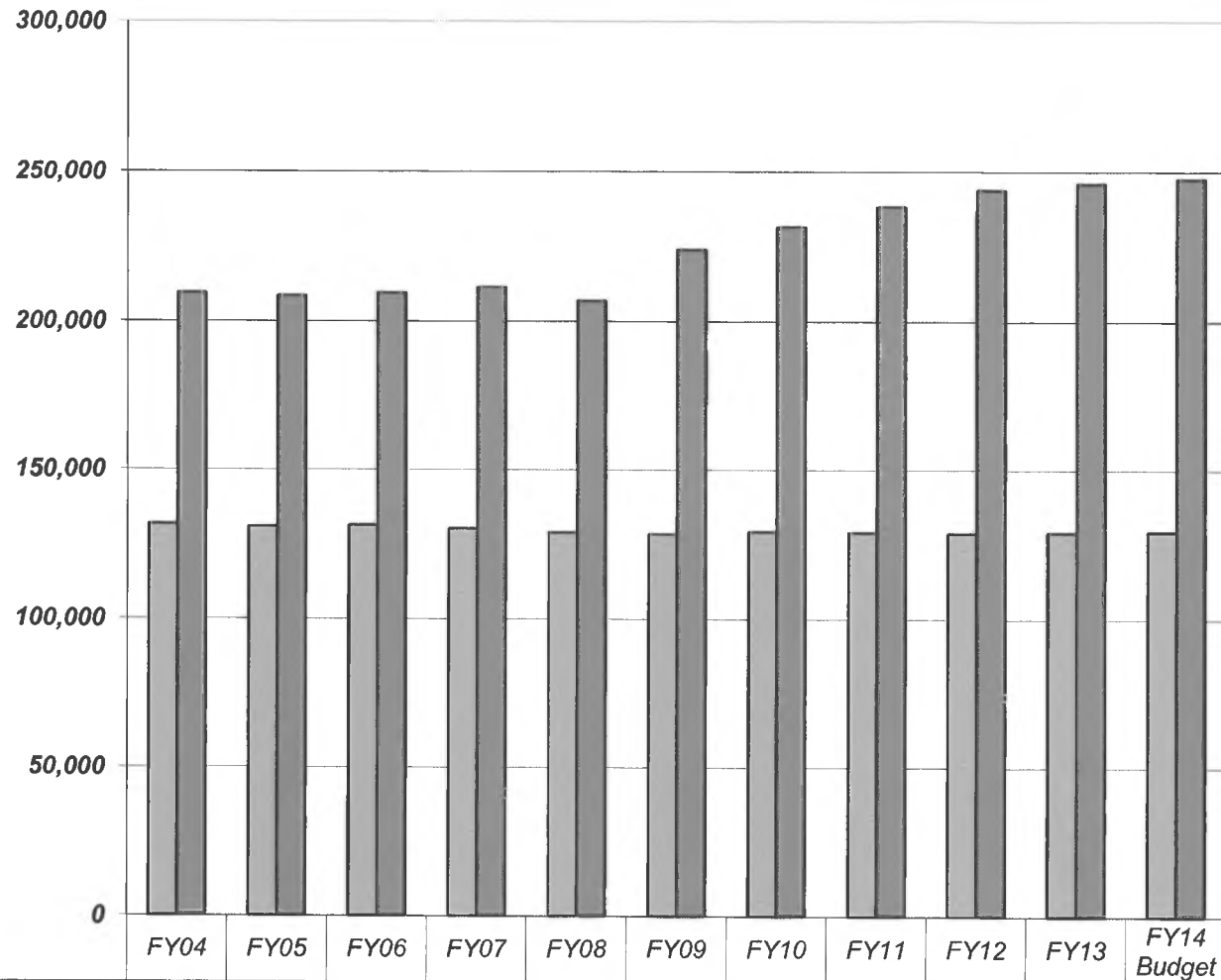
C2: Converting Head Count to Students that are Funded

Adjustment factors--for school size, geographic location, special and intensive needs students, vocational education and others--have changed over time, especially since FY08.

Because funding depends on adjusted ADM (AADM), the conversion from ADM to AADM is a critical part of the funding formula.

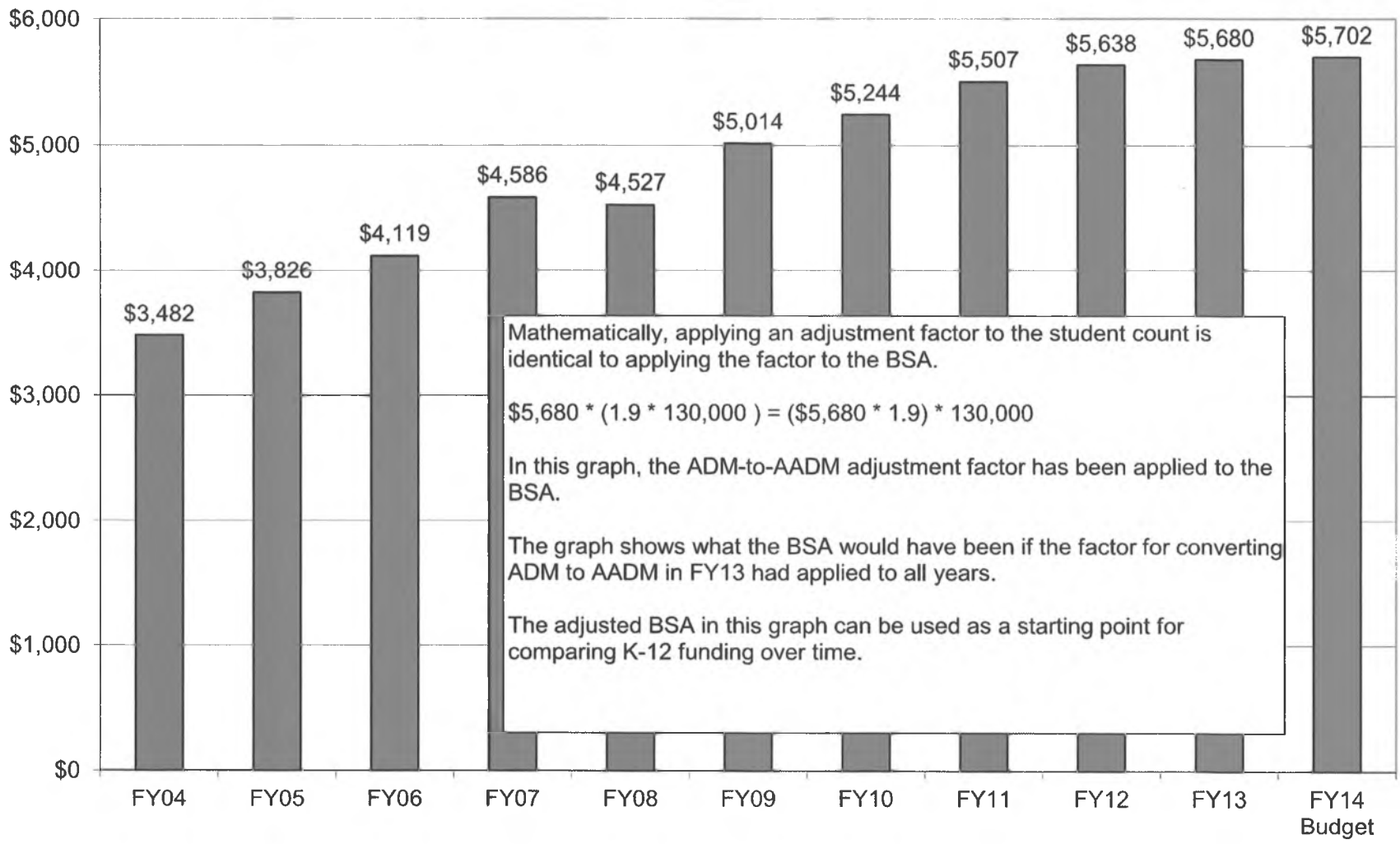
As shown in the graph, the student count (for funding purposes) was 1.6 times the head count in FY04. In FY14, the student count (for funding purposes) was 1.9 times the head count.

Note that ADM has remained at roughly 130,000 over time, but that AADM has increased from 210,000 to 247,000. At any given BSA, a higher AADM means more money.

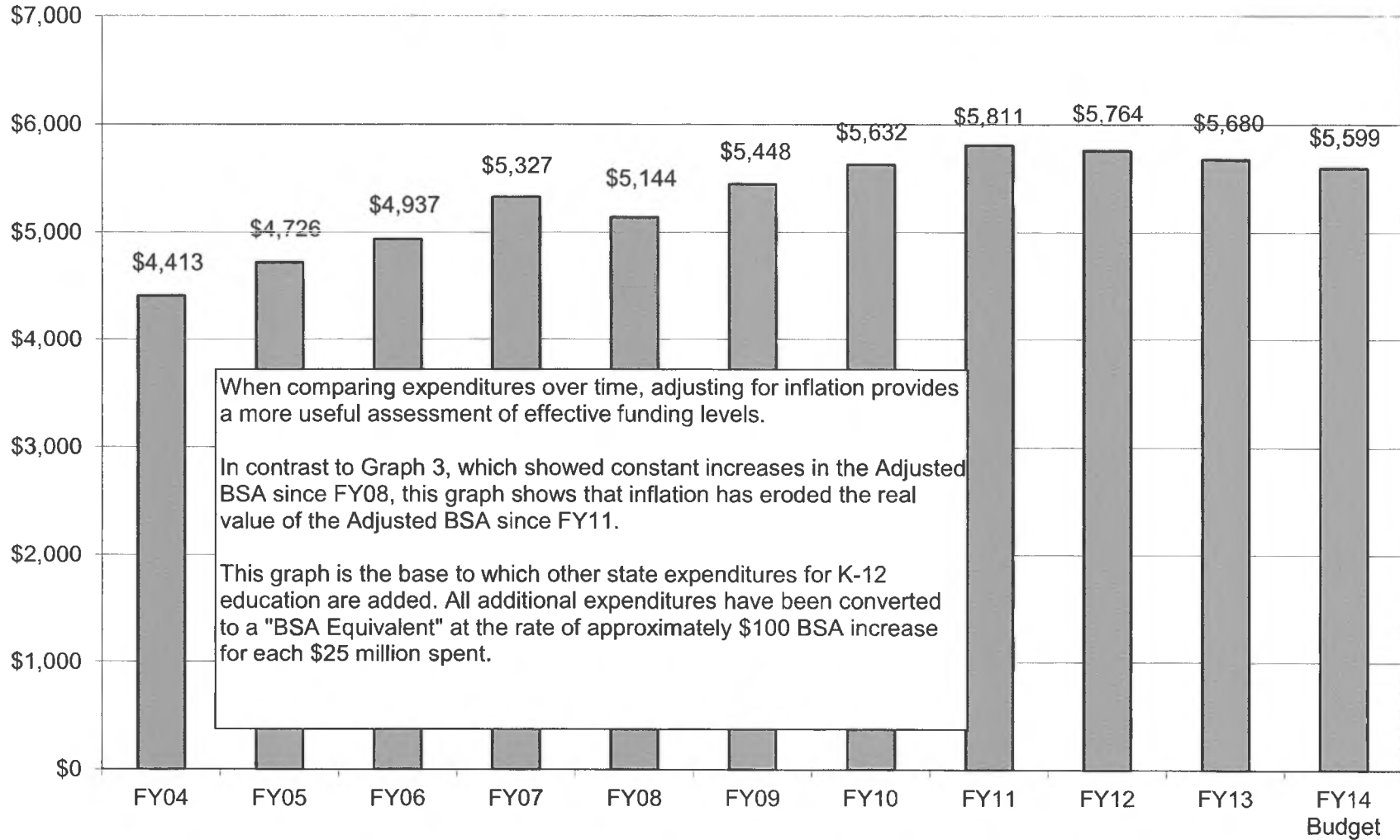


ADM (student count)	131,623	130,928	131,263	130,164	128,975	128,381	129,229	129,047	128,886	129,021	129,323
AADM (the ADM times various formula factors)	209,571	208,681	209,520	211,523	206,888	223,912	231,517	238,494	243,874	245,944	247,472

C3: BSA Adjusted for Factor Changes



C4: Adjusted BSA in FY13 Dollars



C5: K-12 Expenditures per AADM (in FY13 \$)

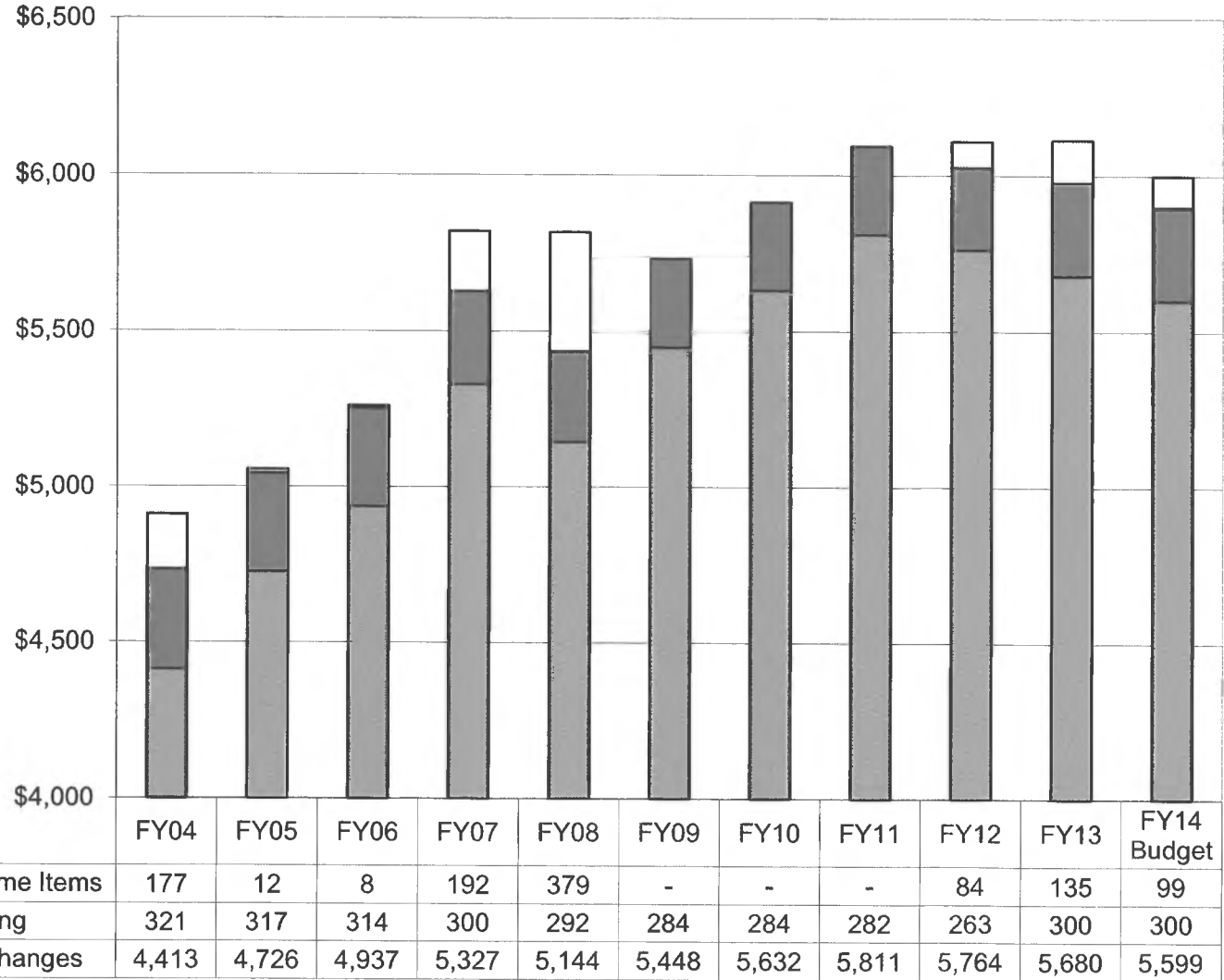


Pupil transportation is a formula funded activity that fell from a BSA Equivalent of \$321 in FY04 to a low of \$263 in FY12. It was boosted to \$300 in FY13.

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

C6: K-12 Expenditures per AADM (in FY13 \$)

One-time funding (distributed according to the foundation formula) has often been used as an alternative to formula increases.

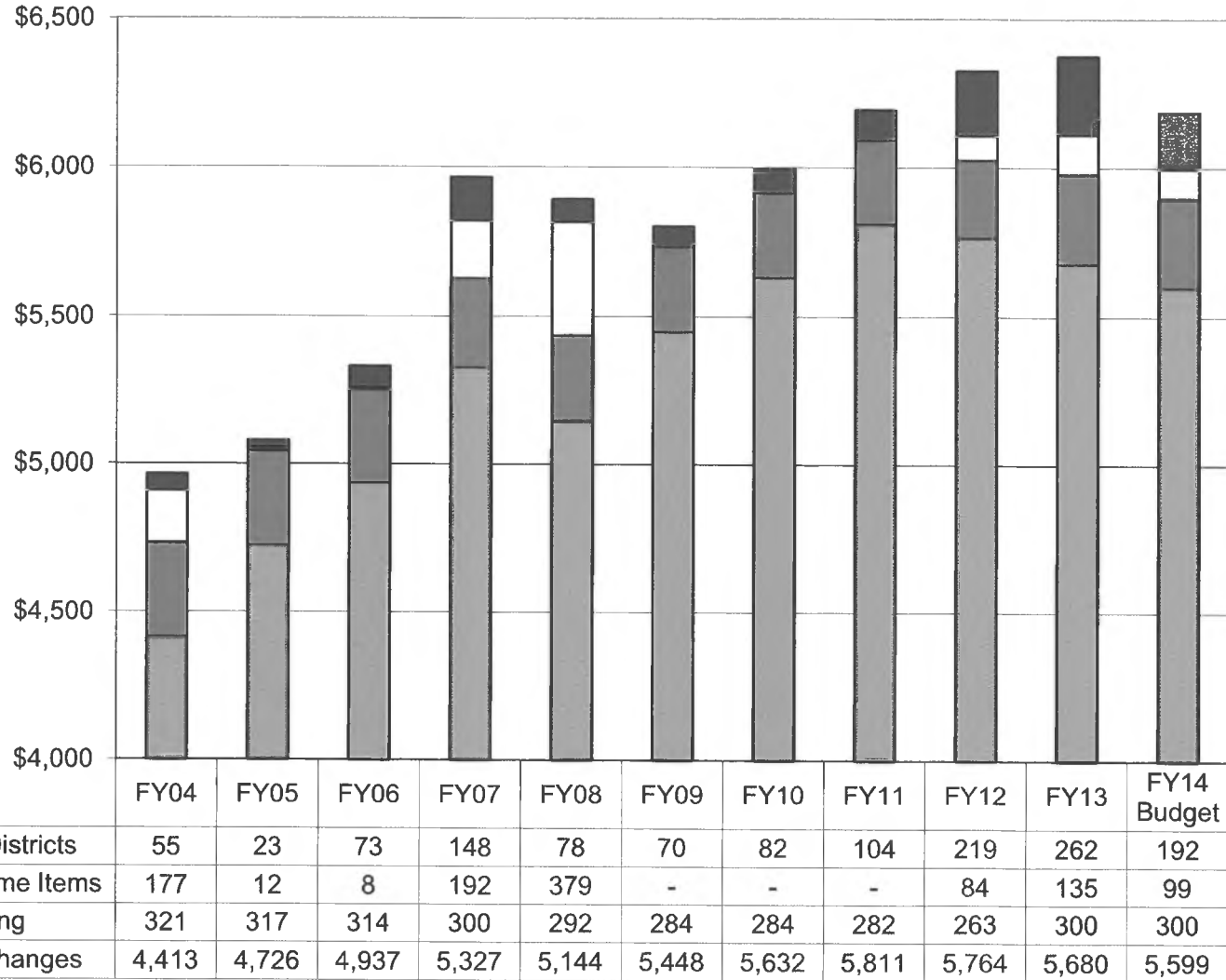


C7: K-12 Expenditures per AADM (in FY13 \$)

Capital Budget grants are grants for items that would normally be expected to be paid for with formula funds.

They have increased substantially in recent years, as they typically do when other funding is relatively flat.

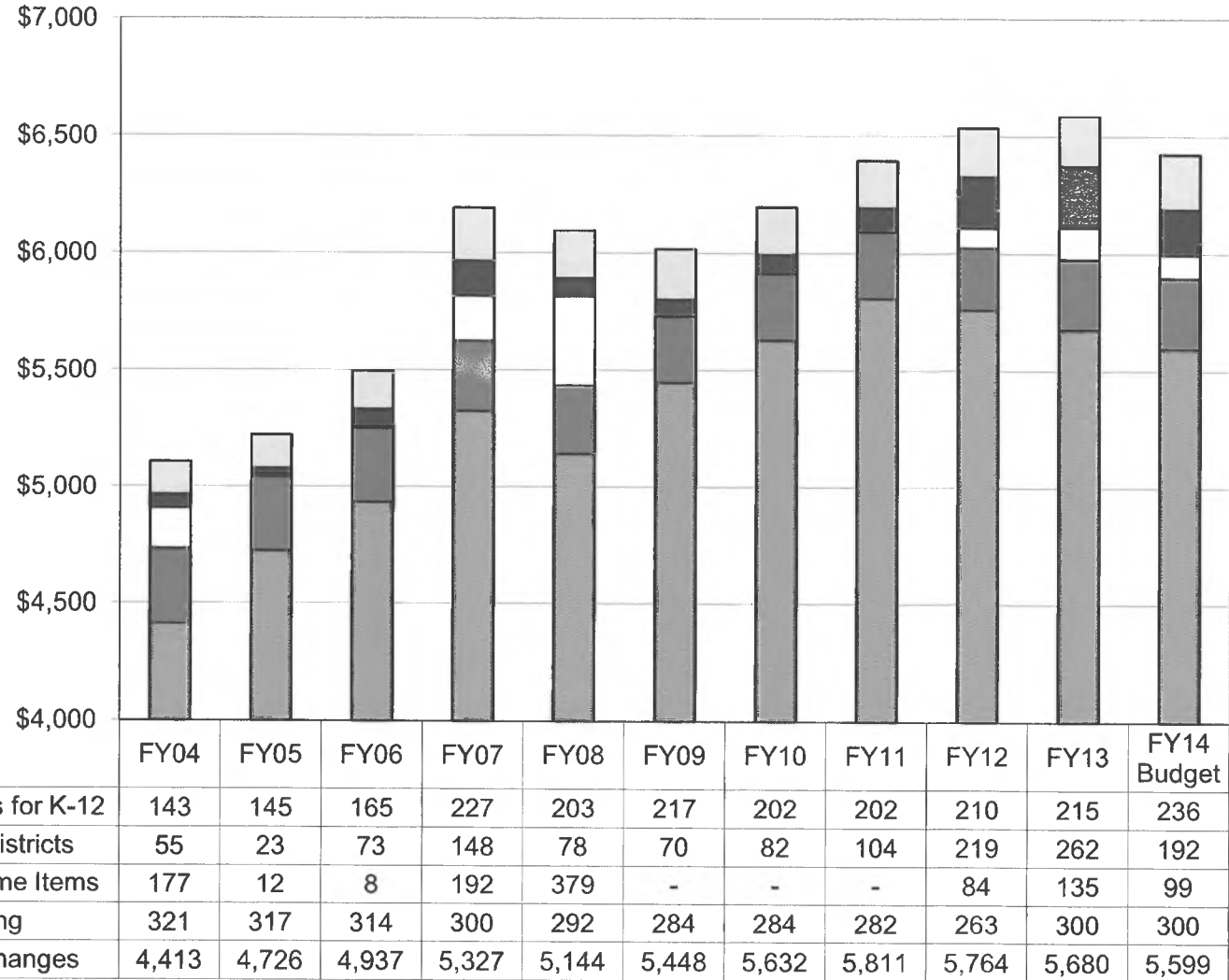
The FY14 budget contains \$21 million for capital projects associated with student safety and security enhancements or for fixed costs and energy relief to smaller schools.



C8: K-12 Expenditures per AADM (in FY13 \$)

DEED operating expenses for K-12 include state funds that are awarded as grants to school districts.

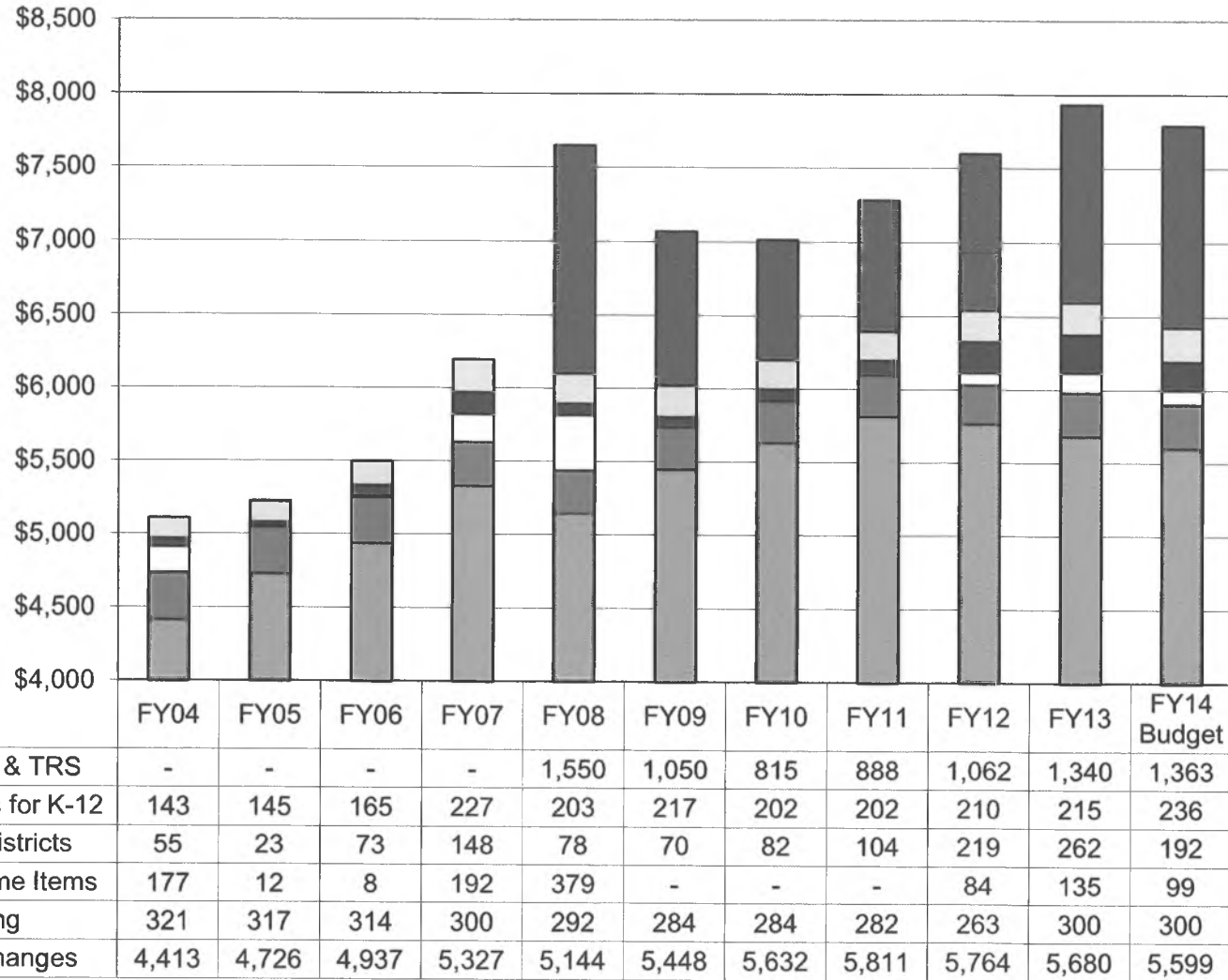
This source of funding for school districts is expected to increase because targeted grants provide a way to achieve specific goals at a lower cost and with greater certainty than increasing the BSA. Money allocated via formula cannot be targeted to achieve specific objectives.



C9: K-12 Expenditures per AADM (in FY13 \$)

The state deposits money in retirement trust accounts on behalf of school districts.

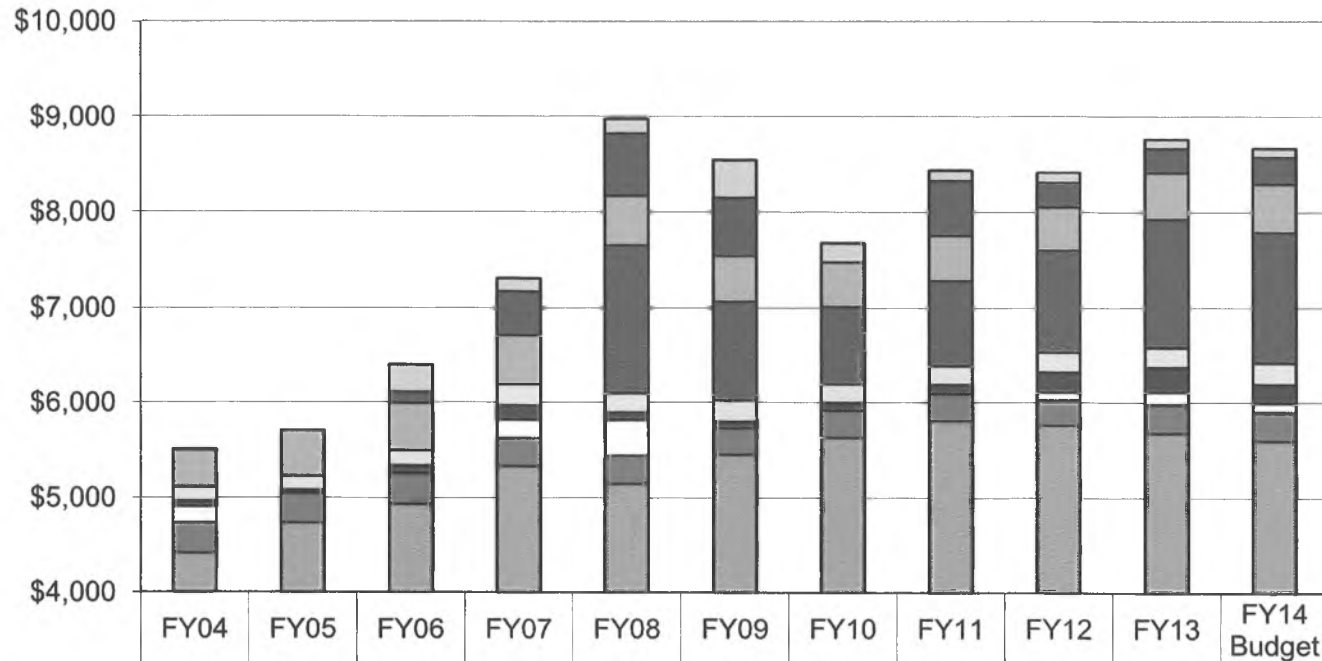
Although the money does not benefit employees directly and cannot be used for other purposes, retirement assistance is a cost of providing K-12 education.



C10: K-12 Expenditures per AADM (in FY13 \$)

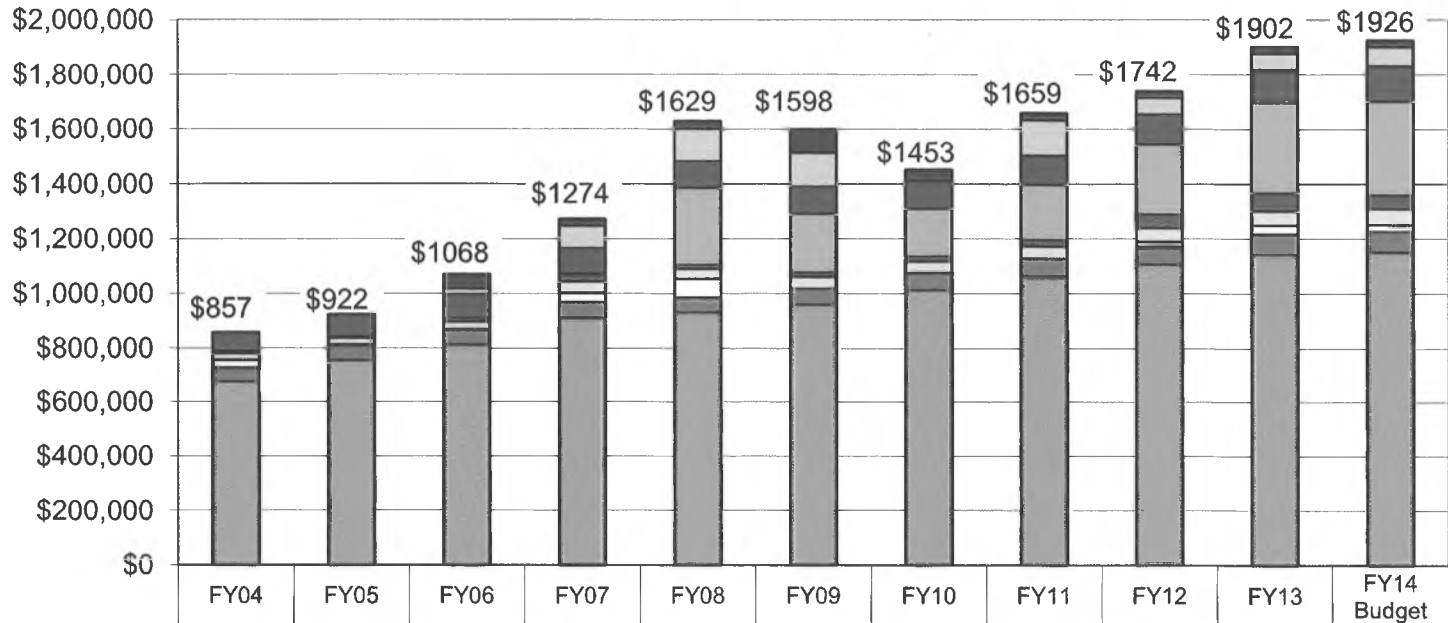
The state pays a large portion of school construction and major maintenance costs.

Although some argue that capital costs do not appear "in the classroom", the costs are incurred by the state as a necessary part of providing K-12 education.



	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
□ School Major Maintenance	-	-	294	142	156	402	197	116	108	97	91
■ School Construction	-	-	120	459	653	607	-	573	260	248	282
▣ Debt Service Reimbursement	399	485	495	516	522	471	464	470	453	489	509
■ Total School District PERS & TRS	-	-	-	-	1,550	1,050	815	888	1,062	1,340	1,363
□ DEED Operating Expenses for K-12	143	145	165	227	203	217	202	202	210	215	236
■ Capital Budget Grants to Districts	55	23	73	148	78	70	82	104	219	262	192
□ Total Distributed as One-time Items	177	12	8	192	379	-	-	-	84	135	99
■ Pupil Transportation Funding	321	317	314	300	292	284	284	282	263	300	300
■ BSA Adjusted for Factor Changes	4,413	4,726	4,937	5,327	5,144	5,448	5,632	5,811	5,764	5,680	5,599

General Fund Appropriations for K-12 Education



	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
■ School Major Maintenance	-	-	51,322	25,829	28,371	82,885	42,444	26,318	25,855	23,974	22,991
□ School Construction	-	-	20,978	83,601	118,888	125,110	-	129,583	61,911	60,974	71,181
■ Debt Service Reimbursement	66,024	81,870	86,464	93,935	94,997	97,021	100,045	106,259	108,146	120,386	128,263
■ Total School District PERS & TRS	-	-	-	-	282,279	216,400	175,720	200,635	253,437	329,569	343,532
■ Capital Budget Grants to Districts	9,178	3,871	12,798	26,933	14,288	14,351	17,627	23,399	52,322	64,495	48,484
□ DEED Operating Expenses for K-12	23,620	24,433	28,911	41,372	36,905	44,665	43,452	45,593	50,013	52,989	59,455
□ Total Distributed as One-time Items	29,202	2,063	1,454	35,000	69,101	-	-	-	20,000	33,103	25,000
■ Pupil Transportation Funding	53,145	53,557	54,969	54,707	53,250	58,517	61,150	63,839	62,666	73,796	75,639
■ Foundation Program Funding	675,503	756,061	811,554	912,608	931,151	959,076	1,012,509	1,063,183	1,107,190	1,142,971	1,151,248

State Aid = Basic Need - Required Local Effort - 90% of Deductible Federal Impact Aid						
	FY2000		FY2014		FY2000 to FY2014	
Basic Need = ADM * Adjustments * Base Student Allocation						
ADM	123,505.4		118,673.2		(4,832.22)	-3.9%
Correspondence ADM	8,191.1		10,649.6		2,458.54	30.0%
Total ADM	131,696.5		129,322.8		(2,373.68)	-1.8%
AADM	208,753.6		247,472.4		38,718.74	18.5%
Base Student Allocation	\$ 3,940		\$ 5,680		1,740.00	44.2%
Basic Need	\$ 822,489,302		\$ 1,405,643,062		\$ 583,153,759	70.9%
Required Local Effort = max((Property Value * mil rate) or 45% of District Basic Need)						
Required Local Effort	\$ 144,225,248		\$ 221,558,397		\$ 77,333,149	53.6%
Federal Impact Aid						
Total Federal Aid	\$ 90,053,713		\$ 123,047,889		32,994,176.00	36.6%
Total Eligible Aid	\$ 75,065,595		\$ 98,797,886		23,732,291.00	31.6%
Deductible Aid	\$ 55,275,646		\$ 74,598,589		19,322,943.33	35.0%
90% of Deductible Fed Impact Aid	\$ 49,748,081		\$ 67,138,730		\$ 17,390,649	35.0%
State Aid						
Basic Need	\$ 822,489,302		\$ 1,405,643,062		583,153,759.40	70.9%
less Required Local Effort	\$ (144,225,248)		\$ (221,558,397)		(77,333,149.00)	53.6%
less 90% of Deductible Federal Impact Aid	\$ (49,748,081)		\$ (67,138,730)		(17,390,649.00)	35.0%
Equals Base State Aid	\$ 628,515,973		\$ 1,116,945,935		488,429,961.40	77.7%
plus Funding Floor	\$ 23,991,825		\$ 106,062		(23,885,763.00)	-99.6%
plus Quality Schools	\$ 3,340,059		\$ 3,959,558		619,499.00	18.5%
Total State Aid	\$ 655,847,857		\$ 1,121,011,555		465,163,697.40	70.9%
Local Contributions						
Required Local Effort	\$ 144,225,248		\$ 221,558,397	334,427,769	77,333,149.00	53.6%
Additional Local Contributions	\$ 124,102,245		\$ 232,058,648		107,956,403.00	87.0%
Total Local Contributions	\$ 268,327,493		\$ 453,617,045		185,289,552.00	69.1%
Allowable Additional Local Contributions	\$ 173,612,798	71%	\$ 296,255,809	78%	122,643,011.00	70.6%
Money to School Districts (Partial)						
State	\$ 655,847,857	65%	\$ 1,121,011,555	66%	465,163,697.40	70.9%
Local	\$ 268,327,493	26%	\$ 453,617,045	27%	185,289,552.00	69.1%
Federal	\$ 90,053,713	9%	\$ 123,047,889	7%	32,994,176.00	36.6%
Total	\$ 1,014,229,063	100%	\$ 1,697,676,489	100%	683,447,425.40	67.4%
per ADM						
ADM	131,696.5		129,322.8		(2,373.68)	-1.8%
State	\$ 4,980		\$ 8,668		\$ 3,688	74.1%
Local	\$ 2,037		\$ 3,508		\$ 1,470	72.2%
Federal	\$ 684		\$ 951		\$ 268	39.1%
Total	\$ 7,701		\$ 13,127		\$ 5,426	70.5%

Alaska School District Cost Study Update

January 31, 2005

Prepared for
Alaska Legislative Budget and Audit Committee

Prepared by
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Alexandra Hill

Institute of Social and Economic Research
University of Alaska Anchorage



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EXECUTIVE SUMMARY

The Legislative Budget and Audit Committee of the Alaska Legislature has asked The Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage to make certain changes and adjustments to the Geographic Cost of Education Index (GCEI) that the American Institutes for Research (AIR) constructed and reported on in *Alaska School District Cost Study* (January 2003). The requested changes address a number of the questions and criticisms that were raised by ISER in its review of the AIR study (*A Review of Alaska School District Cost Study*, January 29, 2004). The specific tasks included updating data sets, adjusting the index for actual energy costs, and reviewing travel and budget share assumptions. The most significant task was to address deficiencies in AIR's certificated personnel compensation component that had been identified in ISER's initial review. ISER was also asked to re-estimate the overall cost index, once other tasks were accomplished.

1. Data sets from the Alaska Department of Education and Early Development (DEED) used in the AIR study have been updated for us by DEED. In addition, we have incorporated community level data from the 2000 census, conducted a survey on the difficulty of filling teaching positions, and added data on travel costs from off-highway locations. These data are central to the estimation of certified personnel compensation used in the index computation. The documentation of data variables is included in the appendix.

2. We have reviewed the measurement and calculation of budget weights used in the calculation of the GCEI. Our earlier review had questioned the omission of special revenue funds in the calculation of budget weights. We agree that this omission is appropriate given the uncertainty surrounding the availability of these funds and the fact that the measurement of these funds is not subject to the same quality controls as the operating fund. We do think that using an average of fiscal years provides some additional stability to the budget weights and we use the average of FY2000 – FY2003 district operating revenue funds in the computation of revised indexes.

3. We were critical of AIR's estimation of the energy component of the GCEI and indicated that actual energy costs would be a better choice. We have made this change. This results in an average increase of 34 percent in the relative cost of energy and a 2.8 percent average increase in the GCEI.

4. In the course of our analysis we have identified a number of areas in which more information would lead to more precise estimates of regional educational cost differences. These include data relative to teacher training and qualifications (teacher quality measures), improved compensation measures, especially regarding benefits, market supply and demand conditions related to teacher and administrator recruitment, and information relating to teacher (and administrator) choices about employment opportunities. Some of these data should be captured on a regular basis, while other data may be appropriately captured on a project specific basis.

5. The travel component of the index was also reviewed. No specific changes were recommended at this time. We would note that the travel weight in the index is about five percent of the total weighting and that it would take fairly large changes in the relative cost of travel to make much difference in the GCEI. The EXCEL version of the index model that we have constructed does allow for variation of several travel assumptions, including per diem rates.

6. The most significant and challenging task was the estimation of teacher, or teacher/administrator compensation. Our review of AIR's estimates had raised a number of criticisms. Most of these related to technical issues of measurement error, model misspecification, and estimation error. Our concerns focused on turnover rates and the potential for significant qualitative differences in teachers across districts. We have attempted to address these concerns and have developed two sets of relative cost estimates for certificated personnel. One set deals with certified teachers only. The second looks at all certificated personnel (teachers and administrators). We then used these cost relatives to calculate two versions of the overall (GCEI) index. Our estimate for the GCEI using the "teachers only" estimate results in an average index about fifteen percent higher than the current index used in Alaska. The teacher/administrator version of the GCEI results in an index that averages about nineteen percent more than the current state index.

7. We were asked to convert AIR's index model written in Microsoft ACCESS to one written in Microsoft EXCEL. We have done this.

I. INTRODUCTION

The Legislative Budget and Audit Committee of the Alaska Legislature has asked The Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage to make certain changes and adjustments to the Geographic Cost of Education Index (GCEI) that the American Institutes for Research (AIR) constructed and reported on in *Alaska School District Cost Study* (January 2003). The requested changes address a number of the questions and criticisms that were raised by ISER in its review of the AIR study (*A Review of Alaska School District Cost Study*, January 29, 2004). The specific tasks are contained in the scope of work and are shown here.

I-1. SCOPE OF WORK

1. Update Data Sets.

Update the "certified" data base of administrators and teachers for the years 2003, and 2004 if available. Also obtain DEED FY Budget Matrix Audits for years since the AIR study. These updates would need to be provided with DEED cooperation.

2. Revise Estimation of Certified Teacher Compensation Component Of Index.

Modify and update the teacher compensation model to address concerns addressed in the review, including turnover, income/experience interdependence, and measurement errors in market prices for teachers.

3. Adjust Index To Use Actual Energy Costs Rather Than Estimated Costs.

Update and re-compute the energy index and overall index using actual energy costs.

4. Review of Travel Cost Index Components.

Review per diem travel cost allowances and service call travel time computation, and re-compute the index components and overall index if per diem costs or service travel costs are modified.

5. Review Definition and Measurement of Budget Categories.

Review the definition and measurement of budget categories used in the construction of the overall index. Determine if budget categories as presently defined accurately reflect full costs of providing educational services. Incorporate any changes into the re-computation of index components and the overall index.

6. Suggestions Regarding Collection of New or Additional Data for Future Index Estimation.

Make recommendations regarding modifications to, or additions to, data that are either presently collected or need to be collected to facilitate periodic updating of the index.

7. Provide Results In Spread Sheet Format.

Provide data sets and index computations in spread sheet (Excel) format.

I-2. SUMMARY OF NOTATION

Before turning to the specific tasks we restate the index number formula that is used in the calculation of the index, and explain the notation and variable names, etc. We attempt to use the same notation that was used by AIR where possible. The index employed is referred to as a Törnqvist index number. In general terms, it is an index of cost relatives between two places, exponentially weighted by the average of budget shares in the two places. The formula for the index, as used in this study, is as follows. Elements of the equation are explained below.

$$(1) \quad NDX_j = \prod_i^{12} \frac{(P_{ij})^{(BS_{ij} + BS_{iAnch})/2}}{(P_{iAnch})}$$

NDX_j = overall index of relative costs of District j compared to Anchorage. This is the estimate of the geographic cost difference between the “jth” district and Anchorage. The index is based on twelve sub-components of overall costs, as shown below (administration, classified employees, teachers, energy costs, etc.). NDX_j is what AIR referred to as the “Superlative” index for a given district.

\prod = a multiplication operator that says multiply each of the 12 components (e.g., sub-component 1 X sub-component 2 X - - - X sub-component 12).

The “cost” relatives are (P_{ij}/P_{iAnch}) . In other words, the cost relative is the cost of a specific component (the i^{th} component, e.g., a “comparable” teacher) in the j^{th} district (P_{ij}), divided by the cost of the same component in the Anchorage district (P_{iAnch}). Anchorage is the reference district. The choice of reference district is arbitrary and does not affect the relative regional differences.

BS_{ij} = budget share accounted for by the i^{th} item in the total budget of district j . This can also be stated as BS_{ij}/BS_j , where BS_j is the total budget for the j^{th} district. BS_{iAnch} = the comparable budget share for Anchorage.

j = the j^{th} school district, $j = 2, \dots, 56$ (Note: there are no districts 26 or 41; Anchorage = 5).

i = the i^{th} expenditure category in the overall index ($i = 1, \dots, 12$). The categories and shorthand (variable) name for each category are provided here. We have retained the index component definitions and variable names used in the AIR study (*Alaska School District Cost Study: Updating the SGCEI in Access Handbook*, p. 11.)

Category Number	Expenditure Category	Variable Name
$i = 1$	Administrators	ADMIN
$i = 2$	Certified teachers	TCHR
$i = 3$	Classified employees	CLASS
$i = 4$	Travel, teacher from school to district office	PD1
$i = 5$	Travel, teacher from district office to Anchorage	PD2
$i = 6$	Travel, school admin from schools to dist. office	PD3
$i = 7$	Travel, superintendent, dist. off to Anchorage	PD5
$i = 8$	Travel, district admin. to schools	SO1
$i = 9$	Travel, Maintenance from district off or center of commerce	MT1
$i = 10$	Energy, actual costs	ENERGY
$i = 11$	Goods: Paper, cost plus shipping	PAPER
$i = 12$	Goods: Window, cost plus shipping	WINDOWS

The budget shares are the weights used in the index. As can be seen from the index equation, the average of the reference district and the Anchorage district is used to weight the relative importance of each cost relative in the computation of the index.

In summary, the overall index is simply the product of the twelve sub-component indexes. Each sub-component index is the expenditure category “cost relative” raised to the exponent (average of budget shares for Anchorage and the given district).

Our criticisms and observations regarding the AIR index addressed both measures of the cost relatives and computation of budget shares. The tasks addressed in ISER’s work attempt to address the most serious flaws.

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II. REPORT ON THE SPECIFIC TASKS.

We could not have done what we did without the thorough and timely assistance of many individuals. Heidi Gosho, of the Alaska Department of Education and Early Development's (DEED) Assessment and Accountability division ran the data set on certificated personnel and provided assistance in interpreting it. Eddy Jeans and Elizabeth Sweeney in DEED's School Finance and Facilities unit provided the audited district budget data and revenue source data used in our analysis, as well as extremely helpful insights into school funding. Patricia DeRoche of ISER contacted all school districts to conduct our survey on hiring issues faced by districts.

In section II, we describe and discuss what we have done with respect to each of the seven tasks shown in the scope of work.

II-1. UPDATE DATA SETS.

We have obtained, from the DEED, the audited district budget reports for each of the fifty-three districts for the fiscal years FY2000 through FY 2003. These are used in the computation of the budget shares that serve as the weights in the index referenced above. These are discussed more fully below. We have also been provided with files containing certified personnel data for FY1999 through FY2004. These data provide a significant portion of the data used in the estimation of teacher compensation "cost relatives" used in the calculation of the geographic cost index. The data include information regarding compensation, qualifications, experience, teaching assignment, gender, ethnicity, longevity, and other characteristics. We have also collected additional information from school districts regarding the degree of difficulty in filling vacant positions. These data are described more fully in Section II-2 and Appendix III. We have also supplemented data on travel costs from off-highway community schools. Data from the 2000 U.S. Decennial Census regarding community and school district characteristics have also been incorporated. The documentation of data variables is also included in the appendix.

II-2. REVISE ESTIMATION OF CERTIFIED TEACHER COMPENSATION COMPONENT OF INDEX

Our analysis of AIR's estimation of teacher compensation raised a number of concerns. First, we were critical of the construction of the comparative wage index and its use in estimating personnel cost relatives, particularly in the teacher compensation equation. The estimates of teacher and administrator-teacher compensation that we have developed do not make use of such an index. Secondly, we raised a number of questions regarding the specification and estimation of the equation used to estimate teacher compensation. At least some of those concerns also applied to the administrator compensation equation as well. Our concerns related to turnover rates,

and longevity and experience levels. Also, the fact that observed salaries do not necessarily reflect market clearing wages introduced additional errors in the AIR estimates, including the possibility of qualitative differences in personnel.

In the present analysis, the objective is to estimate the amount of funds that a district needs, relative to Anchorage, to recruit and retain certificated personnel of equivalent quality to Anchorage. Alaska school districts compete with each other for the same pool of individuals with the qualifications to serve as teachers and administrators. They also compete for these individuals to some extent with employers outside school districts and with school districts in other states. Since our concern is with the *relative* success of different Alaska districts compared to each other, however, the primary focus of the analysis is on competition among school districts within the state. Consequently, accurate estimates of the required personnel differentials involve modeling how this competition plays out in job markets for teachers and administrators.

Economists conceptualize markets in terms of supply and demand. The demand relationship models decisions of buyers; supply models decisions of sellers. The equilibrium market price is the price that balances supply and demand. If conditions change so that buyers have more purchasing power, competition among them will tend to bid up the market price until a new equilibrium is reached. The market price could also go up if conditions change so that fewer sellers want to supply that particular market. Identifying the influence of any factor on observed market prices requires an ability to distinguish effects of supply from effects of demand.

For teacher job markets, buyers are school districts seeking to employ teachers, while sellers are individuals seeking employment in these districts. Prices are salaries offered to and accepted by personnel. Teachers may have similar qualifications, but not identical. Each teacher has some unique qualities that make him or her relatively more or less suited to a given job. A job may be similar to another with the same description but located in a different place, but is likewise not identical. These differences provide for a market outcome that matches individuals to districts at somewhat different salaries, even though all districts are competing for the same personnel pool.

Although observed market prices balance supply and demand in most markets, this does not occur in all markets at all times. In particular, observed teacher salaries in a given district may not always balance supply and demand for that district. Some districts may have difficulty filling all positions, while others may find themselves with many qualified applicants for each job opening (queuing). If this is the case, then estimating cost differentials based on the assumption that observed salaries are market equilibrium prices will produce erroneous results.

If districts differ significantly in the degree of queuing or the percentage of hard-to-fill positions, then it is likely that districts with queues will be able to hire and retain better-quality teachers than districts that have difficulty filling positions. The ability of districts with job queues to select for quality results in overall disparities in instructional quality between districts with job queues and those without them. This interaction of quality and queuing exacerbates the errors produced by calculating cost differentials based on market prices. Whether differences among districts in the degree of queuing are

significant is an empirical question that needs to be answered before one can determine that it is necessary to adjust the analysis.

The AIR study estimated salary differentials for districts based on the assumption that the observed salary for a teacher, after controlling for individual demographic characteristics, education, experience, and job type, depended on variables measuring the desirability of working and living in the district. Since it modeled teacher preferences, and included no information on district purchasing power, they estimated a supply equation for the teacher job market. Our method corrects for three critical errors embedded in the AIR approach.

First, unlike the AIR study, we account for the influence of demand factors on the market. Districts that have more purchasing power from the current foundation funding formula and from local financial resources can afford to pay teachers more than districts with fewer resources. Ignoring the effect on salaries of differences in purchasing power confounds demand factors with district characteristics supposedly measuring the desirability of working and living in the district.

Second, unlike the AIR study, we address explicitly the possibility of supply-demand imbalances among districts that result in queuing for jobs and in difficult-to-fill positions. We conducted a survey of district personnel officers in order to ascertain differences in their perception of the difficulty of filling teaching positions and of obtaining their preferred choice of job applicants. The survey results indeed show significant disparities across districts. We add variables derived from the survey to adjust the market supply equation for discrepancies between observed market salaries and those that would balance supply and demand.

Third, we address the potential for quality disparities introduced by observed queuing in some districts. These quality differences are not observed in measured teacher characteristics such as degrees earned, age, and experience. Nevertheless, the existence of significant queues in some districts, but not others, results in a situation where observed salary differentials among districts do not measure the cost differential of hiring teachers of equivalent qualifications. The salary differentials of teachers in high-queue districts may in fact be unrelated to cost differentials needed to give districts without queues equivalent purchasing power in the marketplace. Instead of trying to estimate a supply equation based on the effect of district characteristics on salaries, we instead estimate the effect of district characteristics on teacher decisions to stay or move from a current job. Since the supply equation models individual teacher job choices rather than salaries, it is less subject to confounding of salary differences with teacher quality differences.

In addition to these three methodological improvements, our method improves on the AIR approach in an additional important way by analyzing the effect of community differences on teacher supply decisions. The AIR study used only district-level data on population and geographic characteristics of work sites around the state. This may make sense superficially, because salary decisions are often made at the district level. However, teachers decide to accept jobs offered in schools in particular communities within districts. The variation in community characteristics is much greater than that of districts as a whole. For example, a district like the Kenai Peninsula Borough School

District has remote rural villages like Tyonek as well as urbanized areas like Kenai and Soldotna. Many rural districts have headquarters in regional centers that offer substantially different working environments from the districts' small villages. Using community level data within a model of individual job choice allows us to estimate much more precisely how teacher preferences influence the ability of districts to retain and hire staff. District differentials are easily constructed by taking weighted averages of estimated community differentials for the communities that each district serves.

Finally, we note that our methodology allows us to estimate cost relatives for either teachers or all certificated personnel (teachers and certificated administrators). Our review of AIR's personnel estimates focused on teachers, and to a lesser extent, on administrators. Our analysis of the certificated personnel data set in the current study indicated that administrator cost relatives in the AIR study may also have been in error. Since the supply side of the model that we have developed is conceptually applicable to administrators as well as teachers (we observe that a significant proportion of administrators in the data set are former teachers in the data set), we have developed two sets of cost relatives. The first is limited to teachers only. The second combines teachers and administrators. Appendix II-2 describes the technical details of the estimation of cost differentials for certificated personnel.

Table II-1 (page 9) shows the estimated cost relatives. As discussed above and in Appendix II-2, two alternative estimating methodologies have been used.

The first (survival equation approach) focuses on the ability of the district to retain teachers that are already employed. The second ("move" equation approach) concentrates on the ability of the district to attract or hire new people. Thus, the two approaches address separate aspects of the staffing task. It is our judgment that the average of the two cost relatives is more representative of the overall figure than either one separately. Alternatively stated, both equations bring information to bear on the staffing problem and the combined information is preferable to either approach alone.

Table II-1 shows cost relatives for both teachers and teachers plus administrators (all persons). Again, combining the information from the two equation approaches is preferable to choosing one or the other. Note that Table II-1 shows the cost relatives for teachers (or teachers/administrators) and not the overall cost index. These cost relatives are incorporated into the computation of the overall index in Section III.

Table II-1. Estimated Certificated Personnel Cost Relatives

DISTRICT NAME	DISTRICT NUMBER	(1)	(2)	(3)	(4)	(5)	(6)
		APX II-2-4 TEACHER SURVIVAL EQUATION	APX II-2-7 TEACHER, LAST 2 MOVES EQUATION	AVERAGE OF (1)+(2)	APX II-2-3 ALL PERSONS SURVIVAL EQUATION	APX II-2-6 ALL PERSONS LAST TWO MOVES	AVERAGE OF (4)+(5)
DENALI BOROUGH SCHOOL DISTRICT	2	1.292	1.129	1.211	1.299	1.146	1.222
ALASKA GATEWAY SCHOOL DISTRICT	3	1.485	1.235	1.360	1.476	1.248	1.362
ALEUTIAN REGION SCHOOL DIST	4	1.620	1.326	1.473	1.576	1.374	1.475
ANCHORAGE SCHOOL DISTRICT	5	1.000	1.000	1.000	1.000	1.000	1.000
ANNETTE ISLAND SCHOOL DISTRICT	6	1.514	1.210	1.362	1.505	1.286	1.396
BERING STRAIT SCHOOL DISTRICT	7	1.830	1.521	1.676	1.803	1.543	1.673
BRISTOL BAY BOROUGH SCH DIST	8	1.485	1.344	1.415	1.463	1.312	1.388
CHATHAM REGION SCHOOLS	9	1.491	1.257	1.374	1.495	1.298	1.397
CHUGACH SCHOOL DISTRICT	10	1.263	1.097	1.180	1.258	1.103	1.180
COPPER RIVER SCHOOL DISTRICT	11	1.393	1.197	1.295	1.390	1.222	1.306
CORDOVA CITY SCHOOL DISTRICT	12	1.244	1.177	1.210	1.258	1.239	1.249
CRAIG CITY SCHOOL DISTRICT	13	1.226	1.140	1.183	1.225	1.177	1.201
DELTA GREELY SCHOOL DISTRICT	14	1.337	1.137	1.237	1.336	1.151	1.244
DILLINGHAM CITY SCHOOL DIST	15	1.475	1.230	1.352	1.474	1.258	1.366
FAIRBANKS NORTH STAR BORO S/D	16	1.047	1.019	1.033	1.074	1.029	1.051
GALENA CITY SCHOOL DISTRICT	17	1.527	1.277	1.402	1.513	1.284	1.398
HAINES BOROUGH SCHOOL DISTRICT	18	1.282	1.053	1.167	1.283	1.106	1.194
HOONAH CITY SCHOOL DISTRICT	19	1.541	1.238	1.389	1.518	1.276	1.397
HYDABURG CITY SCHOOL DISTRICT	20	1.693	1.268	1.480	1.665	1.330	1.498
IDITAROD AREA SCHOOL DISTRICT	21	1.768	1.407	1.588	1.699	1.414	1.557
JUNEAU BOROUGH SCHOOLS	22	1.158	1.171	1.165	1.171	1.188	1.180
KAKE CITY SCHOOL DISTRICT	23	1.564	1.251	1.407	1.550	1.337	1.443
KENAI PENINSULA BOROUGH SCHS	24	1.173	1.121	1.147	1.177	1.141	1.159
KETCHIKAN GATEWAY BOROUGH S.D.	25	1.198	1.152	1.175	1.213	1.196	1.204
KLAWOCK CITY SCHOOL DISTRICT	27	1.465	1.203	1.334	1.446	1.236	1.341
KODIAK ISLAND BOROUGH SCH DIST	28	1.299	1.191	1.245	1.297	1.232	1.264
KUSPUK SCHOOL DISTRICT	29	1.747	1.437	1.592	1.709	1.456	1.583
LAKE AND PENINSULA SCHOOL DIST	30	1.652	1.357	1.505	1.608	1.380	1.494
LOWER KUSKOKWIM SCHOOL DIST	31	1.639	1.456	1.548	1.615	1.459	1.537
LOWER YUKON SCHOOL DISTRICT	32	1.796	1.529	1.663	1.770	1.541	1.655
MATANUSKA-SUSITNA BOROUGH SCHS	33	1.123	1.037	1.080	1.122	1.046	1.084
NENANA CITY SCHOOL DISTRICT	34	1.543	1.197	1.370	1.534	1.220	1.377
NOME CITY SCHOOL DISTRICT	35	1.511	1.366	1.438	1.500	1.365	1.432
NORTH SLOPE BOROUGH SCH DIST	36	1.764	1.507	1.636	1.761	1.558	1.660
NORTHWEST ARCTIC SCHOOL DIST	37	1.753	1.462	1.607	1.734	1.468	1.601
PELICAN CITY SCHOOL DISTRICT	38	1.344	1.171	1.257	1.344	1.224	1.284
PETERSBURG CITY SCHOOL DIST	39	1.248	1.186	1.217	1.259	1.241	1.250
PRIBILOF ISLAND SCHOOL DIST	40	1.771	1.356	1.563	1.751	1.404	1.578
SITKA BOROUGH SCHOOL DISTRICT	42	1.268	1.188	1.228	1.269	1.203	1.236
SKAGWAY CITY SCHOOL DISTRICT	43	1.241	1.037	1.139	1.246	1.097	1.171
SOUTHEAST ISLAND SCHOOL DIST	44	1.335	1.191	1.263	1.334	1.246	1.290
SOUTHWEST REGION SCHOOL DIST	45	1.775	1.388	1.582	1.720	1.416	1.568
SAINT MARYS CITY SCHOOL DIST	46	1.651	1.409	1.530	1.644	1.425	1.535
UNALASKA CITY SCHOOL DISTRICT	47	1.503	1.347	1.425	1.495	1.422	1.458
VALDEZ CITY SCHOOL DISTRICT	48	1.233	1.037	1.135	1.246	1.078	1.162
WRANGELL CITY SCHOOL DISTRICT	49	1.250	1.156	1.203	1.251	1.162	1.206
YAKUTAT CITY SCHOOL DISTRICT	50	1.320	1.164	1.242	1.332	1.200	1.266
YUKON FLATS SCHOOL DISTRICT	51	1.863	1.427	1.645	1.832	1.469	1.651
YUKON KOYUKUK SCHOOL DISTRICT	52	1.756	1.331	1.543	1.689	1.312	1.501
TANANA CITY SCHOOL DISTRICT	53	1.823	1.376	1.599	1.783	1.393	1.588
YUPIIT SCHOOL DISTRICT	54	1.827	1.530	1.679	1.799	1.539	1.669
KASHUNAMIUT SCHOOL DISTRICT	55	1.766	1.505	1.636	1.750	1.537	1.643
ALEUTIANS EAST BOROUGH SCH DIS	56	1.785	1.342	1.564	1.747	1.375	1.561

SOURCE: COMPUTED BY ISER, BASED ON THE APPENDIX EQUATION IDENTIFIED IN THE COLUMN HEADING.

II-3. ADJUST INDEX TO USE ACTUAL ENERGY COSTS RATHER THAN ESTIMATED COSTS.

Our review of the AIR study was critical of the methodology used to estimate energy costs and the application of the methodology. These problems led to energy cost estimates that were often substantially in error when compared to actual energy costs. As a consequence of these problems ISER suggested that the energy cost component of the index be computed using actual cost data rather than the flawed estimated cost data.

To do this, we have computed, for each district, energy cost per student. The measure of energy costs that we have used is the sum of "energy" cells described in the AIR budget matrix (Vol. II, Appendix I, pp. 111-113). In essence, the cells in the matrix labeled "energy" have been summed to provide a measure of total energy cost. We have done this for the four fiscal years for which we have data (FY2000 - FY2003).

The total energy cost for a given district is then divided by the district's Average Daily Membership (ADM) figure for the same fiscal year. This results in a figure that represents the "dollars per student" spent on energy. This figure, divided by the comparable Anchorage figure, is the energy cost relative, or relative cost of energy per student, between the district in question and Anchorage, i.e., $(P_{\text{energy}j}) / (P_{\text{energyAnchorage}})$.

The actual cost relatives for energy for each fiscal year are shown in Appendix Table II-3-1 in Appendix II-3 (page 37). The table also includes AIR's cost relatives based on their energy forecasting model. As can be seen, there are substantial differences in most instances, and in general the AIR figure underestimates the actual cost.

We have also calculated the superlative (or overall) index using AIR's original data, and then AIR's data except for actual energy cost relatives. These results are shown in Appendix Table II-3-2 (page 38). For most districts, the overall index increases when actual energy costs are used. The largest increase was about thirteen percent. In a few instances the index decreased, with the largest drop being a little over four percent. These comparisons give a general idea of the impact of including actual energy costs.

II-4. REVIEW OF TRAVEL COST INDEX COMPONENTS.

Our criticism of the travel cost component of the index related primarily to lack of transparency in how the index was calculated. We noted that per diem rates varied depending on the type of travel, but that this was not documented. It appears that these rates were determined in consultation with the Technical Working Group and we do not have any reason to question their decision. However, the spreadsheet version of the model that we have constructed easily allows for substitution of other values if deemed appropriate. There was also a question regarding computation of maintenance travel, related to whether or not round-trip or one-way travel time was the appropriate measure. We have talked to a few firms that make service calls to remote areas of the state. Most indicate that round-trip, rather than one-way travel time would be used in computing service call costs. However, this practice may be dependent on who the customer is. At this point we have not made any adjustment to the model.

II-5. REVIEW DEFINITION AND MEASUREMENT OF BUDGET CATEGORIES.

The computation of budget shares is an important issue since the budget shares determine the relative weight applied to specific components of the overall index. AIR included both the operating fund and special revenue funds matrixes in their report, but did not use the special revenues fund matrix in their computations. Our review also was unable to replicate the budget shares calculated by AIR, although the differences were small. After re-reviewing the computations provided to us by AIR, we found a minor programming error in their calculations. When this was corrected, the expected results were obtained.

The FY 2000 – FY2003 budget reports from DEED, for each of the fifty-three districts, have been reviewed. We have calculated the operating fund budget shares for each year and compared shares on a year by year basis. It is clear that there is year to year variation, but in almost all instances the variation, within a given district, is quite small. Generally, the larger the district, the smaller is the annual variation in budget shares. Also, the greater the importance of an item in the overall budget, the smaller the annual variation. Inspection of the data also indicates, as expected, substantial variation between districts. Budget share data were also reviewed for trends within specific components. Relatively few trends, either within specific components or between components were observed and these did not appear to be significant.

Our review of AIR's report also questioned the exclusion of special revenue funds in the calculation of budget share weights. Special revenue funds include a wide array of revenue sources including federal funds, grants from public and private sources, and more. We have re-calculated the budget shares for FY 2000 using the combined Operating Fund and Special Revenue Funds data. Comparing operating fund shares with the combined shares suggests that inclusion of the special revenue funds does make some difference. The average share accounted for by classified employees increases by about ten percent, instructional and office supplies (the "paper" variable), by about 11.2 percent, maintenance supplies (the "window" variable) by 15.4 percent, and PD3 (travel between schools and district offices, except teachers) increases about five-fold (from a very small base, however). On the other hand, administration and teacher compensation shares (and total personnel expenditures) decline, as do some components of travel. Also, almost no energy costs are met from special fund revenues. Overall, it appears that special revenue funds supplement non-personnel budget components to a greater extent than the certified personnel and energy components.

We have also looked at the share of total funds (operating plus special revenue funds) accounted for by special revenue funds. See Appendix Table II-5-1 (page 39). In FY2000 (based on the average of all districts) special revenue funds were 17.3 percent of total funds. This figure has increased slightly to 21.7 percent in FY2003. The average hides a high degree of variability among districts. One district had about over sixty percent of its combined revenue from special revenue funds, while another was at about six percent. These were extreme cases, with a more typical range between ten and thirty percent. In many instances there was also substantial year to year variation within districts.

After reviewing these data and observations, and after discussing our findings with DEED, it is our judgment that it is appropriate to leave special revenue funds out of the budget share calculations. We can summarize our opinion as follows. First, the receipt of special revenue funds is not automatic, or guaranteed. Second, the role of special revenue funds (or share of total budget) varies significantly across districts and may vary with respect to intended use. Third, the level of special revenue funds within a district may vary substantially from year to year. Finally, it should be noted that at this time special revenue funds reporting is not audited by DEED, in contrast to operating revenue fund reporting. Thus, there is a significant difference in the reliability of the data.

A further issue relates to which of the fiscal years to include in the computations of budget weights. We have elected to use an average of the four fiscal years of the operating revenue fund to measure budget shares. Our reasons for this choice were as follows. First, averaging over the four years smoothes out year to years variation, and should provide a more representative picture of actual expenditure patterns. Secondly, we have four years of energy cost data, which allows us to use an average of energy costs over a multi-year period. This reduces the effects of any one year's weather or fuel price variations. Third, the data used to estimate the teacher cost relative span five years of certified teacher data. Again, this has an averaging effect on comparative district costs for teachers. It should be noted that we have not updated the AIR data on the paper, window, or travel variables, nor the non-teacher personnel variables, all of which were based on FY2002 data. In effect, the teacher and energy components represent, on average, fifty-six percent of total budget outlays.

For purposes of comparison, we have estimated the overall index, using AIR's cost data, for the FY2000 and the four-year (FY2000 – FY 2003) average budget shares set (Appendix Table II-5-2, page 40). The two indexes are quite similar. However, the index computed with four-year average budget weights is lower for 32 districts, and roughly the same for most of the rest. The average of the index values for the 53 districts is about 0.6 percent lower using four-year weights and the variance of the index values is also slightly less. Overall, the four-year average weights do seem to stabilize the index values somewhat.

II-6. SUGGESTIONS REGARDING COLLECTION OF NEW OR ADDITIONAL DATA FOR FUTURE INDEX ESTIMATION

The ability to accurately measure relative costs between districts depends on the availability of information relating to the provision of educational services. Some of these data are currently available, but there are important gaps remaining. In general, there are four areas where better data would contribute to greater understanding of the provision of educational services. The first relates to teacher training and qualifications (teacher quality measures). Second is detail on the value of benefits received by individual teachers (teacher compensation). A third area is more systematic information regarding market supply and demand conditions for teachers (and administrators), including information about differences among school districts' abilities to fill teaching positions. Lastly, information from teachers about what choices of jobs they face and how they make those choices would be extremely valuable. In the first two categories,

data exist that the state already collects or could collect on an on-going basis. The latter two categories are more suited for collection as needed for analysis.

1. **Teacher training and qualifications:** Teacher quality is difficult to measure, especially in ways that can be summarized into simple quantitative measures. However, it would be useful to have the location and date of initial teacher training, any endorsements/specialty areas that a teacher holds, and scores from PRAXIS or other teacher exams. DEED collects these data, and much of it is included in the certification database, but connecting that data with the certified staff accounting database that we used would be time-consuming and expensive. There may be additional variables that are also collected, but not captured, such as data on the college, major, academic performance, courses taken, etc., available from transcripts that are submitted as part of the certification process. Variables such as these have been significant in studies nationally relating to the measurement of instructional and student performance.

2. **Benefits:** We discussed the need to include benefit data in estimating teacher compensation differentials in our review of AIR's study; however, available data were not sufficient to accomplish that in the current analysis. Currently districts report aggregate expenditures for benefits in several categories; however, to be useful for modeling teacher supply issues, we need to know what districts spend on each individual's benefits. Also, because districts may differ in their buying power for their health insurance, it would be useful to know what health benefits teachers receive.

3. **Districts' abilities to fill positions:** We conducted a brief survey to address this question; however, answers to our questions highlighted some of the areas with inadequate data. For example, some districts are able to fill most positions from unsolicited applications; others "don't really have any applicants; we go out and recruit". Our survey did not address differences in districts' recruiting strategies. In response to the question, "how many qualified applicants do you have", a few districts were able to define "qualified" as the three applicants chosen to move forward to interview, while others considered all applicants with the relevant certifications. One possible source of useful data is the Alaska Teacher Placement web site, which could potentially provide data for many (but not all) districts about how long jobs are posted before they are filled; how many applicants jobs attract through ATP; and how many positions are vacant during the year. Annual standardized reporting of recruiting practices, efforts, and success, by districts, could also be fruitful.

4. **Teacher Choices:** Currently available data can tell us what jobs teachers actually chose. When teachers move from one job to another, we can assume that their new job was preferable to their old one, although we may not know why. We have no information about other jobs that they might have preferred (but not been offered) or that they were offered, but chose not to take, or that they chose not to apply for at all. Those data would greatly improve our insight into why teachers make the choices they do (and what policies districts might use to reduce turnover or extend longevity). These data would need to be collected directly from teachers. Job fairs provide a promising venue in which to collect this sort of data from new teachers; experienced teachers who move could potentially be identified through the same certified staff data we used in the current analysis.

II-7. PROVIDE RESULTS IN SPREAD SHEET FORMAT.

The computation of the overall index has been converted from ACCESS to EXCEL. The overall index can be recalculated using new survey data on travel, office and instructional supplies ("paper") and maintenance supplies ("window"). Revisions to the personnel components of the index continue to require separate estimation of personnel index components. These index components are not subject to routine or automatic updating. We are providing, under separate cover, two copies of the index model (the model used by ISER) used to generate the index values discussed below.

III. ISER COMPUTED INDEX VALUES

The ISER estimates of teacher and teacher/administrator cost relatives developed in Section II-2 have been used to compute new values of the overall (GCEI) index. Note that the overall index reflects a combination of AIR estimates for some components and ISER estimates for others. Important distinctions include the following. First, we use actual energy costs instead of AIR estimates. Second, we are using the average of FY2000 – FY2003 budget weights rather than FY2000 (used by AIR). We do use the AIR cost relatives for the “paper”, “window” and travel components. We also use AIR’s classified employee estimates. We have computed two sets of overall index values and these are shown in Table III-1 (page 16).

The first shows the overall index computed using ISER’s estimate of teacher cost relatives (the average of teacher survival and move equations). This means that the index is calculated using AIR values for administrators. The second overall index uses ISER’s combined teacher/administrator cost relatives (the average of the teacher/administrator survival and move equations). Hence, this second estimate does not make use of AIR’s administrator cost relatives.

The table values also include the current index (AS14.17.460) values and the ratios of the new indexes relative to the current index. It is clear that both new indexes tend to be higher than the current index. The “teacher only” version averages about fifteen percent above the current index and the combined index average is about nineteen percent higher. There is a high degree of correlation between the existing and new indexes. The two columns showing the ratios of the ISER estimates to the current index give an indication of the degree to which the ISER index exceeds the current index. This information is also shown graphically in Figure III-1 (page 17).

It is our judgment that the certificated personnel cost relative based on the combined teacher/administrator estimate provides a more accurate measure of certificated personnel cost differences and should be the cost relative used in the calculation of the overall index (GCEI). For clarity, we include Table III-2 (page 18), which shows the current (AS14.17.460) index in column (1), the ISER computed overall (GCEI) index based on the teacher/administrator cost relatives (the column headed PROPOSED GEOG DIF INDEX) in column(2), and the arithmetic difference between the proposed index and the current index in column(3).

**TABLE III-1. Comparison of Current Index with *Teachers Only* and
All Certificated Personnel Indexes**

DISTRICT	DIST ID	CURRENT	AVERAGE,	AVERAGE,	RATIO,	RATIO,
		GEOG DIF AS14.17.460	TEACHER EQUATIONS	ALL PERSONS EQUATIONS	TEACHER/ CURRENT INDEX	ALL PERSONS/ CURRENT INDEX
ANCHORAGE SCHOOL DISTRICT	5	1.000	1.000	1.000	1.000	1.000
MATANUSKA-SUSITNA BOROUGH SCHS	33	1.010	1.059	1.070	1.049	1.059
FAIRBANKS NORTH STAR BORO S/D	16	1.039	1.054	1.070	1.014	1.030
JUNEAU BOROUGH SCHOOLS	22	1.005	1.124	1.145	1.119	1.139
WRANGELL CITY SCHOOL DISTRICT	49	1.000	1.134	1.159	1.134	1.159
KETCHIKAN GATEWAY BOROUGH S.D.	25	1.000	1.139	1.170	1.139	1.170
VALDEZ CITY SCHOOL DISTRICT	48	1.095	1.142	1.170	1.043	1.069
KENAI PENINSULA BOROUGH SCHS	24	1.004	1.151	1.171	1.147	1.166
SKAGWAY CITY SCHOOL DISTRICT	43	1.143	1.145	1.174	1.002	1.027
SITKA BOROUGH SCHOOL DISTRICT	42	1.000	1.170	1.195	1.170	1.195
HAINES BOROUGH SCHOOL DISTRICT	18	1.008	1.161	1.200	1.152	1.191
CRAIG CITY SCHOOL DISTRICT	13	1.010	1.172	1.206	1.160	1.194
CORDOVA CITY SCHOOL DISTRICT	12	1.096	1.191	1.234	1.086	1.126
DELTA GREELY SCHOOL DISTRICT	14	1.106	1.208	1.241	1.092	1.122
PETERSBURG CITY SCHOOL DIST	39	1.000	1.202	1.244	1.202	1.244
KODIAK ISLAND BOROUGH SCH DIST	28	1.093	1.254	1.289	1.147	1.180
KLAWOCK CITY SCHOOL DISTRICT	27	1.017	1.266	1.302	1.244	1.280
COPPER RIVER SCHOOL DISTRICT	11	1.176	1.282	1.316	1.090	1.119
DENALI BOROUGH SCHOOL DISTRICT	2	1.313	1.299	1.332	0.990	1.015
NENANA CITY SCHOOL DISTRICT	34	1.270	1.287	1.338	1.014	1.054
ANNETTE ISLAND SCHOOL DISTRICT	6	1.011	1.275	1.338	1.261	1.324
DILLINGHAM CITY SCHOOL DIST	15	1.254	1.311	1.346	1.045	1.074
GALENA CITY SCHOOL DISTRICT	17	1.348	1.359	1.391	1.008	1.032
HOONAH CITY SCHOOL DISTRICT	19	1.055	1.363	1.399	1.292	1.326
SOUTHEAST ISLAND SCHOOL DIST	44	1.124	1.364	1.403	1.214	1.248
YAKUTAT CITY SCHOOL DISTRICT	50	1.046	1.380	1.412	1.319	1.350
UNALASKA CITY SCHOOL DISTRICT	47	1.245	1.382	1.441	1.110	1.157
NOME CITY SCHOOL DISTRICT	35	1.319	1.419	1.450	1.076	1.099
KAKE CITY SCHOOL DISTRICT	23	1.025	1.406	1.459	1.372	1.423
PELICAN CITY SCHOOL DISTRICT	38	1.290	1.423	1.477	1.103	1.145
BRISTOL BAY BOROUGH SCH DIST	8	1.262	1.453	1.478	1.152	1.171
CHUGACH SCHOOL DISTRICT	10	1.294	1.490	1.496	1.151	1.156
HYDABURG CITY SCHOOL DISTRICT	20	1.085	1.425	1.504	1.314	1.386
CHATHAM REGION SCHOOLS	9	1.120	1.517	1.576	1.354	1.407
ALASKA GATEWAY SCHOOL DISTRICT	3	1.291	1.547	1.594	1.198	1.235
KASHUNAMIUT SCHOOL DISTRICT	55	1.389	1.543	1.619	1.111	1.166
SAINT MARYS CITY SCHOOL DIST	46	1.351	1.573	1.624	1.164	1.202
LOWER KUSKOKWIM SCHOOL DIST	31	1.491	1.621	1.663	1.087	1.115
SOUTHWEST REGION SCHOOL DIST	45	1.423	1.632	1.685	1.147	1.184
PRIBILOF ISLAND SCHOOL DIST	40	1.419	1.649	1.691	1.162	1.192
YUPIIT SCHOOL DISTRICT	54	1.469	1.647	1.723	1.121	1.173
KUSPUK SCHOOL DISTRICT	29	1.434	1.675	1.734	1.168	1.209
TANANA CITY SCHOOL DISTRICT	53	1.496	1.707	1.786	1.141	1.194
NORTH SLOPE BOROUGH SCH DIST	36	1.504	1.742	1.791	1.158	1.191
NORTHWEST ARCTIC SCHOOL DIST	37	1.549	1.774	1.823	1.145	1.177
YUKON KOYUKUK SCHOOL DISTRICT	52	1.502	1.782	1.835	1.186	1.222
IDITAROD AREA SCHOOL DISTRICT	21	1.470	1.802	1.846	1.226	1.256
LOWER YUKON SCHOOL DISTRICT	32	1.438	1.797	1.861	1.250	1.294
ALEUTIAN REGION SCHOOL DIST	4	1.736	1.890	1.939	1.089	1.117
ALEUTIANS EAST BOROUGH SCH DIS	56	1.423	1.938	1.991	1.362	1.399
LAKE AND PENINSULA SCHOOL DIST	30	1.558	1.940	1.994	1.245	1.280
BERING STRAIT SCHOOL DISTRICT	7	1.525	1.938	1.998	1.271	1.310
YUKON FLATS SCHOOL DISTRICT	51	1.668	2.002	2.116	1.200	1.268
AVERAGE		1.245	1.438	1.481	1.155	1.189
RATIO TO CURRENT INDEX AVERAGE			1.155	1.190		

SOURCE: COMPUTED BY ISER

	CURRENT INDEX	AVERAGE, TEACHERS	AVERAGE, ALL PERSONS
	Column 1	Column 2	Column 3
Column 1	1		
Column 2	0.904424423	1	
Column 3	0.900052557	0.998599748	1

FIGURE III-1. Comparison of Current and ISER-Calculated Cost Differentials

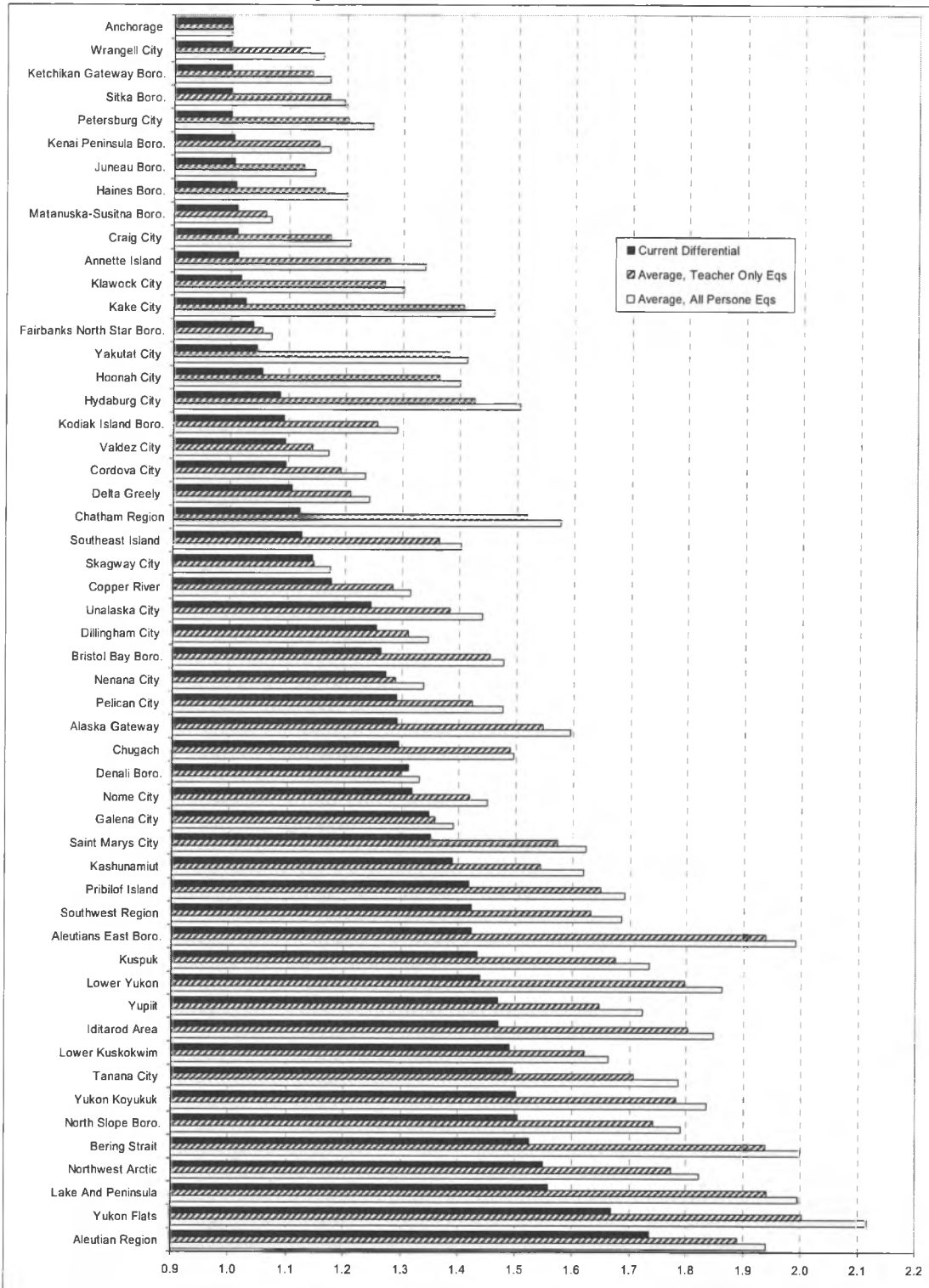


TABLE III-2. Current Geographic Cost Differential Index and Proposed New Index

DISTRICT	DIST ID	(1)	(2)	(3)
		CURRENT GEOG DIF INDEX AS14.17.460	PROPOSED GEOG DIF INDEX	ARITHMETIC DIFFERENCE, PROPOSED - CURRENT
ANCHORAGE SCHOOL DISTRICT	5	1.000	1.000	0.000
MATANUSKA-SUSITNA BOROUGH SCHS	33	1.010	1.070	0.060
FAIRBANKS NORTH STAR BORO S/D	16	1.039	1.070	0.031
JUNEAU BOROUGH SCHOOLS	22	1.005	1.145	0.140
WRANGELL CITY SCHOOL DISTRICT	49	1.000	1.159	0.159
KETCHIKAN GATEWAY BOROUGH S.D.	25	1.000	1.170	0.170
VALDEZ CITY SCHOOL DISTRICT	48	1.095	1.170	0.075
KENAI PENINSULA BOROUGH SCHS	24	1.004	1.171	0.167
SKAGWAY CITY SCHOOL DISTRICT	43	1.143	1.174	0.031
SITKA BOROUGH SCHOOL DISTRICT	42	1.000	1.195	0.195
HAINES BOROUGH SCHOOL DISTRICT	18	1.008	1.200	0.192
CRAIG CITY SCHOOL DISTRICT	13	1.010	1.206	0.196
CORDOVA CITY SCHOOL DISTRICT	12	1.096	1.234	0.138
DELTA GREELY SCHOOL DISTRICT	14	1.106	1.241	0.135
PETERSBURG CITY SCHOOL DIST	39	1.000	1.244	0.244
KODIAK ISLAND BOROUGH SCH DIST	28	1.093	1.289	0.196
KLAWOCK CITY SCHOOL DISTRICT	27	1.017	1.302	0.285
COPPER RIVER SCHOOL DISTRICT	11	1.176	1.316	0.140
DENALI BOROUGH SCHOOL DISTRICT	2	1.313	1.332	0.019
NENANA CITY SCHOOL DISTRICT	34	1.270	1.338	0.068
ANNETTE ISLAND SCHOOL DISTRICT	6	1.011	1.338	0.327
DILLINGHAM CITY SCHOOL DIST	15	1.254	1.346	0.092
GALENA CITY SCHOOL DISTRICT	17	1.348	1.391	0.043
HOONAH CITY SCHOOL DISTRICT	19	1.055	1.399	0.344
SOUTHEAST ISLAND SCHOOL DIST	44	1.124	1.403	0.279
YAKUTAT CITY SCHOOL DISTRICT	50	1.046	1.412	0.366
UNALASKA CITY SCHOOL DISTRICT	47	1.245	1.441	0.196
NOME CITY SCHOOL DISTRICT	35	1.319	1.450	0.131
KAKE CITY SCHOOL DISTRICT	23	1.025	1.459	0.434
PELICAN CITY SCHOOL DISTRICT	38	1.290	1.477	0.187
BRISTOL BAY BOROUGH SCH DIST	8	1.262	1.478	0.216
CHUGACH SCHOOL DISTRICT	10	1.294	1.496	0.202
HYDABURG CITY SCHOOL DISTRICT	20	1.085	1.504	0.419
CHATHAM REGION SCHOOLS	9	1.120	1.576	0.456
ALASKA GATEWAY SCHOOL DISTRICT	3	1.291	1.594	0.303
KASHUNAMIUT SCHOOL DISTRICT	55	1.389	1.619	0.230
SAINT MARYS CITY SCHOOL DIST	46	1.351	1.624	0.273
LOWER KUSKOKWIM SCHOOL DIST	31	1.491	1.663	0.172
SOUTHWEST REGION SCHOOL DIST	45	1.423	1.685	0.262
PRIBILOF ISLAND SCHOOL DIST	40	1.419	1.691	0.272
YUPIIT SCHOOL DISTRICT	54	1.469	1.723	0.254
KUSPUK SCHOOL DISTRICT	29	1.434	1.734	0.300
TANANA CITY SCHOOL DISTRICT	53	1.496	1.786	0.290
NORTH SLOPE BOROUGH SCH DIST	36	1.504	1.791	0.287
NORTHWEST ARCTIC SCHOOL DIST	37	1.549	1.823	0.274
YUKON KOYUKUK SCHOOL DISTRICT	52	1.502	1.835	0.333
IDITAROD AREA SCHOOL DISTRICT	21	1.470	1.846	0.376
LOWER YUKON SCHOOL DISTRICT	32	1.438	1.861	0.423
ALEUTIAN REGION SCHOOL DIST	4	1.736	1.939	0.203
ALEUTIANS EAST BOROUGH SCH DIS	56	1.423	1.991	0.568
LAKE AND PENINSULA SCHOOL DIST	30	1.558	1.994	0.436
BERING STRAIT SCHOOL DISTRICT	7	1.525	1.998	0.473
YUKON FLATS SCHOOL DISTRICT	51	1.668	2.116	0.448
AVERAGE		1.245	1.481	0.236

SOURCE: COMPUTED BY ISER USING TEACHER/ADMINISTRATOR MODEL.

APPENDIX MATERIAL

NOTE

There is no Appendix I.

Appendix II section numbers refer to the corresponding section numbers in the body of Section II of the report. If there is no appendix material related to a particular section, there will be no corresponding appendix section.

Appendix III provides detailed coverage of the survey measuring differences among school districts in their ability to fill teaching positions.

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Appendix II. Estimation of Cost Differentials for Certificated Personnel

This appendix provides the technical description of the procedures used to estimate proposed cost differentials for certificated personnel. First, we outline the relationships that describe the market for teachers and administrators. Second, we discuss the identification of parameters in these simultaneous relationships. Next, we describe the specific variables that work through the relationships to determine market outcomes, and provide the data sources for each variable. Then, we discuss specification and statistical estimation of the parameters of the relationships. Finally, we describe how we used the coefficients estimated from the equations to generate cost differentials for communities and school districts.

Relationships

School districts hire teachers and administrators in markets characterized, like all markets, by supply and demand relationships. The market demand relationship models the decisions of a school district to hire personnel and their ability and willingness to pay to recruit and retain staff. The demand price represents this willingness to pay. We model the demand price, P , as a function of the number of personnel needed, N^D , the quality of staff hired, Q , and vectors of individual characteristics (other than quality), I , characteristics of the job, J , exogenous demand-shift characteristics, X . That is,

$$P = D^{-1}(N^D, Q, I, J, X) \quad (1)$$

Equation (1) implies a tradeoff between quantity and quality, limited by the district's budget. Since the district is competing with other districts to fill similar positions, the relevant price, P , can be expressed as the relative price offered by the district compared to the average offer for a similar job across all Alaska districts.

The supply relationship models the decisions of individuals to apply for and accept offers of employment at that particular district. The market supply, expressed as the number of teachers or administrators, N^S , depends on the salary offer, P , as well as I , J , and a vector Z of place and district characteristics measuring working conditions and the perceived quality of life in the community. That is,

$$N^S = S(P, I, J, Z) \quad (2)$$

Teachers and administrators prefer jobs that pay more and are located in communities that offer a better quality of life. We assume that it is possible to observe a tradeoff of pay for certain desirable community characteristics.

Ordinarily, market equilibrium occurs at the price P^* that equates N^S to N^D . In this case, however, the ability of districts to choose different quality thresholds allows the existence of multiple equilibria. Districts possessing a combination of financial resources and community quality of life can pay more than P^* in order to attract staff of higher than average quality. Districts with less money and poor perceived community quality of life may have difficulty filling positions and may have to accept staff of lesser quality. The following equation summarizes this relationship.

$$Q = f(P - P^*) \quad (3)$$

Identification

Equations (1), (2), and (3) define a simultaneous system of equations, with three jointly determined variables, P , N , and Q , and vectors of predetermined variables, I , J , X , and Z . The parameters of a simultaneous equation can only be estimated if the equation is identified. In general, identification is possible if it excludes at least one variable for each equation in the

system. In the system defined above, the supply equation is identified, but the demand equation is not identified. In practice, this means that it is not possible to determine empirically a school district's preferences for the tradeoff between quantity and quality of personnel without additional information. For example, we might hypothesize that the district has preferences U for the number of staff, staff quality, and quality of facilities, F :

$$U = U(N, Q, F) \quad (4)$$

The amount paid to operate facilities plus the amount paid to staff is limited by a budget, B :

$$P*N + R*F \leq B \quad (5)$$

where R represents the unit cost of operating facilities. If the district maximizes equation (4) subject to equation (5) and the labor market relationships (1), (2), and (3), then a unique equilibrium solution emerges for N , P , Q , and F . With observations on an exogenous indicator for the unit cost of facilities -- for example, the price of fuel -- then all relationships are identified and can be estimated empirically.

Determining the equilibrium quality, Q , in each district as an outcome of the budget constraints of districts would allow us to estimate the implications of the current Alaska school foundation funding formula for differences in staff quality among Alaska districts. However, such a determination is not necessary in order to complete our task of estimating personnel cost differentials among districts. For this it is only necessary to estimate the supply relationship in equation (2), which is identified. This equation provides the empirical basis for determining how much teachers and administrators would need to be compensated in different districts to provide each district with a supply of job candidates of equivalent quality.

Data definition and sources

Alaska DEED certification files provide data on individual characteristics, I , for teachers and administrators filling certificated positions for the years 1999 through 2004. Individual characteristics include age, sex, ethnicity, college degrees awarded, and years of experience. The same source provides the job title for the position, which we summarized into six categories of job types, J , for teachers and six categories for administrators, as well as salary information.

Exogenous demand-shift factors, X , represent factors that explain differences in the demand for personnel at any given salary. These factors include indicators of the financial resources of the district and changes in student enrollment (ADM). We measure the state's existing defined entitlement, which we define as the sum of state and non-deductible federal impact aid plus required local effort per adjusted ADM, growth in ADM between 1999-2004, and dummy variables for districts with high industrial (petroleum) tax base (NSB, Valdez), and for one district (Galena) that has generated exceptionally large revenue from correspondence programs. Spreadsheets generated for the school foundation annual reports provide the source of these data. Eddy Jeans of the DEED kindly provided us with these spreadsheets.

The set of place and district variables, Z , include a variety of community data drawn from the 2000 US census and data series generated and used by AIR in their study. Census 2000 place variables include district and community total and school-age population size and distribution by ethnicity, percent of population 16 and older in the community who were employed in 1999, and the percent of families in the community living in poverty in 1999. We include the set of regional (district) climate indicators used by AIR. In addition, we constructed a number of indicators of community remoteness, including dummy variables for whether the community was located on the road system, whether the community has direct air service to Anchorage or requires an additional small plane flight to a hub with direct air service, and the air fare of the flight from the nearest hub to Anchorage. Finally, we include a variable indicating whether the community

prohibits sale and importation of alcohol, based on records obtained from the Alaska Alcoholic Beverage Control Board. Appendix Table II-2-1 shows relevant variables, their definitions and sources.

Specification of the equations to estimated

To control for quality, we examine labor supply decisions by individual teachers. We examine two specific decisions: (1) duration of employment in schools in a given community (survival analysis), and (2) moving from a job in schools in one community to a job in schools in another community (discrete-choice revealed preference). The survival analysis estimates the tradeoff between compensation and community and district characteristics that determine how long an individual remains in a community. The discrete-choice analysis estimates the tradeoff between compensation and community and district characteristics that determine which communities and districts are relatively more attractive to teachers and administrators with at least one prior job working in Alaska public schools. It assumes that all moves are voluntary, so a move always results in an increase in welfare.

The survival model assumes an exponential hazard function of the form,

$$e^{-\lambda t}, \quad (6)$$

where t equals time, which is measured in years, and

$$-\log(\lambda) = \lambda_0 + \alpha \log P + \beta I + \gamma J + \delta Z + u \quad (7)$$

In equation (7), λ_0 , α , β , γ , and δ are parameters to be estimated, and u is a random error.

The discrete choice equations are specified as a rank-order logit, where the probability of moving from district A to district B equals

$$e^{\mu^A} / e^{\mu^B} \quad (8)$$

The exponents in equation (8), μ^A and μ^B are given by the linear equation:

$$\mu^i = \alpha \log P + \gamma P^J + \delta Z + u \quad (9)$$

where P^J represents the average salary difference between the job type held by the individual and the average salary for a regular classroom teacher job. Equation (9) is similar to equation (7), except that the vector of job characteristics J is represented by a single variable. Since equation (8) represents only relative preference between two communities for the same individual, individual characteristics, I , are not relevant in equation (9) ($\beta=0$), and there is no constant term ($\lambda_0=0$).

The community cost index represents the amount that the salary would have to be adjusted to exactly offset the difference in community quality of life compared to Anchorage. For both models, this is calculated as

$$\exp[-\alpha(Z_k - Z_a)/\alpha], \quad (10)$$

where α represents the coefficient on the relative price, and δ represents the vector of coefficients multiplied by the respective difference between the characteristics of the community (k) and Anchorage (a). For the survival model, equation (10) calculates the compensation that would equalize survival rates among all communities. For the discrete-choice model, equation (10) calculates the compensation that would make teachers equally likely to move to or from all communities.

To obtain school district indexes from community indexes, we calculate the weighted average of the indexes of the communities served by that school district, with the weights equal to the number of teachers (or administrators) employed in each community.

Estimation of equations

Since the supply equations represent part of a simultaneous system of equations, the first step is to estimate an instrumental variable for the jointly determined salary variable, P . Appendix Table II-2-2 shows the results of estimating the reduced-form equation for the natural logarithm of the salary as a function of a constant, a trend, and the full set of predetermined variables included in the system of equations (1), (2), and (3). These predetermined variables include I , J , X , and Z . This equation is somewhat similar to the salary equations estimated in the AIR study. The two primary differences are that they include the Z (demand-shift) variables, and that they include community as well as district characteristics. Including the set of Z variables corrects an error in the AIR study methodology. The results in Appendix Table II-2-2 show that the variables representing ability to pay (entitlement funding, and dummy variables for districts with a significantly enhanced local revenue base) are indeed positive and significant.

The coefficients in Appendix Table II-2-2 are used to construct two salary variables. The salary relative to the average salary for that job type is constructed by subtracting the means for the job type from the predicted values of the salary equation. The average salary differential for different job types is constructed by taking the linear combination of dummy variables for each job type times its estimated coefficient. Since the constant term represents regular classroom teacher, the result automatically produces a differential relative to regular classroom teacher.

Appendix Tables II-2-3, II-2-4, and II-2-5 show the results of estimating equations for the survival model for three different populations: all certificated personnel, teachers, and administrators. Estimation is by maximum likelihood. The equations all show significant positive coefficients on the logarithm of the relative salary (instrumental variable), as well as significant coefficients for individual characteristics, job characteristics, and a number of community and district variables.

Appendix Tables II-2-6, II-2-7, II-2-8, and II-2-9 show the maximum likelihood estimates of the discrete-choice move equations for four specifications. These are, respectively, (1) the most recent two moves for all personnel, (2) the most recent two moves of teachers to other teaching positions, (3) the most recent two moves of administrators to other administrative positions, and (4) all moves by certificated personnel, ranked in order. Note that many administrators moved into a district or school from a teaching position elsewhere, while some moved back to teaching positions from administrative positions. Consequently, the first and fourth specification includes all these job moves, while the second and third include only a subset of job moves. The coefficient on the logarithm of the salary differential (instrumental variable) is positive and statistically significant except for the administrator moves, which includes a relatively small number of observations. Coefficients on the logarithm of the average salary difference between the observed job and a regular classroom teacher job are positive and significant as well, and generally smaller than the coefficients on the within-job-category salary differentials. This suggests that people who move from one job type to another -- for example, from a teacher to a principal -- are generally willing to make the change with a smaller change in salary than would be required to induce them to make a lateral move to the same community. The equations all show significant coefficients for a number of community and district variables.

Community and District Cost Indexes

The equations above include many variables specific to the teacher and job. Controlling for those factors in the model allows us to isolate the effects of community and district characteristics. Accordingly, we use *only* those community and district characteristics to estimate the relative attractiveness of different communities.

To construct the community cost differentials, we

- 1) multiply the community characteristic coefficients by the relevant values for each community. This produces a "sumproduct" value for each community.
- 2) Again for each community, subtract its sumproduct from the sumproduct calculated for Anchorage. Although this numerical difference has no simple meaning, it is the amount that the wage difference (times its coefficient) would have to equal in order to compensate for community and district characteristics, holding all teacher and job characteristics constant.
- 3) Divide the difference by the coefficient of LWAGEDIF, (the log of the wage differential) giving the log of the necessary wage differential to compensate.
- 4) Take the antilog to calculate the wage differential for each community

Community cost differentials need to be aggregated into district cost differentials. We did this by taking the weighted average of the community differentials for all the communities in each district, with the weights being chosen to match the equation. For the "All certificated Personnel" equations, the weights were the average number of certificated personnel (1999-2004) reported in each community. For the teachers only equations, the weights were the average number of teachers, and for the administrator equations, the average number of administrators in each community.

Appendix Table II-2-1. Data Definitions and Sources

Variable Name	Variable Definition	Source
FEMALE	Gender	DEED certified Staff Accounting Database
AGE	Age in years	DEED certified Staff Accounting Database
AGESQ	Age squared	Calculated from AGE
EXPERIENCE	Years Experience in current job type (i.e. as a teacher, principal, or superintendent)	DEED certified Staff Accounting Database
STARTEXP	Experience, first yr in community	Calculated from EXPERIENCE
ENDEXP	Experience, last yr in community	Calculated from EXPERIENCE
DATAYEAR	Fiscal Year the data was collected; FY 1999 data was collected in Oct 98, FY04 in Oct 03, etc	DEED certified Staff Accounting Database
TREND	Data year –1988: this controls for wage inflation from 1999 to 2004	Calculated from DATAYEAR
BA	Highest ed is BA	DEED certified Staff Accounting Database
MA	Highest ed is MA	DEED certified Staff Accounting Database
SP	Highest ed is Education Specialist	DEED certified Staff Accounting Database
DD	Highest ed is Doctorate	DEED certified Staff Accounting Database
BLACK	Black ethnicity	DEED certified Staff Accounting Database
NATIVE	Alaska Native ethnicity	DEED certified Staff Accounting Database
OTHER	Not black, not native, not white	DEED certified Staff Accounting Database
SUPER	Job=superintendent	DEED certified Staff Accounting Database
ASUPER	Job=assistant superintendent	DEED certified Staff Accounting Database
PRINC	Job= principal	DEED certified Staff Accounting Database
APRINC	Job=assistant principal	DEED certified Staff Accounting Database
DISTINST	District-level instructional professionals; DEED job codes 5, 6, 7, 10,32, 34, 36–38, 42, 46, 71	DEED certified Staff Accounting Database
DISTPROF	Other district-level professionals; DEED job codes 8, 9, 17–19, 22, 23, 47, 50, 51, 53, 70	DEED certified Staff Accounting Database
HEAD	Job=head teacher	DEED certified Staff Accounting Database
OTHPROF	Other school-level professionals DEED job codes 11, 12, 20, 24	DEED certified Staff Accounting Database
SPECED	Job=special education classroom teacher; DEED job code 11 with job detail codes 49, 56 – 59, 179 – 188, 196	DEED certified Staff Accounting Database
SPECRES	Job= other special education teacher; DEED job codes 13, 26–30, 45	DEED certified Staff Accounting Database
MATHSCI	Job=secondary math or science; DEED job code 11 with job detail codes 5, 7, 11, 20,22,23, 36, 38, 201 and higher	DEED certified Staff Accounting Database
ENTITLE	(State Foundation Aid +non-deductible federal aid + required local contribution) /ADJADM	DEED, School Finance and Facilities Section
ADJADM	Adjusted ADM: actual ADM adjusted for school size, special education and intensive needs, but NOT for district cost differentials	ISER calculated from DEED’s Foundation Aid spreadsheet, setting all district cost factors to 1
GROWTH	Percent growth in district enrollment, 1999 to 2004	DEED website, www.eed.state.ak.us/stats/QuickFacts/ADM.pdf
NSB	North Slope Borough dummy variable	ISER constructed
VALDEZ	Valdez dummy variable	ISER constructed
ANC	Anchorage dummy variable	ISER constructed
D17	Galena City Schools Dummy variable	ISER constructed
HEATDD	Heating degree days	AIR data set

Appendix Table II-2-1. Data Definitions and Sources

Variable Name	Variable Definition	Source
COOLDD	Cooling degree days	AIR data set
LOWRAIN	Low rainfall (AIR definition)	AIR data set
HIGHRAIN	High rainfall (AIR definition)	AIR data set
TOTPOP	Community population	2000 U.S. Census
PCTAIAN	Percent of TOTPOP that is American Indian or Alaska Native alone	2000 U.S. Census
PCTOTH	Percent of TOTPOP that is neither white nor AIAN	2000 U.S. Census
SCHLPOP	School aged population; i.e. community population aged 5 through 19	2000 U.S. Census
SCHPAIAN	Percent of SCHLPOP that is American Indian or Alaska Native	2000 U.S. Census
SCHPOTH	Percent of SCHLPOP that is neither white nor American Indian / AK Native	2000 U.S. Census
PCTEMPL	Percent of community aged 16 and over that is employed (1999)	2000 U.S. Census
PCTPOV	Percent of community's families that are in poverty (1999)	2000 U.S. Census
ROADED	1=community is connected by road to Anchorage	ISER constructed
AIRTOHUB	1= no road access between community and hub	ISER constructed
HUBTOANC	Cost of travel from hub to Anchorage (or community to Anchorage, if Anchorage is hub)	ISER constructed from Alaska Airlines, PenAir, and Frontier Air Web sites
DISTTOT	Total district enrollment	
DISTANAI	Percent of DISTTOT that is American Indian or Alaska Native	www.eed.state.ak.us/stats/DistrictEthnicity/2004_District_Ethnicity_Report.pdf
DISTPBL	Percent of DISTTOT that is Black	
DISTPOTH	Percent of DISTTOT that is neither white nor American Indian / Alaska Native, nor black	
LASTDRY	Alcohol status of community, teacher's last yr in community	Alcoholic Beverage Control Board web site http://www.dps.state.ak.us/abc/LocalOption.htm and historical data from ISER ¹ http://www.iser.uaa.alaska.edu/projects/alcohol/elections.htm

¹ A Historical Sketch of the Elections for Local Option Control of Alcoholic Beverages in Communities in Alaska, by Teresa Hull. July 1999.

Appendix Table II-2.2. Equation to Estimate Expected Teacher Salary

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
Constant		9.5731	3.56E-02	268.912	0
FEMALE	Gender	-6.59E-03	2.56E-03	-2.572	0.0101
AGE	Age in years	2.75E-02	9.59E-04	28.695	0
AGESQ	Age squared	-2.58E-04	1.08E-05	-23.851	0
ENDEXP	Experience, last yr in community	1.36E-02	1.70E-04	79.739	0
TREND	To account for wage inflation, 99 to 04	2.17E-02	7.12E-04	30.448	0
BA	Highest ed is BA	0.14035	1.75E-02	8.027	0
MA	Highest ed is MA	0.20631	1.76E-02	11.754	0
SP	Highest ed is Education Specialist	0.19735	2.70E-02	7.306	0
DD	Highest ed is Doctorate	0.21984	2.18E-02	10.098	0
BLACK	Black ethnicity	-1.93E-02	9.80E-03	-1.966	0.0493
NATIVE	Alaska Native ethnicity	-2.29E-02	5.75E-03	-3.981	0.0001
OTHER	Not black, not native, not white	-0.11238	2.38E-02	-4.718	0
SUPER	Job=superintendent	0.48658	1.43E-02	34.154	0
ASUPER	Job=assistant superintendent	0.44583	2.20E-02	20.274	0
PRINC	Job= principal	0.3409	6.45E-03	52.82	0
APRINC	Job=assistant principal	0.27263	1.19E-02	22.898	0
DISTINST	District-level instructional professionals	0.21024	8.28E-03	25.384	0
DISTPROF	Other district-level professionals	0.18054	1.01E-02	17.945	0
HEAD	Job=head teacher	0.10688	1.07E-02	10.029	0
OTHPROF	Other school-level professionals	-6.50E-03	4.83E-03	-1.346	0.1782
SPECED	Job=special education classroom teacher	-4.09E-03	3.95E-03	-1.036	0.3001
SPECRES	Job= other special education teacher	3.28E-02	7.28E-03	4.501	0
MATHSCI	Job=secondary math or science	7.49E-03	5.25E-03	1.425	0.1541
ENTITLE	State+fed+local aid entitlement/ADM	6.93E-06	2.35E-06	2.951	0.0032
GROWTH	% growth in district enrollment, 99-04	6.18E-03	6.09E-03	1.015	0.3103
NSB	North Slop Borough dummy variable	6.15E-02	1.29E-02	4.771	0
VALDEZ	Valdez dummy variable	0.1808	1.60E-02	11.332	0
ANC	Anchorage dummy variable	-1.67E-02	3.46E-02	-0.482	0.6297
D17	Galena District Dummy Variable	6.83E-02	1.55E-02	4.402	0
HEATDD	Heating degree days	6.64E-06	1.53E-06	4.332	0
COOLDD	Cooling degree days	7.98E-05	1.88E-04	0.425	0.6706
LOWRAIN	Low rainfall (AIR definition)	4.25E-03	6.29E-03	0.675	0.4994
HIGHRAIN	High rainfall (AIR definition)	-2.80E-03	7.67E-03	-0.364	0.7155
TOTPOP	Community population	-8.78E-06	1.13E-06	-7.803	0
PCTAIAN	% of cmtly that is AIAN alone	0.40955	5.10E-02	8.037	0
PCTOTH	% of cmtly that is neither white nor AIAN	0.34028	5.37E-02	6.335	0
SCHLPOP	School age pop, 2000	3.58E-05	4.41E-06	8.132	0
SCHPAIAN	% of SCHLPOP that is AIAN	-0.35063	4.77E-02	-7.347	0
SCHPOTH	% of SCHLPOP not white or AIAN	-0.1401	5.83E-02	-2.403	0.0162
PCTEMPL	% of cmtly aged 16+ that is employed	8.66E-03	2.32E-02	0.373	0.7089
PCTPOV	% of cmtly's families in poverty (1999)	-6.50E-02	2.48E-02	-2.622	0.0087
ROADED	1=cmtly connected by road to Anchorage	-4.57E-02	8.21E-03	-5.567	0

Appendix Table II-2-2. Equation to Estimate Expected Teacher Salary

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
AIRTOHUB	1=cnty not road-connected to hub	-4.21E-02	6.42E-03	-6.565	0
HUBTOANC	Cost of travel from hub to Anchorage	1.08E-04	1.97E-05	5.483	0
DISTTOT	Total district enrollment	7.16E-07	7.05E-07	1.016	0.3096
LASTDRY	Alcohol status of community, teacher's last yr in cnty	3.47E-02	5.96E-03	5.826	0
Observations	=	16387	Weights	=	ONE
Mean of LHS	=	10.82160	Std.Dev of LHS	=	0.2547960D+00
StdDev of residuals	=	0.1476158	Sum of squares	=	0.3560556D+03
R-squared	=	0.6652970	Adjusted R-squared	=	0.6643548D+00
F[46, 16340]	=	706.074	Prob value	=	0.3217295D-13
Log-likelihood	=	8122.05	Restr.(b=0) Log-l	=	-0.8458321D+03
Amemiya Pr. Criter.	=	0.02185293	Akaike Info.Crit.	=	-0.9855434D+00

Appendix Table II-2-3. Survival Equation, All Certificated Personnel

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
Constant		-1.558	0.375	-4.154	0
LWAGEDIF	Log of ratio between actual and predicted wage	3.0111	0.8524	3.533	0.0004
AGE	Age, last year in cmty	0.15147	1.05E-02	14.392	0
AGESQ	Age squared	-1.43E-03	1.18E-04	-12.043	0
FEMALE	Gender	7.31E-02	2.74E-02	2.67	0.0076
NATIVE	Alaska Native ethnicity	0.41758	5.90E-02	7.081	0
BLACK	Black ethnicity	-0.31398	0.1058	-2.968	0.003
OTHER	Not black, not native, not white	1.7292	1.328	1.302	0.1928
BA	Highest ed is BA	9.33E-02	0.1848	0.505	0.6135
MA	Highest ed is MA	-0.15309	0.1855	-0.825	0.4092
SP	Highest ed is Education Specialist	-0.44068	0.2847	-1.548	0.1217
DD	Highest ed is Doctorate	-0.46506	0.2193	-2.121	0.0339
STARTEXP	Experience, first year in community	-2.16E-02	2.14E-03	-10.093	0
NOEXPER	Dummy variable if startexp=0	-0.18369	3.78E-02	-4.855	0
ANC	Anchorage dummy variable	-1.471	0.3294	-4.466	0
HEATDD	Heating degree days	-4.84E-05	1.45E-05	-3.345	0.0008
COOLDD	Cooling degree days	1.68E-03	1.61E-03	1.043	0.2969
LOWRAIN	Low rainfall (AIR definition)	4.40E-02	5.92E-02	0.744	0.457
HIGHRAIN	High rainfall (AIR definition)	8.77E-02	7.20E-02	1.218	0.2231
TOTPOP	Community population	2.26E-05	1.53E-05	1.474	0.1405
PCTAIAN	Percent of community that is AIAN alone	-1.84	0.5962	-3.086	0.002
PCTOTH	Percent of community neither white nor AIAN	-2.7472	0.5962	-4.608	0
SCHLPOP	School Age Population, 2000	-8.96E-05	6.05E-05	-1.48	0.1389
SCHPAIAN	Percent of SCHLPOP that is AIAN	1.0957	0.542	2.022	0.0432
SCHPOTH	Percent of SCHLPOP neither white nor AIAN	2.8636	0.577	4.963	0
PCTEMPL	Percent of cmty 16 and over that is employed	0.45893	0.2232	2.056	0.0398
PCTPOV	Percent of cmty's families in poverty (1999)	-0.17117	0.2401	-0.713	0.4758
ROADED	1=community is connected by road to Anchorage	0.14004	8.46E-02	1.656	0.0977
AIRTOHUB	1=cmty not road-connected to hub	-6.37E-02	6.45E-02	-0.987	0.3236
HUBTOANC	Cost of travel from hub to Anchorage	-1.06E-04	2.01E-04	-0.53	0.5959
DISTTOT	Total district enrollment	3.68E-05	6.79E-06	5.416	0
LASTDRY	Alcohol status of cmty, teacher's last yr in cmty	0.144	6.20E-02	2.323	0.0202
SUPER	Job=superintendent	4.44E-03	0.1483	0.03	0.9761
ASUPER	Job=assistant superintendent	4.13E-02	0.2097	0.197	0.8438
PRINC	Job= principal	-9.15E-02	6.31E-02	-1.449	0.1473
APRINC	Job=assistant principal	0.1574	0.1302	1.209	0.2267
DISTINST	District-level instructional professionals	8.13E-02	8.12E-02	1.002	0.3165
DISTPROF	Other district-level professionals	-0.16926	0.1092	-1.55	0.1211
HEAD	Job=head teacher	-0.10185	9.04E-02	-1.127	0.2598
OTHPROF	Job=other school-level professionals	-5.86E-02	5.56E-02	-1.054	0.2921
SPECED	Job=special education classroom teacher	-0.13211	4.23E-02	-3.121	0.0018
SPECRES	Job= other special education teacher	4.65E-02	8.70E-02	0.535	0.5924
MATHSCI	Job=secondary math or science	0.90373	8.22E-02	11.001	0

Log-likelihood = -15286.9 Wald Chi-Squared (42) = 3976.2 Prob=0

Appendix Table II-2-4. Survival Equation, Teachers Only

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
Constant		-1.3651	0.4404	-3.1	0.0019
LWAGEDIF	Log of ratio between actual and predicted wage	2.8789	0.9105	3.162	0.0016
AGE	Age, last year in cmty	0.16006	1.10E-02	14.533	0
AGESQ	Age squared	-1.51E-03	1.25E-04	-12.097	0
FEMALE	Gender	6.16E-02	2.90E-02	2.121	0.0339
NATIVE	Alaska Native ethnicity	0.44455	6.25E-02	7.117	0
BLACK	Black ethnicity	-0.3441	0.109	-3.157	0.0016
OTHER	Not black, not native, not white	1.7457	1.313	1.33	0.1836
BA	Highest ed is BA	-0.38088	0.2721	-1.4	0.1615
MA	Highest ed is MA	-0.59522	0.2727	-2.183	0.029
SP	Highest ed is Education Specialist	-0.66016	0.4493	-1.469	0.1418
DD	Highest ed is Doctorate	-1.0751	0.3337	-3.222	0.0013
STARTEXP	Experience, first year in community	-2.33E-02	2.33E-03	-10.009	0
NOEXPER	Dummy variable if startexp=0	-0.15848	3.98E-02	-3.981	0.0001
ANC	Anchorage dummy variable	-1.6338	0.364	-4.488	0
HEATDD	Heating degree days	-4.21E-05	1.55E-05	-2.712	0.0067
COOLDD	Cooling degree days	1.85E-03	1.79E-03	1.032	0.3021
LOWRAIN	Low rainfall (AIR definition)	1.02E-02	6.33E-02	0.161	0.8718
HIGHRAIN	High rainfall (AIR definition)	0.11734	7.70E-02	1.524	0.1276
TOTPOP	Community population	2.77E-05	1.68E-05	1.651	0.0988
PCTAIAN	Percent of community that is AIAN alone	-1.8587	0.6379	-2.914	0.0036
PCTOTH	Percent of community neither white nor AIAN	-2.843	0.6361	-4.469	0
SCHLPOP	School Age Population, 2000	-1.09E-04	6.57E-05	-1.652	0.0986
SCHPAIAN	Percent of SCHLPOP that is AIAN	1.1146	0.5818	1.916	0.0554
SCHPOTH	Percent of SCHLPOP neither white nor AIAN	2.9835	0.6111	4.882	0
PCTEMPL	% of community age 16+ that is employed (1999)	0.48894	0.2363	2.069	0.0386
PCTPOV	% of community's families in poverty (1999)	-0.19255	0.2592	-0.743	0.4576
ROADED	1=community is connected by road to Anchorage	0.15959	8.98E-02	1.777	0.0756
AIRTOHUB	1=cmtly not road-connected to hub	-7.64E-02	6.92E-02	-1.104	0.2695
HUBTOANC	Cost of travel from hub to Anchorage	-1.02E-04	2.14E-04	-0.478	0.6327
DISTTOT	Total district enrollment	3.67E-05	7.52E-06	4.886	0
LASTDRY	Alcohol status of cmty, teacher's last yr	0.18827	6.73E-02	2.799	0.0051
HEAD	Job=head teacher	-0.10183	9.01E-02	-1.13	0.2584
OTHPROF	Job=other school-level professionals	-7.26E-02	5.59E-02	-1.299	0.1941
SPECED	Job=special education classroom teacher	-0.13349	4.24E-02	-3.146	0.0017
SPECRES	Job= other special education teacher	4.25E-02	8.72E-02	0.487	0.626
MATHSCI	Job=secondary math or science	0.89539	8.22E-02	10.889	0

Log-Likelihood..... -13992. Wald ChiSquared (37)=3018 Prob=0

Appendix Table II-2-5. Survival Equation, Administrators Only

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
Constant		1.819	1.319	1.379	0.1678
LWAGEDIF	Log of ratio between actual and predicted wage	4.5926	1.881	2.442	0.0146
AGE	Age, last year in cnty	7.09E-03	4.66E-02	0.152	0.8791
AGESQ	Age squared	3.84E-05	4.81E-04	0.08	0.9364
FEMALE	Gender	0.10953	8.66E-02	1.265	0.2059
NATIVE	Alaska Native ethnicity	0.28888	0.1843	1.567	0.1171
BLACK	Black ethnicity	-0.34022	0.4047	-0.841	0.4006
BA	Highest ed is BA	0.93345	0.3057	3.054	0.0023
MA	Highest ed is MA	0.52495	0.3132	1.676	0.0937
SP	Highest ed is Education Specialist	0.36786	0.4158	0.885	0.3763
DD	Highest ed is Doctorate	0.34219	0.3487	0.981	0.3264
STARTEXP	Experience, first year in community	-1.49E-02	6.01E-03	-2.481	0.0131
NOEXPER	Dummy variable if startexp=0	-0.33991	0.1297	-2.621	0.0088
ANC	Anchorage dummy variable	0.30366	0.7726	0.393	0.6943
HEATDD	Heating degree days	-8.87E-05	3.66E-05	-2.421	0.0155
COOLDD	Cooling degree days	5.70E-03	6.23E-03	0.915	0.3601
LOWRAIN	Low rainfall (AIR definition)	0.21368	0.1629	1.312	0.1896
HIGHRAIN	High rainfall (AIR definition)	-0.13043	0.2101	-0.621	0.5347
TOTPOP	Community population	2.31E-06	2.47E-06	0.935	0.35
PCTAIAN	Percent of community that is AIAN alone	-0.70076	0.5469	-1.281	0.2
PCTOTH	Percent of community neither white nor AIAN	-0.55622	1.138	-0.489	0.6251
DISTANAI	Percent of DISTRICT enrollment that is AIAN	-0.14633	0.4111	-0.356	0.7219
DISTPBL	Percent of DISTRICT enrollment that is Black	-8.3202	5.495	-1.514	0.13
DISTPOTH	% DISTRICT enrollment not white, AIAN, or black	-0.19988	1.49	-0.134	0.8933
PCTEMPL	% of cnty aged 16+ that is employed (1999)	0.41716	0.6898	0.605	0.5453
PCTPOV	% of community's families in poverty (1999)	2.97E-02	0.6785	0.044	0.9651
ROADED	1=community is connected by road to Anchorage	-3.39E-02	0.2638	-0.129	0.8977
AIRTOHUB	1=cnty not road-connected to hub	-6.00E-02	0.1787	-0.336	0.7372
HUBTOANC	Cost of travel from hub to Anchorage	-3.53E-04	5.66E-04	-0.624	0.5328
DISTTOT	Total district enrollment	3.60E-05	1.75E-05	2.06	0.0394
LASTDRY	Alcohol status of community, teacher's last yr	-0.14081	0.166	-0.848	0.3962
SUPER	Job=superintendent	9.62E-02	0.1684	0.571	0.5678
ASUPER	Job=assistant superintendent	0.12649	0.2262	0.559	0.5759
DISTINST	District-level instructional professionals	0.10162	0.1144	0.888	0.3745
DISTPROF	Other district-level professionals	-0.29185	0.1528	-1.91	0.0562
APRINC	Job=assistant principal	0.15562	0.1473	1.056	0.2909

Log-Likelihood..... -1552.6 Wald ChiSquared (36) = 377 Prob =0

Appendix Table II-2-6. Discrete Choice Equation, All Certificated Personnel, Last Two Moves Only

Variable Name	Var Description	Coeff.	Std Error	T-Ration	Prob
LWAGEDIF	Log of ratio between actual and predicted wage	6.8266	1.752	3.898	0.0001
	Log of ratio between average wage for a regular classroom teacher and average wage for job held after the move	1.8732	0.9351	2.003	0.0452
LOGTYPE	Administrator Job	0.5633	0.3054	1.845	0.0651
ADMIN	Heating degree days	-9.02E-05	2.83E-05	-3.188	0.0014
HEATDD	Cooling degree days	1.39E-02	4.11E-03	3.388	0.0007
COOLDD	Low rainfall	-0.31392	0.1396	-2.249	0.0245
LOWRAIN	High rainfall	-0.14964	0.2003	-0.747	0.4549
HIGHRAIN	Community population	-5.37E-05	2.78E-05	-1.934	0.0532
TOTPOP	Percent of community that is AIAN alone	-3.0336	1.201	-2.527	0.0115
PCTAIAN	Percent of community neither white nor AIAN	-3.1506	1.319	-2.388	0.0169
PCTOTH	School Age Population, 2000	2.33E-04	1.15E-04	2.03	0.0423
SCHLPOP	Percent of SCHLPOP that is AIAN	2.6492	1.132	2.341	0.0192
SCHPAIAN	Percent of SCHLPOP neither white nor AIAN	2.8094	1.287	2.183	0.029
SCHPOTH	% of community aged 16+ employed (1999)	0.4895	0.3936	1.244	0.2136
PCTEMPL	Percent of community's families in poverty (1999)	-0.73407	0.5927	-1.238	0.2155
PCTPOV	1=community is connected by road to Anchorage	0.71252	0.2193	3.248	0.0012
ROADED	1=cmtly not road-connected to hub	-0.18633	0.1563	-1.192	0.2332
AIRTOHUB	Cost of travel from hub to Anchorage	-8.63E-04	4.42E-04	-1.955	0.0506
HUBTOANC	Total district enrollment	5.26E-07	1.29E-05	0.041	0.9674
DISTTOT	Alcohol status of community, teacher's last yr	-9.69E-02	0.1473	-0.658	0.5107
LASTDRY	Log-Likelihood.....	-1007.1			
	Restricted (Slopes=0) Log-L.	-1165.5			
	Chi-Squared (20).....	316.86			
	Significance Level.....	0.000			

Appendix Table II-2-7. Discrete Choice Equation, Teachers Moving to Other Teaching Jobs

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
LWAGEDIF	Log of ratio between actual and predicted wage	7.7936	2.036	3.828	0.0001
	Log of ratio between average wage for a regular classroom teacher and average wage for job held after the move	6.9791	2.194	3.182	0.0015
LOGTYPE					
HEATDD	Heating degree days	-6.71E-05	3.23E-05	-2.076	0.0379
COOLDD	Cooling degree days	1.34E-02	4.67E-03	2.867	0.0041
LOWRAIN	Low rainfall	-0.62799	0.1588	-3.955	0.0001
HIGHRAIN	High rainfall	8.20E-02	0.2336	0.351	0.7257
TOTPOP	Community population	-6.65E-05	3.09E-05	-2.157	0.031
PCTAIAN	Percent of community that is AIAN alone	-2.4088	1.38	-1.746	0.0808
PCTOTH	Percent of community neither white nor AIAN	-2.8916	1.51	-1.915	0.0555
SCHLPOP	School Age Population, 2000	2.84E-04	1.27E-04	2.228	0.0259
SCHPAIAN	Percent of SCHLPOP that is AIAN	2.004	1.3	1.541	0.1233
SCHPOTH	Percent of SCHLPOP neither white nor AIAN	3.0199	1.45	2.082	0.0373
PCTEMPL	% of community aged 16+ employed (1999)	0.8036	0.453	1.774	0.0761
PCTPOV	Percent of community's families in poverty (1999)	-0.57223	0.6828	-0.838	0.402
ROADED	1=community is connected by road to Anchorage	1.0051	0.2521	3.988	0.0001
AIRTOHUB	1=cnty not road-connected to hub	-3.20E-02	0.1816	-0.176	0.8603
HUBTOANC	Cost of travel from hub to Anchorage	-7.76E-04	5.11E-04	-1.517	0.1293
DISTTOT	Total district enrollment	2.91E-06	1.44E-05	0.202	0.8401
LASTDRY	Alcohol status of community, teacher's last yr	-0.22181	0.1726	-1.285	0.1987
	Log-Likelihood.....	-771.73			
	Restricted (Slopes=0) Log-L.	-912.02			
	Chi-Squared (19).....	280.59			
	Significance Level.....	0.000			

Appendix Table II-2-8. Discrete Choice Equation, Administrators Moving to Other Administration Jobs

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
LWAGEDIF	Log of ratio between actual and predicted wage	4.8094	3.631	1.324	0.1854
	Log of ratio between average wage for a regular classroom teacher and average wage for job held after the move	3.148	0.5904	5.332	0
LOGTYPE					
HEATDD	Heating degree days	-2.09E-04	6.36E-05	-3.292	0.001
COOLDD	Cooling degree days	1.33E-02	9.47E-03	1.41	0.1587
LOWRAIN	Low rainfall	0.64915	0.3218	2.018	0.0436
HIGHRAIN	High rainfall	-0.93015	0.4159	-2.237	0.0253
TOTPOP	Community population	1.19E-05	7.05E-05	0.168	0.8663
PCTAIAN	Percent of community that is AIAN alone	-3.7896	2.719	-1.394	0.1634
PCTOTH	Percent of community neither white nor AIAN	-1.8738	3.028	-0.619	0.536
SCHLPOP	School Age Population, 2000	-2.27E-05	2.90E-04	-0.078	0.9375
SCHPAIAN	Percent of SCHLPOP that is AIAN	4.2975	2.566	1.675	0.0939
SCHPOTH	Percent of SCHLPOP neither white nor AIAN	1.608	3.224	0.499	0.618
PCTEMPL	% of community aged 16+ employed (1999)	0.54682	0.8919	0.613	0.5398
PCTPOV	Percent of community's families in poverty (1999)	-0.22867	1.323	-0.173	0.8628
ROADED	1=community is connected by road to Anchorage	5.25E-03	0.4857	0.011	0.9914
AIRTOHUB	1=cmtly not road-connected to hub	-0.76238	0.3337	-2.285	0.0223
HUBTOANC	Cost of travel from hub to Anchorage	-1.78E-03	9.81E-04	-1.812	0.0699
DISTTOT	Total district enrollment	-1.94E-05	3.07E-05	-0.632	0.5276
LASTDRY	Alcohol status of community, teacher's last yr	0.16049	0.3112	0.516	0.6061
	Log-Likelihood.....	-217.86			
	Restricted (Slopes=0) Log-L.	-253.50			
	Chi-Squared (19).....	71.290			
	Significance Level.....	0.0000			

Appendix Table II-2-9. Discrete Choice Equation, All Certificated Personnel, All Moves

Variable Name	Var Description	Coeff.	Std Error	T-Ratio	Prob
LWAGEDIF	Log of ratio between actual and predicted wage	6.3568	1.439	4.418	0
	Log of ratio between average wage for a regular classroom teacher and average wage for job held after the move	2.7902	0.7889	3.537	0.0004
LOGTYPE	Administrator Job	0.29382	0.2548	1.153	0.2489
ADMIN	Heating degree days	-7.24E-05	2.28E-05	-3.171	0.0015
HEATDD	Cooling degree days	1.23E-02	3.32E-03	3.711	0.0002
COOLDD	Low rainfall	-0.24601	0.1095	-2.247	0.0247
LOWRAIN	High rainfall	-0.19035	0.1664	-1.144	0.2527
HIGHRAIN	Community population	-4.98E-05	2.29E-05	-2.175	0.0296
TOTPOP	Percent of community that is AIAN alone	-3.406	0.9823	-3.467	0.0005
PCTAIAN	Percent of community neither white nor AIAN	-3.3649	1.101	-3.057	0.0022
PCTOTH	School Age Population, 2000	2.08E-04	9.47E-05	2.198	0.0279
SCHLPOP	Percent of SCHLPOP that is AIAN	2.9415	0.9311	3.159	0.0016
SCHPAIAN	Percent of SCHLPOP neither white nor AIAN	3.043	1.072	2.84	0.0045
SCHPOTH	% of community aged 16+ employed (1999)	0.11639	0.3218	0.362	0.7176
PCTEMPL	Percent of community's families in poverty (1999)	-0.53238	0.4588	-1.16	0.2459
PCTPOV	1=community is connected by road to Anchorage	0.55355	0.1804	3.069	0.0022
ROADED	1=cmtly not road-connected to hub	-6.82E-02	0.1263	-0.54	0.5891
AIRTOHUB	Cost of travel from hub to Anchorage	-5.59E-04	3.59E-04	-1.556	0.1196
HUBTOANC	Total district enrollment	6.00E-06	9.68E-06	0.619	0.5358
DISTTOT	Alcohol status of community, teacher's last yr	-0.15568	0.1148	-1.356	0.175
LASTDRY	Log-Likelihood.....	-1607.4			
	Restricted (Slopes=0) Log-L.	-1764.8			
	Chi-Squared (20).....	314.87			
	Significance Level.....	0.0000			

APPENDIX TABLE II-3-1. Energy Cost Relatives

DISTRICT	DISTID	FY2000	FY2001	FY2002	FY2003	AVE 00-03	AIR ESTIMATE
DENALI BOROUGH SCHOOL DISTRICT	2	4.798	5.026	5.297	4.722	4.961	1.659
ALASKA GATEWAY SCHOOL DISTRICT	3	6.845	7.293	6.754	7.172	7.016	3.797
ALEUTIAN REGION SCHOOL DIST	4	2.848	6.507	6.096	5.949	5.350	4.980
ANCHORAGE SCHOOL DISTRICT	5	1.000	1.000	1.000	1.000	1.000	1.000
ANNETTE ISLAND SCHOOL DISTRICT	6	2.663	3.549	2.467	3.187	2.966	0.752
BERING STRAIT SCHOOL DISTRICT	7	5.552	5.860	5.794	9.591	6.699	4.099
BRISTOL BAY BOROUGH SCH DIST	8	3.820	4.796	4.485	4.753	4.463	2.962
CHATHAM REGION SCHOOLS	9	4.040	4.060	4.247	7.692	5.010	3.721
CHUGACH SCHOOL DISTRICT	10	3.866	3.530	3.329	3.156	3.470	1.436
COPPER RIVER SCHOOL DISTRICT	11	2.304	2.656	2.419	2.580	2.490	2.388
CORDOVA CITY SCHOOL DISTRICT	12	2.206	2.419	2.026	2.355	2.251	1.647
CRAIG CITY SCHOOL DISTRICT	13	1.230	1.630	1.676	1.575	1.528	1.875
DELTA GREELY SCHOOL DISTRICT	14	2.137	1.793	1.717	1.421	1.767	2.333
DILLINGHAM CITY SCHOOL DIST	15	2.137	2.219	2.643	3.139	2.534	2.162
FAIRBANKS NORTH STAR BORO S/D	16	1.178	1.287	1.213	1.328	1.251	1.617
GALENA CITY SCHOOL DISTRICT	17	1.485	1.537	2.109	2.002	1.783	2.872
HAINES BOROUGH SCHOOL DISTRICT	18	2.386	2.722	2.809	3.175	2.773	1.806
HOONAH CITY SCHOOL DISTRICT	19	4.925	5.536	4.935	5.302	5.174	4.625
HYDABURG CITY SCHOOL DISTRICT	20	3.776	5.597	6.301	5.766	5.360	1.232
IDITAROD AREA SCHOOL DISTRICT	21	7.206	5.940	6.766	8.292	7.051	5.130
JUNEAU BOROUGH SCHOOLS	22	0.853	0.989	0.911	1.032	0.946	0.743
KAKE CITY SCHOOL DISTRICT	23	4.078	5.124	5.164	6.022	5.097	2.387
KENAI PENINSULA BOROUGH SCHS	24	1.558	1.598	1.642	1.519	1.579	1.343
KETCHIKAN GATEWAY BOROUGH S.D.	25	1.701	1.963	1.761	1.789	1.803	0.755
KLAWOCK CITY SCHOOL DISTRICT	27	2.739	3.684	2.854	3.250	3.132	1.876
KODIAK ISLAND BOROUGH SCH DIST	28	2.326	2.654	2.384	2.500	2.466	1.958
KUSPUK SCHOOL DISTRICT	29	5.626	7.204	7.810	7.909	7.137	1.672
LAKE AND PENINSULA SCHOOL DIST	30	11.333	12.512	14.190	14.935	13.242	4.631
LOWER KUSKOKWIM SCHOOL DIST	31	4.297	4.992	3.989	4.771	4.512	3.436
LOWER YUKON SCHOOL DISTRICT	32	3.700	4.335	5.645	4.067	4.437	3.179
MATANUSKA-SUSITNA BOROUGH SCHS	33	1.160	1.187	1.202	1.170	1.180	1.059
NENANA CITY SCHOOL DISTRICT	34	0.852	2.187	0.956	1.149	1.286	1.808
NOME CITY SCHOOL DISTRICT	35	3.029	3.200	3.378	3.817	3.356	2.405
NORTH SLOPE BOROUGH SCH DIST	36	6.395	5.464	5.160	5.384	5.601	9.329
NORTHWEST ARCTIC SCHOOL DIST	37	6.346	6.669	7.203	7.890	7.027	4.937
PELICAN CITY SCHOOL DISTRICT	38	5.086	8.387	10.017	9.586	8.269	1.282
PETERSBURG CITY SCHOOL DIST	39	2.728	2.984	3.062	3.342	3.029	1.246
PRIBILOF ISLAND SCHOOL DIST	40	4.735	4.961	4.970	4.966	4.908	1.316
SITKA BOROUGH SCHOOL DISTRICT	42	1.187	1.438	1.229	1.475	1.332	0.914
SKAGWAY CITY SCHOOL DISTRICT	43	3.489	3.943	3.020	3.328	3.445	1.656
SOUTHEAST ISLAND SCHOOL DIST	44	2.992	3.736	3.861	4.668	3.814	1.124
SOUTHWEST REGION SCHOOL DIST	45	4.385	4.296	7.432	8.839	6.238	3.410
SAIN MARYS CITY SCHOOL DIST	46	3.825	5.629	5.268	4.694	4.854	3.942
UNALASKA CITY SCHOOL DISTRICT	47	3.756	3.659	2.351	2.819	3.146	1.895
VALDEZ CITY SCHOOL DISTRICT	48	2.168	1.988	1.868	2.542	2.142	1.617
WRANGELL CITY SCHOOL DISTRICT	49	1.748	1.690	1.870	2.019	1.831	1.051
YAKUTAT CITY SCHOOL DISTRICT	50	4.497	5.060	5.556	5.912	5.256	3.397
YUKON FLATS SCHOOL DISTRICT	51	14.100	14.988	15.312	14.682	14.770	5.443
YUKON KOYUKUK SCHOOL DISTRICT	52	9.322	9.953	9.651	5.807	6.683	4.738
TANANA CITY SCHOOL DISTRICT	53	8.329	9.500	9.484	8.582	8.974	4.680
YUPIIT SCHOOL DISTRICT	54	3.132	4.807	4.967	6.113	4.754	3.587
KASHUNAMIUT SCHOOL DISTRICT	55	2.969	3.221	2.942	4.528	3.415	2.762
ALEUTIANS EAST BOROUGH SCH DIS	56	5.727	9.329	9.874	16.371	10.325	3.233
AVERAGE						3.564	2.659

SOURCE: COMPUTED BY ISER FROM THE SUPERLATIVE INDEX MODEL

**APPENDIX TABLE II-3-2. Comparison of AIR Predicted and Actual
Energy Superlative Indexes**

DISTRICT	DISTID	AIR ENERGY	ACTUAL ENERGY	act/air
DENALI BOROUGH SCHOOL DISTRICT	2	1.090	1.181	1.083013
ALASKA GATEWAY SCHOOL DISTRICT	3	1.278	1.359	1.063124
ALEUTIAN REGION SCHOOL DIST	4	1.651	1.611	0.975615
ANCHORAGE SCHOOL DISTRICT	5	1.000	1.000	1
ANNETTE ISLAND SCHOOL DISTRICT	6	1.036	1.113	1.074159
BERING STRAIT SCHOOL DISTRICT	7	1.535	1.572	1.023729
BRISTOL BAY BOROUGH SCH DIST	8	1.187	1.208	1.017968
CHATHAM REGION SCHOOLS	9	1.207	1.215	1.005974
CHUGACH SCHOOL DISTRICT	10	1.313	1.405	1.07017
COPPER RIVER SCHOOL DISTRICT	11	1.137	1.135	0.997864
CORDOVA CITY SCHOOL DISTRICT	12	1.074	1.093	1.01728
CRAIG CITY SCHOOL DISTRICT	13	1.087	1.068	0.982215
DELTA GREELY SCHOOL DISTRICT	14	1.093	1.087	0.994662
DILLINGHAM CITY SCHOOL DIST	15	1.136	1.135	0.999406
FAIRBANKS NORTH STAR BORO S/D	16	1.085	1.070	0.986195
GALENA CITY SCHOOL DISTRICT	17	1.258	1.202	0.955504
HAINES BOROUGH SCHOOL DISTRICT	18	1.025	1.042	1.01632
HOONAH CITY SCHOOL DISTRICT	19	1.125	1.130	1.004539
HYDABURG CITY SCHOOL DISTRICT	20	1.099	1.172	1.066055
IDITAROD AREA SCHOOL DISTRICT	21	1.373	1.424	1.037633
JUNEAU BOROUGH SCHOOLS	22	1.027	1.033	1.005357
KAKE CITY SCHOOL DISTRICT	23	1.090	1.131	1.037413
KENAI PENINSULA BOROUGH SCHS	24	1.026	1.033	1.007336
KETCHIKAN GATEWAY BOROUGH S.D.	25	1.011	1.057	1.045449
KLAWOCK CITY SCHOOL DISTRICT	27	1.034	1.056	1.021627
KODIAK ISLAND BOROUGH SCH DIST	28	1.114	1.126	1.010369
KUSPUK SCHOOL DISTRICT	29	1.195	1.312	1.098083
LAKE AND PENINSULA SCHOOL DIST	30	1.462	1.603	1.096635
LOWER KUSKOKWIM SCHOOL DIST	31	1.358	1.379	1.015328
LOWER YUKON SCHOOL DISTRICT	32	1.388	1.403	1.011085
MATANUSKA-SUSITNA BOROUGH SCHS	33	0.993	0.997	1.004126
NENANA CITY SCHOOL DISTRICT	34	1.169	1.126	0.963564
NOME CITY SCHOOL DISTRICT	35	1.160	1.178	1.016117
NORTH SLOPE BOROUGH SCH DIST	36	1.554	1.518	0.97642
NORTHWEST ARCTIC SCHOOL DIST	37	1.467	1.501	1.023312
PELICAN CITY SCHOOL DISTRICT	38	1.144	1.242	1.08509
PETERSBURG CITY SCHOOL DIST	39	1.010	1.068	1.058131
PRIBILOF ISLAND SCHOOL DIST	40	1.290	1.417	1.098499
SITKA BOROUGH SCHOOL DISTRICT	42	1.033	1.045	1.011607
SKAGWAY CITY SCHOOL DISTRICT	43	1.000	1.044	1.044284
SOUTHEAST ISLAND SCHOOL DIST	44	1.067	1.129	1.058066
SOUTHWEST REGION SCHOOL DIST	45	1.256	1.277	1.01668
SAINT MARYS CITY SCHOOL DIST	46	1.257	1.255	0.998031
UNALASKA CITY SCHOOL DISTRICT	47	1.193	1.247	1.045965
VALDEZ CITY SCHOOL DISTRICT	48	1.053	1.070	1.015387
WRANGELL CITY SCHOOL DISTRICT	49	1.002	1.027	1.025795
YAKUTAT CITY SCHOOL DISTRICT	50	1.171	1.194	1.019398
YUKON FLATS SCHOOL DISTRICT	51	1.457	1.645	1.129388
YUKON KOYUKUK SCHOOL DISTRICT	52	1.451	1.556	1.072065
TANANA CITY SCHOOL DISTRICT	53	1.261	1.343	1.064821
YUPIIT SCHOOL DISTRICT	54	1.312	1.303	0.992873
KASHUNAMIUT SCHOOL DISTRICT	55	1.246	1.251	1.004175
ALEUTIANS EAST BOROUGH SCH DIS	56	1.491	1.546	1.036652
AVERAGE		1.199	1.233	

SOURCE: COMPUTED FROM THE SUPERLATIVE INDEX MODEL.

MIN 0.955504
MAX 1.129388

**APPENDIX TABLE II-5-1. Special Revenue Funds
as a Proportion of Total Revenues**

DISTRICT	DISTID	FY2003	FY2002	FY2001	FY2000	FOUR YR AVERAGE
		SP REV/ TOT REV	SP REV/ TOT REV	SP REV/ TOT REV	SP REV/ TOT REV	
DENALI BOROUGH SCHOOL DISTRICT	2	0.134	0.141	0.154	0.152	0.145
ALASKA GATEWAY SCHOOL DISTRICT	3	0.317	0.270	0.192	0.194	0.247
ALEUTIAN REGION SCHOOL DIST	4	0.089	0.046	0.080	0.062	0.069
ANCHORAGE SCHOOL DISTRICT	5	0.164	0.142	0.138	0.134	0.145
ANNETTE ISLAND SCHOOL DISTRICT	6	0.180	0.148	0.151	0.108	0.147
BERING STRAIT SCHOOL DISTRICT	7	0.233	0.195	0.157	0.161	0.189
BRISTOL BAY BOROUGH SCH DIST	8	0.206	0.188	0.183	0.179	0.189
CHATHAM REGION SCHOOLS	9	0.202	0.231	0.170	0.141	0.187
CHUGACH SCHOOL DISTRICT	10	0.643	0.654	0.517	0.539	0.596
COPPER RIVER SCHOOL DISTRICT	11	0.237	0.219	0.193	0.182	0.208
CORDOVA CITY SCHOOL DISTRICT	12	0.150	0.155	0.115	0.141	0.140
CRAIG CITY SCHOOL DISTRICT	13	0.199	0.257	0.282	0.158	0.228
DELTA GREELY SCHOOL DISTRICT	14	0.327	0.352	0.345	0.307	0.332
DILLINGHAM CITY SCHOOL DIST	15	0.245	0.228	0.220	0.216	0.228
FAIRBANKS NORTH STAR BORO S/D	16	0.174	0.183	0.189	0.161	0.177
GALENA CITY SCHOOL DISTRICT	17	0.198	0.182	0.105	0.132	0.159
HAINES BOROUGH SCHOOL DISTRICT	18	0.221	0.163	0.180	0.174	0.184
HOONAH CITY SCHOOL DISTRICT	19	0.337	0.299	0.238	0.184	0.267
HYDABURG CITY SCHOOL DISTRICT	20	0.134	0.175	0.195	0.268	0.196
IDITAROD AREA SCHOOL DISTRICT	21	0.248	0.253	0.230	0.220	0.238
JUNEAU BOROUGH SCHOOLS	22	0.175	0.170	0.154	0.149	0.162
KAKE CITY SCHOOL DISTRICT	23	0.205	0.149	0.143	0.138	0.160
KENAI PENINSULA BOROUGH SCHS	24	0.162	0.145	0.152	0.142	0.151
KETCHIKAN GATEWAY BOROUGH S.D.	25	0.177	0.172	0.165	0.131	0.161
KLAWOCK CITY SCHOOL DISTRICT	27	0.171	0.140	0.101	0.090	0.126
KODIAK ISLAND BOROUGH SCH DIST	28	0.157	0.153	0.147	0.135	0.148
KUSPUK SCHOOL DISTRICT	29	0.255	0.161	0.157	0.158	0.185
LAKE AND PENINSULA SCHOOL DIST	30	0.161	0.160	0.138	0.156	0.154
LOWER KUSKOKWIM SCHOOL DIST	31	0.233	0.224	0.234	0.195	0.222
LOWER YUKON SCHOOL DISTRICT	32	0.242	0.200	0.208	0.207	0.215
MATANUSKA-SUSITNA BOROUGH SCHS	33	0.200	0.188	0.186	0.175	0.188
NENANA CITY SCHOOL DISTRICT	34	0.239	0.095	0.068	0.088	0.125
NOME CITY SCHOOL DISTRICT	35	0.244	0.249	0.179	0.171	0.212
NORTH SLOPE BOROUGH SCH DIST	36	0.192	0.165	0.158	0.144	0.165
NORTHWEST ARCTIC SCHOOL DIST	37	0.215	0.200	0.210	0.176	0.201
PELICAN CITY SCHOOL DISTRICT	38	0.155	0.146	0.139	0.100	0.133
PETERSBURG CITY SCHOOL DIST	39	0.133	0.152	0.109	0.150	0.136
PRIBILOF ISLAND SCHOOL DIST	40	0.193	0.159	0.241	0.222	0.205
SITKA BOROUGH SCHOOL DISTRICT	42	0.211	0.229	0.189	0.184	0.204
SKAGWAY CITY SCHOOL DISTRICT	43	0.210	0.119	0.057	0.072	0.117
SOUTHEAST ISLAND SCHOOL DIST	44	0.323	0.331	0.253	0.179	0.274
SOUTHWEST REGION SCHOOL DIST	45	0.256	0.216	0.217	0.219	0.228
SAINT MARYS CITY SCHOOL DIST	46	0.187	0.212	0.314	0.193	0.228
UNALASKA CITY SCHOOL DISTRICT	47	0.244	0.235	0.179	0.192	0.214
VALDEZ CITY SCHOOL DISTRICT	48	0.182	0.165	0.168	0.164	0.170
WRANGELL CITY SCHOOL DISTRICT	49	0.209	0.153	0.130	0.148	0.161
YAKUTAT CITY SCHOOL DISTRICT	50	0.193	0.183	0.187	0.164	0.182
YUKON FLATS SCHOOL DISTRICT	51	0.140	0.159	0.123	0.116	0.135
YUKON KOYUKUK SCHOOL DISTRICT	52	0.211	0.206	0.225	0.146	0.199
TANANA CITY SCHOOL DISTRICT	53	0.232	0.274	0.294	0.227	0.258
YUPIIT SCHOOL DISTRICT	54	0.378	0.355	0.338	0.302	0.346
KASHUNAMIUT SCHOOL DISTRICT	55	0.275	0.300	0.254	0.233	0.267
ALEUTIANS EAST BOROUGH SCH DIS	56	0.104	0.133	0.107	0.097	0.110
AVERAGE		0.217	0.203	0.188	0.173	0.196

SOURCE: COMPUTED BY ISER FROM ANNUAL DISTRICT REPORTS.

**APPENDIX TABLE II-5-2. Comparison of FY2000
With Four Year Average Weights**

DISTRICT NAME	DISTID	AIR WITH FY2000	AIR WITH 4 YEAR WEIGHTS	RATIO FOUR YR/ FY2000 WTS
DENALI BOROUGH SCHOOL DISTRICT	2	1.090	1.086	0.996
ALASKA GATEWAY SCHOOL DISTRICT	3	1.278	1.271	0.994
ALEUTIAN REGION SCHOOL DIST	4	1.651	1.697	1.028
ANCHORAGE SCHOOL DISTRICT	5	1.000	1.000	1.000
ANNETTE ISLAND SCHOOL DISTRICT	6	1.036	1.033	0.997
BERING STRAIT SCHOOL DISTRICT	7	1.535	1.508	0.982
BRISTOL BAY BOROUGH SCH DIST	8	1.187	1.190	1.003
CHATHAM REGION SCHOOLS	9	1.207	1.219	1.009
CHUGACH SCHOOL DISTRICT	10	1.313	1.267	0.966
COPPER RIVER SCHOOL DISTRICT	11	1.137	1.110	0.976
CORDOVA CITY SCHOOL DISTRICT	12	1.074	1.071	0.997
CRAIG CITY SCHOOL DISTRICT	13	1.087	1.096	1.008
DELTA GREELY SCHOOL DISTRICT	14	1.093	1.093	1.000
DILLINGHAM CITY SCHOOL DIST	15	1.136	1.145	1.008
FAIRBANKS NORTH STAR BORO S/D	16	1.085	1.085	1.000
GALENA CITY SCHOOL DISTRICT	17	1.258	1.243	0.988
HAINES BOROUGH SCHOOL DISTRICT	18	1.025	1.025	0.999
HOONAH CITY SCHOOL DISTRICT	19	1.125	1.113	0.989
HYDABURG CITY SCHOOL DISTRICT	20	1.099	1.067	0.971
IDITAROD AREA SCHOOL DISTRICT	21	1.373	1.383	1.008
JUNEAU BOROUGH SCHOOLS	22	1.027	1.024	0.997
KAKE CITY SCHOOL DISTRICT	23	1.090	1.096	1.005
KENAI PENINSULA BOROUGH SCHS	24	1.026	1.030	1.004
KETCHIKAN GATEWAY BOROUGH S.D.	25	1.011	1.012	1.001
KLAWOCK CITY SCHOOL DISTRICT	27	1.034	1.032	0.999
KODIAK ISLAND BOROUGH SCH DIST	28	1.114	1.112	0.998
KUSPUK SCHOOL DISTRICT	29	1.195	1.194	0.999
LAKE AND PENINSULA SCHOOL DIST	30	1.462	1.434	0.981
LOWER KUSKOKWIM SCHOOL DIST	31	1.358	1.330	0.979
LOWER YUKON SCHOOL DISTRICT	32	1.388	1.392	1.003
MATANUSKA-SUSITNA BOROUGH SCHS	33	0.993	0.994	1.001
NENANA CITY SCHOOL DISTRICT	34	1.169	1.141	0.976
NOME CITY SCHOOL DISTRICT	35	1.160	1.160	1.000
NORTH SLOPE BOROUGH SCH DIST	36	1.554	1.527	0.983
NORTHWEST ARCTIC SCHOOL DIST	37	1.467	1.450	0.988
PELICAN CITY SCHOOL DISTRICT	38	1.144	1.097	0.959
PETERSBURG CITY SCHOOL DIST	39	1.010	1.010	1.000
PRIBILOF ISLAND SCHOOL DIST	40	1.290	1.274	0.987
SITKA BOROUGH SCHOOL DISTRICT	42	1.033	1.028	0.996
SKAGWAY CITY SCHOOL DISTRICT	43	1.000	0.995	0.995
SOUTHEAST ISLAND SCHOOL DIST	44	1.067	1.080	1.012
SOUTHWEST REGION SCHOOL DIST	45	1.256	1.264	1.006
SAINT MARYS CITY SCHOOL DIST	46	1.257	1.243	0.989
UNALASKA CITY SCHOOL DISTRICT	47	1.193	1.185	0.994
VALDEZ CITY SCHOOL DISTRICT	48	1.053	1.056	1.002
WRANGELL CITY SCHOOL DISTRICT	49	1.002	1.000	0.998
YAKUTAT CITY SCHOOL DISTRICT	50	1.171	1.174	1.003
YUKON FLATS SCHOOL DISTRICT	51	1.457	1.414	0.971
YUKON KOYUKUK SCHOOL DISTRICT	52	1.451	1.411	0.972
TANANA CITY SCHOOL DISTRICT	53	1.261	1.264	1.002
YUPIIT SCHOOL DISTRICT	54	1.312	1.286	0.980
KASHUNAMIUT SCHOOL DISTRICT	55	1.246	1.231	0.988
ALEUTIANS EAST BOROUGH SCH DIS	56	1.491	1.473	0.988

SOURCE: COMPUTED USING THE SUPERLATIVE INDEX MODEL.

Appendix III. Evidence of Differences Among School Districts in Ability to Fill Teaching Positions

We conducted a brief survey to address the different conditions districts face as they try to fill positions. We were especially interested in distinguishing between districts who had many more applicants than positions, and those who struggled to find enough applicants to fill their open positions. We called all 54 Alaska school districts and asked them a brief series of questions about what positions were hard to fill, how many applicants they typically have for both hard to fill and other positions; what percent of the time they can fill their openings with their top choice of candidates, and how they fill openings that occur during the school year. The instrument, with a summary of the answers, is included in this appendix.

The results should be interpreted with caution; answers to our questions highlighted some of the areas of concern. In some districts, the respondent had many years of experience, and could estimate the openings and applicants for a "typical" year; in others, the respondent was new and had only one year's hiring cycle to draw on. Also, districts varied widely in how they recruit applications; some districts rely heavily on information posted on their web site; others add to that attendance at numerous job fairs both in and outside of Alaska, as well as working with UA's Alaska Teacher Placement service. Finally, although our teacher data covered the school years 1998/99 through 2003/04, this district information is a one-time collection. Several districts noted that it has been getting steadily more difficult to fill their positions, and the market conditions that they face now may be different from those they faced in 1998.

We analyzed the results to produce two variables. The percent of hires for which the district obtains its first choice (Q 4c) became the variable *topchoic*. The answers to four questions— "What are your hard-to-fill positions?" (Q1); "What percent of your district's openings are for hard to fill positions?" (Q2); "How many qualified applicants do you typically have for hard-to-fill positions?" (Q3a); and "What percent of these applicants have **more than** the minimum job qualifications?" (Q3b) – were combined to create a three-level (-1, 0, 1) variable (*hardfill*) to describe how difficult it is for the district to fill its vacancies. In order to test whether the queue variables are systematically correlated with the purchasing power and characteristics that measure quality of life in the district, we estimated equations explaining *topchoic* and *hardfill* as a function of the set of Z variables as defined in equation (1). Appendix Table III-1 shows the results of estimating an equation for *topchoic*. The equation is a censored regression, taking into account the fact that *topchoic* falls between zero and 100 percent. Appendix Table III-2 shows the results of estimating an equation for *hardfill*. Since *hardfill* takes on three ordered values, the equation is estimated as an ordered logit. Variable names are defined in Appendix Table II-2-1.

**Appendix Table III-1. Estimating the Percent of New Hires
that are Districts' First Choice Candidates**

Variable Name	Coeff.	Std Error	T-Ratio	Prob.
ENTITLE	-1.02E-03	2.01E-04	-5.083	0
GROWTH	21.832	0.5176	42.183	0
NSB	14.556	1.102	13.21	0
VALDEZ	-9.7976	1.378	-7.112	0
ANC	91.978	2.965	31.018	0
D17	35.223	1.331	26.465	0
HEATDD	1.74E-03	1.32E-04	13.204	0
COOLDD	-0.17177	1.60E-02	-10.739	0
LOWRAIN	-8.103	0.5398	-15.012	0
HIGHRAIN	19.47	0.6649	29.283	0
TOTPOP	-3.14E-03	9.64E-05	-32.56	0
PCTAIAN	-53.727	4.346	-12.361	0
PCTOTH	-160.65	4.593	-34.979	0
SCHLPOP	1.31E-02	3.78E-04	34.797	0
SCHPAIAN	10.158	4.053	2.506	0.0122
SCHPOTH	44.819	4.946	9.061	0
PCTEMPL	-66.982	1.973	-33.95	0
PCTPOV	-46.464	2.105	-22.071	0
ROADED	-4.3006	0.6975	-6.166	0
AIRTOHUB	-7.3893	0.5475	-13.496	0
HUBTOANC	5.69E-02	1.69E-03	33.578	0
DISTTOT	-1.19E-03	6.06E-05	-19.591	0
LASTDRY	6.6561	0.5029	13.236	0

**Appendix Table III-2. Estimating whether Districts have Low(-1),
Medium (0) or High (+1) Difficulty in Filling Vacant Positions**

Variable Name	Coeff.	Std Error	T-Ratio	Prob.
ENTITLE	-5.79E-04	2.31E-05	-25.02	0
GROWTH	-0.78088	5.17E-02	-15.113	0
NSB	-5.4377	0.1864	-29.167	0
VALDEZ	2.2627	0.4682	4.833	0
ANC	-8.1337	0.449	-18.113	0
D17	1.3035	0.436	2.989	0.0028
HEATDD	2.78E-04	1.49E-05	18.618	0
COOLDD	-2.74E-02	2.00E-03	-13.705	0
LOWRAIN	0.1665	8.35E-02	1.994	0.0461
HIGHRAIN	-0.65824	5.80E-02	-11.358	0
TOTPOP	3.07E-04	1.74E-05	17.664	0
PCTAIAN	-7.8954	0.4334	-18.219	0
PCTOTH	-10.651	0.4327	-24.614	0
SCHLPOP	-1.13E-03	6.80E-05	-16.599	0
SCHPAIAN	7.3311	0.3841	19.089	0
SCHPOTH	11.136	0.4265	26.11	0
PCTEMPL	-2.053	0.1939	-10.586	0
PCTPOV	0.11586	0.2364	0.49	0.6241
ROADED	0.5615	6.72E-02	8.36	0
AIRTOHUB	1.7463	4.59E-02	38.06	0
HUBTOANC	3.89E-03	1.90E-04	20.516	0
DISTTOT	3.54E-05	8.54E-06	4.15	0
LASTDRY	-0.16486	5.56E-02	-2.965	0.003

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Alaska School District Cost Revision Survey December 2004

Responses from 54 Districts; where numbers do not add to 54, some respondents did not answer question.

1. What are your district's hard-to-fill positions? (multiple answers from each district)

Position Type	# of Districts citing type as hard-to-fill
Special Education	41
Math	30
Science	22
Positions in remote locations	10
Music	8
Guidance	7
Principal/Administration	7
Foreign Language	7
No positions are hard to fill	5
Secondary	5
Vocational Ed	4
All positions are hard to fill	3
Language Arts	3
Alaska Native Languages	3
Positions in communities with poor housing	2
Pre-School	2
Nurses	1
ROTC	1
Technology	1
Drama	1
History	1
Positions requiring multiple qualifications	1
Health/P.E.	1

2. What percent of your district's openings are for hard-to-fill positions?

Percent of Positions that are Hard-to-fill	Number of Districts
None	4
1%-9%	6
10%-39%	21
40%-80%	18
81%-100%	5

3a. How many qualified applicants do you typically have for hard-to-fill positions?

Number of Applicants for each position	Number of Districts
Less than one	5
1-1.5	15
1.6-3	15
3.1-6.9	9
7 or more	7

3b. What percent of these applicants have **more than** the minimum job qualifications?

% Applicants with >minimum qualifications	Number of Districts
1% or fewer	18
2%-20%	10
21%-49%	6
50%-74%	11
75%-100%	4

4a. How many qualified applicants do you typically have for other positions?

Number of Applicants for each position	Number of Districts
Five or fewer	13
6-10	15
11-15	11
16-25	10
26 or more	4

4b. What percent of these applicants have **more than** the minimum job qualifications?

% Applicants with >minimum qualifications	Number of Districts
1% or fewer	4
2%-20%	10
21%-49%	9
50%-74%	18
75%-100%	8

4c. Considering all the positions you fill during the course of a school year, what percent of new hires are your "first choice" candidates?

Percent of new hires who are First Choice Candidates	Number of Districts
24% or less	6
25%-49%	10
50%-74%	19
75%-100%	19

4d. What percent are **not** your first choice, but also not your last?

Percent of new hires who are Neither First nor Last Choice Candidates	Number of Districts
24% or less	19
25%-49%	18
50%-74%	11
75%-100%	4

5a. How does your district cover positions when a qualified applicant cannot be hired by the start of the school year?
(Multiple answers from each district)

Method	Number of Districts Citing Method
Long Term Substitute	54
Combining Classes	30
Using a teacher who is out of their field	12
Retired teachers	10
Teacher Aide	8
Emergency Certification	8
REPP Interns	4
Outsourcing	3
Administration	3

5b. Do you follow the same strategy for teaching positions that become vacant during the school year? (If not, what do you do?)

Same strategy	
Yes	46
No	8

- 6a. Over the course of a typical school year, how many teaching positions in your district become vacant for an extended period?

Number of Vacant Positions During Year	Number of Districts
Less than 1	20
1-4	24
5-8	5
More than 8	3

- 6b. What percent of these are your "hard to fill" positions?

Percent of Vacant-during-year positions that are hard to fill	Number of Districts
0%-5%	12
6%-24%	0
25%-75%	14
76%-94%	0
95%-100%	14

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FY14 Projections--Converting Student Head Count to Adjusted ADM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
School District	Size Factor				Geographic Differential			Special Needs Factor			Career/Technical Educ.		Intensive Needs Factor					
	ADM	Impact of Size Factor	ADM Adjusted for School Size (after hold-harmless)		Geographic Differential	Impact of Geographic Differential	ADM Adjusted for Size and Geo Dif	Impact of Special Needs Factor	Adjusted ADM after Special Needs Factor	Impact of CTE Factor	Adjusted ADM after CTE Factor	Intensive Needs Students	Adjustment for Intensive Needs (13 Head Count)	Adjusted ADM after Intensive Needs Factor				
Total	118,673.2	25,502.9	\$ 144.9	144,176.1		28,602.0	\$ 162.5	172,778.1	34,555.6	\$ 196.3	207,333.7	3,110.0	\$ 17.7	210,443.7	2,193.0	28,509.0	\$ 161.9	238,952.7
Alaska Gateway	317.0	287.4	91%	604.4	1.59	359.0	59%	963.5	192.7	20%	1,156.1	17.3	1.5%	1,173.5	13.0	169.0	14%	1,342.5
Aleutian Region	26.5	52.7	199%	79.2	1.94	74.4	94%	153.6	30.7	20%	184.3	2.8	1.5%	187.0	3.0	39.0	21%	226.0
Aleutians East	222.0	197.6	89%	419.6	1.99	415.8	99%	835.5	167.1	20%	1,002.6	16.0	1.5%	1,017.6	2.0	26.0	3%	1,043.6
Anchorage	48,027.0	4,745.5	10%	52,772.5	1.00	-	0%	52,772.5	10,554.5	20%	63,327.0	949.9	1.5%	64,276.9	789.0	10,257.0	16%	74,533.9
Annette Island	276.0	130.2	47%	406.2	1.34	137.3	34%	543.5	108.7	20%	652.2	9.8	1.5%	662.0	3.0	39.0	6%	701.0
Bering Strait	1,596.0	993.1	62%	2,579.1	2.00	2,574.0	100%	5,153.1	1,030.6	20%	6,183.7	92.8	1.5%	6,276.5	22.0	286.0	5%	6,562.5
Bristol Bay	129.0	102.5	79%	231.5	1.48	110.6	48%	342.1	68.4	20%	410.5	6.2	1.5%	416.7	1.0	13.0	3%	429.7
Chatham	153.0	136.1	89%	289.1	1.58	166.5	58%	455.7	91.1	20%	546.8	8.2	1.5%	555.0	3.0	39.0	7%	594.0
Chugach	49.0	89.7	183%	138.7	1.50	68.8	50%	207.4	41.5	20%	248.9	3.7	1.5%	252.7	1.0	13.0	5%	265.7
Copper River	432.0	264.2	61%	696.2	1.32	220.0	32%	916.3	183.3	20%	1,099.5	16.5	1.5%	1,116.0	6.0	78.0	7%	1,194.0
Cordova	316.7	146.5	46%	463.2	1.23	108.4	23%	571.6	114.3	20%	685.9	10.3	1.5%	696.2	4.0	52.0	7%	748.2
Craig	312.0	135.6	43%	447.6	1.21	92.2	21%	539.9	108.0	20%	647.8	9.7	1.5%	657.5	3.0	39.0	6%	696.5
Delta/Greely	762.0	240.5	32%	1,002.5	1.24	241.6	24%	1,244.2	248.8	20%	1,493.0	22.4	1.5%	1,515.4	14.0	182.0	12%	1,697.4
Denali	228.0	164.6	72%	392.6	1.33	130.4	33%	523.0	104.6	20%	627.6	9.4	1.5%	637.0	6.0	78.0	12%	715.0
Dillingham	475.0	164.5	35%	639.5	1.35	221.3	35%	860.7	172.1	20%	1,032.8	15.5	1.5%	1,048.3	13.0	169.0	16%	1,217.3
Fairbanks	14,014.0	1,973.8	14%	15,987.8	1.07	1,119.2	7%	17,107.0	3,421.4	20%	20,528.4	307.9	1.5%	20,836.3	432.0	5,616.0	27%	26,452.3
Galena	306.0	106.8	35%	412.8	1.39	161.4	39%	574.3	114.9	20%	689.1	10.3	1.5%	699.4	-	-	0%	699.4
Haines	245.0	181.6	74%	426.6	1.20	85.3	20%	511.9	102.4	20%	614.3	9.2	1.5%	623.5	6.0	78.0	13%	701.5
Hoonah	109.0	75.6	69%	184.6	1.40	73.7	40%	258.3	51.7	20%	309.9	4.6	1.5%	314.6	5.0	65.0	21%	379.6
Hydaburg	57.0	39.0	68%	96.0	1.50	48.4	50%	144.4	28.9	20%	173.3	2.6	1.5%	175.9	2.0	26.0	15%	201.9
Iditarod Area	178.0	230.5	129%	408.5	1.85	345.6	85%	754.1	150.8	20%	904.9	13.6	1.5%	918.5	1.0	13.0	1%	931.5
Juneau	4,894.0	673.5	14%	5,567.5	1.15	807.3	15%	6,374.8	1,275.0	20%	7,649.7	114.7	1.5%	7,764.5	90.0	1,170.0	15%	8,934.5
Kake	114.3	78.2	68%	192.5	1.46	88.4	46%	280.9	56.2	20%	337.1	5.1	1.5%	342.2	2.0	26.0	8%	368.2
Kashunamiut	312.0	131.8	42%	443.8	1.62	274.7	62%	718.6	143.7	20%	862.3	12.9	1.5%	875.2	4.0	52.0	6%	927.2
Kenai Peninsula	8,016.0	2,280.4	28%	10,296.4	1.17	1,760.7	17%	12,057.1	2,414.4	20%	14,468.5	217.0	1.5%	14,685.5	144.0	1,872.0	13%	16,557.5
Ketchikan Gateway	2,215.0	593.3	27%	2,808.3	1.17	477.4	17%	3,285.8	657.2	20%	3,942.9	59.1	1.5%	4,002.0	45.0	585.0	15%	4,587.0
Kiawook	125.0	83.5	67%	208.5	1.30	63.0	30%	271.4	54.3	20%	325.7	4.9	1.5%	330.6	5.0	65.0	20%	395.6
Kodiak Island	2,400.5	592.2	25%	2,992.8	1.29	864.9	29%	3,857.7	771.5	20%	4,629.2	69.4	1.5%	4,698.6	35.0	455.0	10%	5,153.6
Kuspuk	333.0	284.0	85%	617.0	1.73	452.9	73%	1,069.8	214.0	20%	1,283.8	19.3	1.5%	1,303.0	2.0	26.0	2%	1,329.0
Lake & Peninsula	313.0	341.5	109%	654.5	1.99	650.6	99%	1,305.1	261.0	20%	1,566.1	23.5	1.5%	1,589.6	5.0	65.0	4%	1,654.6
Lower Kuskokwim	3,997.0	2,046.7	51%	6,043.7	1.66	4,007.0	66%	10,050.7	2,010.1	20%	12,060.9	180.9	1.5%	12,241.8	48.0	624.0	5%	12,865.8
Lower Yukon	2,004.2	1,028.0	51%	3,032.2	1.86	2,610.7	86%	5,642.9	1,128.6	20%	6,771.5	101.6	1.5%	6,873.1	20.0	260.0	4%	7,133.1
Mat-Su	15,476.0	2,148.2	14%	17,624.2	1.07	1,233.7	7%	18,857.8	3,771.6	20%	22,629.4	339.4	1.5%	22,968.8	303.0	3,939.0	17%	26,907.8
Nenana	210.0	109.3	52%	319.3	1.34	107.9	34%	427.2	85.4	20%	512.6	7.7	1.5%	520.3	5.0	65.0	12%	585.3
Nome	702.0	182.2	26%	884.2	1.45	397.9	45%	1,282.2	256.4	20%	1,538.6	23.1	1.5%	1,561.7	4.0	52.0	3%	1,613.7
North Slope	1,650.0	621.2	38%	2,271.2	1.79	1,795.5	79%	4,067.7	813.5	20%	4,881.2	73.2	1.5%	4,954.4	7.0	91.0	2%	5,045.4
Northwest Arctic	1,912.0	887.0	46%	2,799.0	1.82	2,303.6	82%	5,102.6	1,020.5	20%	6,123.2	91.8	1.5%	6,215.0	26.0	338.0	5%	6,553.0
Pelican	15.0	24.6	164%	39.6	1.48	18.9	48%	58.5	11.7	20%	70.2	1.1	1.5%	71.2	-	-	0%	71.2
Petersburg	442.0	211.7	48%	653.7	1.24	159.5	24%	813.2	162.6	20%	975.8	14.6	1.5%	990.4	14.0	182.0	18%	1,172.4
Pribilof	87.0	78.0	90%	165.0	1.69	114.0	69%	279.0	55.8	20%	334.8	5.0	1.5%	339.8	-	-	0%	339.8
Saint Mary's	168.0	99.5	59%	267.5	1.62	166.9	62%	434.4	86.9	20%	521.2	7.8	1.5%	529.1	2.0	26.0	5%	555.1
Sitka	1,318.0	293.1	22%	1,611.1	1.20	314.2	20%	1,925.2	385.0	20%	2,310.3	34.7	1.5%	2,344.9	40.0	520.0	22%	2,864.9
Skagway	68.0	48.3	71%	116.3	1.17	20.2	17%	136.5	27.3	20%	163.8	2.5	1.5%	166.3	1.0	13.0	8%	179.3
Southeast Island	193.0	273.3	142%	466.3	1.40	187.9	40%	654.3	130.9	20%	785.1	11.8	1.5%	796.9	8.0	104.0	13%	900.9
Southwest Region	597.0	461.1	77%	1,058.1	1.69	724.8	68%	1,782.9	356.6	20%	2,139.5	32.1	1.5%	2,171.6	9.0	117.0	5%	2,288.6
Tanana	49.0	35.1	72%	84.1	1.79	66.1	79%	150.2	30.0	20%	180.3	2.7	1.5%	183.0	2.0	26.0	14%	209.0
Unalaska	420.0	145.8	35%	565.8	1.44	249.5	44%	815.3	163.1	20%	978.4	14.7	1.5%	993.1	4.0	52.0	5%	1,045.1
Valdez	638.0	212.1	33%	850.1	1.17	144.5	17%	994.6	198.9	20%	1,193.5	17.9	1.5%	1,211.4	12.0	156.0	13%	1,367.4
Wrangell	288.0	153.6	53%	441.6	1.16	70.2	16%	511.8	102.4	20%	614.2	9.2	1.5%	623.4	7.0	91.0	15%	714.4
Yakutat	94.0	71.1	76%	165.1	1.41	68.0	41%	233.1	46.6	20%	279.7	4.2	1.5%	283.9	-	-	0%	283.9
Yukon Flats	256.0	254.4	99%	510.4	2.12	569.6	112%	1,080.1	216.0	20%	1,296.1	19.4	1.5%	1,315.5	5.0	65.0	5%	1,380.5
Yukon/Koyukuk	287.0	264.7	92%	551.7	1.84	460.7	83%	1,012.3	202.5	20%	1,214.8	18.2	1.5%	1,233.0	9.0	117.0	9%	1,350.0
Yupit	449.0	275.8	61%	724.8	1.72	524.1	72%	1,248.9	249.8	20%	1,498.7	22.5	1.5%	1,521.1	6.0	78.0	5%	1,599.1
Mt. Edgecumbe	400.0	71.6	18%	471.6	1.20	92.0	19%	563.6	112.7	20%	676.3	10.1	1.5%	686.4	-	-	0%	686.4

FY14 Projections--Converting Student Head Count to Adjusted ADM

(1)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
School District	Correspondence			Basic Need	Effective BSA	Required Local Effort		Federal Impact Aid				State Aid (= Basic Need - RLE - Fed)				
	Correspondence Students	Adjustment for District Corresp. (.8 * Corresp. Head Count)	Adjusted ADM	Basic Need (Adjusted ADM * BSA)	Current Basic Need / ADM (col 24 / col 2)	Required Local Effort (Property Value * .0265%)	Required Local Effort as a percent of Basic Need	Eligible Federal Impact Aid	Impact Aid Percent	Deductible Impact Aid 90.0%	Non-deductible Federal Impact Aid	State Aid	FY2014 PROJECTED Adjusted Floor	Quality Schools	FY14 PROJECTED Total State Entitlement	State Payments per ADM
Total	4,544	0.81	4,544	1,405,643,265	5,680.0	221,558,397	15.8%	98,797,886	35.6	67,138,729	31,659,156	1,116,946,139	106,082	3,959,558	1,147,039,059	9,666
	10,649.6	8,519.7	247,472.4		11,845	221,558,397	15.8%								26,027,300	
		\$	48.4													
Alaska Gateway	37.0	29.6	1,372.1	7,793,426	24,585	0	0.0%	321,942	100.0%	289,748	32,194	7,503,679	0	21,953	7,525,632	23,740
Aleutian Region	-	-	226.0	1,283,954	48,451	0	0.0%	24,970	100.0%	22,473	2,497	1,261,481	0	3,617	1,265,998	47,740
Aleutians East	3.0	2.4	1,046.0	5,941,225	26,762	615,516	10.4%	683,016	42.71%	262,545	420,471	5,063,164	0	16,736	5,079,900	22,882
Anchorage	858.0	686.4	75,220.3	427,261,194	8,896	94,828,797	22.2%	17,862,949	46.30%	7,443,491	10,419,458	324,978,906	0	1,203,524	326,182,430	6,792
Annette Island	-	-	701.0	3,981,860	14,427	0	0.0%	1,757,208	100.0%	1,581,487	175,721	2,400,373	0	11,216	2,411,589	8,738
Bering Strait	-	-	6,562.5	37,274,724	23,355	0	0.0%	10,547,255	100.0%	9,492,529	1,054,726	27,782,195	0	104,959	27,887,194	17,473
Bristol Bay	-	-	429.7	2,440,639	18,920	715,872	29.3%	128,610	54.67%	63,280	65,330	1,661,487	0	6,875	1,668,362	12,933
Chatham	-	-	594.0	3,374,024	22,052	0	0.0%	188,617	100.0%	169,755	18,862	3,204,268	0	9,504	3,213,772	21,005
Chugach	225.0	180.0	445.7	2,531,360	51,660	0	0.0%	44,466	100.0%	40,046	4,450	2,491,313	20,929	7,131	2,519,373	51,416
Copper River	56.8	45.4	1,239.4	7,039,749	16,296	0	0.0%	272,259	100.0%	245,033	27,226	6,794,716	0	19,830	6,814,546	15,774
Cordova	-	-	748.2	4,248,895	13,419	709,139	16.7%	13,727	40.31%	4,980	8,747	3,535,776	0	11,972	3,547,748	11,202
Craig	303.0	242.4	938.9	5,333,164	17,093	338,704	6.4%	438,055	42.32%	166,847	271,208	4,827,613	0	15,023	4,842,636	15,521
Delta/Grady	70.0	56.0	1,753.4	9,959,168	13,070	0	0.0%	352,420	100.0%	317,178	35,242	9,641,990	0	28,054	9,670,044	12,690
Denali	632.0	505.6	1,220.6	6,932,811	30,407	658,294	9.5%	11,852	31.65%	3,376	8,476	6,271,141	0	19,529	6,290,670	27,591
Dillingham	6.0	4.8	1,222.1	6,941,713	14,614	526,870	7.6%	644,443	41.77%	242,265	402,178	6,172,578	0	19,554	6,192,132	13,036
Fairbanks	269.0	215.2	26,667.5	151,471,478	10,809	26,940,883	17.8%	13,001,630	56.92%	6,660,475	6,341,155	117,870,120	0	426,680	118,296,800	8,441
Galena	3,400.0	2,720.0	3,419.4	19,422,469	63,472	80,489	0.4%	15,048	4.88%	661	14,387	19,341,319	0	54,711	19,396,030	63,386
Haines	8.0	6.4	707.9	4,020,908	16,412	907,376	22.6%	0	58.21%	-	0	3,113,532	0	11,326	3,124,858	12,755
Hoonah	-	-	375.6	2,155,974	19,780	195,429	9.1%	197,387	49.57%	88,060	109,327	1,872,485	0	6,073	1,878,558	17,234
Hydaburg	-	-	201.9	1,146,881	20,121	40,849	3.6%	283,659	18.07%	46,131	237,528	1,059,901	0	3,231	1,063,132	18,651
Iditarod Area	50.0	40.0	971.5	5,518,016	31,000	0	0.0%	259,362	100.0%	233,426	25,936	5,284,590	0	15,544	5,300,134	29,776
Juneau	68.0	54.4	8,988.9	51,056,919	10,433	12,464,402	24.4%	0	52.60%	-	0	38,592,517	0	143,822	38,736,339	7,915
Kake	-	-	368.2	2,091,152	18,292	75,414	3.6%	326,074	29.31%	86,015	240,059	1,929,723	0	5,891	1,935,614	16,932
Kashunamiut	-	-	927.2	5,266,669	16,880	0	0.0%	1,947,522	100.0%	1,752,770	194,752	3,513,899	0	14,836	3,528,735	11,310
Kenai Peninsula	857.0	685.6	17,243.1	97,940,803	12,218	22,690,959	23.2%	0	51.48%	-	0	75,249,844	0	275,890	75,525,734	9,422
Ketchikan Gateway	35.0	28.0	4,615.0	26,213,447	11,835	4,198,727	16.0%	0	50.53%	-	0	22,014,720	0	73,841	22,088,561	9,972
Klawock	-	-	395.6	2,246,810	17,974	147,806	6.6%	600,244	73.72%	398,250	201,994	1,700,754	0	6,329	1,707,083	13,657
Kodiak Island	120.9	96.7	5,250.3	29,821,829	12,423	3,806,666	12.8%	1,877,029	36.81%	621,841	1,255,188	25,393,322	0	84,005	25,477,327	10,613
Kuspuk	-	-	1,329.0	7,548,882	22,669	0	0.0%	1,679,850	100.0%	1,511,865	167,985	6,037,017	0	21,264	6,058,281	18,193
Lake & Peninsula	11.0	8.8	1,663.4	9,447,833	30,185	391,926	4.1%	1,624,255	27.25%	398,349	1,225,906	8,657,559	0	26,614	8,684,173	27,745
Lower Kuskokwim	-	-	12,865.8	73,077,544	18,283	0	0.0%	17,137,316	100.0%	15,423,584	1,713,732	57,853,960	0	205,852	57,859,812	14,476
Lower Yukon	-	-	7,133.1	40,515,806	20,216	0	0.0%	9,160,843	100.0%	8,244,759	916,084	32,271,047	0	114,129	32,385,176	16,159
Mat-Su	1,807.0	1,445.6	28,353.4	161,047,591	10,406	25,355,209	15.7%	0	50.76%	-	0	135,692,382	0	453,655	136,146,037	8,797
Nenana	700.0	560.0	1,145.3	6,505,265	30,977	75,994	1.2%	0	58.67%	-	0	6,429,271	0	18,325	6,447,596	30,703
Nome	12.0	9.6	1,623.3	9,220,109	13,134	834,289	9.0%	30,236	40.70%	11,075	19,161	8,374,745	0	25,972	8,400,717	11,967
North Slope	-	-	5,045.4	28,657,997	17,368	12,573,041	43.9%	3,685,919	37.73%	1,251,628	2,434,291	14,833,329	0	80,727	14,914,056	9,039
Northwest Arctic	-	-	6,553.0	37,221,059	19,467	2,216,005	6.0%	4,205,871	44.16%	1,671,979	2,534,892	33,333,075	0	104,848	33,437,923	17,488
Pelican	-	-	71.2	404,648	26,977	39,553	9.8%	0	73.71%	-	0	365,095	85,133	1,140	451,368	30,091
Petersburg	-	-	1,172.4	6,658,327	15,066	901,121	13.5%	0	48.60%	-	0	5,758,206	0	18,759	5,776,965	13,070
Pribilof	-	-	338.8	1,930,189	22,186	0	0.0%	563,287	100.0%	506,959	56,328	1,423,230	0	5,437	1,428,667	16,421
Saint Mary's	-	-	555.1	3,152,867	18,766	36,034	1.1%	0	46.20%	-	0	3,116,653	0	8,881	3,125,534	18,604
Sitka	36.0	28.8	2,893.7	16,436,318	12,471	3,051,149	18.6%	20,659	56.9%	10,591	10,068	13,374,578	0	46,299	13,420,877	10,183
Skagway	-	-	179.3	1,019,456	14,977	425,600	41.8%	0	37.63%	-	0	592,856	0	2,869	595,725	8,761
Southeast Island	-	-	900.9	5,116,979	26,513	0	0.0%	0	100.0%	-	0	5,116,979	0	14,414	5,131,393	26,588
Southwest Region	-	-	2,288.6	12,999,298	21,774	0	0.0%	3,779,752	100.0%	3,401,777	377,975	9,597,521	0	36,618	9,634,139	16,138
Tanana	-	-	209.0	1,186,938	24,223	24,863	2.1%	88,096	100.0%	79,286	8,810	1,082,789	0	3,343	1,086,132	22,166
Unalaska	-	-	1,045.1	5,935,939	14,133	1,462,492	24.6%	22,362	50.78%	10,220	12,142	4,463,228	0	16,721	4,479,949	10,667
Valdez	-	-	1,367.4	7,766,685	12,173	3,576,713	46.1%	14,807	43.70%	5,824	8,983	4,184,148	0	21,878	4,206,026	6,593
Wrangell	85.0	68.0	782.4	4,443,875	15,430	470,852	10.6%	1,037	30.13%	281	756	3,972,742	0	12,518	3,985,260	13,838
Yakutat	5.0	4.0	287.9	1,635,016	17,394	181,364	11.1%	184,147	35.6%	59,084	125,063	1,394,568	0	4,606	1,399,174	14,885
Yukon Flats	-	-	1,380.5	7,841,245	30,630	0	0.0%	567,343	100.0%	510,609	56,734	7,330,636	0	22,088	7,352,724	28,722
Yukon/Koyukuk	995.0	796.0	2,146.0	12,189,382	42,472	0	0.0%	452,808	100.0%	407,525	45,281	11,781,856	0	34,336	11,816,192	41,171
Yupik	-	-	1,599.1	9,083,092	20,230	0	0.0%	2,914,860	100.0%	2,623,374	291,486	6,459,718	0	25,586	6,485,304	14,444
Mt. Edgecumbe	-	-	686.4	3,898,843	9,747	0	0.0%	863,665	100.0%	777,299	86,366	3,121,545	0	10,983	3,132,528	7,831

Alaska Education Tax Credit

/-----Tax Type Against Which Credit Can be Claimed-----/

Insurance Premiums Tax AS 21.09.210	Title Insurance Premiums Tax AS 21.66.110	Corporate Income Tax AS 43.20	Oil and Gas Production Tax AS 43.55	Oil and Gas Property Tax AS 43.56	Mining License Tax AS 43.65	Fisheries Business Tax AS 43.75	Fishery Resource Landing Tax AS 43.77
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Current Law - Contributions to the following entities qualify for a credit:

A coastal ecosystem learning center under the Coastal America Partnership for education, research, rehabilitation, and facilities (Seward Sealife Center)	X	X	X	X	X	X	X	X
The Alaska higher education investment fund			X	X	X	X	X	X

SB 139 & HB 278 Proposed Changes Contributions to the following entities will qualify for a credit:

A nonprofit organization to fund scholarships awarded to a dual-credit student for tuition, registration, course, and textbook fees			X			X	X	X
A residential school approved by DEED for construction, operation, or maintenance of a residential housing facility			X			X	X	X

Companies claiming the education tax credit can take a maximum combined credit of \$5 million each year against the tax types identified above.

**State of Alaska Department of Revenue
Tax Division**

**Summary of Alaska Education Credits Filed
in Calendar Year 2011 by Tax Program**

Tax Program	<i>Beneficiaries</i>		Total Amount of Contributions	Tax Credits Claimed
	Universities/ Colleges	Secondary/ Vocational		
Corporation Net Income (AS 43.20.014)	\$1,513,000	\$430,000	\$1,943,000	\$1,387,989
Fishery Resource Landing (AS 43.77.045)	875,500	-	875,500	637,750
Mining License (43.65.018)	78,000	-	78,000	38,928
Fisheries Business (43.75.018)	599,730	-	599,730	449,730
Oil and Gas Production (AS 43.55.019)	-	-	-	-
Oil and Gas Property (AS 43.56.018)	-	-	-	-
Total - All Tax Types	\$3,066,230	\$430,000	\$3,496,230	\$2,514,397

Alaska Department of Revenue
Tax Division
Summary of Alaska Education Credits Claimed
in Calendar Year 2013 by Tax Program

	Beneficiary			Total Contributions	Credits Claimed
	Universities/ Colleges	Secondary Vocational	Other		
Tax Program					
Corporation Net Income	\$ 1,426,150	\$ 833,149	\$ 1,559,150	\$ 3,818,449	\$ 2,757,874
Fishery Resource Landing	1,075,000	76,000		1,151,000	925,500
Mining License	528,082	2,400,000	500	2,928,582	1,670,713
Fisheries Business	776,000	24,000		800,000	650,000
Oil and Gas Production (No credits claimed)					
Oil and Gas Property	30,200			30,200	15,100
Total - All Tax Types	\$ 3,835,432	\$ 3,333,149	\$ 1,559,650	\$ 8,728,231	\$ 6,019,187

Alaska Department of Revenue
Legislative History of the Education Tax Credit

1987 – The education tax credit was initially established in 1987. At that time, the education credit was allowed for contributions made to an Alaska two or four-year college or university for instruction, research, and educational support purposes, including library and museum acquisitions. The credit was allowed against five different tax types; corporate income, oil and gas production, oil and gas property, mining license, and fisheries business tax. As part of the legislation, the legislature included a section that identified the purpose for the credit. That purpose is as follows:

“PURPOSE. The legislature recognizes the unique social and economic importance of Alaska’s colleges and universities to the state’s future. It is the purpose of this Act to provide colleges and universities with a private source of funding for direct instruction, research, and education support purposes, including library and museum acquisitions.”

The initial credit was 50% of cash contributions and was limited to the lesser of 10 percent of the amount of corporate income, mining license, and fisheries business tax due in each tax type or \$100,000 and the lesser of 10 percent of the amount of oil and gas production and oil and gas property tax due or \$10,000.

The Department of Revenue was required to report to the Legislative Budget and Audit Committee by September 30 of each year on the credits taken under the five tax programs identified above. Each public college and university was also required to include in its annual operating budget request the amount of contributions received for which a tax credit was taken.

1991 – The legislature amended the tax credit provisions to include contributions made to a university foundation. In separate legislation during that same year, the limit of 10% of the tax due in each program was removed and the amount of the credit allowed against all tax programs was limited to \$150,000. The credit was also changed to 50% of the first \$100,000 and 100% of the next \$100,000 in contributions.

1994 – The education tax credit was expanded to include the insurance premiums and title insurance premiums taxes. The maximum credit of \$150,000 across all tax programs, including these two tax types did not change. In separate legislation during that same year, the reporting requirement enacted in 1987 by the Department of Revenue was removed.

1996 – The fishery resource landing tax was enacted. The education tax credit was included as part of that legislation. This increased the total tax types to which the education tax credit can be taken to eight.

2008 – The education tax credit allowed in all tax types was expanded to include contributions made to an Alaska school district for secondary school level vocational education courses and programs and by a state-operated vocational technical education and training school.

2010 – The legislature included language that requires both the director of the Division of Insurance and the commissioner of the Department of Revenue to report before February 15 each year the total amount of contributions reported and the total amount of credit claimed during the previous calendar year against the eight different tax types administered by each agency. The legislature also expanded

the tax credit to include contributions made for vocational education facilities and facilities by an Alaska two or four-year college. The legislature changed the calculation of the tax credit to three tiers; 50% for the first \$100,000 in contributions, plus 100% of the next \$200,000 in contributions, plus 50% of the amount over \$300,000 up to a maximum of \$5 million across all tax types for each taxpayer.

The legislature also included sunset language whereby all changes, except the reporting requirements of the Division of Insurance and Department of Revenue, made to the tax credit within this piece of legislation would be repealed effective January 1, 2014. On January 1, 2014, contributions made for vocational education and university facilities would no longer qualify for a credit and the maximum credit amount would drop back to \$150,000.

2011 – The legislature expanded the tax credit to include contributions made to an Alaska two or four-year college or university for an annual intercollegiate sports tournament, a nonprofit agency for Alaska Native cultural or heritage programs and educational support provided to K-12 public school staff and students, and for a coastal ecosystem learning center under the Coastal America Partnership for education, research, rehabilitation, and facilities (Seward Sealife Center). The legislature also expanded the sunset date whereby the tax credit language would revert back to how it existed in 2008 to January 1, 2021. On January 1, 2021, contributions made for vocational education and university facilities, intercollegiate sports tournaments, Alaska Native cultural programs and the Seward Sealife Center would no longer qualify and the maximum credit amount would drop back to \$150,000.

2012 – The legislature defined the term “school district” as it relates to the education tax credit allowed against the six different tax types administered by the Department of Revenue. In a separate piece of legislation, the legislature expanded the tax credit to include contributions made to the Alaska higher education investment fund which was also established in 2012 against only the six tax types administered by the Department of Revenue (DOR). Contributions made to the Alaska higher education investment fund are not allowed as a credit against the insurance premiums or title insurance premiums taxes. This legislation also made changes to the sunset provision so that on January 1, 2021, contributions made to the Alaska higher education investment fund will still qualify for a credit against the six tax types administered by DOR.

2014 Proposed Changes (SB 139 & HB 278) – The Governor proposes expanding the education tax credit allowed against the corporate income, mining license, fisheries business and fishery resource landing tax to include contributions made to a nonprofit organization to fund scholarships awarded to a dual-credit student for tuition, registration, course and textbook fees and to a residential school approved by the Department of Education and Early Development for construction, operation, or maintenance of a residential housing facility. The proposed language will also change the sunset provision so that on January 1, 2021 contributions made to these two new contribution types will continue to qualify for the education tax credit within the four tax programs identified above.

Alaska Department of Revenue
Alaska Education Tax Credit Overview

Taxpayers engaged in the following tax types administered by the Alaska Department of Revenue may take an education tax credit against the tax liability owed each year. In addition to the tax types identified below, taxpayers subject to the Insurance Premiums and Title Insurance Premiums Taxes administered by the Division of Insurance, may also claim a credit. The tax credit is 50% of the first \$100,000 in qualified contributions, 100% of the next \$200,000 of qualified contributions, and 50% of qualified contributions over \$300,000. The total allowable tax credit is limited to \$5 million across all tax types.

Corporate Income Tax
AS 43.20

Alaska levies a corporate income tax on the net income earned by corporations doing business in the state. Corporations doing business in Alaska are engaged in various and diverse businesses, including oil and gas producers, retailers, wholesalers, manufacturers, seafood processors, mining operators, financial institutions, oilfield services, and tourism, to name a few.

Oil and Gas Production Tax
AS 43.55

Alaska levies a tax on oil and gas produced in the state. Most oil and gas production taxpayers are large multi-national companies.

Oil and Gas Property Tax
AS 43.56

Alaska levies an oil and gas property tax on the value of exploration, production, and pipeline transportation property in the state. Most oil and gas property taxpayers are large multi-national oil producers and oilfield service companies.

Mining License Tax
AS 43.65

Alaska levies a mining license tax on mining net income and royalties received in connection with mining properties and activities in Alaska. Mining taxpayers run the gamut from small independent miners with small placer (i.e. gold and silver) claims to large corporate mining operations that include coal, zinc, copper, gold and silver.

Fisheries Business Tax
AS 43.75

Alaska levies a fisheries business tax (also known as the "raw fish tax") on fisheries businesses and persons who process fisheries resources in or export unprocessed fisheries resources from Alaska. The tax is based on the price paid to commercial fishermen for the raw resource or fair market value of the fish resource when there is no arms-length transaction prior to processing or export. Typical fisheries

businesses include land based processors and floating processors (ships that have processing equipment on board) that process fish inside the state's 3-mile limit.

Fishery Resource Landing Tax
AS 43.77

Alaska levies a fishery resource landing tax on fishery resources processed outside Alaska, but that are first landed in Alaska. The tax is based on the unprocessed value of the resource. Typical fishery resource businesses include factory trawlers (large ocean-going vessels with extensive on-board facilities for processing and freezing fish) and floating processors that process fishery resources outside of the state's 3-mile limit and bring their product into Alaska for transshipment out of the state.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Education
and Early Development**

Office of the Commissioner

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March 21, 2014

The Honorable Bill Stoltze
The Honorable Alan Austerman
Co-Chairs, House Finance Committee
Alaska House of Representatives
Capitol, Room 519
Juneau, Alaska 99811

Dear Co-Chair Stoltze and Co-Chair Austerman:

Thank you for hearing the Governor's legislation, Alaska's Education Opportunity Act HB278CS (EDC). In following up from the House Finance Committee hearings this week, below are the responses to the three items that the Departments of Education and Early Development along with Revenue agreed to provide.

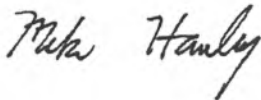
- 1. Chair Stoltze requested the amount of the Transition to Teaching (AKT2) grant.** The total federal grant was \$2,934,784 and was administered from 10/2007 through 9/30/2013, which included a one-year no-cost extension. AKT2 had a total cohort of 54 with a total of 40 completing the program.
 - The Transition to Teaching program supported the recruitment and retention of highly qualified mid-career professionals, including qualified paraprofessionals, and recent college graduates who have not majored in education to teach in high-need schools and districts through the development of new or enhanced alternative routes to certification.
- 2. Rep. Thompson asked why only the tax payers in HB 278 were included in the bill language.**
 - In HB278, the Governor did not make changes to the education tax credit against the other four types (oil and gas production, oil and gas property, insurance premiums and title insurance premiums tax) because, historically, the education credit has rarely been taken against them.

3. Rep. T. Wilson asked for the number of students in charter schools that are not being transported? She also wanted to know how the Fairbanks North Star Borough Schools can transport Monroe Catholic School students on their school district buses.

- The department has started working with districts to derive route information.
- Alaska Statute 14.09.020 Transportation for nonpublic school students. This statute allows a school district that is already providing transportation for children attending public schools transportation for children who, in compliance with AS 14.30 attend nonpublic schools. See statute below.
 - **AS 14.09.020** In those places in the state where the department or a school district provides transportation for children attending public schools, the department also shall provide transportation for children who, in compliance with the provisions of AS 14.30, attend nonpublic schools that are administered in compliance with state law where the children, in order to reach the nonpublic schools, must travel distances comparable to, and over routes the same as, the distances and routes over which the children attending public schools are transported. The commissioner shall administer this nonpublic school student transportation program, integrating it into existing systems as much as feasible, and the cost of the program shall be paid from funds appropriated for that purpose by the legislature.

Please contact me at mike.hanley@alaska.gov, our Legislative Liaison, Marcy Herman at marcy.herman@alaska.gov or at 465-2803 if you have additional questions or need additional follow-up. Thank you again for hearing this important legislation.

Sincerely,



Mike Hanley
Commissioner



THE STATE
of **ALASKA**

GOVERNOR SEAN PARNELL

**Department of Labor and
Workforce Development**

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March 20, 2014

The Honorable Alan Austerman
Co-Chair of House Finance
State Capitol, Room 505
Juneau, AK 99801

The Honorable Bill Stoltze
Co-Chair of House Finance
State Capitol, Room 515
Juneau, AK 99801

Dear Representatives Austerman and Stoltze,

Thank you for the opportunity to provide your committee with an overview of HB 278
EDUCATION: FUNDING/TAX CREDITS/PROGRAMS. Please accept the following in
response to a question posed by Representative Neuman regarding the Work Keys assessment.

Question:

Members of the committee keep hearing about a WorkKeys assessment, but may not be familiar
with it; can you explain what it is?

Answer:

In addition to the information provided by Commissioner Hanley, attached you will find a short
explanation of the Alaska Career Ready Program which is a joint effort between the Departments of
Labor and Workforce Development and Education and Early Development in which the WorkKeys
assessment is used to allow Alaska students and adult job seekers to evaluate their readiness for
work, college and occupational training, and to improve the basic skills valued by employers and
educators.

I welcome the opportunity to speak with you further if desired.

Sincerely,

A handwritten signature in cursive script that reads "Dianne Blumer".

Dianne Blumer

Commissioner

Enclosure

The Alaska Career Ready Program

The Alaska Career Ready (ACR) program was launched in August of 2007. The program was established as an effort to help meet the governor's commitment to develop Alaska's workforce and help prepare Alaska's workforce for the future construction of the gasline and other high demand, priority occupations identified by the Alaska Workforce Investment Board. The ACR program is a joint effort between the Departments of Labor and Workforce Development and Education and Early Development (EED) that allows Alaska students and adult job seekers to evaluate their readiness for work, college and occupational training, and to improve the basic skills valued by employers and educators.

The Alaska Career Ready program provides an opportunity for students and job seekers to be assessed in three WorkKeys skill areas – applied mathematics, reading for information, and locating information that leads to earning a National Career Readiness Certificate (NCRC). The NCRC is a portable assessment-based credential that documents foundational workplace skills. WorkKeys assessments and credentials help individuals document their skills and evaluate career opportunities. When combined with other selection tools, WorkKeys assessments and credentials yield information that help employers make better decisions about who to hire, train, and promote.

The WorkKeys assessments are available at all 21 Alaska job centers, AVTEC, and Job Corp. Also, all Alaska 11th graders are required by EED regulations to take WorkKey assessments in the three skill areas. The WorkKeys assessments are part of the Alaska Performance Scholarship program.

Since inception, in Alaska we have over 35,000 NCRCs earned by job seekers and students. The Employment Security Division has been training Business Connection staff in the job centers to work with employers to provide information on the program. To date the division has approximately 100 letters of commitment signed by employers stating they will recognize, request, or require the WorkKeys or NCRC in their company.

**Comments by Rep. Lynn Gattis to the House Finance Committee,
March 17, 2014
Summary of individual Components and HEDC amendments
to CSHB 278 (N)**

The Governor's Education bill came to us in late January and we immediately began hearing it in House Education. Recognizing that the bill had many different aspects related to education in it, the Committee determined very early on that the bill would need to be broken down into its various components and heard in segments.

We identified at least ten different components of the bill and though some of them overlapped, we spent several weeks hearing the bill by the various topics. We had several presentations from DEED and from the DOLWD. We heard several hours worth of expert testimony and even more hours worth of public testimony.

Last week we began the arduous but thoughtful process of presenting our amendments. The Committee dealt with two dozen amendments and the result of those that passed is in front of you in CSHB278, version N.

To begin with, there are some changes in this version of the bill that are the work of the Legislative Legal department simply for clean – up and conformity purposes. But the bulk of the work is the result of the Committee's work, so here is a summary of that activity by the topical components.

Section 1 is the High school course credit earned through assessment. The Governor's bill provided for "testing out" for students who could prove mastery of a subject through an assessment rather than having to do required "seat

time” in a classroom and thereby a student can receive credit for that course if the established “mastery” or proficiency rate on the assessment is reached.

The House Education Committee amended the bill with language similar to HB190 – which provides for the development of more course assessments to be made available to students other than just those courses that are required courses for meeting the criteria of the Alaska Performance Scholarship Program.

Sections 2, 3 and 4. These sections deal with eliminating the requirement for passing the HSGQE and the Committee amended out any requirement for the state to pay for a student to take a post-secondary test such as the ACT, SAT or WorkKeys. The current requirement from the State Board of Education for high school Juniors to take the Work Keys test is not impacted by this potential change. The Committee amended in the requirement for determining and reporting on the number, the attendance rates and the performance of students whose parents are active duty military. The effective date for the transition regarding these sections was amended from June 30, 2017 to June 30, 2015.

Section 5 begins the sections that deal with charter school applications, appeals and programs. The first segment regarding charter schools was amended to add language allowing the State Board of Education to be an alternative authorizer of a charter school. Though the bill’s initial language

states that a denial from a local district for a charter school application could be appealed to the Commissioner and then could be approved by the Commissioner, the Committee amended that portion to state that the State Board of Education could become the charter school's chartering and operating authority so a charter school would not have to try to operate within a hostile environment of a district that initially denied it. The amendment however, does provide for giving the local district a chance to appeal and request that it become the operating authority. This section was also amended by the Committee to limit the length of time by which a local board had to make its decision to approve or deny to 60 days.

If you move onto Section 8, you will see where the Committee amended that section to add that a charter has the right of first refusal for leasing of available space of school district facilities and that the district can charge a reasonable fee that reflects the true operational costs of that facility.

Section 9 limits the amount that a district can charge in indirect cost fees to 4%.

Skipping onto Section 12; it was amended by the Committee to require that school districts formulate policies and thoughtfully address the transportation challenges of their charter school students. Districts would be charged with

coordinating transportation routes and transportation availability as best they can within their current transportation plan in order to provide transportation where and when feasible. If not, the districts will have to forfeit the portion of their transportation funds generated by the number of students attending the charter school and hand that money over to the charter school. It does not require the district to specifically provide transportation for students but they do have to allow charter school students to take advantage of normal bus routes whenever reasonably possible.

In Section 13, the end of that section was amended to allow for bonding by a municipality or borough for construction, additions and major rehabilitation projects for charter schools. This will allow for a 70% debt reimbursement of bonds for charter schools.

Though it seems a little out of order Section 17 was added in to decrease the minimum number of students required for establishing the funding rate for a charter school within its first three years, and allowing the adjusted student count to be counted at the same rate as for 150 students.

Looking back at Sections 15 and 16, the Governor's bill provided for an improved application process for creating new residential schools and for an increase in the stipend to more accurately reflect the actual audited costs of

boarding school students and the House Education Committee simply amended Section 37 to provide for an effective date of July 1, 2014 replacing the Governor's date of Sept. 1st.

Sections 18, 19 and 20 deal with the Base Student Allocation increases. The committee did not address the component of the bill that deals with the BSA but decided from the beginning that that was an issue better discussed in HOUSE FINANCE so the Committee passed that portion unamended.

Section 21, Technical and Vocational Education Programs (TVEP); the percentages for the funding allocation were amended in order to add another program to the list of supported programs. The U of A percentage was decreased to 42% and the Southern Southeast Alaska Technical Education Center was added at 3%.

Section 22 was amended to add more reporting requirements to verify the performance results of those programs.

Moving on to Section 25 and the Tax Credit component of the Governor's bill – this section further defines the items that can be identified as costs, and added a tax credit for contributions made to early learning and childhood development programs to include those provided by a for-profit corporation. This section was also amended to clarify that this tax credit applies to those

contributing to post-secondary schools or institutions within the state, not outside. That language is repeated in Sections 26, 28, 29, 31, 32, 34 and 35.

Section 37 repeals Section 3, ch. 91, SLA 2010 which will remove the sunset date and that will allow Alaska to continue to seek federal grants for providing start-up funds for new charter schools.

The amendments made by the House Education Committee make our charter school environment even stronger in the state of Alaska, they further reduce unnecessary testing requirements in our state and the costs associated with testing and improve incentives for corporations and organizations to support our vocational opportunities and the learning opportunities of our youngest students. The amendments will more effectively support the Governor's efforts to improve our education system in our state.

Office of Rep. Lynn Gattis

Rep.Lynn.Gattis@akleg.gov

907-465-4833

CK



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the

HFIN

Committee on

HB 278

Committee Name

Dated

3/19/2014

Bill / Subject

I'm a proud parent of one son who graduated from North Pole High School. The teachers in the school district are doing a great job of providing students with a good education and equipping students with the necessary skills to be productive members of society. I urge you to please increase the BSA by \$400.00 so that class sizes be maintained at an adequate level and students receive individualized attention from teachers. Our district is not broken. The graduation rate continues to grow and our dropout rate continues to shrink. Continuing cuts or even flat funding when taking into account factors like increased health and energy costs are going to erode our success. Please let us work together for a solution for the state that does not penalize districts, like ours, that are doing well. In conclusion, please show support for our students so that they can receive a quality education in order to be successful in the 21st century.

SIGNED:

Testifier

Michelle Thomas

Representing

644 Duida Way Apt. 2 North Pole, AK

Address / Phone Number

99705

Helen Phillips

From: Wendy Ranney <wranney@cordovasd.org>
Sent: Wednesday, March 19, 2014 12:31 PM
To: House Finance
Cc: Sen. Gary Stevens
Subject: HB 278

I would like to submit the following letter as written testimony:

Dear House Finance Committee;

Thank you for your service to Alaska.

And for your continued interest in taking input from Alaskans in the decision making processes.

I am writing to you as a parent and as an employee of a public school.

I have three students currently enrolled in the Cordova Public Schools, one in Elementary School and two in High School. In fact, my twin seniors make up 10% of this years graduating class. I work in the school every day and watch our teachers and administration struggle, due to lack of funding, to provide the services that our children need.

I'm writing to ask you to work with your colleagues to please pass legislation to increase the Base Student Allocation and help fund broadband across the state.

In regards to the Base Student Allocation please bring the level up to what it would have been if the BSA had been increased in tandem with inflation since 2011 and look at how to inflation proof the BSA going forward. What is being called "flat funding" by some is actually a dramatic decrease in public school funding, since costs have increased for health care, energy, technology, and insurance. Additionally schools are incurring increased costs associated with implementing the new Alaska Standards. \$404 would need to be added to the BSA this year to catch up with inflation from the past four years. Adding \$250 to the BSA this year will prevent programs and teachers from being cut.

Assisting with the costs of obtaining and maintaining adequate broadband speed will free up dollars for the classroom while making sure that schools can take advantage of all the educational and research resources technology offers. Please pass SB82/HB 179. Broadband access ensures that, in a small rural community, we can offer the advanced courses our students can need to pursue post secondary goals in a cost effective way.

I understand that oil revenues have decreased, and you are feeling the pressure to cut spending. I also know that education funding has increased dramatically over the past 10 years. However, these increased costs are related to capital spending, legislative grants, and paying off the pension fund for retired teachers. These increased costs did not go toward funding teachers in the classrooms.

Cordova Schools have worked hard to meet the goals set by the legislature over the past four years. We have increased our graduation rate (92%) decreased the drop out rate (1.2%), and reduced our administrative and utility costs. We have implemented innovative programming to increase our curriculum offerings and expand choice for our students.

Without an increase in the BSA our ability to maintain these effective programs is at risk. Please, help us put our resources into educating our young people—by targeting our base student allocation for an increase and funding broadband. A well-educated cohort of graduating seniors is going to be ready to take on jobs in our workforce. If they decide to go Outside to college, they are more likely to come back if our schools are top-notch. Why would they want to raise a family in a state that doesn't support its public schools?

Even though our oil revenue is declining, Alaska still has plenty of capital. Please, let's put some of these financial assets back into our most important resource: our children. Please, let's make funding our public schools a top priority, and pass legislation to inflation-proof the base student allocation. We will all benefit from a well-educated community.

Our Elementary School has a wonderful Library facility, but only due to volunteer efforts in set up, maintenance and operation. There has never been money budgeted into our library. There is just none to spare. This is just one service that is in need of the State not only providing the status quo but actually aggressively supporting the needs of our children.

Thank you very much for your consideration and your time.

Sincerely,

Wendy A. Ranney

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*Wendy A. Ranney
Principals Secretary / Librarian
Mt. Eccles Elementary School
P.O. Box 1330
Cordova, AK 99574
(907) 424-3236
(907) 424-5215 Fax*

"There are many ways to enlarge your child's world. Love of books is the best of all."

Jacqueline Kennedy
Former First Lady of the United States

Helen Phillips

From: LIO Anchorage
Sent: Wednesday, March 19, 2014 12:30 PM
To: House Finance
Subject: FW: Today's public hearing on HB278

From: Michelle Coombs [<mailto:michelle.coombs@gmail.com>]
Sent: Wednesday, March 19, 2014 11:34 AM
To: Rep. Alan Austerman; Rep. Bill Stoltze
Cc: LIO Anchorage
Subject: Today's public hearing on HB278

Dear Representatives,

While I can't attend today's hearing in person, I am writing because public education in Alaska is very important to me. I have been alarmed in recent years to see that the base student allocation has barely kept up with inflation. **I support of a BSA increase of \$400 or more**, instead of the \$85 (\$201 over three years) that is currently proposed in the Governor's education bill. It is very shortsighted to shortchange Alaska's students by not providing them with the quality education they deserve. As a parent with a child in an Anchorage public school, I see a lot of hard work by the school's teachers and staff, already doing the same (or more!) with less. The cuts that the Anchorage School District are proposing to accommodate the budget shortfalls are just going to make things tougher.

Please do the right thing and increase the BSA by a reasonable amount!

Thank you,
Michelle Coombs
1434 West 11th Ave
Anchorage

Helen Phillips

From: House Finance
Sent: Wednesday, March 19, 2014 9:06 AM
To: House Finance Legislation
Subject: FW: HB278

From: LIO Anchorage
Sent: Wednesday, March 19, 2014 8:10 AM
To: House Finance
Subject: FW: HB278

From: DanaLyn Dalrymple [<mailto:danalyn@matsulaw.com>]
Sent: Tuesday, March 18, 2014 11:22 AM
To: LIO Anchorage; Rep. Alan Austerman; Rep. Bill Stoltze
Subject: HB278

I am unable to attend the public hearing this afternoon to testify in favor of increasing the BSA to \$400. I am frustrated that our legislature continues to view an increase in funding of education as burden without proper attention to the benefits and reduced social costs of a better educated population. Education, like transportation and safety, should not be a partisan issue.

Having had children in the Mat-Su School District at all levels, and also a student at University of Alaska, I want to see education as THE priority for the governor and legislature. We need to fund it and benefit from it by keeping our educated students in Alaska to grow the economy; educate our people to reduce spending on prisons, criminal justice, and social services; and attract talent from other states based on the quality of our education system. This takes money. The legislature and governor have not done enough. Alaska has the resources to spend on education and it is disgraceful that it hasn't done so and that year after year this battle rages on.

Thank you,

DanaLyn Dalrymple

Attorney

Dalrymple Law, P.C.

danalyn@matsulaw.com

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Helen Phillips

From: House Finance
Sent: Wednesday, March 19, 2014 9:18 AM
To: House Finance Legislation
Subject: FW: HB 278 - Adequately Fund our Schools

From: LIO Anchorage
Sent: Wednesday, March 19, 2014 8:09 AM
To: House Finance
Subject: FW: HB 278 - Adequately Fund our Schools

From: Wendy Woolf [<mailto:paww@alaska.net>]
Sent: Tuesday, March 18, 2014 8:16 PM
To: Rep. Alan Austerman; Rep. Bill Stoltze
Cc: LIO Anchorage; Rep. Mike Hawker
Subject: HB 278 - Adequately Fund our Schools

Dear Representative Austerman, Representative Stoltze, and the entire House Financing Committee:

Thank you for extending the comment period to allow for public testimony around the state.

I am writing on behalf of myself as the parent of two children who have benefited from the Anchorage School District; one graduated in 2004 and the other will graduate in May. I am concerned that future students will not receive the same benefits my children received; a well-rounded education and the ability to excel in their areas of interest. We have excellent programs in the Anchorage School District that meet the needs of many different kinds of students. These programs cannot continue without adequate funding and I'm afraid it is those programs that are not directly related to meeting testing requirements will be cut. We have already seen the district limit and cut funding to these types of programs.

I recognize balancing the budget is a difficult job, but please do not do it on the backs of our children, our greatest resource. Please increase the base student allocation by at least \$400. Please ensure adequate state funds go into the classroom and to provide necessary counseling services to all our children, but particular those children at risk within our communities.

I am in favor of instituting a school tax for all tax payers in Alaska. I have never understood why this tax we repealed when it was such a nominal tax in comparison to the benefit it provided.

Lastly, I do not support requiring the school district to pay for transportation to charter schools. Attending a charter school or other types of specialty school (open optional schools, etc.) in the Anchorage School District is a choice. It is a choice I made for my children, and it was not easy to provide that transportation every day, but I still feel it is the parent's responsibility to get their children to school when they choose to attend a charter school. I would not like to see our precious classroom funding go towards busing students to charter schools when school funding is limited.

Thank you for considering my comments.

Sincerely,

Wendy Woolf

Indian, Alaska

Helen Phillips

From: House Finance
Sent: Wednesday, March 19, 2014 9:18 AM
To: House Finance Legislation
Subject: FW: Raise the Base Student Allocation to \$400 per student

-----Original Message-----

From: LIO Anchorage
Sent: Wednesday, March 19, 2014 8:09 AM
To: House Finance
Subject: FW: Raise the Base Student Allocation to \$400 per student

-----Original Message-----

From: Rachel Faralan-Mingo [<mailto:faralanmingo@rocketmail.com>]
Sent: Tuesday, March 18, 2014 2:11 PM
To: Rep. Alan Austerman; Rep. Bill Stoltze
Cc: LIO Anchorage
Subject: Raise the Base Student Allocation to \$400 per student

In place of attending the LIO Hearing today I submit the following testimony:

I was born and raised in Alaska and attended 1st grade through college in our state and I had enough teachers to make sure I had a good public education! Our class sizes were reasonable and if teachers needed to they could spend extra time with me.

Having enough teachers means that class sizes are low enough so that teachers can teach instead of manage behavior. We are not funding daycare centers so that our kids can be watched for us while we go to work!

These institutions need to have the number of teachers needed to ensure that each child gets individualized attention when needed!

The BSA goes directly toward teachers; not paper and pencils, not toilets and lunches... TEACHERS... the most critical part of MY kids' education.

Please recognize that not funding the BSA means that the # of teachers will be cut, because the ones employed still get their pay increases (as they should)... and if there isn't enough \$ in the BSA then that means less teachers can be paid out of it.

And that means that teachers have larger #'s of kids which means they teach less and manage behavior more. And that is not okay with me, nor with my kids. My kids want to learn.

It's that simple. And it's not okay with this Mom who has 4 kids in Anchorage schools now with another 1 starting in a year to turn our schools into daycare centers.

Please raise the Base Student Allocation by \$400 per student and dismiss the Governor's proposal to raise it only by \$85! By the way, I am not a member of NEA, nor have I ever been.

Rachel Faralan-Mingo
Independent Product Consultant
doTERRA Essential Oils
www.mydoterra.com/faralanmingo

Helen Phillips

From: LIO Fairbanks
Sent: Tuesday, March 18, 2014 2:36 PM
To: House Finance; House Finance Legislation
Subject: FW: Public Testimony for House Finance Committee on HB 278 (BSA)

Please enter into the record the testimony below to the HFIN committee on HB 278 dated 3/18/2014.

From: Tammi Ganguli
Sent: Tuesday, March 18, 2014 12:09 AM
To: Rep. Alan Austerman; Rep. Bill Stoltze
Cc: LIO Fairbanks
Subject: Public Testimony for House Finance Committee on HB 278 (BSA)

I humbly request that you pass legislation that increases the BSA by at least \$400 and inflation proof this increase for years to come.

One of the reasons my husband and I have chosen to stay in Alaska was that our children have access to a high quality public education. As a very active parent in our school district, I have seen the quality graduates Fairbanks' public schools have produced. I have seen the quality instruction my children have received.

I am concerned that the base student allocation has NOT been increased since 2011 and has fallen substantially behind inflation. This directly affects Alaska's public school classrooms in a very negative way. The BSA needs to be increased every year, because Alaska's public schools' day to day operating costs increase every year.

Without an increase to the BSA to catch up with inflation, teachers as well as programs in our district have been cut every year. Last year the Fairbanks School District's budget cuts resulted in some large class sizes in our district. We were lucky, that the cuts did not reach our children's school. Due to lack of funds, the Fairbanks School District is facing an \$8 million shortfall from its budget next year. This will lead to large class sizes throughout our district, at every grade level except Kindergarten, as well as fewer course offerings and loss of programs. This will have a huge, negative impact on the way our school delivers its education program to our children. We have reached a tipping point. Lack of funds will impact the quality of education provided in Alaska's public schools.

We appreciate that you have appropriated dedicated funds for buildings, fuel, safety and transportation. These funds are valuable for those purposes, but they do not reach our classrooms. So, while "education spending" has gone up, the money that schools are allowed to use for the classroom has fallen in real dollars by roughly 7% over the last few years.

The governor's bill, HB 278, provides a modest increase to the BSA -- \$85 for 2014-15, and \$58 for 2015-16 and 2016-17 -- that will not avert large cuts to the day to day operating funds of Alaska's public schools and will not help the BSA catch up with inflation. That is why I am requesting in this testimony that you raise the BSA by at least \$400 to avert cuts this coming year and restore the cuts since the last BSA increase. I am also requesting that you inflation proof the BSA so that it increases each year without the need for additional legislation.

Thank you for your time. Please support my request to raise the BSA by at least \$400 and inflation proof the BSA so that it increases each year without the need for additional legislation.

Respectfully,
Tammi Ganguli
2530 Allen Adale Road
Fairbanks, AK 99709

907-750-1466



Louise Taylor-Thomas

From: Robin Wittrock <wittrock@gci.net>
Sent: Tuesday, March 18, 2014 8:50 PM
To: Louise Taylor-Thomas
Subject: Governor's omnibus education bill, HB 278

Dear House Finance Committee,

I hope you will accept this email as part of the testimony arising out of tonight's House Finance Committee hearing which I was unable to attend.

First, thank you for your service to Alaska and your work on the Finance Committee. Your time and commitment are much appreciated.

I would like to begin by asking you to increase the Base Student Allocation by \$400 per student. I request this because, it is my understanding that anything less than this will result in serious cuts to the Anchorage School District, cuts that concern me a great deal.

I am a lifelong Alaskan resident. My wife and I live in Anchorage, with our 3 children. Our children attend Government Hill Elementary School. I am very happy with the education my children are receiving through the Anchorage School District.

I am extremely troubled by the level funding ASD has received since 2011. Failing to increase with inflation, and after substantial cuts already made by the ASD, this funding will not adequately support my children's education. I ask you to act now, before further damage is done.

My wife and I are now getting ready to send our oldest child to Romig Middle School. In the process of acquainting ourselves with this school, I have learned of the effects of flat funding there. These effects are particularly concerning.

To date, Romig teachers have taught 5 out of 7 classes per day, having one class period per day for planning, as is typical at the middle- and high-school levels, and one class period per day to work as teacher teams to address needs of individual students. Now, Romig teachers will teach 6 of 7 classes per day, thereby adding ~32+ more students to their ~100+ student load while eliminating their ability to focus on individual students in a team approach. *I have heard from other parents whose children have gone through Romig that this attention to the individual students has been of great value to their children.*

Because of these cuts, not only will my children not receive the individualized attention that will help usher them through the difficult Middle School years, there will be other effects too. I expect that teachers will no longer be able to run after-school or other extra-curricular activities that are very beneficial to our students because they will have more students to teach and grade with less time in which to do that work. Staffing is a very serious issue to me. ***Not only are teacher positions being cut, I have learned of a high number of longterm, highly experienced teachers and staff who are retiring from Romig and throughout the district, not because they are necessarily wanting to retire but because they are tired of the message sent to them by flat funding and they are tired of dealing with the effects of these budget cuts.*** The staffing of the library shared by Romig and West High School has already been cut from two to one librarian. Because of this cut, the library is not open to Romig students beyond the end of their school day. It is clear that, if the BSA is not sufficiently raised, teachers will continue to be cut substantially and class sizes will, accordingly, continue to increase substantially. This is contrary to what I want for my children and all the children of our state.

Instead of cutting our schools' ability to teach our children, our society should be helping our schools in their challenging job of educating our future society.

Thank you for your consideration of my testimony on this very important matter.

Patrick Wittrock

9701 Sidorof Ln.

Anchorage, AK 99507

Louise Taylor-Thomas

From: Hilkka Bold <hilkka55@hotmail.com>
Sent: Friday, March 21, 2014 1:43 PM
To: Louise Taylor-Thomas
Subject: Bill #278

To Representative Bill Stoltz and the House Finance committee members,

My name is Hilkka Bold. I have two children in public school in Anchorage. I am very concerned about the effects of insufficient education funding.

I believe the BSA should be increased by at least \$400. The BSA should reflect the current cost of high quality education, especially considering increasing utilities and insurance costs.

I believe that excellent teachers are the key to high quality education. Teachers need to be fairly compensated for the important work that they do, so that we can continue to attract great teachers.

Furthermore, keeping class size to a minimum clearly enhances learning, and decreases stress on teachers and students.

These and other important components of public education require sufficient funding. It's not just about my children, it's about our community, our state, our future.

I believe we have an obligation to ensure that all of Alaska's students have access to high quality education.

Thank you for your time and consideration.
Sincerely, Hilkka Bold



Northwest Arctic Leadership Team

The Honorable Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001
March 10, 2014

Dear Governor Parnell:

Maniilaq, NANA, the Northwest Arctic Borough and Northwest Arctic Borough School District collaborate as the Northwest Arctic Leadership Team (NWALT) to address regional issues and priorities. NWALT supports House Bill 278 and Senate Bill 139 because of the direct benefits to Northwest Alaska as well as all other regions of the state, both urban and rural. HB278 and SB139 include important elements that will help Northwest Alaska advance its goals in education and workforce development, including the reauthorization and funding for the Technical Vocational Education Program (TVEP); amendments to the State Education Tax Credit program; and full funding for the board and room stipend for residential schools.

The Alaska Technical Center (ATC) continues to enhance the overall workforce development efforts of the region and benefits employers like Maniilaq, the School District, NANA and the Red Dog Mine through core programs that include tracks in business technology, health occupations, construction trades technology and process technology, as well as a new culinary arts program being added in FY2015. ATC also offers a variety of short-courses that meet employer and business partner needs. For years, TVEP has provided considerable and continuous support to the funding of the ATC. NWALT supports the administration's efforts to improve the quality and accountability of the TVEP program.

NWALT also appreciates your continued support for the development of the Star of the Northwest Magnet School in Kotzebue, which will provide residential secondary and post-secondary education opportunities for to up to 200 students in grades 11-14. An academic and vocational educational curriculum will be developed through the collaborative efforts of the Northwest Arctic Borough School District, Chukchi College and ATC, ensuring that graduates are equipped with entry level qualifications to take on jobs in resource development, education, healthcare and other professions within Northwest Alaska. The proposed amendment offered to the State Education Credit program to include residential construction and operation costs will significantly enhance opportunities for public/private partnerships as the new Magnet School becomes a reality.

NWALT also appreciates the inclusion of full funding for the board and room stipend for residential students in HB278 and SB139. This will ensure that required housing costs for residential students are covered, thus protecting instructional dollars from being diverted to such costs.

NWALT appreciates your continued support for secondary, post-secondary and adult education that will prepare Alaskans for future jobs in Alaska.

Sincerely,

Mayor Reggie Joule
NWALT Co-Chair
Northwest Arctic Borough

Marie N. Greene
NWALT Co-Chair
President/CEO
NANA Regional Corporation



NWALT Northwest Arctic Leadership Team

Norman Eck

Dr. Norm Eck
NWALT Member
Superintendent
Northwest Arctic Borough School District

Barbara Janitscheck

Barbara Janitscheck
NWALT Member
Acting President/CEO
Maniilaq Association

CC: Representative Ben Nageak
Senator Donny Olson



THE STATE
of **ALASKA**

GOVERNOR SEAN PARNELL

**Department of Education
and Early Development**

Office of the Commissioner

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To: House Finance Committee

From: Mike Hanley, Commissioner *Mike Hanley*
Department of Education & Early Development

Date: March 14, 2014

RE: Changes to HB278//Education: Funding/Tax Credits/Programs

Summary of Changes from HB 278/Version A to CSHB 278(EDC)/Version N

Title

Title change by adding relating to performance reports, relating to assessments and relating to charter schools and student transportation; by removing relating to college and career readiness assessment for secondary students, relating to charter school application appeals and program budgets.

Section changes in CSHB 278(EDC)

Sec. 1, page 2 line 1 inserts HB190 (Rep. Seaton). Intent of the section is essentially the same.

Sec. 2, page 2 line 13 removes the ACT/SAT testing language. (Rep. Reinbold amendment)

Sec. 3, page 4, line 20 inserts HB318 (Rep. Saddler) which adds an annual reporting requirement to be added to the department's annual report on schools around the attendance and performance of students whose parent/guardian is active duty military.

Sec.5, page 6, line 5 adds subsection (9) to AS 14.03.250 requiring the State Board of Education & Early Development to operate a charter school that has been approved by the state board on appeal of a denial of the application by the local school board as if the state board were a school district. (Rep. Kito amendment)

Sec. 8, page 7, line 8 requires a school district to offer to a charter school the first right of refusal for lease space in an existing school district facility. (Rep. Reinbold amendment)

Se. 9, page 7, line 14 caps a charter school's indirect rate charged by a school district at 4% and removes "pupil transportation under AS 14.09.010" from lines 11 and 12 of HB278 that specifies which funding will be generated by a student as funding for charter schools. (Rep. Reinbold amendment)

Sec. 12, page 8, line 28 adds a new subsection requiring school districts that are currently providing transportation services, will now provide those services when reasonable to charter school students. (Rep. Gattis amendment)

Sec. 13, page 14, line 19 creates a bond reimbursement program at 70/30 rate for charter school facilities from 7/1/2014 through 12/31/2017. While the program provides for 70% state reimbursement rate, there are no sideboards around space requirements as with the current debt reimbursement program. (Rep. Kito amendment)

Sec. 17, page 17, line 7 funds a charter school that has a student count of between 75-149 at the same rate as a school size of 150. (Rep. Gattis amendment by Request)

Sec. 21, page 18, line 7 changes the University of Alaska's Technical Vocational Education Program (TVEP) funding from 45% to 42% and includes a new TVEP participant, Southern Southeast Alaska Technical Education Center at 3%. (Rep. P. Wilson)

Sec. 22, page 19, line 11 adds TVEP language that includes performance and financial information the Department of Labor & Workforce Development needs to verify program performance. (Rep. Seaton).

Sec. 23, page 20, line 18; Sec. 28, page 23, line 5; Sec. 29, page 24, line 7; Sec. 31, page 25, line 23; Sec. 32, page 26, line 25; Sec. 34, page 28, line 11; and Sec. 35, page 29, line 14 adds tax credits to several existing tax credit codes that allow a nonprofit organization to fund a scholarship for a dual-credit student to defray the costs associated with the course. Also allows a credit towards tax due for a contribution to the construction, operation and maintenance of a residential housing facility approved by DEED. Additionally includes a tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs can be for profit corporations, nonprofit corporations, a tribal entity or a school district in the state. (Rep. Gattis amendments by Request; early childhood amendment, Rep. Seaton)

Sec. 37, page 30, line 9 removes the sunset provision for Alaska to apply for and receive federal grants around charter school start-up funds. (Rep. Kito amendment)

Sec. 39, page 30, line 11 changes the transition language around the re-take of the secondary school exit exam to one-year – through 6/30/2015. (Same language from Rep. Higgins' HB220)

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Governor Sean Parnell
STATE OF ALASKA

January 23, 2014

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault,

Alaska's future depends on the educational opportunities we provide to our children, and we must continue to raise the bar for all students so they are well prepared for success. Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill that supports family involvement and improves student achievement. No one knows better how to help a student succeed than his or her own family. The measures in this bill will increase opportunity for families to make wise choices regarding their student's education, ensure that the essential needs of Alaska's students are met, provide flexibility in assessment of achievement and the earning of necessary educational credits to suit an individual student's needs, and incentivize broader opportunities for students as they prepare to enter Alaska's workforce.

Charter School: Increased Opportunities

Alaska's current charter school law is one of the most restrictive in the nation. This bill would remove barriers that currently prevent opportunities for charter schools to be expanded. Local school districts have sole authority to approve or deny charter school creation. Under the measures of the bill, an applicant would have an avenue of appeal through the Commissioner of Education and Early Development if the application is denied by a local school board. The appeal option would provide additional oversight to ensure fairness in the charter school application process, and provide opportunity to replicate schools with proven records of success instead of forcing students to remain on waiting lists.

This bill will also ensure that all funding will follow a charter school student for the purpose of determining a charter school budget. As charter school students are already a part of the public school system, the additional provision regarding the funding is intended to enhance parity between charter and traditional neighborhood schools.

Residential School Application and Stipend

The bill will also remove barriers for providing more residential schools for our rural students and encourage the private sector to support this successful model. The bill would require that the

Department of Education and Early Development open an annual application period for new residential schools to expand opportunity for districts to offer this option to students and their families. Current law does not indicate how often an application period will be opened. The bill would also increase the stipend allowed for room and board for residential schools. This stipend was increased in the 2013 legislative session, but still does not cover the actual costs of residential schools, and the bill is an effort to close the gap.

Tax Credit Contributions to Residential School Housing and Scholarships

The bill would provide corporate income tax credit for cash contributions made for the construction, operation, or maintenance of residential school housing facilities. Taxpayers could also receive credit if they provide funding to a nonprofit organization that awards scholarships to dual-credit students – high school students who simultaneously receive college and high school credit for a course. The tax credits offered under this bill are intended to encourage a public-private partnership directed toward improving educational opportunities in Alaska.

Increasing the Base Student Allocation

This bill will provide for a three year plan to increase State funding through the base student allocation (BSA) formula. The allocation has not been raised since 2011; however, during that time, funding for fuel and utility costs has been provided outside the formula as those costs fluctuate – that funding is already included in my FY2015 budget. The proposed BSA increase recognizes that instructional costs have also gone up and that a modest increase will provide relief to school district budgets in support of delivering quality education to Alaska's students. I welcome the Legislature's consideration of these fundamental needs.

Alaska Career and Technical Education Program

In order to provide continued opportunity and choice to students as they prepare for the workforce, this bill would reauthorize through 2024 the Alaska technical and vocational education program, also known as career and technical education, which under existing statute is authorized only through June 30, 2014. The bill aims to encourage institutions receiving financing through career and technical education program to offer courses that permit high school students to earn dual credit upon course completion.

Competency Exam Repeal

This bill would repeal the requirement of AS 14.03.075 that secondary students pass a competency examination, also known as a High School Graduation Qualifying Examination, as a prerequisite for receiving a high school diploma. Based on the State's experience with the competency examination to date, little is being gained from use of the test, despite its significant cost in terms of funding, and staff and student time lost to instruction. Due to robust accountability measures that have been put in place since the competency exam was originally enacted, it is time to offer our students a more effective option.

Students would instead be required to take a college and career readiness assessment to qualify for a high school diploma. "College and career readiness assessment" would be defined in the statute as the SAT, ACT, or WorkKeys assessment. No minimum score would be designated. Rather than the one-size-fits-all approach of the competency exam, these assessment options provide data that allow

The Honorable Mike Chenault

January 23, 2014

Page 3

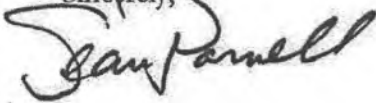
schools and districts to more accurately gauge effectiveness of their training and educational programs relative to student readiness for post-secondary opportunities and also provide valuable information for students and their families to plan successfully for those opportunities. The Department of Education and Early Development would provide funding for a single administration of a readiness assessment for each secondary student, allowing students to choose which assessment best meets their individual goals. Because these assessments are already used as qualifying assessments for the Alaska Performance Scholarship (APS), every high school student will have opportunity for his or her achievement to be evaluated for APS, without additional cost to students and their families.

Course Credit Earned by Assessment

This bill would require that a school district provide a high school student an opportunity to “test out” of a class. The requirement would apply to classes offered in the school in mathematics, language arts, science, social studies, and world languages. The student would prove mastery through a district-approved assessment and receive academic credit for the class toward his or her graduation. This change would encourage students who have the skills to advance more quickly through the high school curriculum and broaden the range of classes available to them, while allowing teachers to invest more fully in students who have not yet mastered the subject at hand.

Ensuring that Alaska’s students are adequately prepared for post-secondary education, training, and the workforce is paramount for a bright future, as is increasing the number of options available for each family to make the right educational choices to suit each student. I urge your prompt and favorable consideration of this bill.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell". The signature is written in a cursive style with a large, stylized initial "S".

Sean Parnell
Governor

Enclosure

RESOLUTION OF THE STATE BOARD OF EDUCATION & EARLY DEVELOPMENT

In Support of the Repeal of Alaska's Competency Examination Requirement

Resolution 01-2014

WHEREAS, Alaska law presently requires secondary students to pass a competency examination (also referred to as an "exit exam" or the High School Graduation Qualifying Exam "HSGQE") in order to receive a high school diploma,

WHEREAS, Senate Bill 139, SB 111, House Bill 220 and HB 278, all presently in front of the Alaska Legislature, would repeal the competency examination requirement,

WHEREAS, the competency examination, fully implemented in 2004, is a test of basic skills,

WHEREAS, the competency examination is not an appropriate means of measuring college and career readiness,

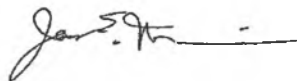
WHEREAS, the Department of Education & Early Development has, in the years since the enactment of the competency evaluation, developed a system of statewide assessments that allows both the Department and school districts to accurately measure academic competency and growth,

WHEREAS, the administration of the competency evaluation results in a significant loss of instructional time for students and teachers,

WHEREAS, the administration of the competency evaluation costs in excess of two million dollars annually,

THEREFORE, BE IT RESOLVED, the State Board of Education & Early Development respectfully requests that the Alaska Legislature repeal the statutory competency examination requirement.

PASSED by unanimous roll call vote, January 27, 2014.



Jim Merriner, Chair

On behalf of the Alaska State Board of Education & Early Development

RESOLUTION NUMBER 14-04

RESOLUTION IN SUPPORT OF THE TECHNICAL and VOCATIONAL
EDUCATION PROGRAM (TVEP)

WHEREAS, the Alaska Workforce Investment Board is a private industry driven public organization that is accountable through its members including representatives from business and industry, education, organized labor, and government to the residents, the Legislature and the Governor of Alaska;

WHEREAS, the Alaska Workforce Investment Board acts as the lead state planning and coordinating entity for state human resource programs involving employment training, career and technical education, and workforce development;

WHEREAS, The Technical and Vocational Education Program (TVEP) is to provide grants to technical and vocational education entities to provide industry specific training, on-the-job training and classroom job linked training;

WHEREAS, The Alaska Workforce Investment Board supports expanding dual-credit options for high school graduation and certification in a career field;

WHEREAS, The Alaska Workforce Investment Board supports expanding access for Alaska's rural students to quality technical and vocational education programs

WHEREAS, Funds for the program are appropriated from amounts the state collects in unemployment insurance contributions, and are provided to the Alaska Workforce Investment Board;

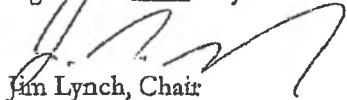
WHEREAS, The Alaska Workforce Investment Board believes TVEP is essential to employment training, career and technical education and workforce development;

NOW THEREFORE BE IT RESOLVED that the Alaska Workforce Investment Board supports the reauthorization of TVEP through 2024.

CERTIFICATION

The Alaska Workforce Investment Board held a meeting of the Executive Committee convened this day 10th of February, and the foregoing Resolution was adopted unanimously at said meeting.

Signed this 10th day of February,


Jim Lynch, Chair
Alaska Workforce Investment Board

Vernessa Richards
PO Box 1083
Kotzebue, AK 99752

February 6, 2014

Governor Sean Parnell
Alaska State Capitol Building
Third Floor
PO Box 110001
Juneau, AK 99811-0001

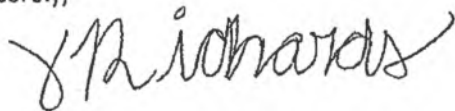
Dear Governor Parnell:

My name is Vernessa Richards I was raised in Kotzebue, Alaska. I'm currently a student in the Business Technology Program training for the Administrative Assistant Certificate with Alaska Technical Center. My training is a yearlong program. I firmly plan to use my Alaska Technical Center Administrative Certificate which I anticipate earning in May 2014 to get a job working in administration. I'm a young mother to a four year old boy, whom also just started preschool the same time as I started coming to class. I chose training here at the ATC simply because I want to be somewhere close to home with my son and would have the support of my family.

My time here with ATC has been a great learning experience. I had the chance to get on the job training with 3 different organizations here in Kotzebue. During my first semester I had the opportunity to job-shadow for Maniilaq Association in the Finance Department as a File Clerk 1 for a total of twelve hours. My next rotation was with the Kotzebue IRA as Administrative Assistant for a total of eighteen hours. Last, but not least was my visit to the Northwest Arctic Borough as a Receptionist for a total of twelve hours. The on the job training gave me a better understanding of being in the workforce. I'm forever grateful for Cindy Lincoln our OJT Coordinator for guiding me through that new experience. I enjoy taking my classes with my instructor Mrs. Warren. Being here with the ATC I was also able to make new contacts and lifelong friends from all over the Nana region.

I believe that the Alaska Technical Center is a great benefit to our region and to the State. I understand that the Technical Vocational Education Program (TVEP) reauthorization is being considered this legislative session and I fully support the continued reauthorization and continued support of ATC.

Sincerely,



Vernessa Richards, Student

ATC Business Technology Program

February 6, 2014

Governor Sean Parnell
Alaska State Capitol Building
Third Floor
PO Box 110001
Juneau, Alaska 99811-0001

Dear Governor Parnell;

I am writing in support of full funding for the Technical Vocational Education Program (TVEP) House Bill 238 Senate Bill 139. I have lived and worked in the Northwest Arctic region of Alaska for the past 33 years. I am a retired teacher the father of 6 and currently run the Maniilaq Tribal Vocational Rehabilitation program. Our region needs a motivated, educated workforce, the Alaska Technical Center is a major component to seeing that this is realized.

As a father I have experienced firsthand the changes that ATC has made possible for my son who experiences a disability. He was able to work towards and earned his GED last February. The attention that he received at the Tech center in Kotzebue by the staff helped build his self-concept and propelled him into a positive forward momentum. Since receiving his GED he has gone on to earn certification as a Core Driller Helper, has completed the 14 week Millwright certification program and is currently enrolled in the Construction trades class. He also expects to participate in a Driver's Education program soon. Coming from a small village it was important for him to be able to have a setting close enough to home and connected to our region so that he could participate in home life and also to engage in subsistence activities. He will soon be 20 years old and is feeling confident that the training and experiences that he has gained as a result of the programs that ATC offers will give him the advantage as he begins his job search this spring.

I have also had the opportunity to work closely with the Administration and the Staff of the ATC as the Program Supervisor for the Maniilaq Tribal Vocational Rehabilitation Program. The MTRV program offers support to tribal members who experience disabilities that present barriers to employment. I have found that the staff at the tech center has been very



907-475 2162 voice 1-888-743-9264 fax

Tom.cyrus@maniilaq.org

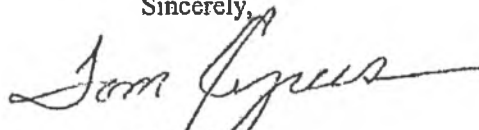
Tom Cyrus, Program Supervisor
Tribal Vocational Rehabilitation
Maniilaq Association
P O Box 135 Kiana, AK 99749

accommodating and receptive to working with tribal members with disabilities to provide them a level playing field when it comes to vocational training and opportunity. The tech center has an atmosphere that lends itself to providing support to all of its students, meeting them where they are and helping them reach their educational goals and as a result achieving an employment outcome.

One of the major strengths of the Alaska Technical Center is its location. Kotzebue is the hub of our region and feels like home. With its easy access students do not feel left out of family and subsistence activities. It is also easy for family members to stay connected as they travel in to Kotzebue from the villages. The well trained staff is knowledgeable and has practical experiences in their respective fields from Mining, Construction, Office Occupations, and Health related fields. This knowledge and experience easily translates to the students that what they are learning in class has a direct correlation to what they will be doing at the workplace. The Administration also works closely with local employers and organizations so that the programs offered are what is needed for the local market.

The Alaska Technical Center is an important component in the NW Arctic region to provide lifelong learning to our people. As a state we need to continue to support it by providing funding to ensure workforce development. I certainly encourage you as Governor to support the efforts of the Tech Center and demonstrate that support by providing full funding for the Technical Vocational Education Program (TVEP) House Bill 238 Senate Bill 139. Thank you for your time and efforts.

Sincerely,



Tom Cyrus



907-475 2162 voice 1-888-743-9264 fax

Tom.cyrus@manilaq.org

Tom Cyrus, Program Supervisor
Tribal Vocational Rehabilitation
Manilaq Association
P O Box 135 Kiana, AK 99749



NWALT

Northwest Arctic Leadership Team

February 6, 2014

Governor Sean Parnell
Alaska State Capitol Building
Third Floor
PO Box 110001
Juneau, Alaska 99811-0001

Dear Governor Parnell:

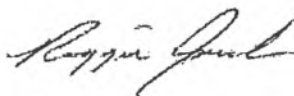
The Northwest Arctic Leadership Team (NWALT) is a collaborative effort between NANA, Maniilaq, the Northwest Arctic Borough and the Northwest Arctic Borough School District designed to maximize resources and reduce the duplication of efforts to address issues affecting the people of Northwest Alaska, while honoring and perpetuating our Inupiat cultural heritage. The Alaska Technical Center (ATC) is an active participant in NWALT activities and provides services that have cross-cutting benefits within our region and the state.

The Alaska Technical Center (ATC) is an adult vocational/technical school for all Alaskans. The core programs offered by ATC include business technology, health occupations, construction trades technology and process technology. Additionally, in FY 15 a new culinary arts program will be offered. ATC also provides various short-courses that meet employer and business partner needs.

NWALT is in support of House Bill 278 and Senate Bill 139 which includes language addressing the reauthorization of the Technical Vocational Education Program (TVEP) which provides grants to high demand career and technical education entities for industry-specific, on-the-job, and classroom training like ATC. Employers like NANA, Maniilaq, Red Dog and other private entities in the region benefit from TVEP funding to ATC because the Center provides high demand training to meet our unique workforce needs.

A priority of NWALT has been to ensure the renovation and expansion of ATC, which was realized in 2013. The expansion has allowed ATC to grow rapidly and ATC is already seeing quantifiable results. ATC has reported had 395 adult learners during the Fall 2013 term, which demonstrates the positive impact of TVEP funds.

Sincerely,



Mayor Reggie Joule
NWALT Co-Chair
Northwest Arctic Borough



Marie N. Greene
NWALT Co-Chair
President/CEO
NANA Regional Corporation

NWALT

Northwest Arctic Leadership Team

Norman Eck

Dr. Norm Eck
NWALT Member
Superintendent
Northwest Arctic Borough School District

Barbara Janitscheck

Barbara Janitscheck
NWALT Member
Acting President/CEO
Maniilaq Association

CC: Senator Donny Olson, District T (Senator.Donny.Olson@akleg.gov)
Representative Benjamin Naegak, District T (Representative.Benjamin.Nageak@akleg.gov)
Commissioner Dianne Blumer, Department of Labor (Dianne.blumer@alaska.gov)
Nancy Dahlstrom, Department of Labor (Nancy.dahlstrom@alaska.gov)

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Teck

February 7, 2014

Governor Sean Parnell
Alaska State Capitol Building
Third Floor
PO Box 110001
Juneau, Alaska 99811-0001

Dear Governor Parnell,

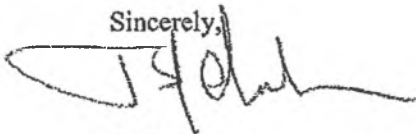
Teck Alaska, Incorporated (Teck) is pleased to provide this letter of support for funding for Alaska Technical Center (ATC). We encourage the approval of the Reauthorization of the Technical Vocational Education Program (TVEP), House Bill 278/Senate Bill 139. It is important to rural Alaska, and to Teck as a company, that ATC funding be approved; we have a need for trained workers in the career areas that are supported by programs at ATC.

As a major industry partner of ATC, we are proud to support the center. We have hired interns and graduates from the school, provided technical assistance in program development, hosted students and staff at the Red Dog mine, and made significant financial contributions to ATC. As a major rural Alaska employer, it is of great benefit to us to have a post-secondary training center in the region where we operate.

TVEP funding supports Alaska workers, and provides a core financial foundation to rural training centers that positions them to form effective partnerships with agencies and businesses.

Please support the passage of HB 278/SB 139.

Sincerely,



Bob Chesham
Maintenance Superintendent

CC: Cheryl Edenshaw, Director, ATC (cedenshaw@nwarctic.org)
Senator Donny Olson, District T (Senator.Donny.Olson@akleg.gov)
Representative Benjamin Nageak, District T (Representative.Benjamin.Nageak@akleg.gov)
Commissioner Dianne Blumer, Department of Labor (Dianne.blumer@alaska.gov)
Nancy Dahlstrom, Department of Labor (Nancy.dahlstrom@alaska.gov)



February 7, 2014

Governor Sean Parnell
Alaska State Capitol Building
Third Floor
PO Box 110001
Juneau, Alaska 99811-0001

RE: SUPPORT FOR REAUTHORIZATION OF THE TECHNICAL VOCATION EDUCATION PROGRAM (TVEP)

Dear Governor Parnell:

As you know from your visits to our facility, the Alaska Technical Center (ATC) is an adult vocational school designed to meet the vocational and technical training needs of rural Alaskans. As Alaska's northernmost regional training center, ATC understands the Arctic and rural Alaska because we live here, train here and work here. Alaskans trained at ATC know how to succeed in Alaska jobs. All programs are designed to build the Alaskan workforce and meet the needs of Alaska's employers in high fields such as natural resources, health care, education and technology.

ATC is in support of House Bill 278 and Senate Bill 139 which includes language addressing the reauthorization of the Technical Vocational Education Program (TVEP) which provides grants to high demand career and technical education entities for industry-specific, on-the-job, and classroom training like ATC. It is particularly important to rural training centers that the allocated percentages written into the current bill remain in place; further dilution of these funds will be detrimental for rural learners.

ATC has just completed a major renovation and addition, including new state-of-the-art equipment and curriculum supporting our programs. This expansion has allowed us to grow rapidly and we are already seeing quantifiable results. During the Fall 2013 term, ATC served a total of 395 adult learners.

Technical Vocational Education Program (TVEP) funds provide a significant portion of the basic operational funds for ATC. ATC has four high-demand core program areas: business technology, construction trades technology, process technology, and health occupations. TVEP funds will allow for implementation of a new culinary arts program for FY 15. In addition, ATC provides Adult Basic Education, including a regional GED program. ATC also provides a variety of short-term training sessions during the year, in response to regional and statewide needs.

All ATC training programs are aligned with University of Alaska Fairbanks courses and certificate and degree programs. Students may dual enroll for ATC and UAF credit in most courses. All programs

ALASKA TECHNICAL CENTER

"A Vocational/Technical School for Alaskans"

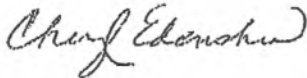
PO Box 51; Kotzebue, AK 99752 ♦ Phone: (907) 442-1500 ♦ Fax: (907) 442-2764 ♦ nwarctic.org/atc

Letter to Governor Sean Parnell
RE: Support of TVEP Reauthorization
February 7, 2014
Page 2 of 2

meet the requirements of recognized state and national certifications. TVEP helps to provide a foundation that allows ATC to maximize additional resources through our various partnerships. ATC partners with multiple organizations and corporations locally, regionally, and statewide, to maximize resources and address workforce development issues affecting northwest Alaska. ATC is an active participant in NWALT, the Northwest Arctic Leadership Team, a collaboration designed to maximize the effective use of resources in our region. In addition, ATC is a partner in the Star of the Northwest magnet school, a grade 11-14 program with education, health, culinary and process technology career pathways.

If you have any questions and/or need further information, please feel free to contact me at (907) 442-1501 or via email at cedenshaw@nwarctic.org. Thank you for your consideration.

Sincerely,
ALASKA TECHNICAL CENTER



Cheryl Edenshaw
Director

CC: Dr. Norman Eck, Superintendent, NWABSD (neck@nwarctic.org)
Senator Donny Olson, District T (Senator.Donny.Olson@akleg.gov)
Representative Benjamin Nageak, District T (Representative.Benjamin.Nageak@akleg.gov)
Commissioner Dianne Blumer, Department of Labor (Dianne.blumer@alaska.gov)
Nancy Dahlstrom, Department of Labor (Nancy.dahlstrom@alaska.gov)



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Alaska National Guard • Association of Village Council Presidents • Association of Village Council Presidents, Regional Housing Authority • Bethel Community Services Foundation • Callista Corporation • City of Bethel • Lower Kuskokwim School District • Orutsaramuit Native Council • UAF – Kuskokwim Campus • Yukon-Kuskokwim Health Corporation

February 9, 2014

RE: HB 278-Education Funding

Hon. Sean Parnell

Governor Parnell:

Yuut Elitnaurviat-People's Learning Center Inc. (YE) thanks you for submitting HB 278 (SB193) and supports the passage of the bill, particularly as it relates to extending the sunset of the TVEP program. As you are aware, we are a recipient of TVEP funding (9%), which we feel a modest investment that in turn provides a substantial return for the State. YE is also aware of and supporting two other bills that are currently set to extend the sunset provision for TVEP- HB 150 and SB 93. We have written letters of support for those initiatives as well. We are not a secondary education institution, thus do not feel we can adequately address the other components of this legislation.

YE is a fully operational vocational school located in Bethel. Our organization was created to deliver workforce development programs to our region, the most populated in rural Alaska. The legislature took a leap of faith and named YE as a TVEP recipient when the program was created in 2004. YE was still early in its development, and this investment from the state made it possible to pilot programs while our campus was still under construction. When we became fully operational in 2009 we were ready to expand and we hit the ground running. Our service numbers jumped from an average of 150 per year during development to nearly 3,000 in 2012.

YE fully utilizes all of our TVEP funding by March or April of each fiscal year. We then spend earned revenue to get us through the end of each year. As it stands we have struck a nice balance with our business model. Our staffing is small, but adequate. Our programs are robust and responsive to our regional workforce development needs. When fuel costs increased dramatically last summer and heating fuel hit \$7 a gallon, we invested in wind turbines and solar panels. The net effect has been that our costs are the same as they were the year before the increase. We are happy with our current funding levels. They ensure we are frugal and encourage us to constantly strive to improve and explore new opportunities.

We have data and statistics that demonstrate the state's investment in our activities is a good value. As it presently stands TVEP constitutes approximately 24% of our annual operating budget. In return for this investment YE provided 3000 services to approximately 1700 individuals in calendar year 2013. YE has developed a very sophisticated customized student tracking database over the last 7 years. The database tracks students progress through programs and after they enter the workforce. YE services include direct training for dozens of industry driven classes, career guide services, GED instruction & testing (largest program in rural Alaska), Rural Alaska's only State Certified Driving School (permit classes, behind the wheel training, ADL & CDL testing), hosting the Dental Therapy Program (the only of its kind in the US), Rural Alaska's only full apprenticeship programs for Industrial Electric, Plumbing & Carpentry, coordinating the Stem Ready(formerly RANSEP) program (brings village based high school students to Bethel so that they can take advanced math and science classes).

Yuut Elitnaurviat – The People's Learning Center • 610 Akiachak Drive • PO Box 869 Bethel, Alaska 99559 • Phone 907-543-0999 • Fax 907-543-0998

Yuut Elitnaurviat – The People's Learning Center Inc. is an equal opportunity employer and program administrator.

Auxiliary aids and services are available upon request to individuals with disabilities.



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Alaska National Guard • Association of Village Council Presidents • Association of Village Council Presidents, Regional Housing Authority • Bethel Community Services Foundation • Callsta Corporation • City of Bethel • Lower Kuskokwim School District • Orutsaramult Native Council • UAF – Kuskokwim Campus • Yukon-Kuskokwim Health Corporation

YE takes great care in collecting student data and keeping impeccable financial records. We take our commitment to our funders seriously and strive to ensure we are always good stewards of all public and private funds that support our endeavors. Our greatest pride however is our commitment to our students. We know them. We know their families. We want them to succeed. We link our services and programs to encourage students to keep moving onward and upward.

In 2012 George Kameroff completed our Certificate in Construction and Maintenance. He then enrolled in our Electrical Apprenticeship program with Chulista. Receiving the certificate allowed him to transfer 500 hours towards his apprenticeship program.

Debbie Rushing moved to Bethel and completed her GED at age 54. She subsequently completed our Certified Nursing Assistant Program (CNA) and had a job waiting as soon as she finished the program.

YE has recently partnered with the Association of Village Council Presidents to deliver a welding program. Nine students completed the program and are currently working building the boardwalks in their own community. Without the training, contractors would have been brought in from outside the region to do the work. After the guaranteed experience this summer, these new welders will have both classroom and work experience under their belts and can apply for high wage jobs at remote camp sites throughout the state.

Anthony Nevak was a 19 year old junior in danger of dropping out. YE recruited him into the RANSEP Program. He came to Bethel for two semesters of advanced math and science coursework. He completed the ANSEP Acceleration Academy and the ANSEP Summer Bridge Program. Anthony graduated and entered UAA without needing any remedial classes. He is now excelling in his sophomore year of college at UAA with the ANSEP program.

We know there have been many questions regarding the performance of TVEP recipients, and whether some are meeting the expectations of the State. As we look at the TVEP recipients we see a diversity of program models, none of which are delivering services in the same manner. To us, this doesn't mean that one is better than the other. Each is responding to the needs as they and their local governing boards have determined to be appropriate. Alaska is a very big state, and every region of the state has its own challenges and ways to address their own challenges.

At YE, for example, we provide many industry/employer driven classes that end up with 100% employment (after successful completion). We have 4 of those programs going on this very minute-Facility Maintenance Technician, Commercial Driving-Class A, Certified Nursing Assistant and the Dental Health Aide Training program. However, there are other, more basic, workforce development issues that have to be addressed before we can provide only direct to employment programs. Our Governance has directed us to ready the people of the YK region for jobs that exist in our region. To do that requires much work and training/services that do not immediately relate directly to someone entering the workplace. YE is excited to join the State in its mission of readying the under tapped employment resources of Rural Alaska for gainful employment in the many projects that are being developed throughout the State.



Yuut Elitnaurviat

P E O P L E ' S L E A R N I N G C E N T E R

Alaska National Guard • Association of Village Council Presidents • Association of Village Council Presidents, Regional Housing Authority • Bethel Community Services Foundation • Callista Corporation • City of Bethel • Lower Kuskokwim School District • Orutsaramuit Native Council • UAF – Kuskokwim Campus • Yukon-Kuskokwim Health Corporation

As you are aware, our region, not unlike other regions of rural Alaska is in the process of transitioning from a more traditional (Yup'ik) way of life to a more "western" way of life. This is not an easy transition, and one that will not happen overnight. This transition requires work-readiness prior to direct employment training. We recognize this is a longer-term plan, however, without the essential foundations of work readiness; employment training will have only short-term impact. Because of that, YE puts forth much effort in areas that much of Alaska take for granted. GED services, Drivers Education, Career Guide services, etc. We feel that our efforts in these areas are successful, and we believe these issues should be taken into consideration when the State is trying to determine which programs are successful and which aren't. We look forward to working with the State to identify ways to account for the success and impact of these work readiness efforts.

We believe the State has a vested interest/responsibility to support workforce development in Rural Alaska. TVEP is a relatively modest investment that provides, with our other leveraged funds, YE the ability to provide much needed workforce development services to the YK Delta.

Sincerely,

Kurt Kuhne
Executive Director
Yuut Elitnaurviat-The People's Learning Center, Inc
PO Box 869
Bethel, Alaska 99559
(907)543-0999



February 17, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-001

Re : Governor's Education Bill

Dear Governor Parnell,

We are pro education and training that takes place within Alaska. We feel it is important that HB278 and SB 139 continue funding through 2024 and that its critical Technical and Vocational Education Program (TVEP) keep their current percentage allocations.

The technical skills are in short supply across the United State. AVTEC is offering programs to train Alaskans in areas where technical skills are needed the most at home in Alaska.

AVTEC and the University require funding to stay current with industry. Today TVEP is a major component assuring this continuous.

Sincerely

David Cushman
Air Liquide America LP
Manager Business Development

Advisor ACTEC Welding Program



AIR LIQUIDE AMERICA L. P.

Document1

"Any gas, any time, anywhere..... Air Liquide America"

- Region Office ● 6510 Arctic Spur Rd., Anchorage, AK 99518-1546
Phone (907) 562-2080 ● Fax: (907) 561-8364
- Store Location ● 6415 Arctic Blvd., Anchorage, AK 99518-1546
Phone (907) 562-2080 ● Fax: (907) 564-9752

Farrell L. Andrew
6121 Prosperity Dr.
Anchorage, AK 99504

February 17, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-001

RE: Governor's Education Bill

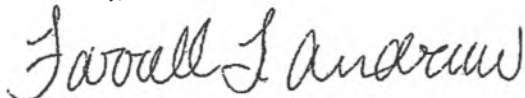
Dear Governor Parnell,

My name is Farrell Andrew and I am a recent graduate from AVTEC – Alaska's Institute of Technology. I obtained my Medical Administrative Assistant Certificate in December of 2013. I now currently work in the Hospital Education Department through Alaska Native Tribal Health Consortium (ANTHC). I am writing to you today in support of HB278 and SB 139. I'm looking specifically at the section on the Technical and Vocational Education Program (TVEP); and to keep the current percentage allocations and to continue this program through 2024.

TVEP provides a significant amount of funding for the operations of AVTEC. The funding AVTEC receives from this fund is about \$1.8 million. It is used to pay for basic operational costs like light, heat, fuel, food, maintenance, instructional supplies, etc. Currently AVTEC receives 17% and we need that percentage to stay the same; without these funds AVTEC would cease to exist.

AVTEC provides adult vocational technical education and training to Alaskans and is a large part of how Alaska responds to its responsibility to train Alaskans from every community. Today 80% of Alaska's jobs require less than a bachelor's degree and that's what AVTEC does is train Alaskans to fill those technical trade jobs. Without AVTEC I wouldn't be where I am today, and I don't think I would have found another school that suited my needs.

Sincerely,



Farrell L. Andrew

February 17, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-001

Re: Governor's Education Bill

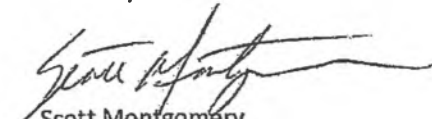
Dear Governor Parnell,

This letter is written to you to voice my support for the funding found in HB278 and SB139 regarding the Technical and Vocational Education Program (TVEP).

I would like to give you a brief history about myself and why I became a student at AVTEC. Currently I am enrolled in the Industrial Electricity program at the Seward, Alaska AVTEC campus. Prior to moving to Alaska in July, 2014 I had change of heart regarding my career. I was a police officer with 17 years of experience when I moved. I decided to change occupations and become an industrial electrician due to the growing demand for electrical technicians over the next several years. I began to evaluate programs in the Pacific Northwest with the intent of completing a program to eventually move to Alaska to gain employment, but I was not planning on moving until a later date with my wife. However after hearing of the great things about AVTEC's industrial electricity program I knew that I wanted to enroll in the program as soon as possible and thus I facilitated my move in July. I have had to sacrifice time away from my wife and our business which are located in Seattle, Washington. What this equates to is AVTEC was worth my time and money to move to Alaska ahead of schedule. This is a move that I have not regretted in the least. The updated training, hands on labs, state of the art equipment, and the knowledge of instructors is un-paralleled to what I would have paid for at other schools.

I would like to ask for your continued support regarding the TVEP. AVTEC is an incredible institute and you should be proud of the results that the staff, employees, and personnel are achieving through your continued funding.

Sincerely



Scott Montgomery
AVTEC IE Student class of 2014

Governor Parnell,

I am writing this concerning the continuation of the allocations made to AVTEC through the Technical and Vocational Program. I believe that this is vital to both our state as a whole and individual communities. Attending AVTEC has played a pivotal role in my own life.

I have been a licensed aircraft mechanic for some years now, working in the aerospace industry has taken me all over the globe. It has, in short, been a wild ride. Including everything from doing routine maintenance on business jets, to crewing blackhawks in Iraq. As I have gotten older, I have had an increasing desire to work closer to home. However I have found it difficult to find jobs that I have the qualifications for outside of metropolitan areas. Considering that I am from Cordova, this has presented some very difficult decisions.

So after some deliberation, I decided to enroll in AVTEC 's diesel and heavy equipment program. At the moment of this writing, I have eight days of classes left and will be returning to Cordova Feb 27th where I will be employed by Cordova outboard. There by making it possible for me to make a very comfortable living without having to be away from home anymore than I want to be. There is no question in my mind that my story is only one of a myriad. This is why I believe that it is so important to maintain the funding the funding that AVTEC receives through the TVEP legislation.

Sincerely

A handwritten signature in cursive script that reads "Scott Trucks". The signature is written in black ink and features a long, sweeping horizontal line that extends to the right, underlining the name.

Scott Trucks

February 17, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001

Juneau, AK 99811-001

Dear Governor Parnell,

This letter is in support of HB278 and SB 139 specifically, the section on the Technical and Vocational Education Program (TVEP) and the language to keep the current percentage allocations and continue the program through 2024. The TVEP funding is vital to AVTEC operations.

As a student at AVTEC I feel a need to continue the current funding from the state. I came to AVTEC because I had an accident last summer and hurt my knee at work; I now have two bad knees and am currently in the rehabilitation process. My body only has a limited number of years left for hard labor, so I had to make the choice of what would be the best thing for me in the long run (a hard choice for an eighteen year old) but I came to the conclusion after doing work compatibility tests at my local job center I chose industrial electricity as my new calling. Currently five and a half months into my training here at AVTEC I keep growing more and more pleased with my decision. If it had not been for the state funding to make the tuition, and room and board cheaper for me AVTEC wouldn't have been an option for me because I had not been able to work all summer and the only money I had coming to me was my workers comp settlement check which paid off most of my costs. So instead of owing fifteen thousand dollars I only owe three thousand which is an amount of money I am comfortable owing. If there wasn't state funding I feel that the tuition at AVTEC could easily double for the program I am in, and if that were the case I wouldn't have been able to be a student here.

Sincerely,

Hunter Brewer

Student



P.O. Box 1045
302 Railway Avenue
Seward, Alaska 99664
Phone: 907.224.5257
Alaska toll free: 1.888.224.5257
Fax: 907.224.7081

February 18, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-001

Re: Governor's Education Bill

This letter is in support of the reauthorization of the Technical and Vocational Education Program (TVEP) funding contained in HB278 and SB139. I understand that this funding pays for basic operational costs such as maintenance, light, heat, fuel, food, instructional supplies, etc. for the Alaska Vocational Technical Center (AVTEC), and that without the funds, AVTEC would not be able to stay open. As AVTEC provides valuable education and training services that benefit our community and State, SeaView supports the continuation of these funds for the next 10 years at the necessary 17%.

AVTEC helps train Alaskans to meet the needs of industry in Alaska without having to hire for similar positions from outside the State. Our organization has hired a number of graduates from various programs, helping to meet our needs as an organization in serving the community.

Thank you for your consideration.

Sincerely,

Christine Sheehan
Executive Director

Dear Governor Parnell,

This letter was written to support the TVEP funding which my school (AVTEC) needs to function. It is critical that you show support for this fund.

Alaskas Institute of Technology has changed my life and of many other students. It has given many students the skill set needed to have a productive and successful career in the State of Alaska. The funding that AVTEC receives pays for many needed training aids, maintenance costs, staff pay and facility maintenance. The specific class which I am taking, Diesel/Heavy Equipment Mechanics, has a job placement rate of 94%. This means that 94% of Diesel graduates have jobs as mechanics upon graduation. These graduates go on to be productive members of Alaskas workforce, pouring money back into the pockets of Alaska.

TVEP pays for a large part of AVTECs much needed funding. With refunding AVTEC can continue to paint a very bright picture for our beautiful state. So please, keep this great state and great school moving forward and choose to support the funding of TVEP.

Sincerely,

Andrew Kingwell

February 18, 2014

Sean Parnell
Alaska State Governor
P.O. Box 110001
Juneau, AK 99811-001

Captain Andrew Wakefield
Southwest Alaska Pilots
P.O. Box 977
Homer, AK 99603

Re: Education Bill HB278 & SB139

Dear Governor Parnell,

I'm writing in support of the Technical and Vocational Education Program and the funding it provides to AVTEC in Seward.

I am currently a Deputy Marine Pilot with the Southwest Alaska Pilots Association. I started my training for this career in 2010 after a 16 year career with BP transporting crude oil from Valdez to the west coast of the United States. Throughout the pilot training process I've had the pleasure to utilize AVTEC's facilities both in the classroom and in the ships simulator. To have such readily accessible and quality coursework within the state is an asset which I believe greatly benefits the state as a whole and would be missed if the current level of funding were to be reduced or eliminated.

Over the past few years I have witnessed a vast improvement in the quality of AVTEC's coursework, simulation models, simulator programming, course objectives, simulator operators and a definite improvement in the overall learning outcome. I believe the quality of AVTEC's maritime career development competes with or exceeds that of most training facilities I've attended globally. I can legitimately say that my piloting skills have been greatly improved with use of AVTEC's ship simulator.

I believe that the course work and "state of the art" simulation which AVTEC provides is vital for Alaska's future by providing safe, well trained young mariners today, and for many years to come.

Respectfully,
Captain Andrew S. Wakefield
Southwest Alaska Pilots

KENAI PENINSULA BOROUGH SCHOOL DISTRICT



148 N. Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8884 Fax (907) 262-6354

February 18, 2014

Governor Sean Parnell
Governor of Alaska
PO Box 11001
Juneau, AK 99811-001

Re: Governor's Education Bill

Dear Governor Parnell,

This letter is in support of HB278 and SB139, which is for keeping the current Technical and Vocational Education Program (TVEP) percentage allocations and continue the program.


AVTEC is in dire need of this funding for staffing, training programs, maintaining facilities and student support services.

The Kenai Peninsula Borough School District considers AVTEC a vital partner in providing workforce development training for many of our students, and is one of the premier Career and Technical Education programs in the state.

Thank you,

A handwritten signature in cursive script, appearing to read "Dan Bohrsen".

Dan Bohrsen,

 **CTE** Learning that works for Alaska
Kenai Peninsula Borough School District

February 18, 2014

Honorable Sean Parnell
Governor of Alaska
PO Box 110001
Juneau, AK 99891

RE: Governor's Education Bill (Technical and Vocational Education Programs funding)

Dear Mr. Parnell,

I am writing this letter in support HB278 and SB139 which has portions that support continuing funding at its current levels and allocations for Technical and Vocational Education Programs (TVEP). This funding is extremely important to AVTEC's operations, and honestly their Maritime Program has changed my life.

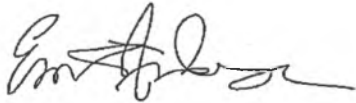
I was working hard from job to job to earn a living and support my family, With the training and scholarships I received, I was able to build a career at Crowley Maritime Services where I am currently training to be a Chief Engineer.

I grew up between Chignik Lake and Anchorage spending many summers on the water commercial fishing with my family. Now, I have a career back on the water using everything I learned during my childhood and through the great programs at AVTEC. I am not just jumping from job to job, but in a career that I can be proud of. This would not have been possible without the TVEP funding and the great instructors and staff at AVTEC.

I was able to complete the training and quickly get into a career using those skills, just like the 92% of AVTEC long term program graduates that move right into their career field. Programs like AVTEC help build Alaska's workforce from within and are both needed and greatly appreciated by everyone in our state.

Thank you for your time today. Please support continued funding through TVEP. It has made a huge difference in my life and could make a huge impact in the lives of my sons.

Sincerely,

A handwritten signature in black ink, appearing to read "Emmett Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Emmett Anderson



18 February 2014

The Honorable Sean Parnell
Governor of Alaska
PO Box 110001
Juneau, AK 99811

Re: Governor's Education Bill

Dear Mr. Parnell,

This letter is in support of HB278 and SB139. Specifically the section on the Technical and Vocational Education Program (TVEP). TVEP funding is crucial to the success of AVTEC's programs and success of the graduates.

As an AVTEC graduate of 2005 and a current employer of AVTEC graduates, I implore you to maintain funding for this critical piece of Alaska's educational system. AVTEC has an 87% completion rate and a 92% job placement rate of long term program graduates. These statistics rival any Ivy League school in the nation. The technical training provided is a necessity for Alaska's workforce and continues to feed the developing economy.

TVEP funding is needed to keep providing students and faculty with the tools they need to succeed. We should be proud to have AVTEC as a building block in Alaska's education system.

Sincerely,

Matt Ernst
Fleet & Asset Manager

Captain Jeff Pierce
17321 Yellowstone Drive
Eagle River, Alaska 99577
907-240-2149
Jeffpierce78@hotmail.com
February 18, 2014

Governor Sean Parnell
Governor State of Alaska
PO Box 110001
Juneau Alaska 99811-0001

Dear Governor Sean Parnell:

I am a long-time resident of our great state, and I'm writing to express my concern about TVEP funding for AVTEC, Seward Alaska. I understand that the discussion concerning percentage of funding through TVEP is being considered and without this funding AVTEC would not operate as it has in the past.

I have personal experience how the facility has provided economic and industrial development for Alaskan residents and state of Alaska. I'm a licensed Alaskan State ship pilot for 30 years and also operate a small maritime consulting company Safeguard Marine LLC which provides maritime risk mitigation. We performed an analysis recently based upon the preliminary design for City of Seward concerning the breakwater development attracting the Seattle fishing fleet to permanently moor in our state. Utilizing the maritime simulator we were able to determine that the design required some changes to accommodate the larger fishing vessels. This analysis wouldn't have been feasible without the maritime simulator at AVTEC and ultimately the breakwater design analysis may have helped created economic growth and saved the state money,

This example was just one of many where the facility has provided for the economic growth and creating jobs for Alaskans' who live in our great state. The maritime simulator contribution to the maritime community and state of Alaska can't be emphasized enough as it provides training and risk assessment capabilities, which ultimately assist in our profession of protecting the marine environment, property and the citizens of Alaska from maritime related accidents.

Sincerely,

Captain Jeff Pierce



ALASKA MARINE PILOTS LLC

P.O. Box 920226 - Dutch Harbor, AK 99692
Office (907)581-1240 - Fax (907)581-1372
www.alaskamarinepilots.com

February 18, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811

Re: Governor's Education Bill

Dear Governor Parnell,

I am writing this letter in support of HB 278 and SB 139. Specifically, the section on the Technical and Vocational Education Program (TVEP) and the language to keep the current percentage allocations and continue the program through 2024. The TVEP funding is critical to AVTEC operations and an important benefit to the Alaskan maritime community.

My support for the importance of AVTEC comes first hand through many years of involvement and benefits that AVTEC's Maritime Training Center have for me both personally and professionally. As an Alaska state licensed marine pilot I have taken both continuing education courses and simulator training at the Center, something that years ago pilots' predominately took outside the state at facilities as far away as Florida as well as overseas. The programs and curriculum offered at AVTEC is of world-class caliber and extremely important to safe maritime operations.

As a current appointed pilot member of the Board of Marine Pilots I have also seen AVTEC's commitment grow in response to the needs of the maritime community for both licensed and unlicensed mariners.

Additionally I have also been an adjunct instructor at AVTEC teaching USCG required courses to both full time and part time students. Through this role I have been able to witness the dedication that AVTEC places on vocational technical training of Alaskans and the responsiveness it has to the maritime industry operating in this state.

I believe that AVTEC has been very successful in providing adult vocational technical education and training to Alaskans. Today, TVEP is a significant part of AVTEC's funding plan used to ensure training programs are offered, facilities are maintained, staff are paid and student services are available.

Sincerely,

David Arzt

Captain David Arzt
Vice-President, Alaska Marine Pilots



Captain Lawrence Vose
dba Lithia Navigaziun LLC
P. O. Box 33559
Juneau, Alaska 99803

February 20, 2014

The Honorable Sean Parnell
Governor of Alaska
P. O. Box 110001
Juneau, AK 99811-001

Re: HB278 and SB139; Governor's Education Bill

Dear Governor Parnell;

Please accept this letter of support for AVTEC and the valuable resource they are to the maritime community in Alaska. As a State of Alaska licensed Marine Pilot, AVTEC is the only in-state resource capable of satisfying certain State-mandated continuing education requirements. Without adequate funding support, State-licensed pilots may be forced to complete required training out of state.

Additionally, AVTEC maritime programs, via the Alaska Maritime Training Center (AMTC), provide the only in-state comprehensive curriculum in Alaska for Alaskans to begin their careers in Alaska's maritime industry (including careers with AMHS, the oil and towing industries, etc.). AMTC provides the upper-level training and education required for mariners to progress in their careers, one example being the only US Coast Guard approved ice navigation course in the United States.

Marine Pilots across the State depend on AVTEC not only for required training, but also for Pilot Association specific and/or individual Pilot initiated professional and safety training. As Pilots we depend on AVTEC as the only State-capable facility for full-mission port-development simulation (e.g. Juneau Harbor expansion, Gravina Access Project) to support economic development in the state.

Your continued support of the Technical and Vocational Education Program (TVEP) funding and most importantly the maintenance of the current percentages are both valued and necessary. The ability of AVTEC to continue to operate and maintain their world-class full-mission bridge simulator is dependent on this reauthorization and integral to AVTEC's continued existence and success as a viable maritime training facility, not only for licensed marine pilots but also for all of Alaska's maritime industries. Support of local Alaskans is support of AVTEC and vice versa.

Sincerely,

Captain Lawrence Vose
Southeast Alaska Marine Pilot

February 20, 2014

The Honorable Sean Parnell
Governor of Alaska
PO Box 110001
Juneau, AK 99811-001

Subject: Governor's Education Bill

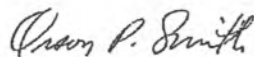
Dear Governor Parnell,

I have enjoyed outstanding satisfaction from my involvement with AVTEC's Alaska Maritime Training Center during the last 5 years and presently am Vice-President of the Center's Advisory Board. The AVTEC maritime programs are growing in enrollment and importance to the State of Alaska with Arctic offshore developments and with modernization of the fishing and shipping industries. The quality of the education at AVTEC is excellent by any measure, yet all the programs continue to pride themselves in accommodating "hawse pipe" advancement, from one US Coast Guard license to the next, with increasing responsibility and higher pay. Programs are aimed at rural residents and at returning veterans, with a view toward giving Alaskans first-shot at exciting, high-paying careers critical to the State's economy.

AVTEC and its Alaska Maritime Training Center are well-managed by competent veteran leaders with focused vision for Alaska workforce development. Other educational endeavors with State financial support should watch and learn by AVTEC's successes. State support remains necessary, however. The TVEP program is a proven method to provide funds to be used efficiently toward a good end, aligned with the mission of the Alaska Department of Labor and Workforce Development.

Please continue TVEP funding (HB278 and SB139) and other support for AVTEC and keep its awesome momentum going.

Sincerely,



Orson P. Smith, PE, Ph.D., D. CE¹, D. PE¹
PO Box 126
Seward, AK 99664

¹ Diplomate of Coastal Engineering and of Port Engineering, Academy of Coastal, Ocean, Port and Navigation Engineers.

Southeast Chapter
Gary Miller
Chapter Chair
(907) 789-3757
[gmiller_juneauak@hotmail.com](mailto:gmillers_juneauak@hotmail.com)

Retired Public Employees of Alaska, APEA/AFT
211 Fourth St Suite 306
Juneau, AK 99801
Phone: (907) 586-2334 (800) 478-9991
Fax: (907) 463-4980
E-mail: rpeainu@apea-aft.org
Website: www.rpea.apea-aft.org

April 2, 2014

I am speaking on behalf of the members of the southeast chapter of Retired Public Employees of Alaska.

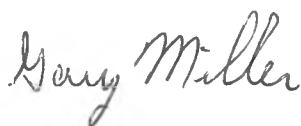
I read HB278 which incorporates the unfunded liability into the education formula. Trying to follow it was like trying to follow a single strand of spaghetti on a platter of spaghetti. It takes the complex education formula and makes it even more complex. That seems illogical.

Our organization believes that simply depositing \$3 billion directly into the trust fund makes more sense.

- 1) It is simple.
- 2) It is needed as part of meeting the Alaska Constitutional requirement.
- 3) It addresses the unfunded liability now.
- 4) It will save billions of dollars over time.

We believe the legislature should follow Governor Parnell's proposal and put \$3 billion directly into the PERS/TRS trust funds.

Thank you.



Gary Miller
SE Chapter Chair
(907) 789-3757
[gmiller_juneauak@hotmail.com](mailto:gmillers_juneauak@hotmail.com)

Serving PERS/TRS retirees in SE Alaska

Helen Phillips

From: Jennie Hafele
Sent: Wednesday, April 02, 2014 4:43 PM
To: House Finance; House Finance Legislation
Cc: Barbara Barnes; Brenda Hewitt; Brittany Hutchison; Brodie Anderson; Bruce Campbell; Chad Hutchison; Clifton Coghill; Erik Hernandez; Hans Rodvik; Heather Shaddock; Heidi Redmond; James Armstrong; Jane Pierson; Jessie Peterson; John Manly; Jordan Shilling; Joseph Byrnes; Julie Morris; Karisse Ackerman; Katherine Eldemar; Kelli Pelham; Linda Hay; Lynette Bergh; Meredith Cameron; Michael Paschall; Michael Smith; Nathan Solorio; Patricia Walker; Peter Fellman; Riley Leonard; Ron Clarke; Ross Soboleff; Rynniva Moss; Sandy Burd; Sharon Clark; Theresa Woldstad; Thomas Studler; Tim Grussendorf
Subject: Constituent Testimony/HB278

Please enter into the record the testimony below to HB 278 in the House Finance Committee dated 4/2/2014.

Thank you,

Jennie Hafele
Fairbanks Legislative Information Office
1292 Sadler Way Suite 308
Fairbanks, Alaska 99701
Phone: 907-452-4448
Fax: 907-456-3346
Click [HERE](#) to visit the Alaska State Legislature Website
Click [HERE](#) to watch live streaming of the Alaska State Legislature
Click [HERE](#) to send your legislator a Public Opinion Message during session

From: Garry Hutchison
Sent: Wednesday, April 02, 2014 1:35 PM
To: LIO Fairbanks

Members of the House Finance Committee

April 2, 2014

Regarding HB 278 Substitute

Ladies and Gentlemen:

I understand that it is not an April Fool's joke that House Finance is considering to radically change the method used to pay teacher retirements. The proposal, I understand, is to convert to a pay-as-you-go method, from the current actuarially based method of measuring retirement liabilities and funding investments to retire present and future obligations.

I am a certified public accountant, non-government employee, and have been watching the State measure and fund public employee retirement obligations for over 30 years. I have often said Alaska was ahead of the nation

in trying to understand what it was obligating public money for, and in dealing with a horrible retirement burden, even if it is acting later that it should.

The states I was comparing Alaska to were the states still using the pay-as-you-go method. These states find themselves today, in some of the worst financial messes.

Pay-as-you-go would be a huge step-backward, and would add to Alaska's spending woes. We would be sticking our heads in the sand, so we can pretend the unfunded pension obligation didn't exist. Eliminating investments currently used to finance current and past-service pension costs, is a wrong as draining the Permanent fund.

Sincerely,

Garry Hutchison

140 Falcon Drive

Fairbanks, Alaska 99712