

HB

278

(FILE 1)

<TARGET><BILL>HB 278</BILL><SUBJECT>HB 278 (FILE
1)</SUBJECT><COMM>SFIN28</COMM></TARGET>

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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

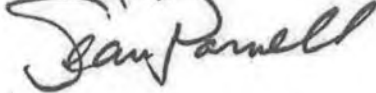
schools and districts to more accurately gauge effectiveness of their training and educational programs relative to student readiness for post-secondary opportunities and also provide valuable information for students and their families to plan successfully for those opportunities. The Department of 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,



Sean Parnell
Governor

Enclosure

1

SENATE FINANCE COMMITTEE REPORT

DATE: 4/8/14

FURTHER: Rules / T-CAL

DATE TURNED
IN TO OFFICE: 4/19/14

Finance Committee considered CS FOR HOUSE BILL NO. 278(FIN) am

HB 278-EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

"An Act increasing the base student allocation used in the formula for state funding of public education; relating to the exemption from jury service for certain teachers; relating to the powers of the Department of Education and Early Development; relating to high school course credit earned through assessment; relating to school performance reports; relating to assessments; establishing a public school and school district grading system; relating to charter schools and student transportation; relating to residential school applications; relating to tenure of public school teachers; relating to 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 schools operated by a federal agency; relating to a grant for school districts; relating to education tax credits; 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; making conforming amendments; and providing for an effective date."

and recommends:

be replaced with SCS CS HB 278 (FIN) Same Title Technical Title Change
 New Title/SCR No. 29

adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____

attached amendment(s)

adopt _____ Letter of Intent

further referral to _____ Committee

| Dept Abbr. | |
|------------|-----|
| ADM | LWF |
| CED | LAW |
| COR | LEG |
| CRT | MVA |
| EED | DNR |
| DEC | DPS |
| DFG | REV |
| GOV | DOT |
| DHS | UA |

| NEW FISCAL NOTE(S) | | | | |
|--------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| EED | ✓ | | | 21 |
| EED | ✓ | | | 22 |
| EED | | | ✓ | 23 |
| S.FIN/Leg | ✓ | | | 24 |
| UA | ✓ | | | 25 |
| REV | | ✓ | | 26 |
| S.FIN/LWF | ✓ | | | 27 |

| NEW FISCAL NOTE(S) | | | | |
|--------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| EED | ✓ | | | 28 |
| EED | ✓ | | | 29 |
| EED | | | ✓ | 30 |
| EED | | | ✓ | |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|-------------------|---------|-------------|--------|-------|
| | HOFFMAN | ✓ | | | |
| | OLSON | ✓ | | | |
| | BISHOP | ✓ | | | |
| | FAIRCLOUGH | | | | ✓ |
| CO-CHAIR: | Kelly | ✓ | | | |
| CO-CHAIR: | Meyer | ✓ | | | |

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 21
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS-EED-PEF-4-19-14-DRAFT
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate 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 | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | (5,329.1) | | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) |
| Miscellaneous | | | | | | | |
| Total Operating | (5,329.1) | 0.0 | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|------------------|------------|------------------|------------------|------------------|------------------|------------------|
| 1004 Gen Fund | (5,329.1) | | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) |
| Total | (5,329.1) | 0.0 | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) | (5,329.1) |

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:

This reflects changes for SCS CSHB 278. Deletes all increases to the BSA; increases the correspondence multiplier from .80 to .90; amends the charter school funding by providing higher funding starting at 75 average daily membership (ADM); and deletes the one-time grant for \$30 million distributed on adjusted ADM.

| | | | |
|--------------|------------------------------|--------|---------------------|
| Prepared By: | Elizabeth Nudelman, Director | Phone: | (907)465-8679 |
| Division: | School Finance & Facilities | Date: | 04/19/2014 03:00 PM |
| Approved By: | Mike Hanley | Date: | 04/19/14 |
| Agency: | Commissioner | | |

FISCAL NOTE ANALYSIS #21

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278(FIN)

Analysis

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

The annual increases are as follows:

The FY2015 Appropriation Request includes FY2015 costs of \$6,642.5 minus FY2015 state cost decrease from mil rate change of -\$11,971.6 for -\$5,329.1.

Out year costs remain at a cost savings of -\$5,329.1.

The effective is July 1, 2014.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 22
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS-EED-LO-4-17-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance Committee

Department: Department of Education and Early Development
Appropriation: Alaska Library and Museums
Allocation: Library Operations
OMB Component Number: 208

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 | 7,308.0 | | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 |
| Miscellaneous | | | | | | | | |
| Total Operating | 7,308.0 | 0.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 |

Fund Source (Operating Only)

| | | | | | | | | |
|---------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund | 7,308.0 | | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 |
| Total | 7,308.0 | 0.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 | 7,308.0 |

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:

The CS includes funding for Internet services to bring all public schools to 10 megabits of download a second.

| | | | |
|--------------|-------------------------------|--------|---------------------|
| Prepared By: | Linda Thibodeau | Phone: | (907)465-2911 |
| Division: | Libraries, Archives & Museums | Date: | 04/17/2014 06:30 PM |
| Approved By: | Mike Hanley | Date: | 04/17/14 |
| Agency: | Commissioner | | |

FISCAL NOTE ANALYSIS #22

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278(FIN)

Analysis

Section 7: Adds a new section 14.03.126 Funding for Internet services. A district in which one or more schools qualify for a discounted rate for Internet services is eligible to receive an amount for each school that is equal to the amount needed to bring the applicant's share to 10 megabits of download a second of the Internet services.

The following assumptions are provided as the basis for the fiscal note calculation:

Starting in FY16, for all schools at less than 10 megabits, one-third of schools, EED worked with all internet services providers currently in the schools to generate an estimate of what their pricing would be in order to increase their school clients to the 10 megabit level with dedicated bandwidth. EED added the estimates for their annual charges for increased service and multiplied by .25, the average undiscounted portion for Alaska schools. The FY16 rate for those schools with less than 10 megabits will be \$7,308.0.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 23
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS(FIN)-EED-SDR-4-19-14-DRAFT
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate 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 | 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 | | | | | |
| 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 | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|

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: | 04/19/2014 03:00 PM |
| Approved By: | Mike Hanley | Date: | 04/19/14 |
| Agency: | Commissioner | | |

Analysis

Section 20: Decreases the state share of debt reimbursement at Alaska Statute 14.11.100 State aid for costs for school construction debt. The language in this legislation ends the current 70% debt reimbursement at AS 14.11.100(a)(16) and the 60% debt reimbursement at AS 14.11.100(a)(17) effective June 30, 2014.

This bills adds two new sections at AS 14.11.100(a)(18) establishing the state share at 60% for debt that demonstrates need at AS 14.11.100 (j)(4) and at AS 14.11.100(a)(19) establishing the state share at 40% for debt that does not demonstrate need at AS 14.11.100(j)(4).

Based on timelines for voter approval and reimbursement requests to the department, fiscal effects could begin in FY2016.

Currently the annual state cost for the debt program is based on a majority of 70% and 60% debt. This higher level of reimbursement will be replaced over the next 20 years with the lower 60% and 40% reimbursable. Future projects, voter approvals, and debt reimbursement requests are unknown at this time.

As a comparison, for every million dollars in bonds sold, for a 20 year term, the fiscal effect of a 60% reimbursement rather than a 70% reimbursement would be a reduction of approximately \$7.1 per year or \$142.0 over a 20 year bond. The fiscal effect of a 40% reimbursement rather than a 60% reimbursement would be a reduction of approximately \$14.2 per year or \$248.0 over a 20 year bond for every million dollars in new bonds.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 24
(S) Publish Date: 4/19/14

Identifier: HB278 - LB&A 4-19-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance

Department: Alaska Legislature
Appropriation: Budget and Audit Committee
Allocation: Legislative Audit
OMB Component Number: 773

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 | 650.0 | | | | | | | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 650.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|--------------|------------|------------|------------|------------|------------|------------|
| 1004 Gen Fund | 650.0 | | | | | | |
| Total | 650.0 | 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:

This CS adds responsibility and funding for the Salary and Benefits Study to the Legislative Budget and Audit Committee (in addition to the study for the school district cost factor study and for the school size factor study).

Prepared By: Co-Chair Senator Kelly Phone: (907)465-3753
Senate Finance Committee Date: 04/19/2014
Co-Chair Senator Meyer
Senate Finance Committee

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

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

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

LEGISLATIVE BUDGET AND AUDIT COMMITTEE SALARY AND BENEFITS STUDY. The Legislative Budget and Audit Committee shall provide for a study of salary and benefits schedules of school districts as defined under AS 14.30.350 and present to the legislature, not later than January 1, 2016, a written report on the study.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 25
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS(FIN)-UA-SYSBRA-4-18-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate 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 | 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 | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | (204.9) | 5,431.8 | 5,226.9 | 5,226.9 | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | (204.9) | 5,431.8 | 5,226.9 | 5,226.9 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|------------|------------|------------|
| 1151 VoTech Ed | (204.9) | 5,431.8 | 5,226.9 | 5,226.9 | | | |
| Total | (204.9) | 5,431.8 | 5,226.9 | 5,226.9 | 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?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This fiscal note reduces UA's portion of Technical and Vocational Education program (TVEP) funding from 45% for University of Alaska and 5% for UAS (50% total) to 45% for University of Alaska only, however the fiscal note increases the total pool amount available from .15 percent to .16 percent of wages.

| | | | |
|--------------|----------------------|--------|---------------------|
| Prepared By: | Michelle Rizk | Phone: | (907)450-8187 |
| Division: | University of Alaska | Date: | 04/18/2014 08:00 AM |
| Approved By: | Michelle Rizk | Date: | 04/18/14 |
| Agency: | University of Alaska | | |

FISCAL NOTE ANALYSIS #25

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278(FIN)

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, 2017. Out-year cost estimates are based on TVEP receipts included in the FY15 budget 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: SCS CSHB 278(FIN)
Fiscal Note Number: 26
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS(FIN)-DOR-TAX-04-17-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (S) 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 | | | | | |
| 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 | *** | | *** | *** | *** | *** | *** |
|---------------------------|-----|--|-----|-----|-----|-----|-----|

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 version 28-GH2716K by SFIN |
|---|

| | | | |
|--------------|--------------------------------|--------|---------------------|
| Prepared By: | Matt Fonder, Director | Phone: | (907)269-6628 |
| Division: | Tax | Date: | 04/17/2014 10:10 PM |
| Approved By: | Angela M. Rodell, Commissioner | Date: | 04/17/14 |
| Agency: | Department of Revenue | | |

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;
- vocational education courses, programs, equipment, and facilities by a state operated voc-tech and training school, a nonprofit regional training center recognized by the Department of Labor and Workforce Development, and an apprenticeship program in the state that is registered with the US Dept. of Labor. It should be noted that expansion of this section of the education credit was only done in AS 43.20, corporate income taxes;
- a facility 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;
- science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; and
- the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational that foster public service leadership for future generations of residents of the state.

It also removes contributions for "annual intercollegiate sports tournaments" as a qualifying for the credit.

Finally, with the effective dates in the bill, it contracts some of the qualifying contributions for the education tax credit after January 1, 2021.

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: SCS CSHB 278(FIN)
Fiscal Note Number: 27
(S) Publish Date: 4/19/14

Identifier: HB278 Labor Unallocated TVEP 4-18-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance Committee

Department: Department of Labor and Workforce 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 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | 509.1 | 509.1 | 509.1 | | | | |
| Travel | | | | | | | | |
| Services | | 26.8 | 26.8 | 26.8 | | | | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | 926.7 | 4,997.2 | 5,923.9 | 5,923.9 | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 926.7 | 5,533.1 | 6,459.8 | 6,459.8 | 0.0 | 0.0 | 0.0 | |

Fund Source (Operating Only)

| | | | | | | | | |
|----------------|--------------|----------------|----------------|----------------|------------|------------|------------|--|
| 1151 VoTech Ed | 926.7 | 5,533.1 | 6,459.8 | 6,459.8 | | | | |
| Total | 926.7 | 5,533.1 | 6,459.8 | 6,459.8 | 0.0 | 0.0 | 0.0 | |

Positions

| | | | | | | | | |
|-----------|--|-----|-----|-----|--|--|--|--|
| Full-time | | 5.0 | 5.0 | 5.0 | | | | |
| 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? 07/01/15

Why this fiscal note differs from previous version:

Changed to reflect the full cost to the department of collecting the tax revenue into the Alaska Technical and Vocational Education Program fund account. Funding is appropriated to the Agency Unallocated appropriation and will be distributed to the appropriate entities during the Authorized phase of the budget cycle.

Prepared By: Co-Chair Senator Kelly Phone: (907)465-3753
Senate Finance Committee Date: 04/18/2014
Co-Chair Senator Meyer
Senate Finance Committee

Analysis

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

The additional FY2015 funding of \$926.4 in the grants line assumes that the five percent of TVEP allocated to Ilisagvik College in the Senate Finance committee substitute will go through the department similarly as the others pass through grants included in the Governor's budget. It also includes the increase to the TVEP recipients that already get their funded through the department related to increasing the TVEP tax from 0.15 percent of the unemployment insurance (UI) taxable wage base to 0.16 percent.

Out-year cost estimates are based on the anticipated FY2015 TVEP fund balance available for distribution and will be revised on an annual basis based on updated fund balance projections.

The grants line authorization included in the Governor's budget represents the direct allocations that already pass through the department to (based on the names in the committee substitute not current statute) Alaska 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; Partners for Progress in Delta, Inc.; and Amundsen Educational Center.

Of the \$509.1 in personal services (salary and benefits) expenses already included in the Governor's budget:

The majority, \$372.0, covers the cost of collecting the TVEP revenue through the UI tax system. The state is required by federal regulation to pay the cost of TVEP revenue collection since the federal funds that support the UI tax collection cannot be used to collect state revenue. This funding supports the UI staff time to collect and process the TVEP revenue. Without this funding there would be no revenue in the TVEP account to grant to the recipients in statute.

The remainder, \$137.1, is for administration of the Technical and Vocational Education Program. This funds a grants administrator's time to manage the grants to the recipients; this includes processing accounting transactions to reimburse them for their expenses up to the grant amount. This also covers a portion of a research analyst's time for compiling TVEP recipient training participant information and matching the data to wage records to determine if those participants were employed the year following training as a part of the statutorily required TVEP program performance report. This information is regularly used to respond to legislative inquiries.

These expenses cannot be charged to the department's federal programs.

The services expense is based on the department's indirect cost recovery rate of five percent of direct personal services expenses.

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

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

No fiscal impact of these changes as these activities are already supported with the funding included in the Governor's budget.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 28
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS-EED-SFF-4-19-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance Committee

Department: Department of Education and Early Development
Appropriation: Education Support Services
Allocation: School Finance & Facilities
OMB Component Number: 2737

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 | 108.3 | | | 54.2 | | | | |
| Travel | 2.3 | | | 2.3 | | | | |
| Services | 509.5 | | | 9.5 | | | | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 620.1 | 0.0 | | 66.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | | |
|---------------|--------------|------------|--|-------------|------------|------------|------------|------------|
| 1004 Gen Fund | 620.1 | | | 66.0 | | | | |
| Total | 620.1 | 0.0 | | 66.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | | |
|-----------|-----|--|--|-----|--|--|--|--|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | 1.0 | | | 1.0 | | | | |

| | | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|--|
| 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.

Prepared By: Elizabeth Nudelman, Director
Division: School Finance and Facilities
Approved By: Mike Hanley
Agency: Commissioner

Phone: (907)465-8679
Date: 04/19/2014 02:00 PM
Date: 04/19/14

Analysis

Section 52: of this legislation requires the Department of Education & Early Development to prepare and submit a report to the legislature on the benefits and disadvantages of using prototypical designs for school construction in both the Railbelt and rural areas of the state.

The fiscal note includes costs associated with one full-time nonpermanent position at salary range 20 step F, travel, and \$9.5 for department chargebacks to serve as project manager for the report. This position will be responsible for project management and identifying buildings and components that may need to be provided in a prototypical format for all 53 school districts. Also included is the cost of utilizing a contractor to assist in identification of buildings and components that may be provided in a prototypical format and provide necessary review and analysis of design benefits and disadvantages throughout Alaska. The fiscal impact of Section 54 is shown above on page 1.

The effective date for this legislation is July 1, 2014.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 29
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS(FIN)-EED-BHG-4-19-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Finance Committee

Department: Department of Education and Early Development
Appropriation: K-12 Support
Allocation: Boarding Home Grants
OMB Component Number: 148

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 | 2,249.5 | 4,710.8 | 2,249.5 | 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 | 2,249.5 |

Fund Source (Operating Only)

| | | | | | | | | |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund | 2,249.5 | 4,710.8 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 | 2,249.5 |
| Total | 2,249.5 | 4,710.8 | 2,249.5 | 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 (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: | 04/19/2014 03:00 PM |
| Approved By: | Mike Hanley | Date: | 04/19/14 |
| Agency: | Commissioner | | |

FISCAL NOTE ANALYSIS #29

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278(FIN)

Analysis

This legislation amends AS 14.16.200, State funding for districts operating residential schools.

It increases the stipend rate to 1.5 times the current law beginning in FY2015.

The calculations and fiscal note cost include the seven currently approved programs.

The residential program per pupil monthly stipend is paid for nine months, times the rate, times the actual student count. The calculation is as follows:

| <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 | \$426,240 | \$1,776 | \$639,360 | \$213,120 |
| | | | Totals: | \$4,226,202 | | \$6,339,303 | \$2,113,101 |

The program also provides for one round trip ticket per student, 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: | \$6,960,284 |

| | |
|--|--------------------|
| Total appropriation in budget | \$4,710,800 |
| Total funding necessary under legislation: | <u>\$6,960,284</u> |
| Additional funding necessary to fund residential (fiscal note) | \$2,249,484 |

The effective date for this legislation is July 1, 2014.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 30
(S) Publish Date: 4/19/14

Identifier: HB278SCSCS(FIN)-EED-K12-4-19-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate 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 | | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|--|

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:

This reflects changes for SCS CSHB 278. Deletes all increases to the BSA; increases the correspondence multiplier from .80 to .90; amends the charter school funding by providing a higher funding starting at 75 average daily membership (ADM), deletes the onetime grant for \$30 million distributed on adjusted ADM; increases required local mil rate to 2.8; adds language to additional local contribution of 23%.

Prepared By: Elizabeth Nudelman, Director
Division: School Finance & Facilities
Approved By: Mike Hanley
Agency: Commissioner

Phone: (907)465-8679
Date: 04/19/2014 03:00 PM
Date: 04/19/14

FISCAL NOTE ANALYSIS #30

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 278(FIN)

Analysis

Section 24: Amends AS 14.17.410(b)(2) by changing the mil rate from 2.65 to 2.8 of the full and true value of the taxable real and personal property for the required local calculation. This results in a cost savings to the state in the amount of (\$11,971.6).

Section 25: Amends AS 14.17.410(c)(2) by adding language that 23% of any additional funding distributed to the district through adjusted average daily membership to be included in this calculation for additional local contribution.

Section 26: Amends the correspondence calculation under AS 14.17.400(b) to increase the multiplier from .80 to .90. The FY2015 projected cost is \$6,158.6.

Section 27: Amends AS 14.17.450(d) by reducing the average daily membership for charter schools from 120 to 75 that must be met in order to qualify for funding at the higher rate of the 150 average daily membership (ADM) category.

Based on fiscal year 2015 projections, two charter schools are estimated to be affected for a total dollar amount of \$483.9.

The effective date for both amendments is July 1, 2014.

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 4/19/2014

FN: Increases the Correspondence multiple to .90

Prepared by School Finance

Fiscal Note Analysis #30
SCS CSHB 278(FIN)

| School District | State Cost .90 Correspondence |
|---------------------------|----------------------------------|
| Alaska Gateway | \$ 29,050 |
| Aleutian Region | - |
| Aleutians East Borough | 570 |
| Anchorage | 500,109 |
| Annette Island | - |
| Bering Strait | - |
| Bristol Bay Borough | - |
| Chatham | 1,140 |
| Chugach | 141,261 |
| Copper River | 25,062 |
| Cordova | - |
| Craig | 162,336 |
| Delta/Greely | 59,808 |
| Denali Borough | 370,240 |
| Dillingham | 4,557 |
| Fairbanks N. Star Borough | 153,222 |
| Galena | 2,022,080 |
| Haines Borough | 5,696 |
| Hoonah | - |
| Hydaburg | - |
| Iditarod Area | 56,960 |
| Juneau Borough | 36,454 |
| Kake | - |
| Kashunamiut | - |
| Kenai Peninsula Borough | 432,327 |
| Ketchikan Gateway Borough | 50,125 |
| Klawock | - |
| Kodiak Island Borough | 57,927 |
| Kuspuk | - |
| Lake & Peninsula Borough | 5,696 |
| Lower Kuskokwim | - |
| Lower Yukon | - |
| Mat-Su Borough | 1,035,533 |
| Nenana | 398,720 |
| Nome | 5,126 |
| North Slope Borough | - |
| Northwest Arctic Borough | - |
| Pelican | - |
| Petersburg | - |
| Pribilof | - |
| Saint Mary's | - |
| Sitka Borough | 19,366 |
| Skagway | - |
| Southeast Island | 570 |
| Southwest Region | - |
| Tanana | - |
| Unalaska | - |
| Valdez | - |
| Wrangell | - |
| Yakutat | 3,987 |
| Yukon Flats | - |
| Yukon/Koyukuk | 598,080 |
| Yupitit | - |
| Mt. Edgecumbe High School | - |
| TOTAL | \$ 6,176,002 |

Department of Education & Early Development

Prepared 4/19/2014

Prepared by School Finance

FN: Increase to required local Mil rate 2.65 to 2.8

Fiscal Note Analysis #30
SCS CSHB 278(FIN)

| School District | State Savings - Municipal Cost, Required Local 2.65 to 2.8 |
|---------------------------|---|
| Alaska Gateway | \$ - |
| Aleutian Region | - |
| Aleutians East Borough | (34,831) |
| Anchorage | (5,523,308) |
| Annette Island | - |
| Bering Strait | - |
| Bristol Bay Borough | (46,970) |
| Chatham | - |
| Chugach | - |
| Copper River | - |
| Cordova | (45,790) |
| Craig | (19,371) |
| Delta/Greely | - |
| Denali Borough | (37,372) |
| Dillingham | (30,902) |
| Fairbanks N. Star Borough | (1,575,236) |
| Galena | (4,555) |
| Haines Borough | (57,502) |
| Hoonah | (11,017) |
| Hydaburg | (2,298) |
| Iditarod Area | - |
| Juneau Borough | (733,857) |
| Kake | (4,309) |
| Kashunamiut | - |
| Kenai Peninsula Borough | (1,335,506) |
| Ketchikan Gateway Borough | (251,211) |
| Klawock | (8,116) |
| Kodiak Island Borough | (227,333) |
| Kuspuk | - |
| Lake & Peninsula Borough | (21,439) |
| Lower Kuskokwim | - |
| Lower Yukon | - |
| Mat-Su Borough | (1,470,712) |
| Nenana | (4,393) |
| Nome | (56,833) |
| North Slope Borough | - |
| Northwest Arctic Borough | (114,383) |
| Pelican | (1,820) |
| Petersburg | (48,386) |
| Pribilof | - |
| Saint Mary's | (2,001) |
| Sitka Borough | (174,448) |
| Skagway | - |
| Southeast Island | - |
| Southwest Region | - |
| Tanana | (1,397) |
| Unalaska | (84,394) |
| Valdez | - |
| Wrangell | (30,701) |
| Yakutat | (11,200) |
| Yukon Flats | - |
| Yukon/Koyukuk | - |
| Yupit | - |
| Mt. Edgecumbe High School | - |
| TOTAL | \$ (11,971,591) |

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SCS CSHB 278(FIN)
Fiscal Note Number: 31
(S) Publish Date: 4/19/14

Identifier: HB278-SFC-EED-SSA-4-19-14
Title: EDUCATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate 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 | 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 | FY 2015 | FY 2015 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Services | 605.0 | 2,759.4 | 535.0 | 535.0 | 535.0 | 525.0 | 525.0 | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | 6,948.9 | 434.5 | 7,383.4 | 7,383.4 | 3,918.8 | 3,918.8 | 3,918.8 | |
| Miscellaneous | | | | | | | | |
| Total Operating | 7,553.9 | 3,193.9 | 7,918.4 | 7,918.4 | 4,453.8 | 4,443.8 | 4,443.8 | |

Fund Source (Operating Only)

| | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund | 7,523.8 | 2,759.4 | 7,454.0 | 7,454.0 | 4,453.8 | 4,443.8 | 4,443.8 |
| 1151 VoTech Ed | 30.1 | 434.5 | 464.4 | 464.4 | | | |
| Total | 7,553.9 | 3,193.9 | 7,918.4 | 7,918.4 | 4,453.8 | 4,443.8 | 4,443.8 |

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? 12/31/14

Why this fiscal note differs from previous version:

This revised fiscal note includes a college and career readiness assessment, adds personalized learning opportunity grants (1:1), charter school startup grants, creates an innovative grant program, increases the amount of an employee's contribution to unemployment insurance that is diverted into the TVEP account, provides a new sunset date for the TVEP program and establishes a 3-year pilot program for students in middle school around STEM.

Prepared By: Co-Chair Senator Kelly Phone: (907)465-3753
Senate Finance Committee Date: 04/19/2014
Co-Chair Senator Meyer
Senate Finance Committee

2

CS FOR HOUSE BILL NO. 278(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/7/14

Offered: 4/3/14

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 the exemption from jury service for certain teachers;
3 relating to the powers of the Department of Education and Early Development; relating
4 to high school course credit earned through assessment; relating to school performance
5 reports; relating to assessments; establishing a public school and school district grading
6 system; relating to charter schools and student transportation; relating to residential
7 school applications; relating to tenure of public school teachers; relating to
8 unemployment contributions for the Alaska technical and vocational education
9 program; relating to earning high school credit for completion of vocational education
10 courses offered by institutions receiving technical and vocational education program
11 funding; relating to schools operated by a federal agency; relating to a grant for school
12 districts; relating to education tax credits; establishing an optional municipal tax

1 exemption for privately owned real property rented or leased for use as a charter
 2 school; requiring the Department of Administration to provide a proposal for a salary
 3 and benefits schedule for school districts; making conforming amendments; and
 4 providing for an effective date."

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

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

15 **Sec. 14.03.073. Secondary school course credit.** (a) A school district shall
 16 provide the opportunity for students enrolled in a secondary school in the district to
 17 challenge a course provided by the district by demonstrating mastery in the subject at
 18 the level of the course challenged. A school district shall give full credit for a course to
 19 a student who successfully challenges that course as provided under this section.

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

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

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

26 * **Sec. 3.** AS 14.03.078 is amended to read:

27 **Sec. 14.03.078. Report.** The department shall provide to the legislature by
 28 February 15 of each year an annual report regarding the progress of each school and
 29 school district toward high academic performance by all students. The report required

1 under this section must include

- 2 (1) information described under AS 14.03.120(d);
- 3 (2) the number and percentage of students in each school who pass the
4 examination required under AS 14.03.075, and the number who pass each section of
5 the examination;
- 6 (3) progress of the department
- 7 (A) toward implementing the school accountability provisions
8 of AS 14.03.123; and
- 9 (B) in assisting high schools to become accredited;
- 10 (4) a description of the resources provided to each school and school
11 district for coordinated school improvement activities and staff training in each school
12 and school district;
- 13 (5) each school district's and each school's progress in aligning
14 curriculum with state education performance standards;
- 15 (6) a description of the efforts by the department to assist a public
16 school or school district that receives a low performance designation under
17 AS 14.03.123 [OF DEFICIENT OR IN CRISIS];
- 18 (7) a description of intervention efforts by each school district and
19 school for students who are not meeting state performance standards;
- 20 (8) the number and percentage of turnover in certificated personnel and
21 superintendents;
- 22 (9) the number of teachers by district and by school who are teaching
23 outside the teacher's area of endorsement but in areas tested by the high school
24 competency examination.

25 * Sec. 4. AS 14.03.083 is amended by adding a new subsection to read:

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

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

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

7 (1) information on accreditation;

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

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

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

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

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

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

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

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

1 (10) other information concerning school performance and the
 2 performance of the school's students as required by the state board in regulation; **and**
 3 **(11) information on the number, attendance, and performance of**
 4 **students enrolled in the school whose parents or guardians are on active duty in**
 5 **the armed forces of the United States, the United States Coast Guard, the Alaska**
 6 **National Guard, the Alaska Naval Militia, or the Alaska State Defense Force.**

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

8 (c) The state board shall adopt regulations implementing this section,
 9 providing for a statewide student assessment system, and providing for the process of
 10 assigning a designation under (a) of this section, including

11 (1) the **method** [METHODODOLOGY] used to assign the performance
 12 designation, including the measures used and their relative weights;

13 (2) high performance and low performance designations that are based
 14 on the accountability system under this section **and AS 14.03.124**;

15 (3) a procedure for appealing a designation that may be used by the
 16 principal of a public school or by the superintendent of a public school district;

17 (4) additional measures that may be progressively implemented by the
 18 commissioner to assist schools or districts to improve performance in accordance with
 19 this section and with federal law; to the extent necessary to conform to federal law, the
 20 additional measures may be unique to a certain school or district if that school or
 21 district receives federal funding that is not available to all schools or districts in the
 22 state.

23 * Sec. 7. AS 14.03.123(f) is amended to read:

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

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

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

30 (A) measures of student performance on standards-based
 31 assessments in **language arts** [READING, WRITING,] and mathematics, and

1 including competency tests required under AS 14.03.075;

2 (B) measures of student improvement; and

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

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

7 * **Sec. 8.** AS 14.03 is amended by adding a new section to read:

8 **Sec. 14.03.124. Public school and school district grading system.** The
9 department shall establish by regulation the criteria that accounts for improvement in
10 student achievement for assigning annual performance designations as follows:

11 (1) "A" for a school making excellent progress;

12 (2) "B" for a school making above average progress;

13 (3) "C" for a school making satisfactory progress;

14 (4) "D" for a school making less than satisfactory progress;

15 (5) "F" for a school failing to make adequate progress.

16 * **Sec. 9.** AS 14.03.250 is repealed and reenacted to read:

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

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

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

29 (d) If a local school board denies an application for a charter school, the
30 applicant may appeal the denial to the commissioner. The appeal to the commissioner
31 shall be filed not later than 60 days after the local school board issues its written

1 decision of denial. The commissioner shall review the local school board's decision to
 2 determine whether the findings of fact are supported by substantial evidence and
 3 whether the decision is contrary to law. A decision of the commissioner upholding the
 4 denial by the local school board may be appealed within 30 days to the state Board of
 5 Education and Early Development.

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

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

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

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

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

21 (2) approve the charter school application and forward the application
 22 to the state Board of Education and Early Development with or without added
 23 conditions; or

24 (3) uphold the decision denying the charter school application; if the
 25 commissioner upholds a local school board's decision to deny a charter school
 26 application and the applicant appeals to the State Board of Education and Early
 27 Development, the commissioner shall immediately forward the application and record
 28 to the state Board of Education and Early Development.

29 (b) In an appeal to the state Board of Education and Early Development of a
 30 denial of a charter school application under (a)(3) of this section, the state board shall
 31 determine, based on the record, whether the commissioner's findings are supported by

1 substantial evidence and whether the decision is contrary to law. The state board shall
2 issue a written decision within 90 days after an appeal.

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

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

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

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

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

31 Sec. 14.03.263. Charter school grant program. (a) A charter school that is

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

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

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

15 * Sec. 14. AS 14.07.020(a)(16) is amended to read:

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

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

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

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

29 * Sec. 15. AS 14.07.020(b) is amended to read:

30 (b) In implementing its duties under (a)(2) of this section, the department shall
 31 not expend any money to implement the set of educational curriculum standards

1 **for grades kindergarten through 12 established by the Common Core Standards**
 2 **Initiative and** shall develop

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

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

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

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

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

16 * **Sec. 16.** AS 14.07.168 is amended to read:

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

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

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

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

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

1 * **Sec. 17.** AS 14.09.010 is amended by adding new subsections to read:

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

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

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

10 (3) be approved by the department.

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

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

19 * **Sec. 18.** AS 14.16.050(a) is amended to read:

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

22 (1) requirements relating to school district operations:

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

25 (B) AS 14.03.073 and 14.03.083 - 14.03.140 [AS 14.03.083 -
26 14.03.140] (miscellaneous provisions applicable to school district operations);

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

31 (D) AS 14.12.150 (authorizing school districts to establish and

1 participate in the services of a regional resource center);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (F) AS 14.25 (provisions regarding the teachers' retirement
30 system);

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

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

3 (B) AS 14.30.360 - 14.30.370 (establishing health education
4 program standards);

5 (C) AS 14.30.400 - 14.30.410 (relating to bilingual and
6 bicultural education).

7 * **Sec. 19.** AS 14.16 is amended by adding a new section to article 2 to read:

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

14 * **Sec. 20.** AS 14.17.470 is amended to read:

15 **Sec. 14.17.470. Base student allocation.** The base student allocation is
16 \$5,865 [\$5,680].

17 * **Sec. 21.** AS 14.17.470, as amended by sec. 20 of this Act, is amended to read:

18 **Sec. 14.17.470. Base student allocation.** The base student allocation is
19 \$5,923 [\$5,865].

20 * **Sec. 22.** AS 14.17.470, as amended by secs. 20 and 21 of this Act, is amended to read:

21 **Sec. 14.17.470. Base student allocation.** The base student allocation is
22 \$5,981 [\$5,923].

23 * **Sec. 23.** AS 14.20.150(a) is amended to read:

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

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

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

31 (3) receives, in the fifth [THIRD] year of any five-year [THREE-

1 YEAR] period of continuous employment with the district, an evaluation under the
 2 district's evaluation system stating that the teacher's performance meets the district
 3 performance standards; and

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

5 (A) accepts a contract for employment as a teacher in the
 6 district for a sixth [FOURTH] consecutive school year; and

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

9 * **Sec. 24.** AS 14.20.150 is amended by adding a new subsection to read:

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

15 * **Sec. 25.** AS 23.15.835(d) is amended to read:

16 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
 17 2009, through June 30, 2017 [2014], the money collected under this section or
 18 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
 19 the Alaska Human Resource Investment Council, shall be allocated directly in the
 20 following percentages to the following institutions for programs consistent with
 21 AS 23.15.820 - 23.15.850 and capital improvements:

| | | |
|----|---|------------|
| 22 | University of Alaska | 45 percent |
| 23 | University of Alaska Southeast | 5 percent |
| 24 | Galena Project Education Vocational Training Center | 4 percent |
| 25 | Kotzebue Technical Center | 9 percent |
| 26 | Alaska Vocational Technical Center | 17 percent |
| 27 | Northwestern Alaska Career and Technical Center | 3 percent |
| 28 | Southwest Alaska Vocational and Education Center | 3 percent |
| 29 | Yuut Elitnaurviat, Inc. People's Learning Center | 9 percent |
| 30 | Delta Career Advancement Center | 3 percent |
| 31 | New Frontier Vocational Technical Center | 2 percent. |

1 * **Sec. 26.** AS 23.15.835(e) is amended to read:

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

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

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

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

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

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

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

26 (5) PERCENTAGE OF EMPLOYERS WHO INDICATE
27 SATISFACTION WITH THE SERVICES PROVIDED THROUGH THE
28 PROGRAM].

29 * **Sec. 27.** AS 23.15.835 is amended by adding new subsections to read:

30 (g) The institutions receiving funding under (d) of this section shall establish
31 and maintain at least one articulation agreement under which dual credit may be

1 earned by high school students upon completion of a vocational education course.

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

5 * **Sec. 28.** 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. 29.** 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. 30.** AS 43.20.014(a) is amended to read:

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

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

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

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

29 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
30 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
31 college accredited by a regional accreditation association or by a public or private

1 **nonprofit elementary or secondary school in the state;**

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

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

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

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

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

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

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

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

19 **(E) other related educational and programmatic costs;**

20 **(9) constructing, operating, or maintaining a residential housing**
21 **facility by a residential school in the state approved by the Department of**
22 **Education and Early Development under AS 14.16.200;**

23 **(10) childhood early learning and development programs and**
24 **educational support to childhood early learning and development programs**
25 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
26 **a school district in the state, by the Department of Education and Early**
27 **Development, or through a state grant; and**

28 **(11) science, technology, engineering, and math programs**
29 **provided by a nonprofit agency or a school district for school staff and for**
30 **students in grades kindergarten through 12 in the state.**

31 * Sec. 31. AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7,

1 FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

18 (A) tuition and textbooks;

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

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

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

26 (E) other related educational and programmatic costs;

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

30 (7) for childhood early learning and development programs and
31 educational support to childhood early learning and development programs

1 provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or
 2 a school district in the state, by the Department of Education and Early
 3 Development, or through a state grant.

4 * **Sec. 32.** AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

10 * **Sec. 33.** AS 43.65.018(a) is amended to read:

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

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

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

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

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

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

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

- 1 (7) the Alaska higher education investment fund under AS 37.14.750;
- 2 (8) funding a scholarship awarded by a nonprofit organization to a
- 3 dual-credit student to defray the cost of a dual-credit course, including the cost of
- 4 (A) tuition and textbooks;
- 5 (B) registration, course, and programmatic student fees;
- 6 (C) on-campus room and board at the postsecondary
- 7 institution in the state that provides the dual-credit course;
- 8 (D) transportation costs to and from a residential school
- 9 approved by the Department of Education and Early Development under
- 10 AS 14.16.200 or the postsecondary school in the state that provides the
- 11 dual-credit course; and
- 12 (E) other related educational and programmatic costs;
- 13 (9) constructing, operating, or maintaining a residential housing
- 14 facility by a residential school approved by the Department of Education and
- 15 Early Development under AS 14.16.200;
- 16 (10) childhood early learning and development programs and
- 17 educational support to childhood early learning and development programs
- 18 provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or
- 19 a school district in the state, by the Department of Education and Early
- 20 Development, or through a state grant; and
- 21 (11) science, technology, engineering, and math programs
- 22 provided by a nonprofit agency or a school district for school staff and for
- 23 students in grades kindergarten through 12 in the state.

24 * Sec. 34. AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7,
25 FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

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

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

1 or private nonprofit elementary or secondary school in the state;

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

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

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

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

11 (A) tuition and textbooks;

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

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

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

19 (E) other related educational and programmatic costs;

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

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

28 * Sec. 35. AS 43.65.018(f) is amended by adding new paragraphs to read:

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

31 (4) "nonprofit organization" means a charitable or educational

1 organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3)
 2 (Internal Revenue Code).

3 * **Sec. 36.** AS 43.75.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (E) other related educational and programmatic costs:

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

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

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

17 * Sec. 37. AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7,
 18 FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

4 (A) tuition and textbooks;

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

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

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

12 (E) other related educational and programmatic costs;

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

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

21 * Sec. 38. AS 43.75.018(f) is amended by adding new paragraphs to read:

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

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

27 * Sec. 39. AS 43.77.045(a) is amended to read:

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

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

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

9 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
 10 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
 11 college accredited by a regional accreditation association or by a public or private
 12 nonprofit elementary or secondary school in the state:

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

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

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

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

22 (A) tuition and textbooks;

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

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

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

30 (E) other related educational and programmatic costs;

31 (9) constructing, operating, or maintaining a residential housing

1 facility by a residential school approved by the Department of Education and
 2 Early Development under AS 14.16.200;

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

8 (11) science, technology, engineering, and math programs
 9 provided by a nonprofit agency or a school district for school staff and for
 10 students in grades kindergarten through 12 in the state.

11 * Sec. 40. AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7,
 12 FSSLA 2011, and sec. 25, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

30 (A) tuition and textbooks;

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

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

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

7 (E) other related educational and programmatic costs;
8 (6) for constructing, operating, or maintaining a residential
9 housing facility by a residential school approved by the Department of Education
10 and Early Development under AS 14.16.200; and

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

16 * Sec. 41. AS 43.77.045(f) is amended by adding new paragraphs to read:

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

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

22 * Sec. 42. AS 14.20.147(b) is repealed.

23 * Sec. 43. Section 3, ch. 91, SLA 2010, is repealed.

24 * Sec. 44. The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 APPLICABILITY. Sections 23 and 24 of this Act apply to a contract or collective
27 bargaining agreement that becomes legally binding on or after the effective date of secs. 23
28 and 24 of this Act.

29 * Sec. 45. The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 9 and 10 of this

1 Act apply to charter school applications filed with a local school board on or after July 1,
2 2014.

3 * **Sec. 46.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

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

10 * **Sec. 47.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

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

16 * **Sec. 48.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 GRANTS TO SCHOOL DISTRICTS. The Department of Education and Early
19 Development shall distribute a one-time grant in the amount of \$30,000,000 as state aid to
20 school districts according to the average daily membership for each district adjusted under
21 AS 14.17.410(b)(1)(A) - (D), as those subparagraphs read on June 29, 2014, for the fiscal year
22 ending June 30, 2015.

23 * **Sec. 49.** Sections 25 and 46 of this Act take effect immediately under AS 01.10.070(c).

24 * **Sec. 50.** Sections 2, 21 and 26 - 28 of this Act take effect July 1, 2015.

25 * **Sec. 51.** Section 22 of this Act takes effect July 1, 2016.

26 * **Sec. 52.** Sections 31, 34, 37, and 40 of this Act take effect January 1, 2021.

27 * **Sec. 53.** Except as provided in secs. 49 - 52 of this Act, this Act takes effect July 1, 2014.

| SECTION | HB 278 - GOVERNOR | CS HB 278 (FIN) – VERSION H.A. | SENATE CS HB 278 – VERSION S |
|---------|---|---|--|
| 1 | Course credit through mastery of course content – core classes | Jury duty postponement for low performing schools (language clean-up) | Jury duty postponement for low performing schools (language clean-up) |
| 2 | College and career readiness assessment – SAT, ACT, WorkKeys | Secondary school course credit – all courses | Course credit through mastery of course content – core classes |
| 3 | DEED Report – Repeals HSGQE requirement | DEED Report – language clean-up | College and career readiness assessment – SAT, ACT, WorkKeys |
| 4 | Public School Reporting – Repeals HSGQE | State may not cede any measure of autonomy or control over education standards and assessments | DEED Report – Repeals HSGQE requirement |
| 5 | Reporting – language clean-up | Reporting – language clean-up and military student data reporting by school districts | Reporting – language clean-up and military student data reporting by school districts |
| 6 | Application for charter school – local school board approves and forwards to state BOE. If local school board denies, appeal goes to the commissioner. The commissioner may uphold denial or forward an approval on to state BOE. | State Board regulations – language clean-up | Reporting – language clean-up |
| 7 | Charter school application appeal to commissioner – in an appeal, commissioner review before the BOE does, and may remand to the local school board for further review, approve the application, or uphold denial. | Language clean-up | 14.03.126 Funding for Internet services (e-rate) 14.03.127 Personalized learning opportunity grant program (1:1) – Procurement language 14.03.128 Innovative approach to learning grant |
| 8 | Repeals charter school HSGQE requirement | A-F grading system | Application for charter school – local school board issues decision in writing. If it's approved it is forwarded to the state BOE and DEED for approval. If it's denied, it can be appealed to the commissioner for review. If approved, it is forwarded to the state BOE for approval. The local school board will operate the charter school |
| 9 | Requires state aide to be distributed to charter schools for the students who generated the \$\$ | Application for charter school – local school board issues decision in writing. If it's approved it is forwarded to the state BOE and DEED for approval. If it's denied, it can be appealed to the commissioner for review. If approved, it is forwarded to the state BOE for approval. The local school board will operate the charter | Charter school application appeal to the commissioner – it may be remanded to the local board for further review, approved and forwarded to the state BOE, or denial may be upheld and then applicant appeals to state BOE |

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| | | school. | |
| 10 | State BOE duties – regulations regarding assessments | Charter school application appeal to the commissioner – it may be remanded to the local board for further review, approved and forwarded to the state BOE, or denial may be upheld and then applicant appeals to state BOE. | Repeals charter school HSGQE requirement |
| 11 | Defines “child with a disability” | Districts shall offer first right of refusal to charter schools to lease space. Lease agreements shall be true operational costs. | Districts shall offer first right of refusal to charter schools to lease space. Lease agreements shall be true operational costs. |
| 12 | Application for residential charter school – allows year-round application period | Districts may charge up to 4% for admin costs. Funds generated by all sources by a student will be distributed to charter schools including special needs and vocational education factors. | Districts may charge up to 4% for admin costs. Funds generated by all sources by a student will be distributed to charter schools including special needs and vocational education factors, grants, appropriations, federal impact aid, and local contribution. |
| 13 | Residential school stipend | Charter school grant program - \$500 one-time grant per student | Charter school grant program - \$500 one-time grant per student |
| 14 | BSA \$85 | Language clean-up | Correspondence study programs; ILPs; Student Allotments |
| 15 | BSA \$58 | DEED may not spend \$ on Common Core Standards implementation for K-12 | Language clean-up |
| 16 | BSA \$58 | State BOE report – recommend changes in method of spending \$ by the state and districts | Language clean-up |
| 17 | TVEP | Charter school pupil transportation – when reasonable the district shall provide trans. | State BOE duties – regulations regarding assessments, providing for waiver |
| 18 | TVEP Reporting | Boarding school statute updates | Defines “child with a disability” |
| 19 | Articulation agreement requirement for dual credit, 20% withholding provision | Application for residential charter school – allows year-round application period | Charter school pupil transportation – when reasonable the district shall provide transport |
| 20 | Definitions of “articulation agreement” and “dual credit” | BSA \$185 | Debt reimbursement: 60/40 & 70/30 |
| 21 | (21-31) Education tax credits: to a nonprofit for dual credit student costs; construction, operation or maintenance of residential housing facility | BSA \$58 | Boarding school statute updates |
| 22 | *** | BSA \$58 | Application for residential charter school – allows year-round application period |
| 23 | *** | Tenure – 3 years | Residential school stipend |

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| 24 | *** | Tenure – 5 years for rural districts or low population (less than 5,500) | Allows municipalities to make a local contribution of 23% of the total basic need and funding distributed outside the BSA |
| 25 | *** | TVEP – Sunset 2017 | State funding for correspondence study – from 80% to 90% |
| 26 | *** | TVEP Reporting | Charter school size factor – 75-149 students in the first 3 years, or 75 students in previous year, funded at 100% |
| 27 | *** | Articulation agreement requirement for dual credit, 20% withholding provision | Tenure – 5 years |
| 28 | *** | Definitions of “articulation agreement” and “dual credit” | Tenure – 3 years for rural districts or low population (less than 5,500) |
| 29 | *** | Municipality may exempt or partially exempt private property being used for a charter school | Increase the employee contribution from .15 to .16 |
| 30 | *** | (30-40) Education tax credits: to a nonprofit for dual credit student costs; construction, operation or maintenance of residential housing facility; public or private nonprofit elementary or secondary school; childhood early learning by nonprofit, tribal entity, or school district; STEM | TVEP – Sunset 2017; changed allocations |
| 31 | Education tax credits: to a nonprofit for dual credit student costs; construction, operation or maintenance of residential housing facility | *** | TVEP Reporting |
| 32 | Definitions: “dual-credit student” and “nonprofit organization” | *** | Articulation agreement requirement for dual credit, 20% withholding provision |
| 33 | Transition language for HSGQE testing | *** | Definitions of “articulation agreement” and “dual credit” |
| 34 | Transition language for charter school applications | *** | Municipality may exempt or partially exempt private property being used for a charter school |
| 35 | Transition language for regulations | *** | (35-45) Education tax credits: to a nonprofit for dual credit student costs; construction, operation or maintenance of residential housing facility; public or private nonprofit elementary or secondary school; nonprofit RTC and apprenticeship program; childhood early learning by nonprofit, tribal entity, or school district; STEM; nonprofit providing educational |

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| | | | opportunities promoting legacy of public service |
| 36 | (36-41) Effective dates | *** | *** |
| 37 | | *** | *** |
| 38 | | *** | *** |
| 39 | | *** | *** |
| 40 | | *** | *** |
| 41 | | Definitions: "dual-credit student" and "nonprofit organization" | *** |
| 42 | | Repealer | *** |
| 43 | | Repealer | *** |
| 44 | | Applicability for tenure section | *** |
| 45 | | Transition language for charter school applications | *** |
| 46 | | Transition language for regulations | Definitions: "dual-credit student" and "nonprofit organization" |
| 47 | | Study – Salary and Benefits for school districts | Repealer |
| 48 | | Grants to schools - \$30 million | Repealer |
| 49 | | (49-53) Effective dates | Applicability for tenure section |
| 50 | | | Transition language for charter school applications |
| 51 | | | Transition language for regulations |
| 52 | | | Study – School District Cost Factor |
| 53 | | | Study – School Size Factor |
| 54 | | | School Design and Construction Report |
| 55 | | | DOA Salary & Benefits Proposal |
| 56 | | | ANSEP Middle School Pilot Program |
| 57 | | | Retroactive Issuance of High School Diploma |
| 58-61 | | | Effective dates |

DEPARTMENTS OF ADMINISTRATION (DOA), EDUCATION & EARLY DEVELOPMENTS (EED), LABOR & WORKFORCE
DEVELOPMENT (DOL/WD) AND REVENUE (DOR)
CSHB 278 (FIN) am SECTIONAL ANALYSIS//**VERSION H.A**
EDUCATION: FUNDING/TAX CREDITS/PROGRAMS

NEW TITLE:

An Act increasing the base student allocation used in the formula for state funding of public education; relating to the exemption from jury service for certain teachers; relating to the powers of the Department of Education & Early Development; relating to high school course credit earned through assessment; relating to performance reports; relating to assessments; **establishing a public school and school district grading system**; relating to charter schools and pupil transportation; relating to residential school applications; relating to tenure of public school teachers; relating to unemployment contributions of 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 schools operated by a federal agency; **relating to a grant for school districts**; relating to education tax credits; 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 from school districts; making conforming amendments; and providing for an effective date.

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|---|------|-------------------|---|---|
| 1 | 09.20.030(b)-Exemptions | 2 | 6-13 | Allows for jury service exemptions for certain teachers. | Public School Districts-Alaska Court System |
| 2 | 14.03.073- Course credit earned through mastery of course content | 2 | 14-25 | Requires school districts to allow high school students the opportunity to prove mastery through a district-approved assessment of course content for all courses offered. Removes the Governor's language on naming specific courses in mathematics, language arts, science, social studies, and world languages. | EED – Public School Districts |
| 3 | 14.03.078-Reports | 2-3 | 26-29 1-24 | Conforming language that is required to be included in the annual School Report Cards to the Public. | EED – Public School Districts |
| 4 | 14.03.083 | 3 | 25-30 | Prohibits the department and the state Board of Education & Early Development from entering or renewing a contract that would cede the state's measure of autonomy or control over education standards and assessments. | EED |
| 5 | 14.03.120 (d)- Education planning; reports | 3-5 | 31 1-31 1-6 | Conforming language. Also adds a reporting provision by school districts to provide information on the number, attendance and performance of students whose parents or guardians are on active duty military. | EED – Public School Districts |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|---|------|---------------|---|--|
| 6 | 14.03.123 (c)-School and district accountability | 5 | 7-22 | Requires EED to establish a second school rating system by establishing a school grading (A-F) system. The A-F system is a new structure in addition to the existing Alaska School Performance Index (ASPI) star rating system that EED has had in place since 2013. The A-F structure is based on progress only and excludes factors that are in ASPI. | EED-Public School Districts-Parents & Students |
| 7 | 14.03.123 (f)-School and district accountability | 5-6 | 23-31 1-6 | Conforming language. Amends language to match what is measured on the standard-based assessments. Specifically "language arts" replaced "reading and writing". | EED |
| 8 | 14.03.124-Public school and school district grading system | 6 | 7-15 | Establishes an additional set of performance designations under an A-F school rating system. | EED-Public School Districts-Parents & Students |
| 9 | 14.03.250 –Application for charter school | 6-7 | 16-31 1-14 | Repeals and reenacts language regarding the application process for charter schools. Changes include the requirement that a local school board provide in writing a decision to approve or deny a charter school including and relevant findings of fact and conclusions of law. Requires an appeal of a decision by the commissioner be done so within 30 days. | EED-Public School Districts-State Board |
| 10 | 14.03.253-Charter school application appeal to commissioner | 7-8 | 15-31 1-2 | Amends language to outline the possible actions the commissioner may take in an appeal process for a charter school application denied by the local school board. Adds subsection (b) requiring an appeal to the state Board of a denial by the commissioner be based on the record and will be issued in written form within 90 days of appeal. | EED – Public School Districts |
| 11 | 14.03.255(d)- Organization & operation of a charter school | 8 | 3-12 | Adds that a school district shall offer to a charter school the first right of refusal for lease space in an existing district facility that is not currently being used. The district may negotiate a lease agreement for the true operational costs. | EED-Public School Districts |
| 12 | 14.03.260(a)- Funding for a charter school | 8 | 13-29 | Replaces the federal indirect rates approved by EED with a 4% cap. Amended to require the inclusion of funds generated by special needs, secondary school vocational and technical instruction based on the amount generated by students enrolled in the charter school. | EED – Public School District |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|---|-------|----------------------|--|-------------------------------|
| 13 | 14.03.263-Charter School Grant Program | 8-9 | 30-31 1-14 | Amends the section to include a charter school start-up grant program. The program offers \$500 per enrolled student as a one-time grant for a charter established on or after the effective date of this section. | EED-Public School Districts |
| 14 | 14.07.020(a)(16)-Duties of the department | 9 | 15-28 | Conforming language. Amends language to match what is measured on the standard-based assessments. Specifically "language arts" replaced "reading and writing". | EED |
| 15 | 14.07.020(b)-Duties of the department | 9-10 | 29-31 1-15 | Prevents the department from spending money on the implementation of educational curriculum standards for K-12 established by the Common Core State Standards Initiative. Also provides conforming language specifically "language arts" replaced "reading and writing". | EED-Public School Districts |
| 16 | 14.07.168-Report to the legislature | 10 | 16-31 | Adds an additional requirement for the state Board of Education & Early Development to report to the legislature around educational spending and efficiencies. | EED-State Board |
| 17 | 14.09.010-Transportation of students | 11 | 1-18 | Amends the section by including transportation of charter school students by a school district when reasonable. | EED-Public School Districts |
| 18 | 14.16.050(a)-Applicability laws | 11-13 | 19-31 1-31 1-6 | Includes Mt. Edgecumbe High School into section 1 of the bill, Course credit earned through mastery of course content. | EED- MEHS |
| 19 | 14.16.100- Application for residential school | 13 | 7-13 | Adding a new section to provide for an annual open application period for residential applications. An application period in itself does not indicate that the department will approve new schools into the program. | EED – Public School Districts |
| 20 | 14.17.470-Base student allocation | 13 | 14-16 | Amended to increase the base student allocation in FY2015 to \$5865. Increase by \$185. | EED – Public School Districts |
| 21 | 14.17.470-Base student allocation | 13 | 17-19 | Amended to increase the base student allocation in FY2016 to \$5923. Increased by \$58. | EED – Public School Districts |
| 22 | 14.17.470-Base student allocation | 13 | 20-22 | Amended to increase the base student allocation in FY2017 to \$5981. Increased by \$58. | EED – Public School Districts |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|--|-------|--------------|--|--|
| 23 | 14.20.150(a)- Acquisition and reacquisition of tenure rights | 13-14 | 23-31 1-8 | Amends the section by making tenure rights attainable for public school teachers in 5 years instead of 3 years. | EED-Public School Districts-Teachers |
| 24 | 14.20.150- Acquisition and reacquisition of tenure rights | 14 | 9-14 | Allows public school teachers in rural districts with a community population of less than 5500 to obtain tenure rights in 3 years. | EED-Public School Districts-Teachers |
| 25 | 23.15.835(d)-Special employee unemployment contrib. | 14 | 15-31 | Amended to extend the Technical Vocational Education Program (TVEP) through June 30, 2017. | DOL/WD – TVEP Institutions |
| 26 | 23.15.835- Special employee unemployment contributions for program | 15 | 1-28 | Amended to include in department report a description of each vocational course funded through TVEP that permits high school students to earn dual credit upon course completion. And to provide a copy of the articulation agreement in effect for the prior year or that is in process to include the number of high school students who earned dual credit under the agreement. Removes former subsections (4) & (5), renumbers the subsections and adds (6) by allowing the department to collect performance and financial information from TVEP participants. | DOL/WD – TVEP Institutions |
| 27 | 23.15.835- Special employee unemployment contributions for program | 15-16 | 29-31 1-4 | Amended to require institutions receiving TVEP funding to establish and maintain at least one articulation agreement under which high school students have completed a vocational ed. course. Allows the department to withhold 20% of TVEP funding if participants are not complying with reporting requirements. | DOL/WD – TVEP Institutions – Public School Districts |
| 28 | 23.15.850-Definitions | 16 | 5-12 | Amending to define articulation agreement and dual credit | DOL/WD-TVEP Institutions-Public School Districts |
| 29 | 29.45.050-Municipal governments | 16 | 13-16 | A municipality may exempt or partially exempt from taxation all or a portion of privately owned real property for rent or lease by a charter school. | Public School Districts-Private Property Owners |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|---|-------|-------------------|--|-----------------|
| 30 | 43.20.014(a)-Income tax education credit | 16-14 | 17-31 1-30 | Amends by adding two options to the list of opportunities for a taxpayer to claim a credit against their tax liability for a cash contribution made. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. 4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. | DOR |
| 31 | 43.20.014(a)- Income tax education credit | 17-19 | 31 1-31 1-3 | Amends by adding two options to the list of opportunities for a taxpayer to claim a credit against their tax liability for a cash contribution made. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. 4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. When the credit language reverts back to pre-2010 language, these two contributions will continue to apply. | DOR |
| 32 | 43.20.014(f)- Income tax education credit | 19 | 4-9 | Amended to define of dual-credit student and nonprofit organization. | DOR |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|--|-------|---------------|--|-----------------|
| 33 | 43.65.018(a)-Mining business education credit | 19-20 | 10-31 1-23 | Amends by adding two options to the list of opportunities that a taxpayer involved in the business of mining in the state may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. 4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. | DOR |
| 34 | 43.65.018(a)- Mining business education credit | 20-21 | 24-31 1-27 | Amends by adding two options to the list of opportunities that a taxpayer involved in the business of mining in the state may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. When the credit language reverts back to pre-2010 language, these two contributions will continue to apply. | DOR |
| 35 | 43.65.018(f)- Mining business education credit | 21-22 | 28-31 1-2 | Amended to define dual-credit student and nonprofit organization | DOR |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|---|-------|---------------|--|-----------------|
| 36 | 43.75.018(a)- Fisheries business education credit | 22-23 | 3-31 1-16 | Amends by adding two options to the list of opportunities that a taxpayer engaged in a fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. 4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. | DOR |
| 37 | 43.75.018(a)- Fisheries business education credit | 23-24 | 17-31 1-20 | Amends by adding two options to the list of opportunities that a taxpayer engaged in a fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. When the credit language reverts back to pre-2010 language, these two contributions will continue to apply. | |
| 38 | 43.75.018(f)- Fisheries business education credit | 24 | 21-26 | Amended to define dual-credit student and nonprofit organization | DOR |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|---|-------|-----------------------|--|-----------------|
| 39 | 43.77.045(a)-Fisheries resource landing tax education credit | 24-26 | 27-31 1-31 1-10 | Amends by adding two options to the list of opportunities that a taxpayer engaged in a floating fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. 4. STEM programs provided by a nonprofit agency or school district for staff or students in K-12. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. | DOR |
| 40 | 43.77.045(a)- Fisheries resource landing tax education credit | 26-27 | 11-31 1-15 | Amends by adding two options to the list of opportunities that a taxpayer engaged in a floating fisheries business may claim a credit against their tax liability. 1. for the funding of a scholarship awarded by a nonprofit organization to a dual credit student to defray tuition, registration, course and textbook fees, on-campus room and board, and transportation costs. 2. for the construction, operation or maintenance of a residential housing facility by a residential school approved by DEED. 3. tax credit for contributions toward a childhood early learning and development programs and educational support to childhood early learning and development programs. These programs are for nonprofit corporations, a tribal entity or a school district in the state. This tax credit is available for a public or private nonprofit elementary or secondary school in the state. When the credit language reverts back to pre-2010 language, these two contributions will continue to apply. | DOR |
| 41 | 43.77.045(f)- Fisheries resource landing tax education credit | 27 | 16-21 | Amended to define dual-credit student and nonprofit organization | DOR |

| BILL SECTION | AK STATUTE SECTION TITLE | PAGE | LINE | PURPOSE OF SECTION | AGENCY IMPACTED |
|--------------|--|-------|--------------|---|--|
| 42 | 14.20.147(b)-Transfer or absorption of attendance area or federal agency school and teachers | 27 | 22 | Relating to transfer or absorption of a federal agency school and teachers is repealed. | EED |
| 43 | Section 3, ch. 91, SLA 2010 | 27 | 23 | Removes the sunset provision for Alaska to apply for and receive federal grants around charter school start-up funds. | EED-Public School Funds |
| 44 | Applicability: Sections 23 & 24 | 27 | 24-28 | Applicability language relating to teacher tenure provisions in sections 22-24 has been added. | Public School Districts |
| 45 | Transition: Charter school applications | 27-28 | 29-31 1-2 | A new section is placed in uncodified law to apply an appeal processes for denied charter school applications received on or after July 1, 2014. | EED – Public School Districts |
| 46 | Transition: regulations | 28 | 3-9 | A new section is placed in uncodified law to allow the department to proceed with adopting regulations that are necessary to implement the changes made by this act. | EED – State Board of Education & Early Development |
| 47 | Dept. of Administration Salary & Benefits Proposal | 28 | 10-15 | Requires the Department of Administration to submit a written proposal to the legislature to implement a statewide salary and benefit schedule for school districts by 1/1/2016. | Dept. of Administration |
| 48 | Grants to School Districts | 28 | 16-22 | The Department of Education & Early Development shall distribute a one-time grant of \$30,000,000 to school districts by AADM. | EED-Public School Districts |
| 49 | Effective date notice | 28 | 23 | Sections 25 and 46 take effect immediately under AS 01.10.070 (c) | |
| 50 | Effective date notice | 28 | 24 | Sections 2, 21 and 26-25 take effect July 1, 2015 | |
| 51 | Effective date notice | 28 | 25 | Section 22 takes effect July 1, 2016 | |
| 52 | Effective date notice | 28 | 26 | Sections 31, 34, 37 and 40 take effect January 1, 2021 | |
| 53 | Effective date notice | 28 | 27 | Except as provided, sections 49-52 take effect July1, 2014 | |

Summary of changes CSHB 278(FIN) am\Version H.A to HB 278\Version A

Title change:

By removing repealing the secondary student competency examination and related requirements; relating to a college and career readiness assessment for secondary students; relating to residential school applications; increasing the stipend for boarding school students. **By adding** relating to the exemption from jury service for certain teachers; relating to the powers of the Department of Education & Early Development; relating to performance reports; relating to assessments; establishing a public school and school district grading system; relating to charter schools and pupil transportation; relating to schools operated by a federal agency; relating to a grant for school districts; 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 from school districts;

Sec. 1

Page 2, line, 6 - inserts a new section allowing for jury service exemptions for certain teachers.

Sec. 2 – (Sec. 1 in HB 278)

Page 2, line 14 – removes the Governor’s bill language on naming specific the courses of mathematics, language arts, science, social studies, and world languages; inserts the phrase “the subject” instead.

Removed section 2 of HB 278 which repealed the High School Graduation Qualifying Exam (HSGOE) and reenacted the ACT/SAT or WorkKeys assessment.

Removed section 3 of HB 278 around language to be deleted around repealing of HSGOE the reporting requirements.

Sec. 3

Page 2, line 26 – provides conforming language.

Removed section 4 from HB 278 around reporting requirements around the HSGOE.

Sec. 4

Page 3, line 25 – adds a new subsection prohibiting the department and the state Board of Education & Early Development from entering or renewing a contract that would cede the state’s measure of autonomy or control over education standards and assessments.

Sec. 6

Page 5, line 7 – amends 14.03.123(c) by requiring EED to establish a second school grading/ rating system. The new A-F structure is in addition to the existing Alaska School Performance Index (ASPI) star rating system that EED has had in place since 2013.

Sec. 7 – (Sec. 5 of HB 278)

Page 5, line 23 – provides conforming language.

Sec. 8

Page 6, line 7 - adds a new section establishing the performance designations under the new A-F school rating system. The A-F structure is based on progress only and excludes factors that are in the ASPI system.

Removed section 8 of HB 278 which required charter schools to administer HSGOE testing.

Sec. 9 – (Sec. 6 in HB 278)

Page 7, line 4 – inserts language to allow for 30 day timeframe for charter applicants to appeal to the State Board of Education & Early Development.

Sec. 10 – (Sec. 7 in HB 278)

Page 7, line 29 – inserts a new subsection (b) requiring an appeal to the state Board of a denial by the commissioner be based on the record and will be issued in written form within 90 days of appeal.

Removed section 10 of HB 278 which provided for the State Board’s authority to adopt regulations around the HSGOE and the proposed testing of the ACT/SAT.

Removed section 11 of HB 278 definition.

Sec. 11

Page 8, line 3 – amends a section to state that a school district shall offer to a charter school the first right of refusal for lease space in an existing district facility that is not currently being used. The district may negotiate a lease agreement for the true operational costs.

Sec. 12 – (Sec. 9 in HB 278)

Page 8, line 13 – adds new language by replacing the federal indirect rates approved by EED with a 4% cap. This section in HB 278 also amends the language to require the inclusion of funds generated by special needs, secondary school vocational and technical instruction based on the amount generated by students enrolled in the charter school.

Sec. 13

Page 8, line 30 – adds a new section to include a charter school start-up grant program. The program offers \$500 per enrolled student as a one-time grant for a charter established on or after the effective date of this section.

Sec. 14

Page 9, line 15 – provides conforming language.

Sec. 15

Page 9, line 29 – adds a new bill section with language preventing the department from spending money on the implementation of educational curriculum standards for K-12 established by the Common Core State Standards Initiative. Also provides conforming language specifically “language arts” replaces “reading and writing”.

Sec. 16

Page 10, line 16 – adds a new bill section by amending 14.07.168 to add an additional requirement for the state Board of Education & Early Development to report to the legislature around educational spending and efficiencies in the state.

Sec. 17

Page 11, line 1 - amends the section by including transportation of charter school students by a school district when reasonable.

Sec. 18

Page 11, line 25 – adds language to include a state boarding school into section 2 of the bill, course credit earned through mastery of course content.

Sec. 19 – (Sec. 12 in HB 278)

Page 13, line 7 – adds a new section to provide for an annual open application period for residential applications.

Removes section 13 from HB 278 on the residential boarding stipend increase.

Sec. 20, 21, & 22 – (Sec. 14, 15, & 16 in HB 278)

Page 13, line 14 – these sections are amended to reflect an increase to the BSA of \$100, in addition to that of the Governor's plan, in the first year for a total of \$185. The increases remain at \$58 for the following two fiscal years.

Sec. 23

Page 13, line 23 – amends the section by making tenure rights attainable for public school teachers in 5 years instead of 3 years.

Sec. 24

Page 14, line 9 - allows public school teachers in rural districts with a community population of less than 5500 to obtain tenure rights in 3 years.

Sec. 25 – (Sec. 17 in HB 278)

Page 14, line 15 - was amended to reflect a 3 year reauthorization of TVEP, and the allocations of TVEP funding present in existing statute. The language in HB 278 extended the reauthorization through June 30, 2024.

Sec. 26 – (Sec. 18 of HB 278)

Page 15, line 1 - removes former subsections (4) & (5), rennumbers the subsections then adds subsection (6), at the request of the Administration, in order to allow the department to collect performance and financial information from TVEP participants.

Sections 27 & 28 are the same as Sections 19 & 20 in HB 278

Sec. 29

Page 16, line 13 – adds a new bill section to include an 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 30, 33, 36 & 39 – (Sections 21, 24, 27 & 30 in HB 278)

The following four changes to the tax credits, two of which are permanent, and one of which expires in 2021 along with other tax credits have been made in the above referenced sections.

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

The second permanent change was to include within existing education tax credits, for specified expenditures for the costs associated with dual-credit courses.

The third permanent change to the education tax credit programs is the addition of language added relating to early childhood development programs provided by nonprofit corporations, tribal entities and a school district in the state.

The fourth 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.

Sections 31, 34, 37 & 40 - (Sections 22, 25, 28 & 31 in HB 278)

The following three changes to the tax credits, both of which are permanent, have been made in the above referenced sections.

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

The second permanent change was to include within existing education tax credits, for specified expenditures for the costs associated with dual-credit courses.

The third permanent change to the education tax credit programs is the addition of language added relating to early childhood development programs provided by nonprofit corporations, tribal entities and a school district in the state.

Removed section 33 of HB 278 which was transition language around the HSGOE.

Sec. 42

Page 27, line 22 - relating to transfer or absorption of a federal agency school and teachers is repealed.

Sec. 43

Page 27, line 23 - removes the sunset provision for Alaska to apply for and receive federal grants around charter school start-up funds.

Sec. 44

Page 27, line 24 - applicability language relating to teacher tenure provisions in sections 23-24 has been added.

Sec. 47

Page 28, line 10 – transition language directing 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.

Sec. 48

Page 28, line 16 – transition language directing the Department of Education & Early Development shall distribute a one-time grant of \$30,000,000 to school districts by AADM.

Sections 49-53

Page 28, lines 23-27 - reflects the effective dates of various provisions of the act. The effective date of the act has been changed from September 1, 2014 to July 1, 2014.

3

28-GH2716S
Mischel
4/17/14

Adopted 4/18/14

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

BY

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (3)] progress of the department

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

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

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

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

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

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

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

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

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

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

- (1) information on accreditation;
- (2) results of norm-referenced achievement tests;
- (3) results of state standards-based assessments in language arts [READING, WRITING,] and mathematics;
- (4) a description, including quantitative and qualitative measures, of student, parent, community, and business involvement in student learning;
- (5) a description of the school's attendance, retention, dropout, and graduation rates [, INCLUDING THE NUMBER AND PERCENTAGE OF

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

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

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

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

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

23 (9) [(10)] other information concerning school performance and the
24 performance of the school's students as required by the state board in regulation; and

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

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

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

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

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

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

(B) measures of student improvement; and

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

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

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

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

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

(c) In this section,

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

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

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

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

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

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

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

14 (A) A description of the grant project;

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

16 (C) project goals;

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

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

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

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

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

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

3 (2) a public correspondence program;

4 (3) a public charter school;

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

6 (5) a pre-elementary demonstration project;

7 (6) other public programs.

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

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

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

18 (1) number and time period of grants awarded;

19 (2) purpose of each grant project;

20 (3) results obtained from each grant project; and

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

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

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

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

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

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

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

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

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

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

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

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

28 (2) approve the charter school application and forward the application
29 to the state Board of Education and Early Development with or without added
30 conditions; or

31 (3) uphold the decision denying the charter school application; if the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 **Article 3. Correspondence Study Programs.**

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

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

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

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

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

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

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

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

1 assessments required under AS 14.03.123(f).

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

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

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

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

14 (A) are approved by the school district;

15 (B) are appropriate for the student;

16 (C) are aligned to state standards; and

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

18 (3) otherwise support a public purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 14.07.165. Duties. The board shall adopt

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

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

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

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

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

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

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

* **Sec. 19.** AS 14.09.010 is amended by adding new subsections to read:

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

(1) be developed with input solicited from individuals involved with

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the charter school, including staff, students, and parents;

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

(3) be approved by the department.

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

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

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

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

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

(2) 90 percent of

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

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

(3) 90 percent of

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

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

3 (B) cash payments made after June 30, 1978, and before July 1,
4 1982, by the municipality during the fiscal year two years earlier to pay costs
5 of school construction projects approved under AS 14.07.020(a)(11);

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

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

13 (B) cash payments made after June 30, 1982, and before July 1,
14 1983, by the municipality during the fiscal year two years earlier to pay costs
15 of school construction, additions to schools, and major rehabilitation projects
16 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 after July 1, 2014, to pay costs of school construction, additions to schools, and
2 major rehabilitation projects and education-related facilities that exceed
3 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under
4 (o) of this section.

5 * Sec. 21. AS 14.16.050(a) is amended to read:

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

8 (1) requirements relating to school district operations:

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

11 (B) AS 14.03.073 and 14.03.083 - 14.03.140 [AS 14.03.083 -
12 14.03.140] (miscellaneous provisions applicable to school district operations);

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

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

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

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

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

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

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

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

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

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

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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);

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

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

(4) requirements relating to students and educational programs:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 [\$1,184].

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

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

19 (1) the equivalent of a two mill tax levy on the full and true value of
20 the taxable real and personal property in the district as of January 1 of the second
21 preceding fiscal year, as determined by the Department of Commerce, Community,
22 and Economic Development under AS 14.17.510 and AS 29.45.110; or

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

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

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

1 90 [80] percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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| <u>Partners for Progress in Delta, Inc.</u> [DELTA CAREER ADVANCEMENT CENTER] | 3 percent |
| <u>Amundsen Educational Center</u> [NEW FRONTIER VOCATIONAL TECHNICAL CENTER] | 2 percent |
| <u>Ilisagvik College</u> | <u>5 percent</u> |

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

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

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

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

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

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

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

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

(5) PERCENTAGE OF EMPLOYERS WHO INDICATE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

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

* Sec. 36. AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

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

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

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

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

12 **(E) other related educational and programmatic costs;**

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

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

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

25 * Sec. 37. AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

31 * Sec. 38. AS 43.65.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

(A) tuition and textbooks;

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

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

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

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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;

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

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

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

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

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

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

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

(4) for the Alaska higher education investment fund under

1 AS 37.14.750;

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

5 (A) tuition and textbooks;

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

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

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

13 (E) other related educational and programmatic costs;

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

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

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

26 * Sec. 40. AS 43.65.018(f) is amended by adding new paragraphs to read:

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

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

1 * **Sec. 41.** AS 43.75.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

30 **(D) transportation costs to and from a residential school**
31 **approved by the Department of Education and Early Development under**

1 AS 14.16.200 or the postsecondary school in the state that provides the
2 dual-credit course; and

3 (E) other related educational and programmatic costs;

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

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

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

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

19 * **Sec. 42.** AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7,
20 FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

* Sec. 43. AS 43.75.018(f) is amended by adding new paragraphs to read:

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

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

1 (Internal Revenue Code).

2 * Sec. 44. AS 43.77.045(a) is amended to read:

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

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

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

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

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

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

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

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

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

28 (A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs:

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

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

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

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

* Sec. 45. AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 25, ch. 74, SLA 2012, is amended to read:

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

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

(2) for secondary school level vocational education courses and

1 programs by a school district in the state;

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

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

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

9 (A) tuition and textbooks;

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

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

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

17 (E) other related educational and programmatic costs;

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

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

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

30 * Sec. 46. AS 43.77.045(f) is amended by adding new paragraphs to read:

31 (3) "dual-credit student" means a secondary level student in the state

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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28-GH2716\V
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4/19/14

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

BY

Offered:
Referred:

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

A BILL
FOR AN ACT ENTITLED

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

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

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

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

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

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

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

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

1 requirements of the Alaska performance scholarship program under AS 14.43.810 -
2 14.43.849.

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

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

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

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

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

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

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

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

21 The report required under this section must include

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

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

27 (3)] progress of the department

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

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

31 (3) [(4)] a description of the resources provided to each school and

1 school district for coordinated school improvement activities and staff training in each
2 school and school district;

3 (4) [(5)] each school district's and each school's progress in aligning
4 curriculum with state education performance standards;

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

8 (6) [(7)] a description of intervention efforts by each school district
9 and school for students who are not meeting state performance standards; and

10 (7) [(8)] the number and percentage of turnover in certificated
11 personnel and superintendents [;

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

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

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

23 (1) information on accreditation;

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

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

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

29 (5) a description of the school's attendance, retention, dropout, and
30 graduation rates [, INCLUDING THE NUMBER AND PERCENTAGE OF
31 STUDENTS WHO RECEIVED A DIPLOMA UNDER A WAIVER FROM THE

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COMPETENCY EXAMINATION REQUIRED UNDER AS 14.03.075(a),] as specified by the state board;

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

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

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

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

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

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

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

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

(1) implement 20 U.S.C. 6301 - 7941 (Elementary and Secondary

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Education Act of 1965), as amended;

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

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

(B) measures of student improvement; and

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

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

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

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

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

(c) In this section,

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

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

Sec. 14.03.127. Personalized learning opportunity grant program. (a) The personalized learning opportunity grant program is established in the department for the purpose of providing technological equipment, technical support, and training in the use of one electronic device for each student. The program shall be administered

1 consistent with state law by the Association of Alaska School Boards recognized
2 under AS 14.14.150 through a direct grant from the department using funds
3 appropriated from the state general fund. As a condition of the grant, the Association
4 of Alaska School Boards shall submit to the legislature an annual report of its
5 activities under the grant. The department may deny subsequent grants on the basis of
6 the report if the commissioner finds that the Association of Alaska School Boards has
7 not served the purpose of the grant program.

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

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

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

13 (A) A description of the grant project;

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

15 (C) project goals;

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

19 (4) agreeing to use competitive procedures to procure technological
20 equipment, support, and training purchased with funds from the grant program
21 including, whenever possible, using prices solicited by the Association of Alaska
22 School Boards under (c) of this section;

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

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

28 (c) Before making a subgrant to a school district under (b) of this section, the
29 Association of Alaska School Boards shall use competitive procedures to solicit prices
30 from vendors, including, where possible, seeking bulk purchase discounts, for the
31 technological equipment, support, and training to be purchased with funds from the

1 grant program. The procurement procedures required under this subsection shall
2 provide vendors reasonable and equitable opportunities to participate in the
3 procurement process.

4 (d) The department shall require the Association of Alaska School Boards to
5 use a percentage of the total grant distributed under this section to evaluate the
6 effectiveness of a subgrant made under this section. The Association of Alaska School
7 Boards shall employ an independent education evaluation organization to evaluate the
8 effectiveness of the grant program under this section. The Association of Alaska
9 School Boards shall include the evaluation of the effectiveness of the grant program
10 under this section in the annual report to the legislature under (a) of this section. An
11 evaluation of effectiveness under this section shall include a summary of changes
12 resulting from the grant program in

- 13 (1) educator practices;
- 14 (2) student outcomes, including academic performance; and
- 15 (3) efficiency of school operations.

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

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

- 23 (1) a district-operated boarding school operated on a regional basis as
24 described in AS 14.16.200;
- 25 (2) a public correspondence program;
- 26 (3) a public charter school;
- 27 (4) a vocational education program in a public school;
- 28 (5) a pre-elementary demonstration project;
- 29 (6) other public programs.

30 (c) A grant awarded under this section may be used for planning or
31 implementation of an innovative approach to learning. The department may not award

1 a grant for implementation of a project unless the applicant can demonstrate, to the
2 satisfaction of the department, that the project has been planned and shown to be
3 feasible.

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

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

9 (1) number and time period of grants awarded;

10 (2) purpose of each grant project;

11 (3) results obtained from each grant project; and

12 (4) methods available to replicate successful results under the project

13 that demonstrate an innovative approach to learning.

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

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

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

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

27 (d) If a local school board denies an application for a charter school, the
28 applicant may appeal the denial to the commissioner. The appeal to the commissioner
29 shall be filed not later than 60 days after the local school board issues its written
30 decision of denial. The commissioner shall review the local school board's decision to
31 determine whether the findings of fact are supported by substantial evidence and

1 whether the decision is contrary to law. A decision of the commissioner upholding the
2 denial by the local school board may be appealed within 30 days to the state Board of
3 Education and Early Development.

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

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

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

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

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

19 (2) approve the charter school application and forward the application
20 to the state Board of Education and Early Development with or without added
21 conditions; or

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

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

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

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

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

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

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

24 (a) A local school board shall provide an approved charter school with an
25 annual program budget. The budget shall be not less than the amount generated by the
26 students enrolled in the charter school less administrative costs retained by the local
27 school district, determined by applying the indirect cost rate approved by the
28 department up to four percent. Costs directly related to charter school facilities,
29 including rent, utilities, and maintenance, may not be included in an annual
30 program budget for the purposes of calculating the four percent cap on
31 administrative costs under this subsection. A local school board shall provide a

1 charter school with a report itemizing the administrative costs retained by the
2 local school board under this section [DEPARTMENT OF EDUCATION AND
3 EARLY DEVELOPMENT]. The "amount generated by students enrolled in the
4 charter school" is to be determined in the same manner as it would be for a student
5 enrolled in another public school in that school district and includes funds generated
6 by grants, appropriations, federal impact aid, the required local contribution, the
7 local contribution under AS 14.17.410(c), special needs under AS 14.17.420(a)(1),
8 and secondary school vocational and technical instruction under
9 AS 14.17.420(a)(3). A school district shall direct state aid under AS 14.11 for the
10 construction or major maintenance of a charter school facility to the charter
11 school that generated the state aid, subject to the same terms and conditions that
12 apply to state aid under AS 14.11 for construction or major maintenance of a
13 school facility that is not a charter school.

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

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

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

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

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

31 **Article 3. Correspondence Study Programs.**

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

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

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

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

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

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

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

(b) Notwithstanding another provision of law, the department may not impose additional requirements, other than the requirements specified under (a) of this section and under AS 14.03.320, on a student who is proficient or advanced on statewide assessments required under AS 14.03.123(f).

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

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

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

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

5 (A) are approved by the school district;

6 (B) are appropriate for the student;

7 (C) are aligned to state standards; and

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

9 (3) otherwise support a public purpose.

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

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

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

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

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

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

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

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

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

31 (A) a notice provision that alerts the district to the deficiencies

1 and the instructional practice changes proposed by the department;

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

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

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

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

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

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

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

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

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

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

27 **Sec. 14.07.165. Duties.** The board shall adopt

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

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

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- (3) regulations implementing provisions of AS 14.11.014(b);
- (4) regulations requiring approval by the board before a charter school, state boarding school, or a public school may provide domiciliary services;
- (5) regulations implementing the college and career readiness assessment [SECONDARY SCHOOL STUDENT COMPETENCY EXAMINATION] provisions of AS 14.03.075, providing for the needs of a student who is a child with a disability, and setting standards for a waiver under AS 14.03.075; the regulations may address the conditions, criteria, procedure, and scheduling of the assessment [, INCLUDING THE CRITERIA AND PROCEDURE UNDER WHICH A GOVERNING BODY USES A WAIVER TO GRANT A DIPLOMA TO A STUDENT; CRITERIA REGARDING GRANTING A WAIVER MUST INCLUDE PROVISIONS THAT A WAIVER MAY ONLY BE GRANTED FOR STUDENTS WHO ENTER THE SYSTEM LATE OR HAVE RARE OR UNUSUAL CIRCUMSTANCES MERITING A WAIVER].

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

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

* **Sec. 19.** AS 14.09.010 is amended by adding new subsections to read:

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

- (1) be developed with input solicited from individuals involved with the charter school, including staff, students, and parents;
- (2) at a minimum, provide transportation services for students enrolled in the charter school on a space available basis along the regular routes that the students attending schools in an attendance area in the district are transported; and
- (3) be approved by the department.

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

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

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

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

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

11 (2) 90 percent of

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

16 (B) cash payments made after June 30, 1976, and before July 1,
17 1978, by the municipality during the fiscal year two years earlier to pay costs
18 of school construction;

19 (3) 90 percent of

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

25 (B) cash payments made after June 30, 1978, and before July 1,
26 1982, by the municipality during the fiscal year two years earlier to pay costs
27 of school construction projects approved under AS 14.07.020(a)(11);

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

29 (A) payments made by the municipality during the current
30 fiscal year for the retirement of principal and interest on outstanding bonds,
31 notes, or other indebtedness incurred after December 31, 1981, and authorized

1 by the qualified voters of the municipality before July 1, 1983, to pay costs of
2 school construction, additions to schools, and major rehabilitation projects that
3 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

4 (B) cash payments made after June 30, 1982, and before July 1,
5 1983, by the municipality during the fiscal year two years earlier to pay costs
6 of school construction, additions to schools, and major rehabilitation projects
7 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

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

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

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

29 (ii) before July 1, 1989, and reauthorized before
30 November 1, 1989, to pay costs of school construction, additions to
31 schools, and major rehabilitation projects that exceed \$25,000 and are

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approved under AS 14.07.020(a)(11); and

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

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

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

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

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to

1 schools, and major rehabilitation projects that exceed \$200,000 and are approved
2 under AS 14.07.020(a)(11);

3 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after
4 projects funded by the bonds, notes, or other indebtedness have been approved by the
5 commissioner, 70 percent of payments made by the municipality during the fiscal year
6 for the retirement of principal and interest on outstanding bonds, notes, or other
7 indebtedness authorized by the qualified voters of the municipality on or after June 30,
8 1998, to pay costs of school construction, additions to schools, and major
9 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
10 and are not reimbursed under (n) of this section;

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

20 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
21 of payments made by a municipality during the fiscal year for the retirement of
22 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
23 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
24 2005, to pay costs of school construction, additions to schools, and major
25 rehabilitation projects and education-related facilities that exceed \$200,000, are
26 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
27 section;

28 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after
29 projects funded by the tax exempt bonds, notes, or other indebtedness have been
30 approved by the commissioner, 70 percent of payments made by a municipality during
31 the fiscal year for the retirement of principal and interest on outstanding tax exempt

1 bonds, notes, or other indebtedness authorized by the qualified voters of the
2 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of
3 school construction, additions to schools, and major rehabilitation projects and
4 education-related facilities that exceed \$200,000, are approved under
5 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

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

14 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
15 projects funded by the bonds, notes, or other indebtedness have been approved by the
16 commissioner, 90 percent of payments made by a municipality during the fiscal year
17 for the retirement of principal and interest on outstanding bonds, notes, or other
18 indebtedness authorized by the qualified voters of the municipality on or after June 30,
19 1999, but before October 31, 2006, to pay costs of school construction, additions to
20 schools, and major rehabilitation projects and education-related facilities that exceed
21 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
22 share requirement for a municipal school district under the former participating share
23 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of
24 this section;

25 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
26 funded by the tax exempt bonds, notes, or other indebtedness have been approved by
27 the commissioner, 70 percent of payments made by a municipality during the fiscal
28 year for the retirement of principal and interest on outstanding tax exempt bonds,
29 notes, or other indebtedness authorized by the qualified voters of the municipality on
30 or after October 1, 2006, but before January 1, 2015, to pay costs of school
31 construction, additions to schools, and major rehabilitation projects and education-

1 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and
2 are not reimbursed under (o) of this section;

3 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
4 of payments made by a municipality during the fiscal year for the retirement of
5 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
6 authorized by the qualified voters of the municipality on or after October 1, 2006, but
7 before January 1, 2015, to pay costs of school construction, additions to schools, and
8 major rehabilitation projects and education-related facilities that exceed \$200,000, are
9 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

10 (18) subject to (h), (i), and (j)(2) - (5) of this section, and after
11 projects funded by the tax exempt bonds, notes, or other indebtedness have been
12 approved by the commissioner, 60 percent of payments made by a municipality
13 during the fiscal year for the retirement of principal and interest on outstanding
14 tax exempt bonds, notes, or other indebtedness authorized by the qualified voters
15 of the municipality on or after January 1, 2015, to pay costs of school
16 construction, additions to schools, and major rehabilitation projects and
17 education-related facilities that exceed \$200,000, are approved under
18 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

19 (19) subject to (h), (i), and (j)(2), (3), and (5) of this section, 40
20 percent of payments made by a municipality during the fiscal year for the
21 retirement of principal and interest on outstanding tax exempt bonds, notes, or
22 other indebtedness authorized by the qualified voters of the municipality on or
23 after January 1, 2015, to pay costs of school construction, additions to schools,
24 and major rehabilitation projects and education-related facilities that exceed
25 \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under
26 (o) of this section.

27 * Sec. 21. AS 14.16.050(a) is amended to read:

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

30 (1) requirements relating to school district operations:

31 (A) AS 14.03.030 - 14.03.050 (defining the school term, day in

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session, and school holidays);

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

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

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

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

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

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

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

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

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

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

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

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provisions for teachers);

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

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

(4) requirements relating to students and educational programs:

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

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

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

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

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

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

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

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

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

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

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- (B) for the Southcentral Region (Region II), \$1,200 [\$800];
- (C) for the Interior Region (Region III), \$1,452 [\$968];
- (D) for the Southwest Region (Region IV), \$1,509 [\$1,006];
- (E) for the Northern Remote Region (Region V), \$1,776 [\$1,184].

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

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

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

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

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

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the secondary school vocational and technical instruction funding factor set out in AS 14.17.420(a)(3);

(D) the number obtained for intensive services under AS 14.17.420(a)(2) and the number obtained for correspondence study under AS 14.17.430 are added to the number obtained under (C) of this paragraph;

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

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted

1 for school size determined under (A) of this paragraph is calculated as
2 the district's ADM adjusted for school size, plus 75 percent of the
3 difference in the district's ADM adjusted for school size between the
4 base fiscal year and the first fiscal year after the base fiscal year;

5 (ii) for the second fiscal year after the base fiscal year
6 determined under this subparagraph, the school district's ADM adjusted
7 for school size determined under (A) of this paragraph is calculated as
8 the district's ADM adjusted for school size, plus 50 percent of the
9 difference in the district's ADM adjusted for school size between the
10 base fiscal year and the second fiscal year after the base fiscal year;

11 (iii) for the third fiscal year after the base fiscal year
12 determined under this subparagraph, the school district's ADM adjusted
13 for school size determined under (A) of this paragraph is calculated as
14 the district's ADM adjusted for school size, plus 25 percent of the
15 difference in the district's ADM adjusted for school size between the
16 base fiscal year and the third fiscal year after the base fiscal year;

17 (F) the method established in (E) of this paragraph is available
18 to a school district for the three fiscal years following the base fiscal year
19 determined under (E) of this paragraph only if the district's ADM adjusted for
20 school size determined under (A) of this paragraph for each fiscal year is less
21 than the district's ADM adjusted for school size in the base fiscal year;

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

26 (2) the required local contribution of a city or borough school district is
27 the equivalent of a 2.80 [2.65] mill tax levy on the full and true value of the taxable
28 real and personal property in the district as of January 1 of the second preceding fiscal
29 year, as determined by the Department of Commerce, Community, and Economic
30 Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a
31 district's basic need for the preceding fiscal year as determined under (1) of this

1 subsection.

2 * **Sec. 25.** AS 14.17.410(c) is amended to read:

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

6 (1) the equivalent of a two mill tax levy on the full and true value of
7 the taxable real and personal property in the district as of January 1 of the second
8 preceding fiscal year, as determined by the Department of Commerce, Community,
9 and Economic Development under AS 14.17.510 and AS 29.45.110; or

10 (2) 23 percent of the total of the district's basic need for the fiscal year
11 under (b)(1) of this section and any additional funding distributed to the district in
12 a fiscal year according to (b) of this section.

13 * **Sec. 26.** AS 14.17.430 is amended to read:

14 **Sec. 14.17.430. State funding for correspondence study.** Except as provided
15 in AS 14.17.400(b), funding for the state centralized correspondence study program or
16 a district correspondence program, including a district that offers a statewide
17 correspondence study program, includes an allocation from the public education fund
18 in an amount calculated by multiplying the ADM of the correspondence program by
19 90 [80] percent.

20 * **Sec. 27.** AS 14.17.450(d) is amended to read:

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

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

28 (2) not later than February 15, the charter school shall submit for
29 approval of the governing board of the district a plan for the following school year that
30 includes a statement about whether the school will continue to operate if the student
31 count remains the same that year and, if so, a projection of the funding anticipated

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

5 * **Sec. 28.** AS 23.15.835(a) is amended to read:

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

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

12 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
 13 2015 [2009], through June 30, 2017 [2014], the money collected under this section or
 14 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
 15 the Alaska Human Resource Investment Council, shall be allocated directly in the
 16 following percentages to the following institutions for programs consistent with
 17 AS 23.15.820 - 23.15.850 and capital improvements:

| | | |
|----|---|------------------|
| 18 | University of Alaska | 45 percent |
| 19 | [UNIVERSITY OF ALASKA SOUTHEAST | 5 PERCENT] |
| 20 | Galena <u>Interior Learning Academy</u> [PROJECT | 4 percent |
| 21 | EDUCATION VOCATIONAL TRAINING CENTER] | |
| 22 | <u>Alaska</u> [KOTZEBUE] Technical Center | 9 percent |
| 23 | Alaska Vocational Technical Center | 17 percent |
| 24 | Northwestern Alaska Career and Technical Center | 3 percent |
| 25 | Southwest Alaska Vocational and Education Center | 3 percent |
| 26 | Yuut Elitnaurviat, Inc. People's Learning Center | 9 percent |
| 27 | <u>Partners for Progress in Delta, Inc.</u> [DELTA CAREER | 3 percent |
| 28 | ADVANCEMENT CENTER] | |
| 29 | <u>Amundsen Educational Center</u> [NEW FRONTIER | 2 percent |
| 30 | VOCATIONAL TECHNICAL CENTER] | |
| 31 | <u>Iisagvik College</u> | <u>5 percent</u> |

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

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

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

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

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

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

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

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

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

* **Sec. 31.** AS 23.15.835 is amended by adding new subsections to read:

(g) The institutions receiving funding under (d) of this section shall establish and maintain at least one articulation agreement under which dual credit may be

1 earned by high school students upon completion of a vocational education course.

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

5 * **Sec. 32.** 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. 33.** 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. 34.** AS 43.20.014(a) is amended to read:

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

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

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

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

1 **Apprenticeship Act):**

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

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

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

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

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

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

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

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

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

23 **(E) other related educational and programmatic costs;**

24 **(9) constructing, operating, or maintaining a residential housing**
25 **facility by a residential school in the state approved by the Department of**
26 **Education and Early Development under AS 14.16.200;**

27 **(10) childhood early learning and development programs and**
28 **educational support to childhood early learning and development programs**
29 **provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or**
30 **a school district in the state, by the Department of Education and Early**
31 **Development, or through a state grant;**

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

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

* Sec. 35. AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

* **Sec. 36.** AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

* **Sec. 37.** AS 43.65.018(a) is amended to read:

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

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

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or four-year college accredited by a regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

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

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

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

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

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

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

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

(A) tuition and textbooks;

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(9) constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

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(10) childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant;

(11) science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; and

(12) the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 38. AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

(a) A person engaged in the business of mining in the state is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

(2) for secondary school level vocational education courses and programs by a school district in the state;

(3) by a state-operated vocational technical education and training school; [AND]

(4) for the Alaska higher education investment fund under AS 37.14.750;

(5) for funding a scholarship awarded by a nonprofit organization to a dual-credit student to defray the cost of a dual-credit course, including the cost of

(A) tuition and textbooks;

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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;

(6) for constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 39. AS 43.65.018(f) is amended by adding new paragraphs to read:

(3) "dual-credit student" means a secondary level student in the state who simultaneously earns college and high school credit for a course;

(4) "nonprofit organization" means a charitable or educational organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

* Sec. 40. AS 43.75.018(a) is amended to read:

(a) A person engaged in a fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted for

(1) direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an

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Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state:

(2) secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) vocational education courses, programs, and facilities by a state-operated vocational technical education and training school;

(4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association or by a public or private nonprofit elementary or secondary school in the state:

(5) Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state;

(6) education, research, rehabilitation, and facilities by an institution that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government; [AND]

(7) the Alaska higher education investment fund under AS 37.14.750;

(8) funding a scholarship awarded by a nonprofit organization to a dual-credit student to defray the cost of a dual-credit course, including the cost of

(A) tuition and textbooks;

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(9) constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and

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Early Development under AS 14.16.200;

(10) childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant;

(11) science, technology, engineering, and math programs provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; and

(12) the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 41. AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

(a) A person engaged in a fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, **or by a public or private nonprofit elementary or secondary school in the state;**

(2) for secondary school level vocational education courses and programs by a school district in the state;

(3) by a state-operated vocational technical education and training school; [AND]

(4) for the Alaska higher education investment fund under AS 37.14.750;

(5) for funding a scholarship awarded by a nonprofit organization to a dual-credit student to defray the cost of a dual-credit course, including the cost of

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(A) tuition and textbooks;

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(6) for constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* **Sec. 42.** AS 43.75.018(f) is amended by adding new paragraphs to read:

(3) "dual-credit student" means a secondary level student in the state who simultaneously earns college and high school credit for a course;

(4) "nonprofit organization" means a charitable or educational organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

* **Sec. 43.** AS 43.77.045(a) is amended to read:

(a) In addition to the credit allowed under AS 43.77.040, a person engaged in a floating fisheries business is allowed a credit against the tax due under this chapter for cash contributions accepted for

1 (1) direct instruction, research, and educational support purposes,
2 including library and museum acquisitions, and contributions to endowment, by an
3 Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year
4 or four-year college accredited by a regional accreditation association, or by a public
5 or private nonprofit elementary or secondary school in the state;

6 (2) secondary school level vocational education courses, programs, and
7 facilities by a school district in the state;

8 (3) vocational education courses, programs, and facilities by a state-
9 operated vocational technical education and training school;

10 (4) a facility [OR AN ANNUAL INTERCOLLEGIATE SPORTS
11 TOURNAMENT] by a nonprofit, public or private, Alaska two-year or four-year
12 college accredited by a regional accreditation association or by a public or private
13 nonprofit elementary or secondary school in the state;

14 (5) Alaska Native cultural or heritage programs and educational
15 support, including mentoring and tutoring, provided by a nonprofit agency for public
16 school staff and for students who are in grades kindergarten through 12 in the state;

17 (6) education, research, rehabilitation, and facilities by an institution
18 that is located in the state and that qualifies as a coastal ecosystem learning center
19 under the Coastal America Partnership established by the federal government; [AND]

20 (7) the Alaska higher education investment fund under AS 37.14.750;

21 (8) funding a scholarship awarded by a nonprofit organization to a
22 dual-credit student to defray the cost of a dual-credit course, including the cost of

23 (A) tuition and textbooks;

24 (B) registration, course, and programmatic student fees;

25 (C) on-campus room and board at the postsecondary
26 institution in the state that provides the dual-credit course;

27 (D) transportation costs to and from a residential school
28 approved by the Department of Education and Early Development under
29 AS 14.16.200 or the postsecondary school in the state that provides the
30 dual-credit course; and

31 (E) other related educational and programmatic costs;

1 (9) constructing, operating, or maintaining a residential housing
 2 facility by a residential school approved by the Department of Education and
 3 Early Development under AS 14.16.200;

4 (10) childhood early learning and development programs and
 5 educational support to childhood early learning and development programs
 6 provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or
 7 a school district in the state, by the Department of Education and Early
 8 Development, or through a state grant;

9 (11) science, technology, engineering, and math programs
 10 provided by a nonprofit agency or a school district for school staff and for
 11 students in grades kindergarten through 12 in the state; and

12 (12) the operation of a nonprofit organization dedicated to
 13 providing educational opportunities that promote the legacy of public service
 14 contributions to the state and perpetuate ongoing educational programs that
 15 foster public service leadership for future generations of residents of the state.

16 * Sec. 44. AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7,
 17 FSSLA 2011, and sec. 25, ch. 74, SLA 2012, is amended to read:

18 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in
 19 a floating fisheries business is allowed a credit against the tax due under this chapter
 20 for cash contributions accepted

21 (1) for direct instruction, research, and educational support purposes,
 22 including library and museum acquisitions, and contributions to endowment, by an
 23 Alaska university foundation, [OR] by a nonprofit, public or private, Alaska two-year
 24 or four-year college accredited by a regional accreditation association, or by a public
 25 or private nonprofit elementary or secondary school in the state;

26 (2) for secondary school level vocational education courses and
 27 programs by a school district in the state;

28 (3) by a state-operated vocational technical education and training
 29 school; [AND]

30 (4) for the Alaska higher education investment fund under
 31 AS 37.14.750;

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(5) for funding a scholarship awarded by a nonprofit organization to a dual-credit student to defray the cost of a dual-credit course, including the cost of

(A) tuition and textbooks;

(B) registration, course, and programmatic student fees;

(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(6) for constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;

(7) for childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development; and

(8) for the operation of a nonprofit organization dedicated to providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 45. AS 43.77.045(f) is amended by adding new paragraphs to read:

(3) "dual-credit student" means a secondary level student in the state who simultaneously earns college and high school credit for a course;

(4) "nonprofit organization" means a charitable or educational organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

* Sec. 46. AS 14.07.165(5) and AS 14.20.147(b) are repealed.

1 * **Sec. 47.** Section 3, ch. 91, SLA 2010, is repealed.

2 * **Sec. 48.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 8 and 9 of this Act
5 apply to charter school applications filed with a local school board on or after July 1, 2014.

6 * **Sec. 49.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 TRANSITION: REGULATIONS. The Department of Education and Early
9 Development, the Department of Labor and Workforce Development, and the Department of
10 Revenue may adopt regulations necessary to implement their respective changes made by this
11 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
12 before the effective date of the relevant provision of this Act implemented by the regulation.

13 * **Sec. 50.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 SCHOOL DISTRICT COST FACTOR STUDY. The Legislative Budget and Audit
16 Committee shall provide for a study to be completed not later than January 31, 2017, by an
17 entity with expertise in school finance to evaluate the school district cost factor under
18 AS 14.17.460. The study must either validate the school district cost factor or recommend
19 changes to update the school district cost factor. The study must include a review of the most
20 recent school district operating cost data and the same criteria as the study conducted by the
21 Institute of Social and Economic Research in 2005 titled "Alaska School District Cost Study
22 Update." The committee shall provide a copy of the study conducted under this section to the
23 legislature not later than January 31, 2017.

24 * **Sec. 51.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 SCHOOL SIZE FACTOR STUDY. The Legislative Budget and Audit Committee
27 shall provide for a study to be completed not later than January 31, 2017, by an entity with
28 expertise in school finance to evaluate the school size factor under AS 14.17.450. The study
29 must either validate the school size factor or recommend changes to update the school size
30 factor. The study must include a review of the most recent school operating cost data and the
31 same criteria as the study conducted by the McDowell Group in 1998 titled "Alaska School

1 Operating Cost Study." The committee shall provide a copy of the study conducted under this
2 section to the legislature not later than January 31, 2017.

3 * **Sec. 52.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 SCHOOL DESIGN AND CONSTRUCTION REPORT. The Department of
6 Education and Early Development shall prepare and submit a report to the legislature not later
7 than January 31, 2016, on the benefits and disadvantages of using prototypical designs for
8 school construction in both the Railbelt and rural areas of the state.

9 * **Sec. 53.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 PILOT PROJECT TO EXPAND MIDDLE SCHOOL SCIENCE, TECHNOLOGY,
12 ENGINEERING, AND MATHEMATICS EDUCATION. (a) Subject to appropriation, the
13 Department of Education and Early Development may award a grant to a nonprofit
14 organization for a pilot project for the purpose of expanding science, technology, engineering,
15 and mathematics education for underserved and unrepresented middle school students with
16 limited opportunities who are enrolled in a public school in the state. A nonprofit organization
17 may apply for the grant by submitting an application to the commissioner of education and
18 early development. A grant may be awarded only to a nonprofit organization with experience
19 in administering a similar education program.

20 (b) A nonprofit organization receiving a grant under (a) of this section shall provide
21 data on educational opportunities provided under the pilot project in an annual report to the
22 Department of Education and Early Development and the legislature.

23 (c) The pilot project established under (a) of this section terminates June 30, 2017.

24 * **Sec. 54.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 RETROACTIVE ISSUANCE OF A HIGH SCHOOL DIPLOMA. (a) At the request
27 of a student, a school district shall issue a high school diploma to a student who did not
28 receive a high school diploma because the student failed to pass all or a portion of the
29 secondary school competency examination but who received a certificate of achievement
30 under former AS 14.03.075. A school district shall mail a notice consistent with this section to
31 each student who qualifies for a diploma under this section to the student's last known

1 address.

2 (b) The Department of Education and Early Development shall post a notice
3 consistent with this section on the department's Internet website with information about how
4 to request a high school diploma.

5 (c) In this section, "school district" has the meaning given in AS 14.30.350.

6 * **Sec. 55.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 LEGISLATIVE BUDGET AND AUDIT COMMITTEE SALARY AND BENEFITS
9 STUDY. The Legislative Budget and Audit Committee shall provide for a study of salary and
10 benefits schedules of school districts as defined under AS 14.30.350 and present to the
11 legislature, not later than January 1, 2016, a written report on the study.

12 * **Sec. 56.** Sections 29, 49, and 54 of this Act take effect immediately under
13 AS 01.10.070(c).

14 * **Sec. 57.** Sections 2 and 30 - 32 of this Act take effect July 1, 2015.

15 * **Sec. 58.** Sections 35, 38, 41, and 44 of this Act take effect January 1, 2021.

16 * **Sec. 59.** Except as provided in secs. 56 - 58 of this Act, this Act takes effect July 1, 2014.

| SECTION, PAGE | SENATE CS HB 278 – VERSION - CHANGES |
|-----------------------|--|
| 1, page 2 | Jury duty postponement for low performing schools (language clean-up) |
| 2, page 2 | Course credit through mastery of course content – core classes |
| 3, page 3 | College and career readiness assessment – SAT, ACT, WorkKeys |
| 4, page 3 | DEED Report – Repeals HSGQE requirement |
| 5, page 4 | Reporting – language clean-up and military student data reporting by school districts |
| 6, page 5 | Reporting – language clean-up |
| 7, page 6 - Changes | 14.03.126 Funding for Internet services (e-rate) 14.03.127 Personalized learning opportunity grant program (1:1) – ADDED Procurement language 14.03.128 Innovative approach to learning grant |
| 8, page 9 | Application for charter school – local school board issues decision in writing. If it's approved it is forwarded to the state BOE and DEED for approval. If it's denied, it can be appealed to the commissioner for review. If approved, it is forwarded to the state BOE for approval. The local school board will operate the charter school |
| 9, page 10 | Charter school application appeal to the commissioner – it may be remanded to the local board for further review, approved and forwarded to the state BOE, or denial may be upheld and then applicant appeals to state BOE |
| 10, page 10 | Repeals charter school HSGQE requirement |
| 11, page 11 | Districts shall offer first right of refusal to charter schools to lease space. Lease agreements shall be true operational costs. |
| 12, page 11 | Districts may charge up to 4% for admin costs. Funds generated by all sources by a student will be distributed to charter schools including special needs and vocational education factors, grants, appropriations, federal impact aid, and local contribution. |
| 13, page 12 | Charter school grant program - \$500 one-time grant per student |
| 14, page 12 | Correspondence study programs; ILPs; Student Allotments |
| 15, page 14 | Language clean-up |
| 16, page 15 | Language clean-up |
| 17, page 15 | State BOE duties – regulations regarding assessments, providing for waiver |
| 18, page 16 | Defines “child with a disability” |
| 19, page 16 | Charter school pupil transportation – when reasonable the district shall provide transport |
| 20, page 17 – Changes | Debt reimbursement: 60/40 & 70/30 – Effective January 1, 2015 – page 22 |
| 21, page 22 | Boarding school statute updates |
| 22, page 24 | Application for residential charter school – allows year-round application period |
| 23, page 24 | Residential school stipend |
| 24, page 25 - New | Increase the required local contribution to 2.8 mill tax levy |
| 25, page 25 | Allows municipalities to make a local contribution of 23% of the total basic need and funding distributed outside the BSA |
| 26, page 27 | State funding for correspondence study – from 80% to 90% |
| 27, page 27 | Charter school size factor – 75-149 students in the first 3 years, or 75 students in previous year, funded at 100% |
| | REMOVED Tenure – 5 years |
| | REMOVED Tenure – 3 years for rural districts or low population (less than 5,500) |
| 28, page 28 | Increase the employee contribution from .15 to .16 |
| 29, page 28 | TVEP – Sunset 2017; changed allocations |

| | |
|------------------------------|---|
| 30, page 28 | TVEP Reporting |
| 31, page 29 | Articulation agreement requirement for dual credit, 20% withholding provision |
| 32, page 30 | Definitions of "articulation agreement" and "dual credit" |
| 33, page 30 | Municipality may exempt or partially exempt private property being used for a charter school |
| 34-45, pages 30-42 | Education tax credits: to a nonprofit for dual credit student costs; construction, operation or maintenance of residential housing facility; public or private nonprofit elementary or secondary school; nonprofit RTC and apprenticeship program; childhood early learning by nonprofit, tribal entity, or school district; STEM; nonprofit providing educational opportunities promoting legacy of public service |
| 46-47, page 42 | Repealers |
| 48, page 42-43 | Transition language for charter school applications |
| 49, page 43 | Transition language for regulations |
| 50, page 43 | Study – School District Cost Factor |
| 51, page 43 | Study – School Size Factor |
| 52, page 44 | School Design and Construction Report |
| 53, page 44 | Middle School Pilot Program for Science, Technology, Engineering and Mathematics |
| 54, page 44 | Retroactive Issuance of High School Diploma |
| 55, page 45 - Changed | Study – School District Salary & Benefits – Changed to LBA study, rather than DOA proposal |
| 56-58 | Effective dates |

5

Funding Public Education in Alaska

Prepared for the

Senate Finance Committee

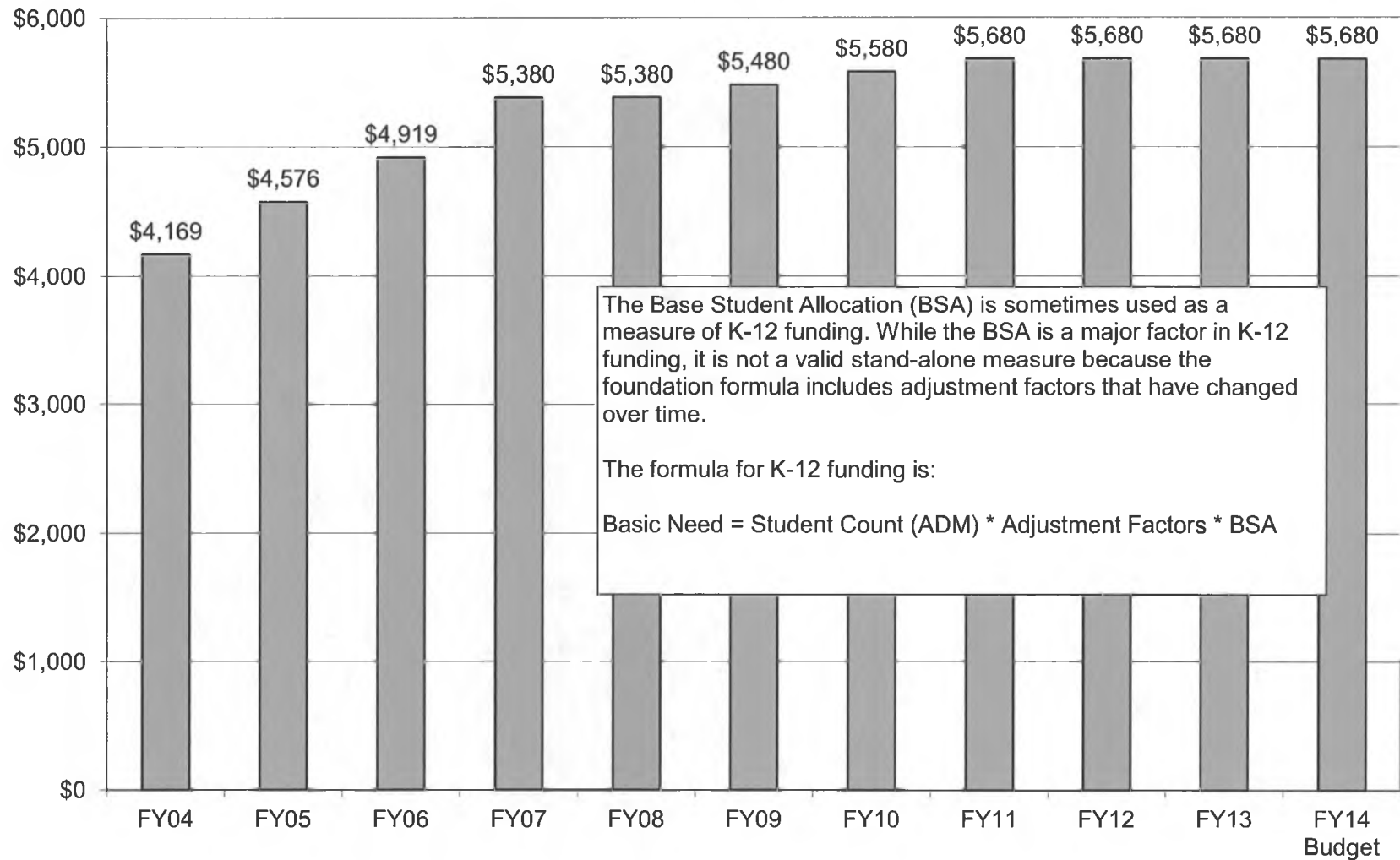
By

David Teal

Director, Legislative Finance Division

April 8, 2014

C1: Statutory Base Student Allocation (BSA)



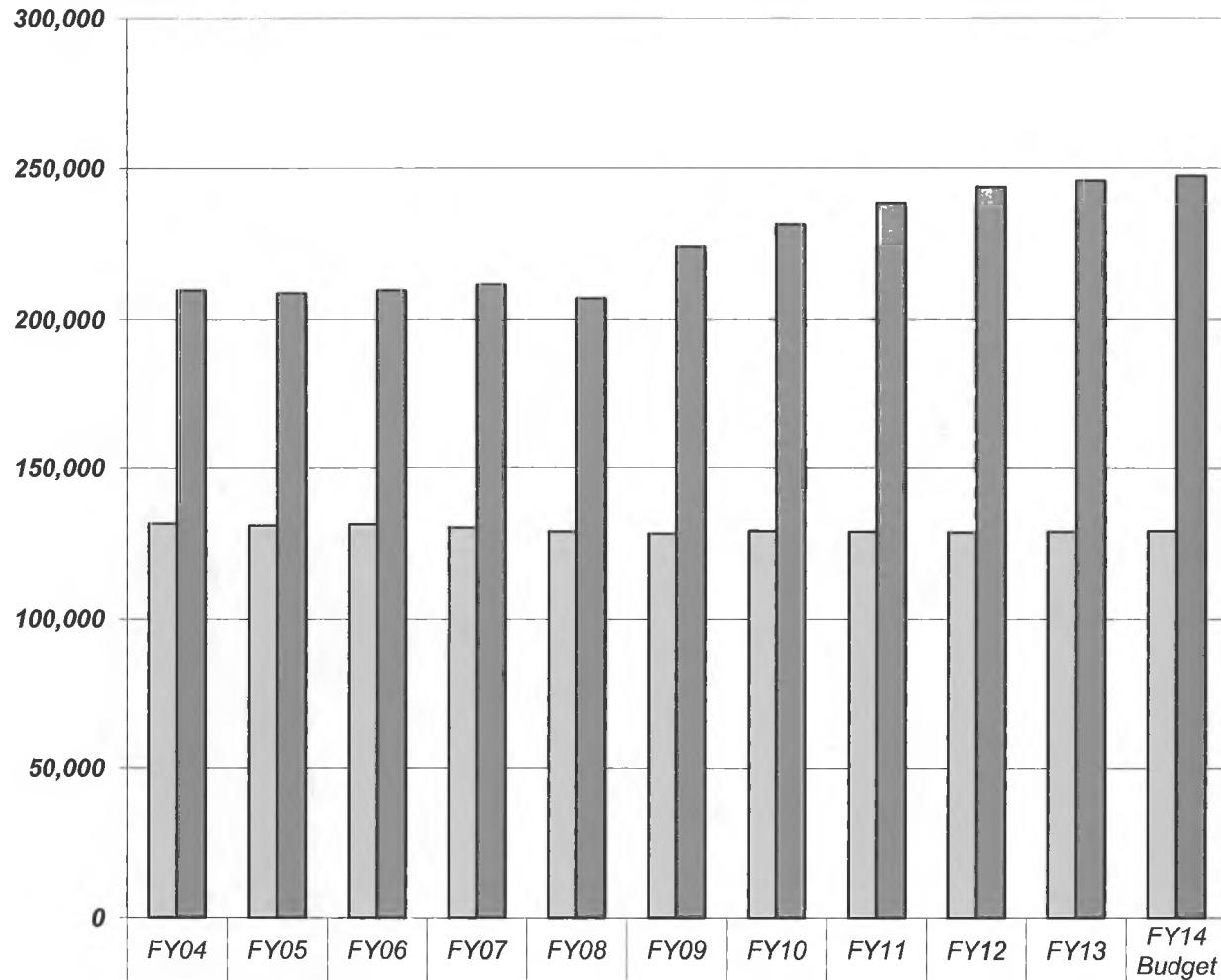
C2: Converting Head Count to Students that are Funded

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.

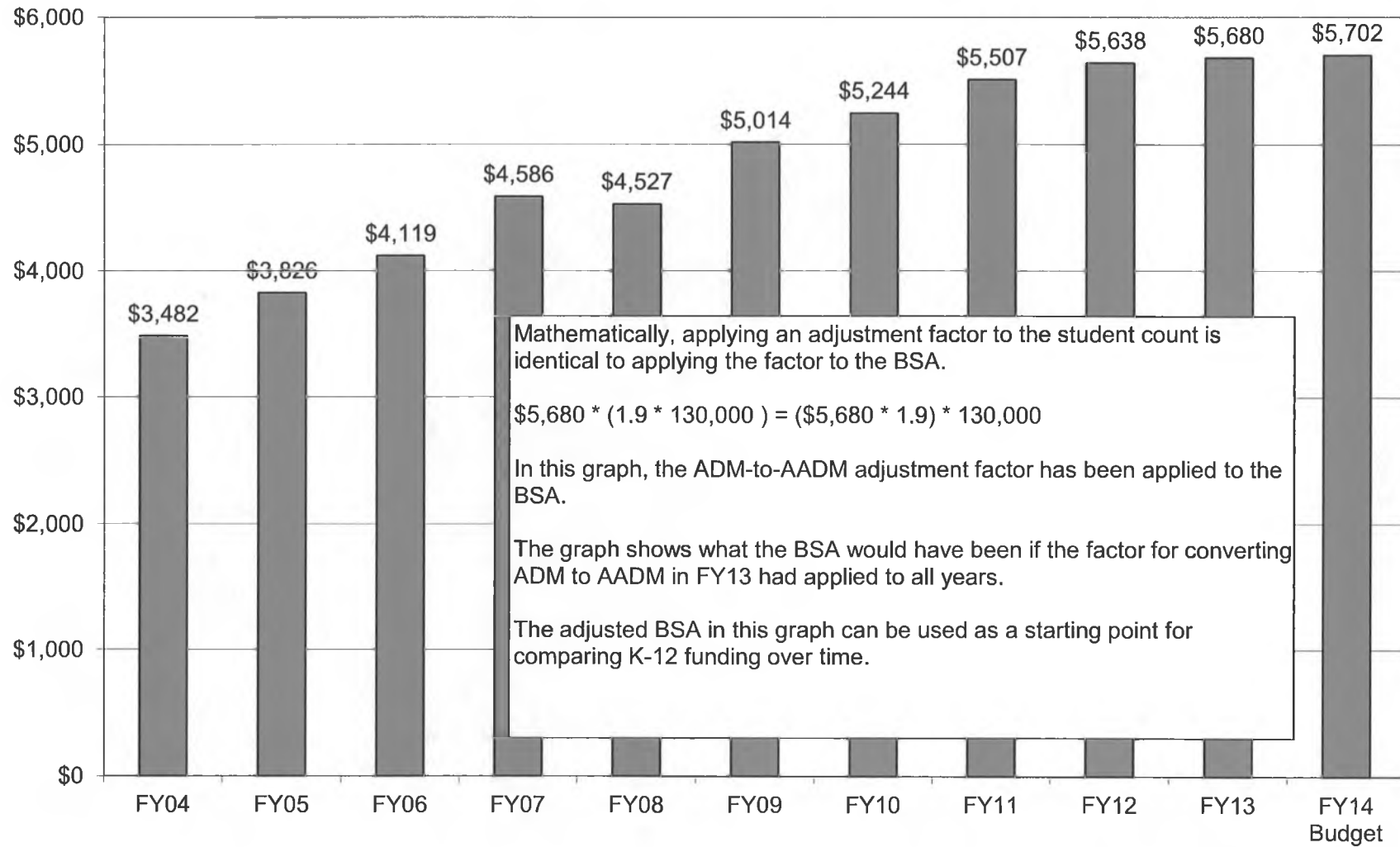
As shown in the graph, the student count (for funding purposes) was 1.6 times the head count in FY04. In FY14, the student count (for funding purposes) was 1.9 times the head count.

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.

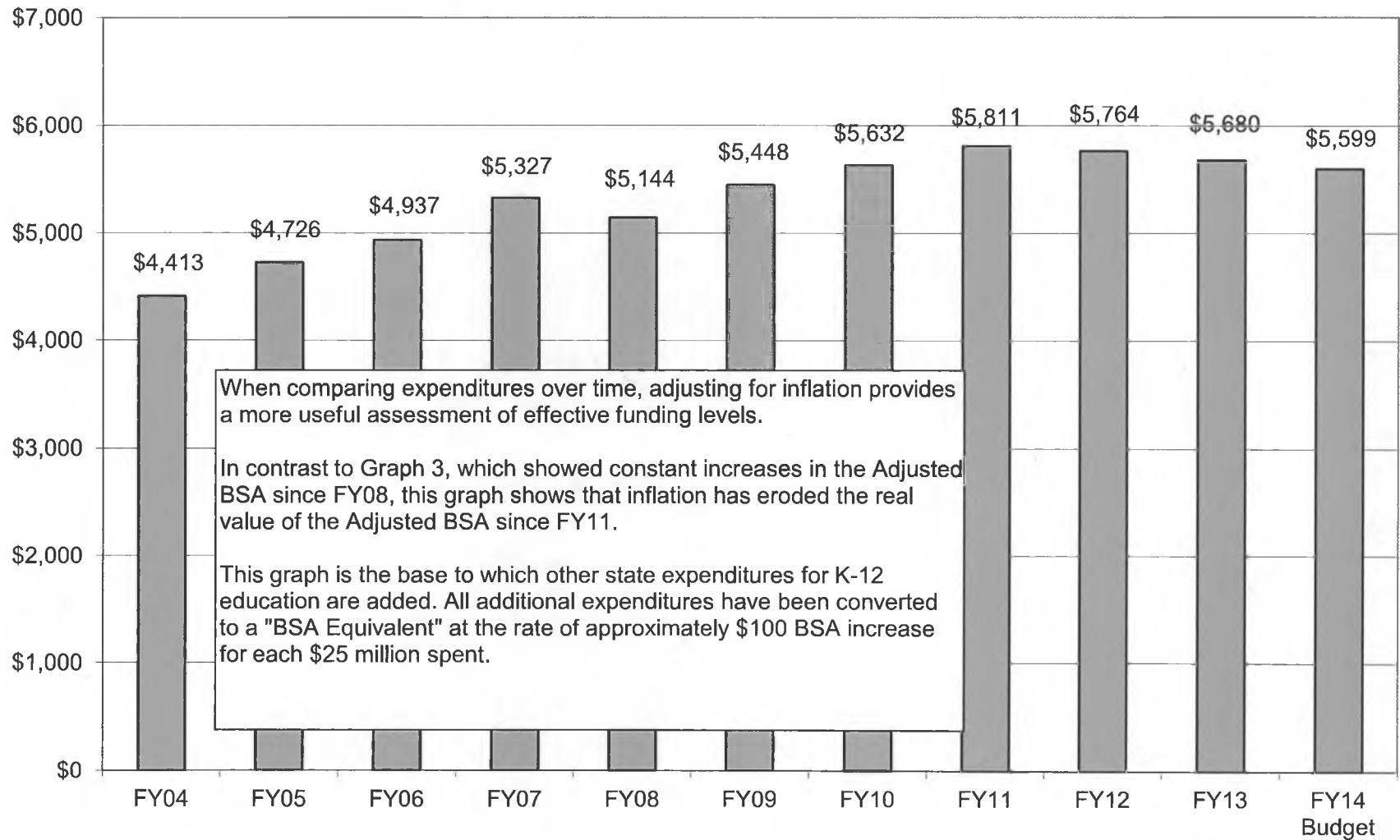


| | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| ADM (student count) | 131,623 | 130,928 | 131,263 | 130,164 | 128,975 | 128,381 | 129,229 | 129,047 | 128,886 | 129,021 | 129,323 |
| AADM (the ADM times various formula factors) | 209,571 | 208,681 | 209,520 | 211,523 | 206,888 | 223,912 | 231,517 | 238,494 | 243,874 | 245,944 | 247,472 |

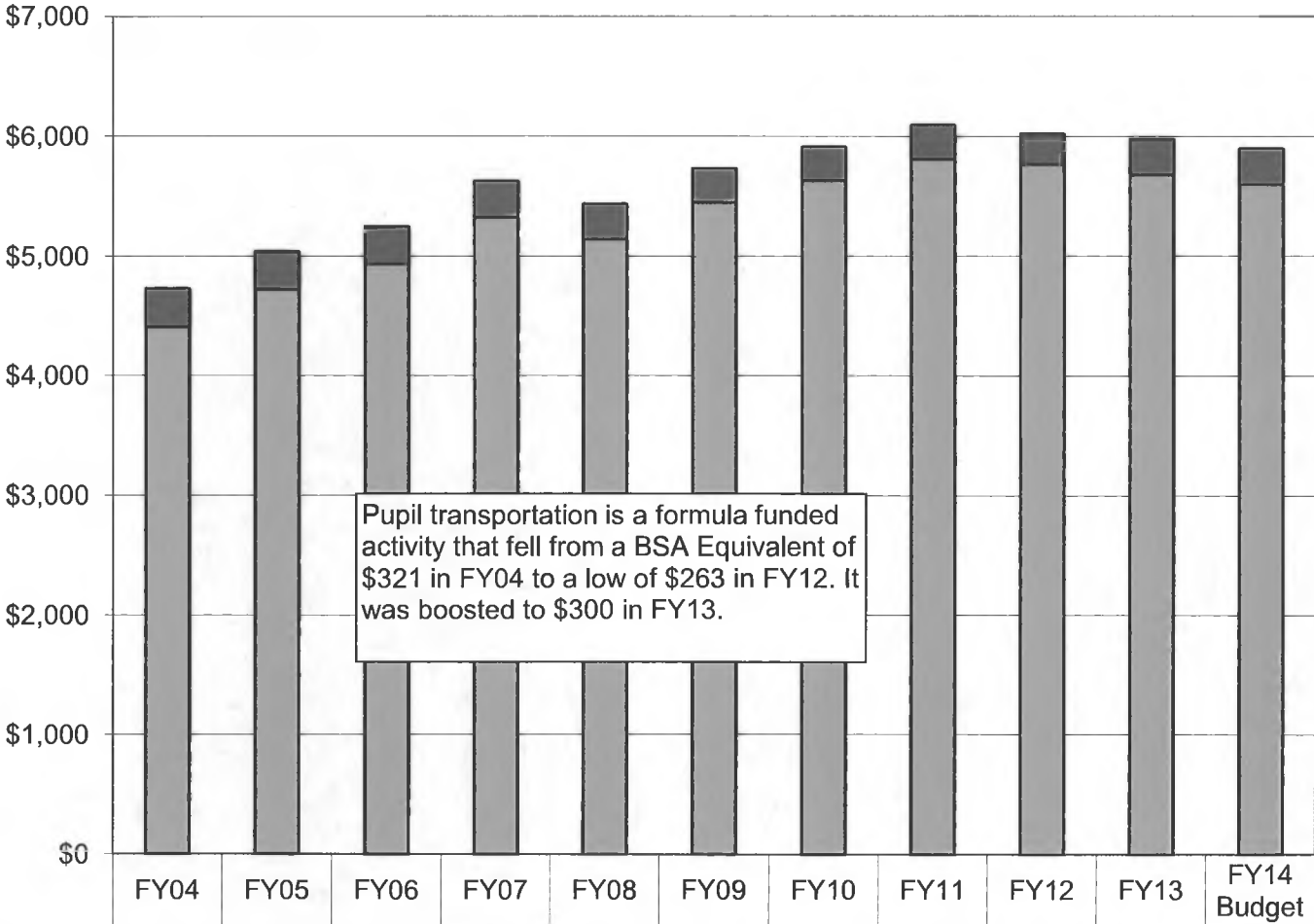
C3: BSA Adjusted for Factor Changes



C4: Adjusted BSA in FY13 Dollars



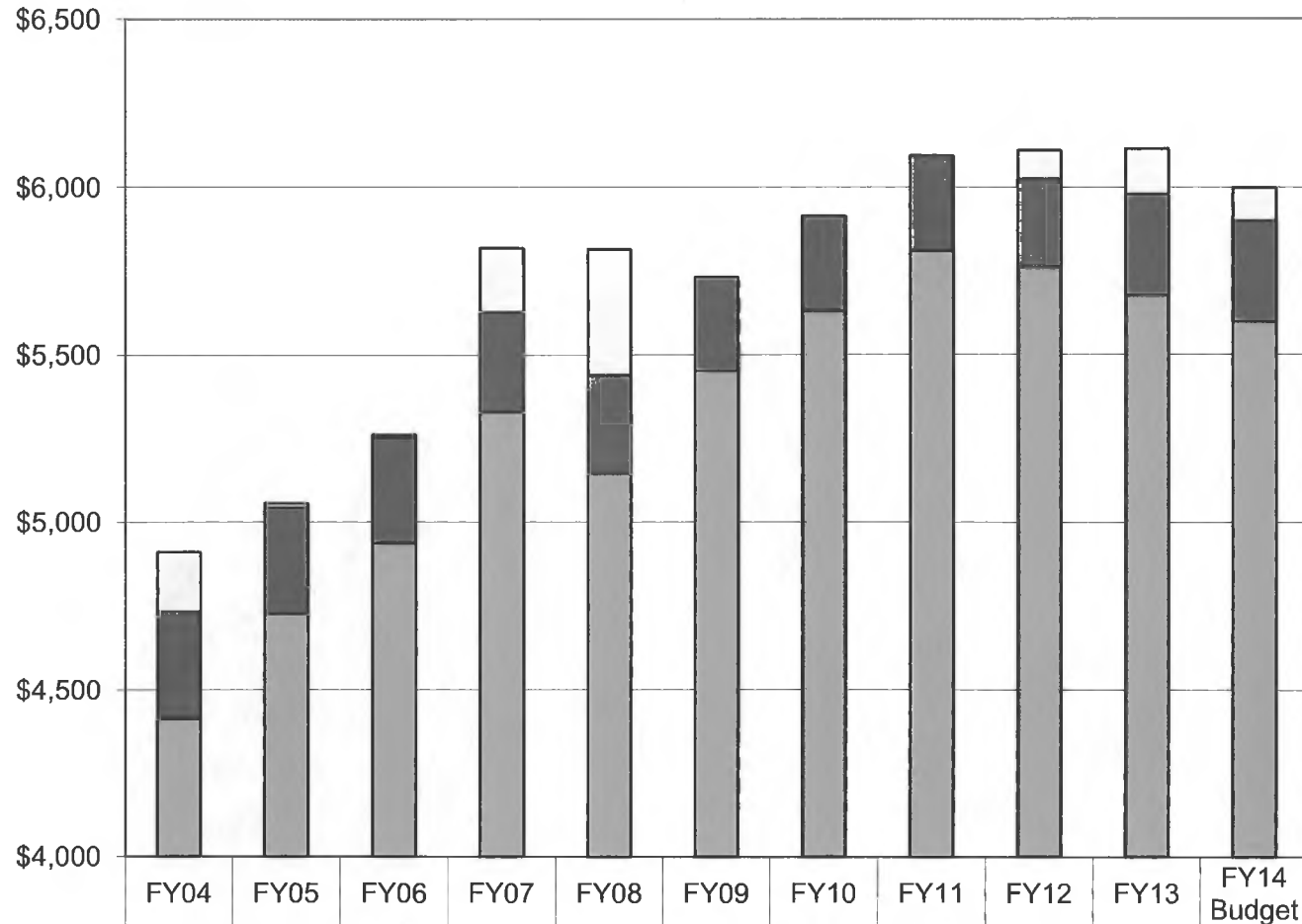
C5: K-12 Expenditures per AADM (in FY13 \$)



| | 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.



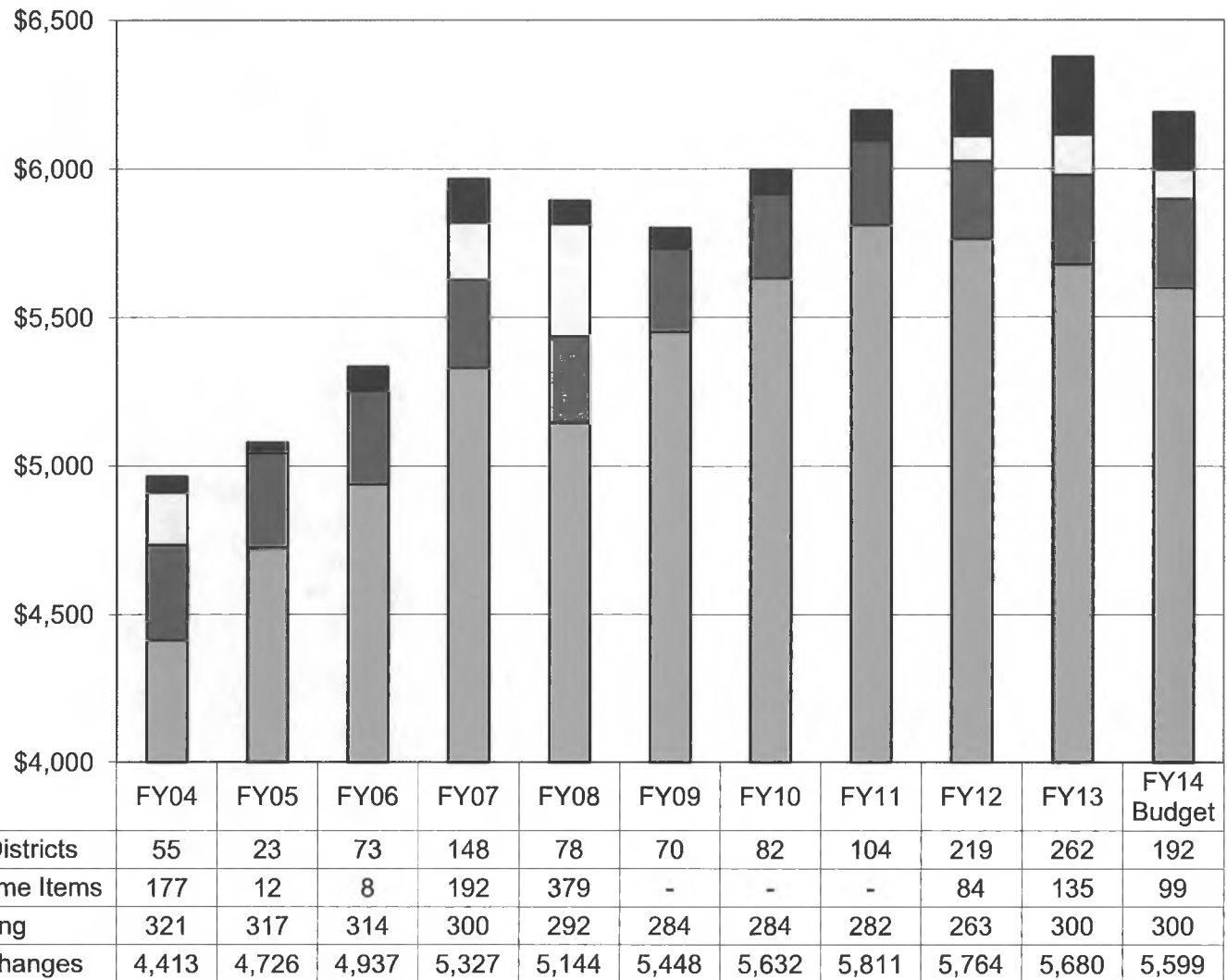
| | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 Budget |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
| □ Total Distributed as One-time Items | 177 | 12 | 8 | 192 | 379 | - | - | - | 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 |

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.

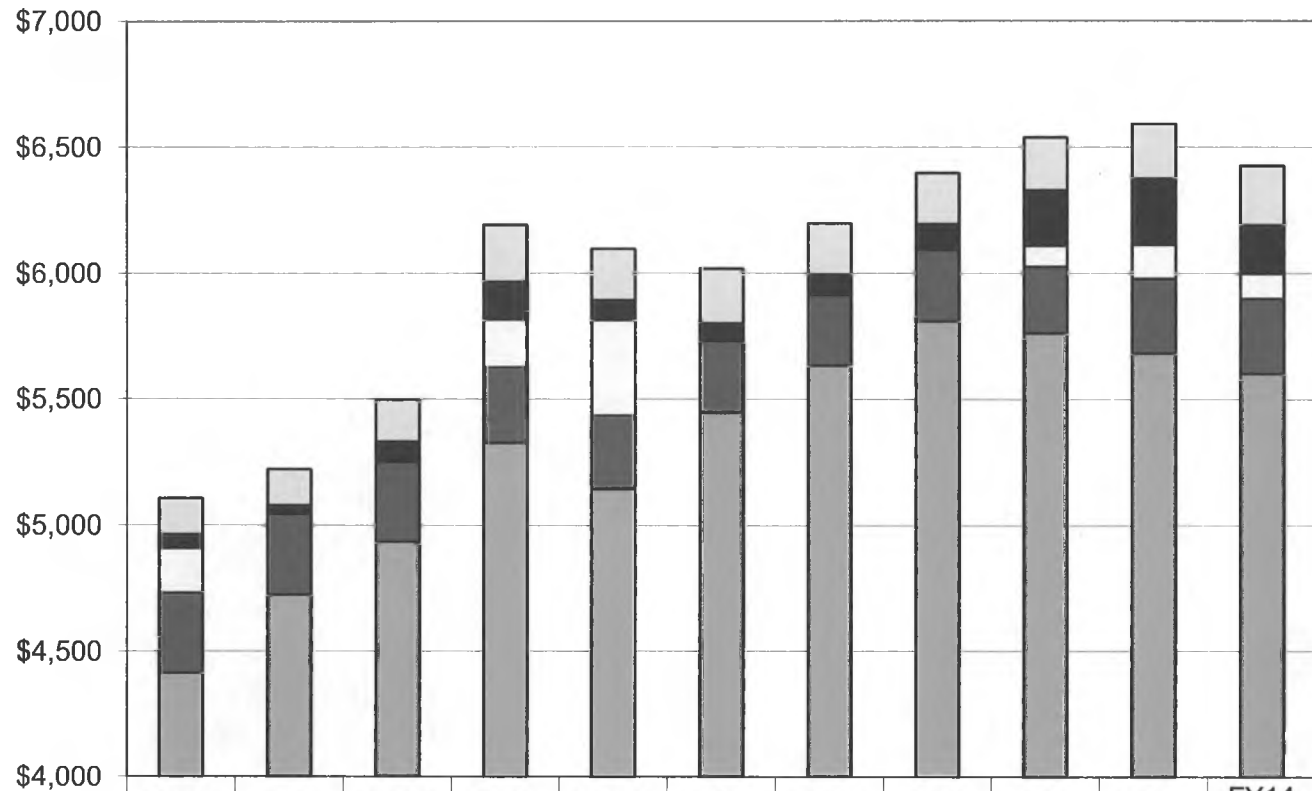
The FY14 budget contains \$21 million for capital projects associated with student safety and security enhancements or for fixed costs and energy relief to smaller schools.



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.

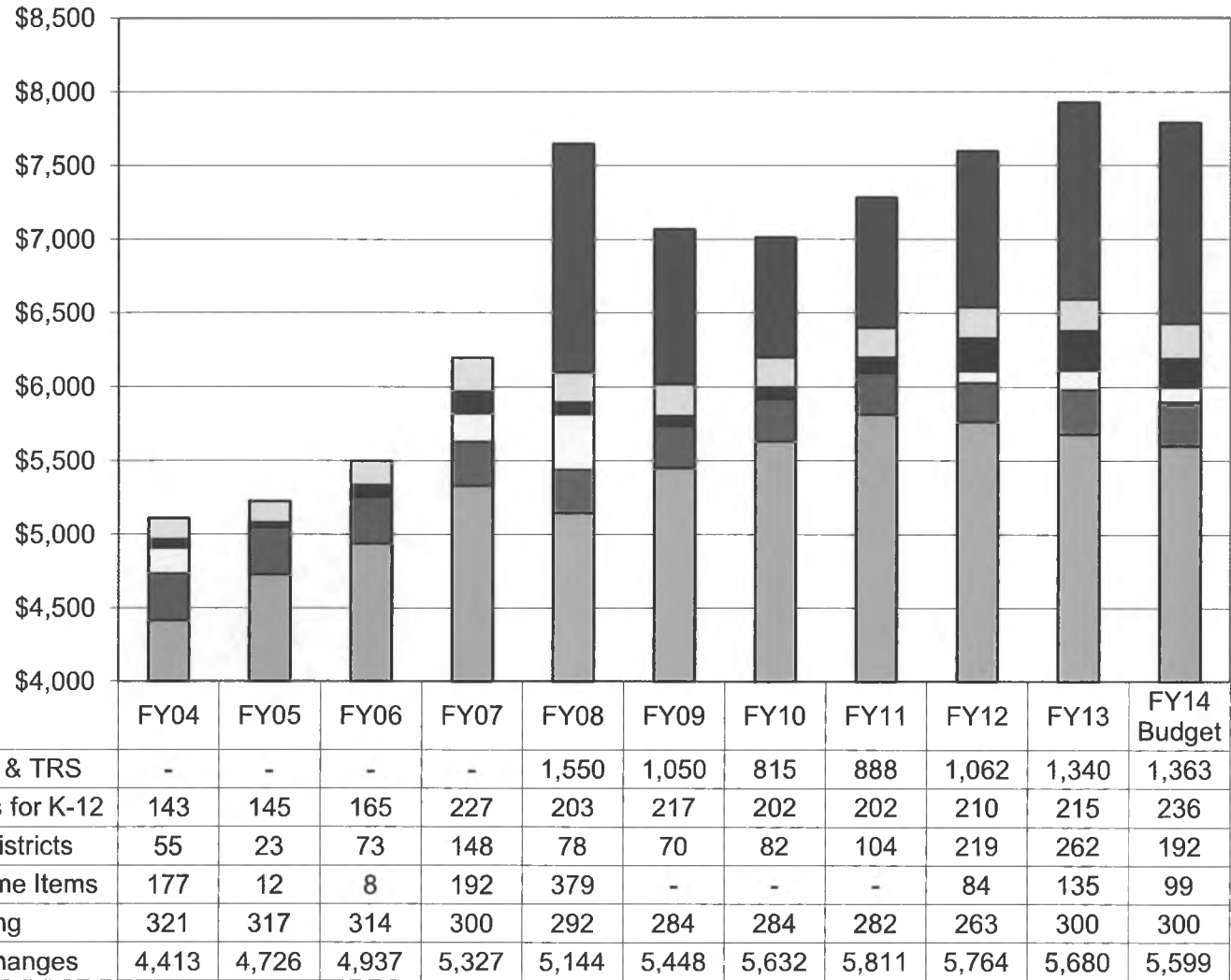


| | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 Budget |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
| □ DEED Operating Expenses for K-12 | 143 | 145 | 165 | 227 | 203 | 217 | 202 | 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 |

C9: K-12 Expenditures per AADM (in FY13 \$)

The state deposits money in retirement trust accounts on behalf of school districts.

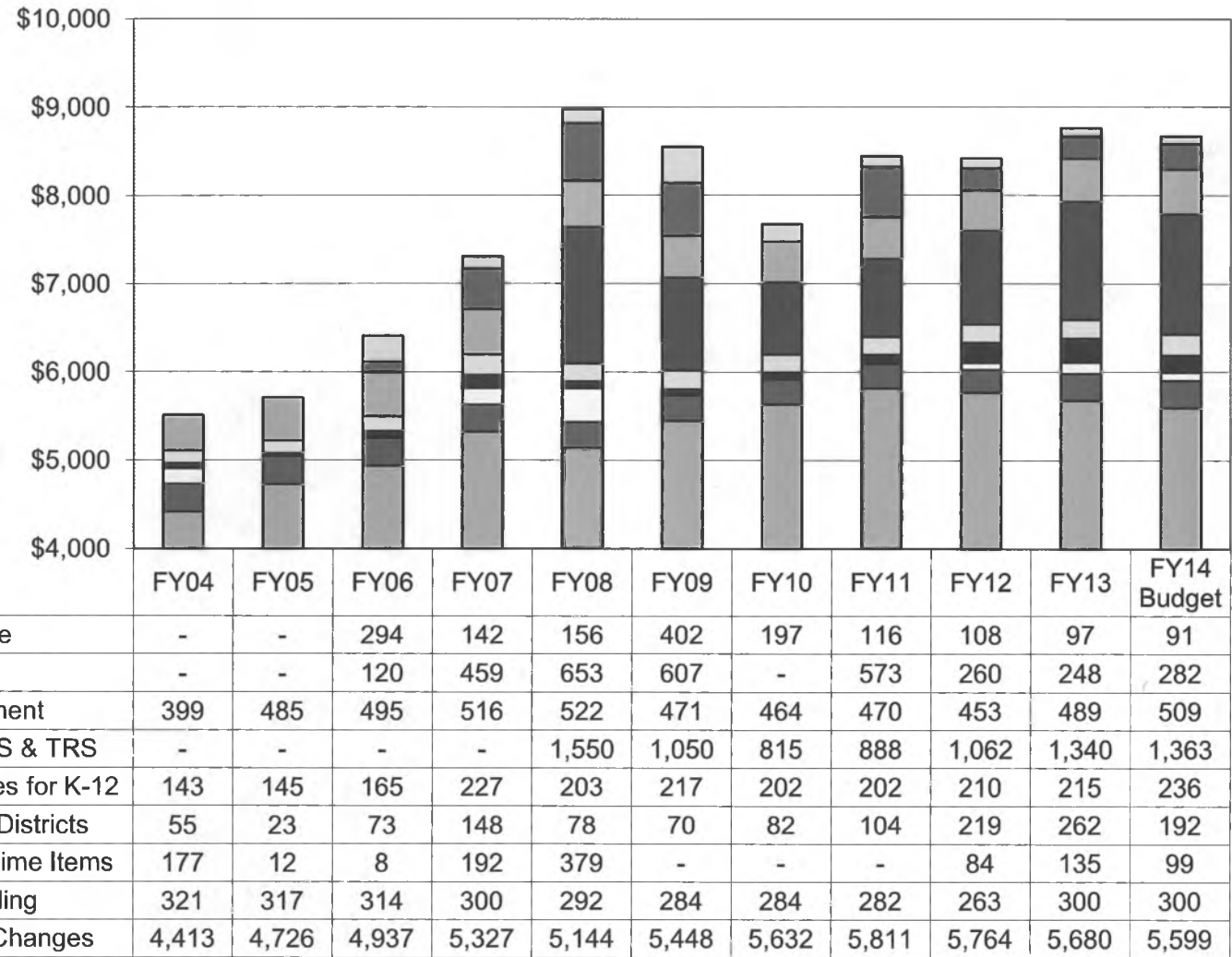
Although the money does not benefit employees directly and cannot be used for other purposes, retirement assistance is a cost of providing K-12 education.



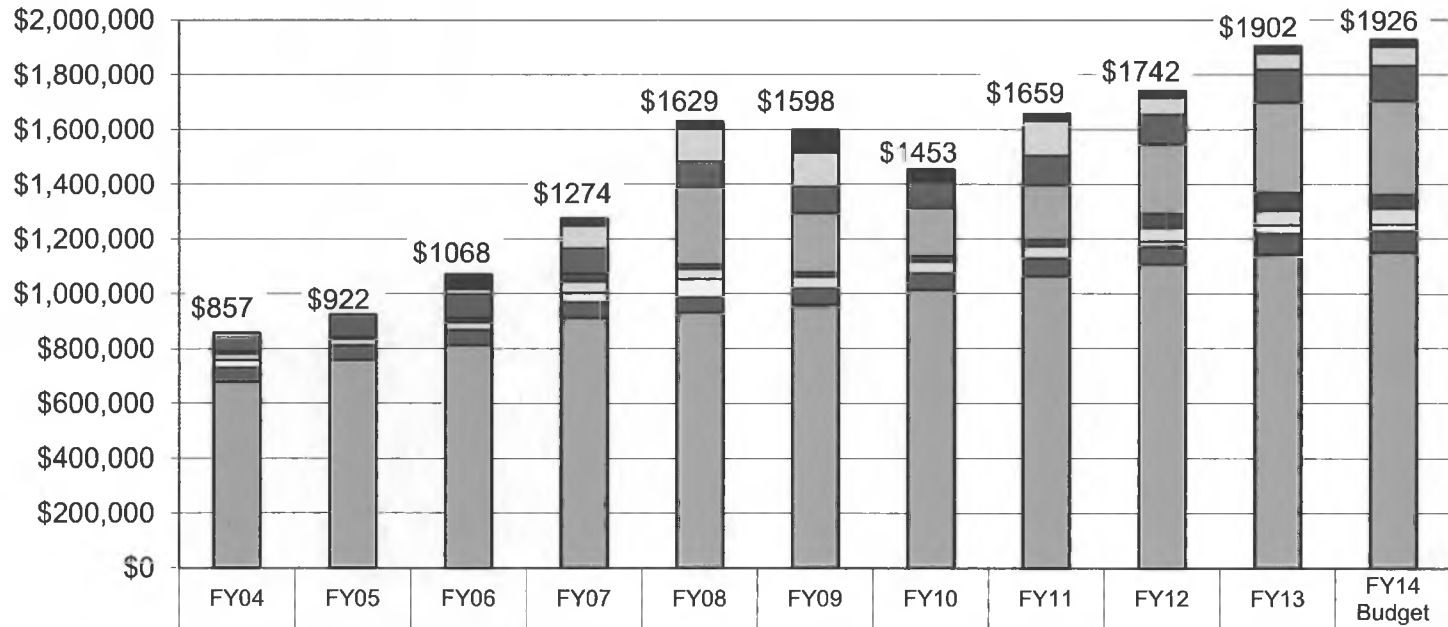
C10: K-12 Expenditures per AADM (in FY13 \$)

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.



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 |

6

FY15 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) | (20) | (21) | (22) | (23) | (23a) |
|-------------------|---------|-----------------------|----------|--|-------------------------|-----------------------------------|----------|-----------------------------------|--------------------------------|-----------|---|------------------------|-----------|-------------------------------|--------------------------|--|---|-------------------------|---|--------------|---|--|-------|
| School District | ADM | Size Factor | | ADM Adjusted for School Size (after hold-harmless) | Geographic Differential | | | ADM Adjusted for Size and Geo Dif | Special Needs Factor | | Adjusted ADM after Special Needs Factor | Career/Technical Educ. | | Adjusted ADM after CTE Factor | Intensive Needs Factor | | | Correspondence | | | Size Factor | One-Time \$ | |
| | | Impact of Size Factor | | | Geographic Differential | Impact of Geographic Differential | | | Impact of Special Needs Factor | | | Impact of CTE Factor | | | Intensive Needs Students | Adjustment for Intensive Needs (13 * Head Count) | Adjusted ADM after Intensive Needs Factor | Correspondence Students | Adjustment for District Corresp. (.8 * Corresp. Head Count) | Adjusted ADM | Enter 0, 1, or 2 to Remove Top Brackets from Size Table | Enter 1 to Delete \$25 million in One-Time Funding | |
| | | | | | | | | | | | | | | | | | | per ADM | per ADM | per ADM | | | |
| Total: | 117,563 | 25,588 | \$ 145.3 | 143,150.2 | | 28,537 | \$ 162.1 | 171,687 | 34,337 | \$ 195.0 | 206,024 | 3,090 | \$ 17.6 | 209,115 | 2,302 | 29,926 | \$ 170.0 | 239,041 | 10,843 | 8,674 | 247,715 | - | - |
| | | | | | | | | | Revised AADM & Cost | Cost Inc. | | Revised AADM & Cost | Cost Inc. | | per ADM | Revised AADM & Cost | per ADM | Current Cost | Revised Cost | Cost Inc. | \$ | | |
| | | | | | | | | | 34,337 | \$ 195.0 | \$ - | 3,090 | \$ 17.6 | \$ - | \$ 73,840 | 29,926 | \$ 170.0 | \$ 73,840 | 49.3 | 49.3 | \$ - | | |
| Alaska Gateway | 330 | 274 | 83% | 604 | 1.594 | 358 | 59% | 962 | 192 | 20% | 1,154 | 17 | 1.5% | 1,172 | 12 | 156 | 13% | 1,328 | 51 | 41 | 1,369 | - | - |
| Aleutian Region | 31 | 48 | 155% | 79 | 1.939 | 74 | 94% | 154 | 31 | 20% | 184 | 3 | 1.5% | 187 | 3 | 39 | 21% | 226 | 0 | - | 226 | - | - |
| Aleutians East | 218 | 170 | 78% | 388 | 1.991 | 385 | 99% | 773 | 155 | 20% | 928 | 14 | 1.5% | 942 | 2 | 26 | 3% | 968 | 1 | 1 | 968 | - | - |
| Anchorage | 47,001 | 4,844 | 10% | 51,845 | 1.000 | - | 9% | 51,845 | 10,369 | 20% | 62,214 | 933 | 1.5% | 63,148 | 790 | 10,270 | 16% | 73,418 | 878 | 702 | 74,120 | - | - |
| Annette Island | 292 | 120 | 41% | 412 | 1.338 | 139 | 34% | 552 | 110 | 20% | 662 | 10 | 1.5% | 672 | 7 | 91 | 14% | 763 | 0 | - | 763 | - | - |
| Bering Strait | 1,654 | 1,000 | 60% | 2,654 | 1.998 | 2,649 | 100% | 5,303 | 1,061 | 20% | 6,364 | 95 | 1.5% | 6,459 | 24 | 312 | 5% | 6,771 | 0 | - | 6,771 | - | - |
| Bristol Bay | 125 | 98 | 78% | 223 | 1.478 | 106 | 48% | 329 | 66 | 20% | 395 | 6 | 1.5% | 401 | 0 | - | 0% | 401 | 0 | - | 401 | - | - |
| Chatham | 141 | 139 | 99% | 280 | 1.576 | 161 | 58% | 442 | 88 | 20% | 530 | 8 | 1.5% | 538 | 1 | 13 | 2% | 551 | 2 | 2 | 553 | - | - |
| Chugach | 54 | 86 | 160% | 140 | 1.496 | 70 | 50% | 210 | 42 | 20% | 252 | 4 | 1.5% | 255 | 1 | 13 | 5% | 268 | 248 | 198 | 467 | - | - |
| Copper River | 401 | 262 | 65% | 663 | 1.316 | 210 | 32% | 873 | 175 | 20% | 1,047 | 16 | 1.5% | 1,063 | 4 | 52 | 5% | 1,115 | 44 | 35 | 1,150 | - | - |
| Cordova | 309 | 137 | 44% | 446 | 1.234 | 104 | 23% | 550 | 110 | 20% | 660 | 10 | 1.5% | 670 | 6 | 78 | 12% | 748 | 0 | - | 748 | - | - |
| Craig | 292 | 149 | 51% | 441 | 1.206 | 91 | 21% | 532 | 106 | 20% | 639 | 10 | 1.5% | 648 | 2 | 26 | 4% | 674 | 285 | 228 | 902 | - | - |
| Delta/Greely | 763 | 242 | 32% | 1,005 | 1.341 | 242 | 24% | 1,247 | 249 | 20% | 1,496 | 22 | 1.5% | 1,519 | 11 | 143 | 9% | 1,662 | 105 | 84 | 1,746 | - | - |
| Denali | 207 | 163 | 79% | 370 | 1.332 | 123 | 33% | 493 | 99 | 20% | 592 | 9 | 1.5% | 600 | 5 | 65 | 11% | 665 | 650 | 520 | 1,185 | - | - |
| Dillingham | 482 | 156 | 32% | 638 | 1.346 | 221 | 35% | 858 | 172 | 20% | 1,030 | 15 | 1.5% | 1,045 | 16 | 208 | 20% | 1,253 | 8 | 6 | 1,260 | - | - |
| Fairbanks | 13,797 | 1,998 | 14% | 15,795 | 1.070 | 1,106 | 7% | 16,900 | 3,380 | 20% | 20,280 | 304 | 1.5% | 20,585 | 435 | 5,655 | 27% | 26,240 | 269 | 215 | 26,455 | - | - |
| Galena | 285 | 122 | 43% | 407 | 1.391 | 159 | 39% | 566 | 113 | 20% | 679 | 10 | 1.5% | 689 | 0 | - | 0% | 689 | 3,550 | 2,840 | 3,529 | - | - |
| Haines | 234 | 161 | 69% | 395 | 1.300 | 79 | 20% | 474 | 95 | 20% | 569 | 9 | 1.5% | 577 | 3 | 39 | 7% | 616 | 10 | 8 | 624 | - | - |
| Hoonah | 105 | 74 | 70% | 179 | 1.399 | 71 | 40% | 250 | 50 | 20% | 300 | 4 | 1.5% | 304 | 9 | 117 | 38% | 421 | 0 | - | 421 | - | - |
| Hydaburg | 67 | 44 | 66% | 111 | 1.504 | 56 | 50% | 167 | 33 | 20% | 200 | 3 | 1.5% | 203 | 5 | 65 | 32% | 268 | 0 | - | 268 | - | - |
| Iditarod Area | 191 | 218 | 114% | 409 | 1.846 | 346 | 85% | 755 | 151 | 20% | 907 | 14 | 1.5% | 920 | 0 | - | 0% | 920 | 100 | 80 | 1,000 | - | - |
| Juneau | 4,739 | 691 | 15% | 5,430 | 1.145 | 787 | 15% | 6,217 | 1,243 | 20% | 7,461 | 112 | 1.5% | 7,573 | 87 | 1,131 | 15% | 8,704 | 64 | 51 | 8,755 | - | - |
| Kake | 99 | 84 | 85% | 183 | 1.459 | 84 | 46% | 267 | 53 | 20% | 320 | 5 | 1.5% | 325 | 1 | 13 | 4% | 338 | 0 | - | 338 | - | - |
| Kashunamiut | 312 | 133 | 43% | 445 | 1.619 | 275 | 62% | 720 | 144 | 20% | 864 | 13 | 1.5% | 877 | 5 | 65 | 7% | 942 | 0 | - | 942 | - | - |
| Kenai Peninsula | 8,014 | 2,281 | 28% | 10,295 | 1.171 | 1,760 | 17% | 12,055 | 2,411 | 20% | 14,466 | 217 | 1.5% | 14,683 | 146 | 1,898 | 13% | 16,581 | 759 | 607 | 17,188 | - | - |
| Ketchikan Gateway | 2,130 | 637 | 30% | 2,767 | 1.170 | 470 | 17% | 3,238 | 648 | 20% | 3,885 | 58 | 1.5% | 3,944 | 57 | 741 | 19% | 4,685 | 88 | 70 | 4,755 | - | - |
| Klawock | 129 | 85 | 66% | 214 | 1.302 | 65 | 30% | 279 | 56 | 20% | 335 | 5 | 1.5% | 340 | 6 | 78 | 23% | 418 | 0 | - | 418 | - | - |
| Kodiak Island | 2,369 | 580 | 24% | 2,949 | 1.289 | 852 | 29% | 3,801 | 760 | 20% | 4,561 | 68 | 1.5% | 4,630 | 38 | 494 | 11% | 5,124 | 102 | 81 | 5,205 | - | - |
| Kuspuk | 331 | 274 | 83% | 605 | 1.734 | 444 | 73% | 1,049 | 210 | 20% | 1,258 | 19 | 1.5% | 1,277 | 3 | 39 | 3% | 1,316 | 0 | - | 1,316 | - | - |
| Lake & Peninsula | 308 | 337 | 109% | 645 | 1.994 | 641 | 99% | 1,287 | 257 | 20% | 1,544 | 23 | 1.5% | 1,567 | 2 | 26 | 2% | 1,593 | 10 | 8 | 1,601 | - | - |
| Lower Kuskokwim | 4,072 | 1,942 | 48% | 6,014 | 1.663 | 3,987 | 66% | 10,001 | 2,000 | 20% | 12,002 | 180 | 1.5% | 12,182 | 55 | 715 | 6% | 12,897 | 0 | - | 12,897 | - | - |
| Lower Yukon | 2,001 | 935 | 47% | 2,935 | 1.861 | 2,527 | 86% | 5,463 | 1,093 | 20% | 6,555 | 98 | 1.5% | 6,654 | 20 | 260 | 4% | 6,914 | 0 | - | 6,914 | - | - |
| Mat-Su | 15,776 | 2,329 | 15% | 18,105 | 1.070 | 1,267 | 7% | 19,372 | 3,874 | 20% | 23,246 | 349 | 1.5% | 23,595 | 365 | 4,745 | 20% | 28,340 | 1,818 | 1,454 | 29,794 | - | - |
| Nenana | 217 | 109 | 50% | 326 | 1.338 | 110 | 34% | 436 | 87 | 20% | 524 | 8 | 1.5% | 532 | 3 | 39 | 7% | 571 | 700 | 560 | 1,131 | - | - |
| Nome | 715 | 185 | 26% | 900 | 1.450 | 405 | 45% | 1,306 | 261 | 20% | 1,567 | 24 | 1.5% | 1,590 | 8 | 104 | 7% | 1,694 | 9 | 7 | 1,701 | - | - |
| North Slope | 1,750 | 637 | 36% | 2,387 | 1.791 | 1,888 | 78% | 4,276 | 855 | 20% | 5,131 | 77 | 1.5% | 5,208 | 7 | 91 | 2% | 5,299 | 0 | - | 5,299 | - | - |
| Northwest Arctic | 1,881 | 892 | 47% | 2,773 | 1.823 | 2,282 | 82% | 5,056 | 1,011 | 20% | 6,067 | 91 | 1.5% | 6,158 | 18 | 494 | 8% | 6,652 | 0 | - | 6,652 | - | - |
| Pelican | 10 | 30 | 296% | 40 | 1.477 | 19 | 48% | 58 | 12 | 20% | 70 | 1 | 1.5% | 71 | 0 | - | 0% | 71 | 0 | - | 71 | - | - |
| Petersburg | 424 | 197 | 46% | 621 | 1.244 | 151 | 24% | 772 | 154 | 20% | 927 | 14 | 1.5% | 941 | 15 | 195 | 21% | 1,136 | 0 | - | 1,136 | - | - |
| Pribilof | 87 | 78 | 90% | 165 | 1.691 | 114 | 69% | 279 | 56 | 20% | 335 | 5 | 1.5% | 340 | 1 | 13 | 4% | 353 | 0 | - | 353 | - | - |
| Saint Mary's | 180 | 104 | 58% | 284 | 1.624 | 177 | 62% | 461 | 92 | 20% | 553 | 8 | 1.5% | 561 | 3 | 39 | 7% | 600 | 0 | - | 600 | - | - |
| Sitka | 1,307 | 295 | 23% | 1,602 | 1.195 | 312 | 20% | 1,914 | 383 | 20% | 2,297 | 34 | 1.5% | 2,331 | 45 | 585 | 25% | 2,916 | 14 | 27 | 2,944 | - | - |
| Skagway | 85 | 51 | 59% | 136 | 1.174 | 24 | 17% | 159 | 32 | 20% | 191 | 3 | 1.5% | 194 | 1 | 13 | 7% | 207 | 0 | - | 207 | - | - |
| Southeast Island | 209 | 296 | 141% | 505 | 1.403 | 203 | 40% | 708 | 142 | 20% | 849 | 13 | 1.5% | 862 | 9 | 117 | 14% | 979 | 1 | 1 | 980 | - | - |
| Southwest Region | 610 | 436 | 72% | 1,046 | 1.685 | 717 | 69% | 1,763 | 353 | 20% | 2,116 | 32 | 1.5% | 2,147 | 8 | 104 | 5% | 2,251 | 0 | - | 2,251 | - | - |
| Tanana | 42 | 40 | 94% | 82 | 1.786 | 64 | 79% | 146 | 29 | 20% | 175 | 2 | 1.5% | 177 | 2 | 26 | 15% | 203 | 0 | - | 203 | - | - |
| Unalaska | 420 | 146 | 35% | 566 | 1.411 | 250 | 44% | 815 | 163 | 20% | 978 | 15 | 1.5% | 993 | 4 | 52 | 5% | 1,045 | 0 | - | 1,045 | - | - |
| Valdez | 607 | 213 | 35% | 820 | 1.170 | 139 | 17% | 960 | 192 | 20% | 1,152 | 17 | 1.5% | 1,169 | 14 | 182 | 16% | 1,351 | 0 | - | 1,351 | - | - |
| Wrangell | 273 | 153 | 56% | 426 | 1.159 | 68 | 16% | 493 | 99 | 20% | 592 | 9 | 1.5% | 601 | 4 | 52 | 9% | 653 | 0 | - | 653 | - | - |
| Yakutat | 90 | 62 | 69% | 152 | 1.412 | 63 | 41% | 215 | 43 | 20% | 258 | 4 | 1.5% | 262 | 1 | 13 | 5% | 275 | 7 | 6 | 280 | - | - |
| Yukon Flats | 248 | 246 | 99% | 494 | 2.116 | 552 | 112% | 1,046 | 209 | 20% | 1,255 | 19 | 1.5% | 1,274 | 4 | 52 | 4% | 1,326 | 0 | - | 1,326 | - | - |
| Yukon/Koyukuk | 318 | 269 | 85% | 587 | 1.835 | 490 | 84% | 1,077 | 215 | 20% | 1,293 | 18 | 1.5% | 1,312 | 7 | 91 | 7% | 1,403 | 1050 | 840 | 2,243 | - | - |
| Yupik | 431 | 265 | 62% | 696 | 1.723 | 503 | 72% | 1,200 | 240 | 20% | 1,440 | 22 | 1.5% | 1,461 | 7 | 91 | 6% | 1,552 | 0 | - | 1,552 | - | - |
| Mt. Edgecumbe | 400 | 72 | 18% | 472 | 1.195 | 92 | 20% | 564 | 113 | 20% | 676 | 10 | 1.5% | 686 | 0 | - | 0% | 686 | 0 | - | 686 | - | - |

| | | | | | | | | | | | | | | | | 14.1666667 | | | | | |
|--|---|---|---|---|---|---|---|---------------------------|---|--|-----------------------------|--------------------|-----------------------------|-----------------------------------|--------------------------------------|-----------------------------------|------------------------|--|------------------------|------------|--|
| | | (24) | (25) | (26) | (27) | (28) | (29) | (30) | (31) | (32) | (33) | (34) | (35) | (36) | (37) | (38) | (39) | (40) | (41) | (42) | |
| Basic Need (= ADM as Adjusted times BSA) | | | | | Effective BSA | | | | Required Local Effort | | Federal Impact Aid | | | | State Aid (= Basic Need - RLE - Fed) | | | | | | |
| | Current Basic Need (\$5,680 * AADM in col 22) | Basic Need as Modified by Choices of Parameters | Increase in Basic Need due to Formula Modifications | Increase in Basic Need due to Formula Modifications | Current Basic Need / ADM (col 24 / col 2) | Current Basic Need / ADM (col 24 / col 2) | Effective BSA as Modified by Choice of Parameters | Increase in Effective BSA | 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 D Adjusted Floor | Quality Schools Grants | FY14 PROJECTED Total State Entitlement | State Payments per ADM | | |
| | | | | | Enter BSA Inc | | | | Enter mil Rate | | | | | | | | | | | | |
| | \$ 1,407,020,558 | \$ 1,407,020,558 | \$ - | 0.0% | \$ 5,680 | 11,968 | 11,549 | 11,549 | - | 228,347,569 | 16.2% | \$ 99,421,562 | 68% | \$ 67,595,572 | \$ 32,282,832 | \$ 1,111,077,417 | \$ 74,917 | \$ 3,963,440 | 1,141,143,074 | 9,707 | |
| | Effective Increase in BSA: \$ - | | | | 0.0% | | | | | 228,347,569 | 16.2% | | | | | | | | | 26,027,300 | |
| | Districts that Receive Lower Funding: \$ - | | | | | | | | | 0 | | | | | | | | | | | |
| Alaska Gateway | 7,773,246 | 7,773,246 | 0 | 0.0% | 23,555 | 22,853 | 22,853 | - | 0 | 0.0% | 294,554 | 100.00% | 265,099 | 4,806 | 7,508,148 | 0 | 21,896 | 7,530,044 | 22,818 | | |
| Aleutian Region | 1,283,946 | 1,283,946 | 0 | 0.0% | 41,418 | 41,418 | 41,418 | - | 0 | 0.0% | 22,465 | 100.00% | 20,219 | -8 | 1,263,727 | 0 | 3,617 | 1,267,344 | 40,882 | | |
| Aleutians East | 5,501,027 | 5,501,027 | 0 | 0.0% | 25,234 | 25,213 | 25,213 | - | 615,358 | 11.2% | 568,851 | 36.35% | 186,034 | 306,106 | 4,699,635 | 0 | 15,496 | 4,715,131 | 21,629 | | |
| Anchorage | 421,002,083 | 421,002,083 | 0 | 0.0% | 8,957 | 8,872 | 8,872 | - | 97,578,452 | 23.2% | 18,861,520 | 50.12% | 8,508,054 | 11,418,029 | 314,915,576 | 0 | 1,185,921 | 316,101,497 | 6,725 | | |
| Annette Island | 4,335,137 | 4,335,137 | 0 | 0.0% | 14,846 | 14,846 | 14,846 | - | 0 | 0.0% | 1,557,223 | 100.00% | 1,401,501 | -24,264 | 2,933,636 | 0 | 12,212 | 2,945,848 | 10,089 | | |
| Bering Strait | 38,459,115 | 38,459,115 | 0 | 0.0% | 23,252 | 23,252 | 23,252 | - | 0 | 0.0% | 9,982,980 | 100.00% | 8,984,682 | 490,451 | 29,474,433 | 0 | 108,336 | 29,582,769 | 17,886 | | |
| Bristol Bay | 2,278,165 | 2,278,165 | 0 | 0.0% | 18,225 | 18,225 | 18,225 | - | 829,813 | 36.4% | 93,402 | 67.38% | 56,641 | 30,122 | 1,391,712 | 0 | 6,417 | 1,398,129 | 11,185 | | |
| Chalham | 3,139,734 | 3,139,734 | 0 | 0.0% | 22,268 | 22,203 | 22,203 | - | 0 | 0.0% | 141,729 | 100.00% | 127,556 | -28,026 | 3,012,178 | 0 | 8,844 | 3,021,022 | 21,426 | | |
| Chugach | 2,651,985 | 2,651,985 | 0 | 0.0% | 49,111 | 28,242 | 28,242 | - | 0 | 0.0% | 43,705 | 100.00% | 39,335 | 3,659 | 2,612,651 | 0 | 7,470 | 2,620,121 | 48,521 | | |
| Copper River | 6,532,972 | 6,532,972 | 0 | 0.0% | 16,302 | 15,803 | 15,803 | - | 0 | 0.0% | 309,224 | 100.00% | 278,302 | 64,191 | 6,254,671 | 0 | 18,403 | 6,273,074 | 15,653 | | |
| Cordova | 4,249,907 | 4,249,907 | 0 | 0.0% | 13,754 | 13,754 | 13,754 | - | 808,972 | 19.0% | 24,416 | 48.28% | 10,609 | 19,436 | 3,430,326 | 0 | 11,972 | 3,442,298 | 11,140 | | |
| Craig | 5,124,161 | 5,124,161 | 0 | 0.0% | 17,548 | 13,113 | 13,113 | - | 342,223 | 6.7% | 486,239 | 45.12% | 197,452 | 319,392 | 4,584,486 | 0 | 14,434 | 4,598,920 | 15,750 | | |
| Della/Greely | 9,915,334 | 9,915,334 | 0 | 0.0% | 12,995 | 12,370 | 12,370 | - | 0 | 0.0% | 401,227 | 100.00% | 361,104 | 84,049 | 9,554,229 | 0 | 27,931 | 9,582,160 | 12,559 | | |
| Denali | 6,732,938 | 6,732,938 | 0 | 0.0% | 32,526 | 18,258 | 18,258 | - | 660,233 | 9.8% | 6,294 | 29.89% | 1,693 | 2,918 | 6,071,012 | 0 | 18,966 | 6,089,978 | 29,420 | | |
| Dillingham | 7,155,744 | 7,155,744 | 0 | 0.0% | 14,846 | 14,771 | 14,771 | - | 545,947 | 7.6% | 632,806 | 41.87% | 238,460 | 390,541 | 6,371,337 | 0 | 20,157 | 6,391,494 | 13,260 | | |
| Fairbanks | 150,262,898 | 150,262,898 | 0 | 0.0% | 10,801 | 10,802 | 10,802 | - | 27,829,166 | 18.5% | 12,774,232 | 57.10% | 6,564,678 | 6,113,757 | 115,869,054 | 0 | 423,276 | 116,292,330 | 8,429 | | |
| Galena | 20,045,081 | 20,045,081 | 0 | 0.0% | 70,334 | 13,733 | 13,733 | - | 80,477 | 0.4% | 91,975 | 5.02% | 4,155 | 91,314 | 19,960,448 | 0 | 56,465 | 20,016,913 | 70,235 | | |
| Haines | 3,546,538 | 3,546,538 | 0 | 0.0% | 15,156 | 14,962 | 14,962 | - | 1,015,859 | 28.6% | 0 | 65.15% | - | 0 | 2,530,679 | 0 | 9,990 | 2,540,669 | 10,858 | | |
| Hoonah | 2,393,645 | 2,393,645 | 0 | 0.0% | 22,797 | 22,797 | 22,797 | - | 194,633 | 8.1% | 170,063 | 39.12% | 59,876 | 82,003 | 2,139,136 | 0 | 6,743 | 2,145,879 | 20,437 | | |
| Hydaburg | 1,523,430 | 1,523,430 | 0 | 0.0% | 22,738 | 22,738 | 22,738 | - | 40,600 | 2.7% | 80,925 | 28.42% | 20,699 | 34,794 | 1,462,131 | 0 | 4,291 | 1,466,422 | 21,887 | | |
| Iditarod Area | 5,680,833 | 5,680,833 | 0 | 0.0% | 29,743 | 27,364 | 27,364 | - | 0 | 0.0% | 253,376 | 100.00% | 228,038 | 19,950 | 5,452,795 | 0 | 16,002 | 5,468,797 | 28,632 | | |
| Juneau | 49,726,827 | 49,726,827 | 0 | 0.0% | 10,493 | 10,432 | 10,432 | - | 12,964,812 | 26.1% | 0 | 53.67% | - | 0 | 36,762,015 | 0 | 140,076 | 36,902,091 | 7,787 | | |
| Kake | 1,918,365 | 1,918,365 | 0 | 0.0% | 19,377 | 19,377 | 19,377 | - | 76,124 | 4.0% | 346,585 | 47.79% | 149,070 | 260,570 | 1,693,171 | 0 | 5,404 | 1,698,575 | 17,157 | | |
| Kashunamiut | 5,351,128 | 5,351,128 | 0 | 0.0% | 17,151 | 17,151 | 17,151 | - | 0 | 0.0% | 1,914,980 | 100.00% | 1,723,482 | 162,210 | 3,627,646 | 0 | 15,074 | 3,642,720 | 11,675 | | |
| Kenai Peninsula | 97,628,271 | 97,628,271 | 0 | 0.0% | 12,182 | 11,752 | 11,752 | - | 23,593,944 | 24.2% | 0 | 52.92% | - | 0 | 74,034,327 | 0 | 275,009 | 74,309,336 | 9,272 | | |
| Ketchikan Gateway | 27,008,788 | 27,008,788 | 0 | 0.0% | 12,680 | 12,492 | 12,492 | - | 4,438,076 | 16.4% | 0 | 54.87% | - | 0 | 22,570,712 | 0 | 76,081 | 22,646,793 | 10,632 | | |
| Klawock | 2,374,348 | 2,374,348 | 0 | 0.0% | 18,406 | 18,406 | 18,406 | - | 143,391 | 6.0% | 452,604 | 65.63% | 267,340 | 54,354 | 1,963,618 | 0 | 6,688 | 1,970,306 | 15,274 | | |
| Kodiak Island | 29,565,317 | 29,565,317 | 0 | 0.0% | 12,481 | 12,286 | 12,286 | - | 4,016,219 | 13.6% | 1,734,947 | 37.42% | 584,295 | 1,113,106 | 24,964,802 | 0 | 83,383 | 25,048,085 | 10,574 | | |
| Kuspuk | 7,475,999 | 7,475,999 | 0 | 0.0% | 22,586 | 22,586 | 22,586 | - | 0 | 0.0% | 1,803,345 | 100.00% | 1,623,011 | 291,480 | 5,852,989 | 0 | 21,059 | 5,874,048 | 17,746 | | |
| Lake & Peninsula | 9,093,773 | 9,093,773 | 0 | 0.0% | 29,525 | 29,378 | 29,378 | - | 378,755 | 4.2% | 1,441,959 | 28.66% | 371,939 | 1,043,610 | 8,343,079 | 0 | 25,616 | 8,368,695 | 27,171 | | |
| Lower Kuskokwim | 73,253,735 | 73,253,735 | 0 | 0.0% | 17,990 | 17,990 | 17,990 | - | 0 | 0.0% | 16,527,855 | 100.00% | 14,875,070 | 1,104,271 | 58,378,665 | 0 | 206,348 | 58,585,013 | 14,387 | | |
| Lower Yukon | 39,270,391 | 39,270,391 | 0 | 0.0% | 19,628 | 19,628 | 19,628 | - | 0 | 0.0% | 10,250,100 | 100.00% | 9,225,090 | 2,005,341 | 30,045,301 | 0 | 110,621 | 30,155,922 | 15,072 | | |
| Mat-Su | 169,231,828 | 169,231,828 | 0 | 0.0% | 10,204 | 10,204 | 10,204 | - | 25,982,579 | 15.4% | 0 | 50.46% | - | 0 | 143,249,249 | 0 | 476,709 | 143,725,958 | 9,110 | | |
| Nenana | 6,421,454 | 6,421,454 | 0 | 0.0% | 29,592 | 14,934 | 14,934 | - | 77,614 | 1.2% | 636 | 80.68% | 462 | 636 | 6,343,379 | 0 | 18,089 | 6,361,468 | 29,316 | | |
| Nome | 9,664,132 | 9,664,132 | 0 | 0.0% | 13,516 | 13,459 | 13,459 | - | 1,004,049 | 10.4% | 71,946 | 47.74% | 30,912 | 60,871 | 8,629,171 | 0 | 27,223 | 8,656,394 | 12,107 | | |
| North Slope | 30,098,989 | 30,098,989 | 0 | 0.0% | 17,199 | 17,199 | 17,199 | - | 12,896,094 | 42.8% | 3,609,544 | 36.24% | 1,177,289 | 2,357,916 | 16,025,606 | 0 | 84,786 | 16,110,392 | 9,206 | | |
| Northwest Arctic | 37,781,132 | 37,781,132 | 0 | 0.0% | 20,086 | 20,086 | 20,086 | - | 2,020,777 | 5.3% | 4,451,782 | 26.79% | 1,073,369 | 2,779,803 | 34,686,986 | 0 | 106,426 | 34,793,412 | 18,497 | | |
| Pelican | 404,642 | 404,642 | 0 | 0.0% | 40,464 | 40,464 | 40,464 | - | 32,148 | 7.9% | 0 | 61.41% | - | 0 | 372,494 | 74,917 | 1,140 | 448,551 | 44,855 | | |
| Petersburg | 6,450,299 | 6,450,299 | 0 | 0.0% | 15,213 | 15,213 | 15,213 | - | 854,814 | 13.3% | 0 | 45.02% | - | 0 | 5,595,485 | 0 | 18,170 | 5,613,655 | 13,240 | | |
| Pribilof | 2,004,016 | 2,004,016 | 0 | 0.0% | 23,035 | 23,035 | 23,035 | - | 0 | 0.0% | 501,307 | 100.00% | 451,177 | -5,652 | 1,552,839 | 0 | 5,645 | 1,558,484 | 17,914 | | |
| Saint Mary's | 3,410,076 | 3,410,076 | 0 | 0.0% | 18,945 | 18,945 | 18,945 | - | 35,341 | 1.0% | 0 | 29.50% | - | 0 | 3,374,735 | 0 | 9,606 | 3,384,341 | 18,802 | | |
| Silka | 16,720,100 | 16,720,100 | 0 | 0.0% | 12,780 | 12,672 | 12,672 | - | 3,081,916 | 18.4% | 11,686 | 60.15% | 6,326 | 1,095 | 13,631,858 | 0 | 47,099 | 13,678,957 | 10,464 | | |
| Skagway | 1,174,779 | 1,174,779 | 0 | 0.0% | 13,821 | 13,821 | 13,821 | - | 458,316 | 39.0% | 0 | 41.15% | - | 0 | 716,463 | 0 | 3,309 | 719,772 | 8,468 | | |
| Southeast Island | 5,566,510 | 5,566,510 | 0 | 0.0% | 26,834 | 26,612 | 26,612 | - | 0 | 0.0% | 0 | 100.00% | - | 0 | 5,566,510 | 0 | 15,680 | 5,582,190 | 26,709 | | |
| Southwest Region | 12,787,101 | 12,787,101 | 0 | 0.0% | 20,962 | 20,962 | 20,962 | - | 0 | 0.0% | 3,668,721 | 100.00% | 3,301,849 | 266,944 | 8,485,253 | 0 | 36,020 | 8,521,273 | 15,608 | | |
| Tanana | 1,154,692 | 1,154,692 | 0 | 0.0% | 27,493 | 27,493 | 27,493 | - | 24,675 | 2.1% | 157,885 | 99.24% | 141,017 | 78,599 | 989,001 | 0 | 3,253 | 992,254 | 23,625 | | |
| Unalaska | 5,935,924 | 5,935,924 | 0 | 0.0% | 14,133 | 14,133 | 14,133 | - | 1,490,964 | 25.1% | 24,979 | 52.25% | 11,746 | 14,759 | 4,433,214 | 0 | 16,721 | 4,449,935 | 10,595 | | |
| Valdez | 7,672,981 | 7,672,981 | 0 | 0.0% | 12,641 | 12,641 | 12,641 | - | 3,494,998 | 45.5% | 4,464 | 44.00% | 1,768 | -1,360 | 4,176,215 | 0 | 21,614 | 4,197,829 | 6,916 | | |
| Wrangell | 3,707,442 | 3,707,442 | 0 | 0.0% | 13,580 | 13,580 | 13,580 | - | 542,378 | 14.6% | 599 | 75.40% | 406 | 318 | 3,164,657 | 0 | 10,444 | 3,175,101 | 11,630 | | |
| Yakutat | 1,592,520 | 1,592,520 | 0 | 0.0% | 17,695 | 17,341 | 17,341 | - | 197,852 | 12.4% | 140,034 | 53.98% | 68,031 | 80,950 | 1,326,636 | 0 | 4,486 | 1,331,122 | 14,790 | | |
| Yukon Flats | 7,531,416 | 7,531,416 | 0 | 0.0% | 30,369 | 30,369 | 30,369 | - | 0 | 0.0% | 722,628 | 100.00% | 650,365 | 212,019 | 6,881,050 | 0 | 21,215 | 6,902,265 | 27,832 | | |
| Yukon/Koyukuk | 12,740,535 | 12,740,535 | 0 | 0.0% | 40,065 | 25,061 | 25,061 | - | 0 | 0.0% | 1,805,871 | 100.00% | 905,284 | 598,346 | 11,835,252 | 0 | 35,889 | 11,871,141 | 37,331 | | |
| Yupit | 8,816,269 | 8,816,269 | 0 | 0.0% | 20,455 | 20,455 | 20,455 | - | 0 | 0.0% | 2,776,383 | 100.00% | | | | | | | | | |

7

Joint Senate & House Education Committee Hearing February 3, 2014



**Department of Education
Department of Labor
Department of Revenue**



**Alaska's Education
Opportunity Act**

House Bill 278 and Senate Bill 139

A Presentation to
Joint Senate & House Education Committees

February 3, 2014



Alaska's Education Opportunity Act

House Bill 278 and Senate Bill 139

Expands Opportunity

Removes Barriers

**Greater Access to
Alaska's Public Schools**





Testing out for Credit

Expanding Students' Opportunities

Section 1 (Page 2, line 1)

- Allows students to advance at their own pace, using school time to add to their skills and knowledge. Some students will be able to complete high school early or earn additional credits toward college.
- Requires a school district to provide a high school student an opportunity to “test out” of a core class.
- Core classes include math, language arts, science, social studies, and World and Alaska Native languages.
- Districts will approve assessment based on content and curriculum.





Repeal of High School Exit Exam

Replace with more useful Assessment

Section 2 (Page 2, line 11)

- Removes exit exam (HSGQE). With more rigorous standards and other assessments in place, it is no longer needed.
- Provides choice of tools to inform students, parents, schools of readiness for college or career training. WorkKeys, SAT, ACT.
- These are qualifying assessments for the Alaska Performance Scholarship (APS). The bill removes the barrier of cost for students to qualify.
- During transition: Former students who have certificates of achievement will have opportunities to pass the exit exam until June 30, 2017, and gain a high school diploma.



Charter Schools In Alaska

More Options for Students and Parents

Section 6 & 7 (Page 5, line17)

- This bill will remove barriers and restrictions for new Charter School opportunities.
- Currently, no recourse is allowed for reconsideration of charter school applications that are denied.
- This bill creates an appeal process to the commissioner if denied. The commissioner may remand, approve, or confirm denial.
- Appeal process ensures integrity and accountability in the local review process.
- Final approval remains at the State Board of Education.





Charter Schools- Funding

Section 9 (Page 7, line 2)

- This bill will ensure that public school funding will follow the student to a Charter School.
- This funding includes the **special needs, career and technical instruction, pupil transportation components.**
- It also includes **facilities components: construction and major maintenance.**





Residential Schools

Removing Barriers and Providing More Opportunity

Sections 12 & 13 (Page 8, line 9)

- The bill requires DEED to hold an annual application period for new Residential Schools. Currently, DEED has sole discretion on whether to provide an application period.
- Increases the boarding stipend to reflect true costs to house and care for a student 24/7. This promotes the financial stability of such schools.



Base Student Allocation Increase

For each of the Next 3 Years

Sections 14-16 (Page 8, line 31)

- FY 15 – Increase of \$85 per student to \$5,765
- FY 16 – Increase of \$58 per student to \$5,823
- FY 17 – Increase of \$58 per student to \$5,881



The Governor's Education funding includes an additional \$36M for classrooms: \$5M Digital Teaching Initiative, \$8.1M Foundation Formula Increase, \$2.2M for Residential Schools. It also includes \$25M to offset energy and increased fixed costs.





Technical Vocational Education Program

Improving Career and Technical Education and Training Opportunities

Sections 17-20 (Page 9, line 9)

- To strengthen the opportunity for students to earn dual credits toward graduation and certification the bill requires institutions receiving TVEP funding to work with high schools.
- The bill extends TVEP for an additional 10 years to June 2024.
- Continues current funding to identified educational institutions across Alaska for technical and vocational education (or CTE).
- Requires institutions to report on their dual credit opportunities and articulation agreements.



Tax Credits

Expands Opportunities

Sections 21-31: (Page 11, line 2)

- Credit incentivizes Alaskans in business to partner with local school districts in two ways:
 - fund scholarships to students earning dual credits (high school and college credit) to defray costs of tuition, registration, course and textbook fees, and
 - for housing at Residential Schools (construction, maintenance or operations).





Alaska's Education Opportunity Act

House Bill 278 and Senate Bill 139



More Career and Technical Training Opportunity



More Charter School Opportunities



More Residential School Opportunities



Repeal and Replace HSGQE



More Opportunities to "Test Out" and receive credits towards graduation



Incentives for Alaskans in Business to partner with schools



Increase School Funding

Total proposed new funding into classrooms:
\$36 million

- **\$8.1 million** Foundation Formula increase
- **\$21 million** base student allocation increase
- **\$5.0 million** for Digital Teaching Initiative
- **\$2.2 million** for residential schools



FY15 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) | (20) | (21) | (22) | (23) | (23a) |
|-------------------|-------------|-----------------------|--|-------------------------|-----------------------------------|-----------------------------------|--------------------------------|---|------------------------|-------------------------------|--------------------------|--|---|-------------------------|--|--------------|---|--|------|-------|--------|------|-------|
| School District | Size Factor | | | Geographic Differential | | | Special Needs Factor | | Career/Technical Educ. | | Intensive Needs Factor | | | Correspondence | | | Size Factor | One-Time \$ | | | | | |
| | 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 | Correspondence Students | Adjustment for District Corresp. (8 * Corresp. Head Count) | Adjusted ADM | Enter 0, 1, or 2 to Remove Top Brackets from Size Table | Enter 1 to Delete \$25 million in One-Time Funding | | | | | |
| Total | | 117,563 | 25,588 \$ 145.3 | 143,150.2 | 28,537 \$ 162.1 | 171,687 | 34,337 \$ 195.0 | 206,024 | 3,090 \$ 17.6 | 209,115 | 2,302 | 29,926 \$ 176.0 | 239,041 | 10,843 | 8,674 | 247,715 | - | - | | | | | |
| Total | | 117,563 | 25,588 \$ 145.3 | 143,150.2 | 28,537 \$ 162.1 | 171,687 | 34,337 \$ 195.0 | 206,024 | 3,090 \$ 17.6 | 209,115 | 2,302 | 29,926 \$ 176.0 | 239,041 | 10,843 | 8,674 | 247,715 | - | - | | | | | |
| Total | | 117,563 | 25,588 \$ 145.3 | 143,150.2 | 28,537 \$ 162.1 | 171,687 | 34,337 \$ 195.0 | 206,024 | 3,090 \$ 17.6 | 209,115 | 2,302 | 29,926 \$ 176.0 | 239,041 | 10,843 | 8,674 | 247,715 | - | - | | | | | |
| Alaska Gateway | 336 | 274 | 83% | 604 | 1,594 | 358 | 59% | 962 | 192 | 20% | 1,154 | 17 | 1.5% | 1,172 | 12 | 156 | 13% | 1,328 | 51 | 41 | 1,369 | - | - |
| Alutian Region | 31 | 48 | 155% | 79 | 1,939 | 74 | 94% | 154 | 31 | 20% | 164 | 3 | 1.5% | 167 | 31 | 39 | 21% | 226 | 0 | - | 226 | - | - |
| Alutians East | 218 | 170 | 78% | 388 | 1,931 | 385 | 99% | 773 | 155 | 20% | 928 | 14 | 1.5% | 942 | 3 | 26 | 3% | 968 | 0 | - | 968 | - | - |
| Anchorage | 47,001 | 4,844 | 10% | 51,845 | 1,060 | - | 0% | 51,845 | 10,369 | 20% | 62,214 | 933 | 1.5% | 63,148 | 790 | 10,270 | 16% | 73,418 | 878 | 702 | 74,120 | - | - |
| Annette Island | 292 | 120 | 41% | 412 | 1,338 | 139 | 34% | 552 | 110 | 20% | 662 | 10 | 1.5% | 672 | 7 | 91 | 14% | 763 | 0 | - | 763 | - | - |
| Bering Strait | 1,654 | 1,000 | 60% | 2,654 | 1,998 | 2,649 | 100% | 5,303 | 1,061 | 20% | 6,364 | 95 | 1.5% | 6,459 | 24 | 312 | 5% | 6,771 | 0 | - | 6,771 | - | - |
| Bristol Bay | 175 | 88 | 78% | 223 | 1,478 | 106 | 48% | 329 | 66 | 20% | 395 | 6 | 1.5% | 401 | 0 | - | 0% | 401 | 0 | - | 401 | - | - |
| Chatham | 141 | 139 | 99% | 280 | 1,576 | 161 | 58% | 442 | 88 | 20% | 530 | 8 | 1.5% | 538 | 1 | 13 | 2% | 551 | 2 | 2 | 553 | - | - |
| Chugach | 54 | 86 | 160% | 140 | 1,496 | 70 | 50% | 210 | 42 | 20% | 252 | 4 | 1.5% | 255 | 1 | 13 | 5% | 268 | 248 | 188 | 467 | - | - |
| Copper River | 401 | 262 | 65% | 663 | 1,316 | 210 | 32% | 873 | 175 | 20% | 1,047 | 16 | 1.5% | 1,063 | 4 | 52 | 5% | 1,115 | 44 | 35 | 1,150 | - | - |
| Cordova | 305 | 137 | 44% | 442 | 1,234 | 104 | 23% | 550 | 110 | 20% | 660 | 10 | 1.5% | 670 | 6 | 78 | 12% | 748 | 0 | - | 748 | - | - |
| Craig | 292 | 149 | 51% | 441 | 1,206 | 91 | 21% | 532 | 106 | 20% | 638 | 10 | 1.5% | 648 | 3 | 26 | 4% | 674 | 285 | 228 | 902 | - | - |
| Delta/Greely | 763 | 242 | 32% | 1,005 | 1,241 | 242 | 24% | 1,247 | 248 | 20% | 1,495 | 22 | 1.5% | 1,515 | 11 | 143 | 9% | 1,662 | 105 | 84 | 1,746 | - | - |
| Denali | 207 | 163 | 79% | 370 | 1,332 | 123 | 33% | 493 | 99 | 20% | 592 | 9 | 1.5% | 600 | 5 | 65 | 11% | 665 | 650 | 520 | 1,185 | - | - |
| Dillingham | 492 | 156 | 32% | 638 | 1,346 | 221 | 35% | 858 | 172 | 20% | 1,030 | 15 | 1.5% | 1,045 | 16 | 200 | 20% | 1,253 | 8 | 6 | 1,260 | - | - |
| Fairbanks | 13,797 | 1,988 | 14% | 15,785 | 1,070 | 1,106 | 7% | 16,900 | 3,360 | 20% | 20,260 | 304 | 1.5% | 20,565 | 435 | 5,655 | 27% | 26,240 | 269 | 215 | 26,455 | - | - |
| Galena | 285 | 122 | 43% | 407 | 1,391 | 159 | 39% | 566 | 113 | 20% | 679 | 10 | 1.5% | 689 | 0 | - | 0% | 689 | 3550 | 2,840 | 3,529 | - | - |
| Haines | 234 | 161 | 69% | 395 | 1,260 | 79 | 20% | 474 | 95 | 20% | 569 | 9 | 1.5% | 577 | 3 | 39 | 7% | 616 | 10 | 8 | 624 | - | - |
| Hoonah | 65 | 74 | 70% | 139 | 1,359 | 71 | 40% | 250 | 50 | 20% | 300 | 4 | 1.5% | 304 | 9 | 117 | 36% | 421 | 0 | - | 421 | - | - |
| Hydaburg | 167 | 44 | 65% | 111 | 1,564 | 56 | 50% | 167 | 33 | 20% | 200 | 3 | 1.5% | 203 | 5 | 65 | 32% | 268 | 0 | - | 268 | - | - |
| Idland Area | 1911 | 218 | 114% | 409 | 1,846 | 348 | 85% | 753 | 151 | 20% | 907 | 14 | 1.5% | 920 | 0 | - | 0% | 920 | 180 | 80 | 1,000 | - | - |
| Juneau | 4,739 | 681 | 15% | 5,430 | 1,451 | 787 | 15% | 6,217 | 1,243 | 20% | 7,461 | 112 | 1.5% | 7,573 | 87 | 1,131 | 15% | 8,704 | 64 | 51 | 8,755 | - | - |
| Kake | 98 | 84 | 85% | 183 | 1,459 | 84 | 46% | 267 | 53 | 20% | 320 | 5 | 1.5% | 325 | 13 | 4% | 338 | 0 | - | 338 | - | - | |
| Kashunamiut | 312 | 133 | 43% | 445 | 1,619 | 275 | 62% | 720 | 144 | 20% | 864 | 13 | 1.5% | 877 | 5 | 65 | 7% | 942 | 0 | - | 942 | - | - |
| Kenai Peninsula | 8,014 | 2,281 | 28% | 10,295 | 1,171 | 1,760 | 17% | 12,055 | 2,411 | 20% | 14,466 | 217 | 1.5% | 14,683 | 146 | 1,868 | 13% | 16,581 | 759 | 607 | 17,188 | - | - |
| Ketchikan Gateway | 2,136 | 637 | 30% | 2,773 | 1,170 | 470 | 17% | 3,238 | 648 | 20% | 3,886 | 58 | 1.5% | 3,944 | 57 | 741 | 19% | 4,685 | 88 | 70 | 4,755 | - | - |
| Klawock | 129 | 85 | 65% | 214 | 1,302 | 65 | 30% | 279 | 56 | 20% | 335 | 5 | 1.5% | 340 | 6 | 78 | 23% | 418 | 0 | - | 418 | - | - |
| Kodiak Island | 2,369 | 580 | 24% | 2,949 | 1,289 | 852 | 29% | 3,801 | 760 | 20% | 4,561 | 68 | 1.5% | 4,630 | 38 | 494 | 11% | 5,124 | 102 | 81 | 5,205 | - | - |
| Kuspuk | 331 | 274 | 83% | 605 | 1,734 | 444 | 73% | 1,049 | 210 | 20% | 1,259 | 18 | 1.5% | 1,277 | 3 | 39 | 3% | 1,316 | 6 | - | 1,316 | - | - |
| Lake & Peninsula | 308 | 337 | 109% | 645 | 1,994 | 641 | 98% | 1,287 | 257 | 20% | 1,544 | 23 | 1.5% | 1,567 | 2 | 26 | 2% | 1,593 | 16 | 8 | 1,601 | - | - |
| Lower Kuskokwim | 4,672 | 1,042 | 48% | 6,014 | 1,663 | 3,897 | 66% | 10,001 | 2,000 | 20% | 12,002 | 160 | 1.5% | 12,162 | 55 | 715 | 6% | 12,877 | 0 | - | 12,877 | - | - |
| Lower Yukon | 2,601 | 935 | 47% | 2,935 | 1,861 | 2,527 | 86% | 5,463 | 1,093 | 20% | 6,556 | 20 | 1.5% | 6,576 | 20 | 260 | 4% | 6,834 | 0 | - | 6,834 | - | - |
| Mat-Su | 15,776 | 2,329 | 15% | 18,105 | 1,070 | 1,267 | 7% | 19,372 | 3,874 | 20% | 23,246 | 349 | 1.5% | 23,595 | 365 | 4,745 | 20% | 28,340 | 1818 | 1,454 | 29,794 | - | - |
| Nenana | 217 | 109 | 50% | 326 | 1,338 | 110 | 34% | 436 | 87 | 20% | 524 | 8 | 1.5% | 532 | 3 | 39 | 7% | 571 | 700 | 560 | 1,131 | - | - |
| Nome | 175 | 185 | 26% | 900 | 1,450 | 405 | 45% | 1,306 | 261 | 20% | 1,567 | 27 | 1.5% | 1,590 | 8 | 104 | 7% | 1,694 | 9 | 7 | 1,701 | - | - |
| North Slope | 1,750 | 637 | 36% | 2,387 | 1,791 | 1,888 | 79% | 4,276 | 855 | 20% | 5,131 | 74 | 1.5% | 5,208 | 7 | 91 | 2% | 5,299 | 0 | - | 5,299 | - | - |
| Northwest Arctic | 1,881 | 882 | 47% | 2,773 | 1,823 | 2,282 | 82% | 5,056 | 1,011 | 20% | 6,067 | 81 | 1.5% | 6,158 | 38 | 494 | 6% | 6,652 | 0 | - | 6,652 | - | - |
| Pelican | 10 | 30 | 296% | 40 | 1,477 | 19 | 48% | 58 | 12 | 20% | 70 | 1 | 1.5% | 71 | 0 | - | 0% | 71 | 0 | - | 71 | - | - |
| Petersburg | 424 | 197 | 46% | 621 | 1,244 | 151 | 24% | 772 | 154 | 20% | 927 | 14 | 1.5% | 941 | 15 | 195 | 21% | 1,136 | 0 | - | 1,136 | - | - |
| Prudhoe | 87 | 78 | 90% | 165 | 1,691 | 114 | 86% | 279 | 56 | 20% | 335 | 5 | 1.5% | 340 | 1 | 13 | 4% | 353 | 0 | - | 353 | - | - |
| Saint Marys | 186 | 104 | 58% | 290 | 1,624 | 177 | 62% | 461 | 92 | 20% | 553 | 8 | 1.5% | 561 | 3 | 30 | 7% | 600 | 0 | - | 600 | - | - |
| Sitka | 1,307 | 295 | 23% | 1,602 | 1,193 | 312 | 20% | 1,914 | 383 | 20% | 2,297 | 94 | 1.5% | 2,391 | 45 | 585 | 25% | 2,976 | 14 | 27 | 2,944 | - | - |
| Skagway | 85 | 51 | 59% | 136 | 1,174 | 24 | 17% | 159 | 32 | 20% | 191 | 3 | 1.5% | 194 | 1 | 13 | 7% | 207 | 0 | - | 207 | - | - |
| Southeast Island | 289 | 296 | 141% | 585 | 1,463 | 203 | 40% | 708 | 142 | 20% | 849 | 13 | 1.5% | 862 | 9 | 117 | 14% | 979 | 1 | 1 | 980 | - | - |
| Southwest Region | 618 | 436 | 72% | 1,046 | 1,685 | 717 | 69% | 1,763 | 353 | 20% | 2,116 | 32 | 1.5% | 2,147 | 8 | 104 | 6% | 2,251 | 0 | - | 2,251 | - | - |
| Tenana | 42 | 40 | 64% | 82 | 1,786 | 64 | 78% | 146 | 28 | 20% | 175 | 3 | 1.5% | 177 | 2 | 28 | 15% | 203 | 0 | - | 203 | - | - |
| Unalaska | 420 | 146 | 35% | 566 | 1,441 | 250 | 44% | 815 | 163 | 20% | 978 | 15 | 1.5% | 993 | 4 | 52 | 5% | 1,045 | 0 | - | 1,045 | - | - |
| Valdez | 607 | 213 | 35% | 820 | 1,170 | 139 | 17% | 960 | 192 | 20% | 1,152 | 17 | 1.5% | 1,169 | 14 | 182 | 16% | 1,351 | 0 | - | 1,351 | - | - |
| Wrangell | 773 | 153 | 56% | 426 | 1,159 | 68 | 16% | 493 | 99 | 20% | 592 | 8 | 1.5% | 601 | 4 | 52 | 9% | 653 | 0 | - | 653 | - | - |
| Yakutat | 90 | 62 | 69% | 152 | 1,412 | 63 | 41% | 215 | 43 | 20% | 258 | 4 | 1.5% | 262 | 11 | 13 | 5% | 275 | 7 | 6 | 280 | - | - |
| Yukon Flats | 248 | 246 | 99% | 494 | 2,116 | 552 | 112% | 1,046 | 208 | 20% | 1,255 | 16 | 1.5% | 1,274 | 47 | 52 | 4% | 1,326 | 0 | - | 1,326 | - | - |
| Yukon-Koyukuk | 318 | 268 | 85% | 587 | 1,815 | 490 | 84% | 1,077 | 215 | 20% | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | 14.1666667 | | | | | | | |
|--|---|---|---|---|---|---|---------------------------|---|--|-----------------------------|--------------------|-----------------------------|-----------------------------------|--------------------------------------|---------------------------------|------------------------|--|------------------------|--|--|--|
| (24) | (25) | (26) | (27) | (28) | (29) | (30) | (31) | (32) | (33) | (34) | (35) | (36) | (37) | (38) | (39) | (40) | (41) | (42) | | | |
| Basic Need (= ADM as Adjusted times BSA) | | | | Effective BSA | | | | Required Local Effort | | Federal Impact Aid | | | | State Aid (= Basic Need - RLE - Fed) | | | | | | | |
| Current Basic Need (\$5,680 * ADM in col 22) | Basic Need as Modified by Choices of Parameters | Increase in Basic Need due to Formula Modifications | Increase in Basic Need due to Formula Modifications | Current Basic Need / ADM (col 24 / col 2) | Current Basic Need / ADM (col 24 / col 2) | Effective BSA as Modified by Choice of Parameters | Increase in Effective BSA | 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 80.0% | Non-deductible Federal Impact Aid | State Aid | FY2014 PROJECTED Adjusted Floor | Quality Schools Grants | FY14 PROJECTED Total State Entitlement | State Payments per ADM | | | |
| | | | | Enter BSA Inc | Enter BSA Inc | | | Enter mil Rate | | | | | | | | | | | | | |
| \$ 1,407,020,558 | \$ 1,407,020,558 | \$ - | 0.0% | 11,968 | 11,549 | 11,549 | - | 228,347,569 | 16.2% | \$ 99,421,562 | 68% | \$ 67,595,572 | \$ 32,282,832 | \$ 1,111,077,417 | \$ 74,917 | \$ 3,963,440 | 1,141,143,074 | 9,707 | | | |
| Effective Increase in BSA | | | | 0.0% | | | | 228,347,569 | 16.2% | | | | | | | | | | | | |
| Districts that Receive Lower Funding | | | | - | | | | 0 | | | | | | | | | | | | | |
| Alaska Gateway | 7,773,246 | 7,773,246 | 0 | 0.0% | 23,558 | 22,853 | 22,853 | 0 | 0.0% | 294,554 | 100.00% | 265,099 | 4,606 | 7,508,148 | 0 | 21,896 | 7,530,044 | 22,818 | | | |
| Alutian Region | 1,283,946 | 1,283,946 | 0 | 0.0% | 41,418 | 41,418 | 41,418 | 0 | 0.0% | 22,465 | 100.00% | 20,219 | -8 | 1,263,727 | 0 | 3,617 | 1,267,344 | 40,822 | | | |
| Alutians East | 5,501,027 | 5,501,027 | 0 | 0.0% | 25,234 | 25,213 | 25,213 | 615,358 | 11.2% | 568,651 | 36.35% | 186,034 | 308,106 | 4,699,635 | 0 | 15,496 | 4,715,131 | 21,629 | | | |
| Anchorage | 421,002,083 | 421,002,083 | 0 | 0.0% | 8,957 | 8,872 | 8,872 | 97,578,453 | 23.2% | 18,861,520 | 50.12% | 8,508,054 | 11,418,029 | 314,915,576 | 0 | 1,185,521 | 316,101,497 | 6,725 | | | |
| Annette Island | 4,335,137 | 4,335,137 | 0 | 0.0% | 14,846 | 14,846 | 14,846 | 0 | 0.0% | 1,537,223 | 100.00% | 1,401,501 | -24,264 | 2,933,636 | 0 | 12,212 | 2,945,848 | 10,099 | | | |
| Bering Strait | 38,459,115 | 38,459,115 | 0 | 0.0% | 23,252 | 23,252 | 23,252 | 0 | 0.0% | 9,982,980 | 100.00% | 8,884,682 | 480,451 | 29,474,433 | 0 | 108,336 | 29,582,769 | 17,886 | | | |
| Bristol Bay | 2,278,165 | 2,278,165 | 0 | 0.0% | 18,225 | 18,225 | 18,225 | 829,813 | 36.4% | 93,402 | 67.38% | 56,641 | 30,122 | 1,391,712 | 0 | 6,417 | 1,398,129 | 11,185 | | | |
| Chatham | 3,139,734 | 3,139,734 | 0 | 0.0% | 22,268 | 22,203 | 22,203 | 0 | 0.0% | 141,729 | 100.00% | 127,556 | -28,026 | 3,012,178 | 0 | 8,844 | 3,021,022 | 21,426 | | | |
| Chugach | 2,851,985 | 2,851,985 | 0 | 0.0% | 49,111 | 28,249 | 28,249 | 0 | 0.0% | 43,705 | 100.00% | 39,335 | 3,659 | 2,612,651 | 0 | 7,470 | 2,620,121 | 48,521 | | | |
| Copper River | 6,532,972 | 6,532,972 | 0 | 0.0% | 16,302 | 15,803 | 15,803 | 0 | 0.0% | 309,234 | 100.00% | 278,302 | 64,191 | 6,254,671 | 0 | 18,403 | 6,273,074 | 15,653 | | | |
| Cordova | 4,249,807 | 4,249,807 | 0 | 0.0% | 13,754 | 13,754 | 13,754 | 808,972 | 19.0% | 24,416 | 48.28% | 10,609 | 19,436 | 3,430,326 | 0 | 11,972 | 3,442,298 | 11,140 | | | |
| Craig | 5,124,161 | 5,124,161 | 0 | 0.0% | 17,548 | 13,113 | 13,113 | 342,223 | 6.7% | 486,259 | 45.12% | 197,452 | 319,322 | 4,584,466 | 0 | 14,434 | 4,598,900 | 15,750 | | | |
| Della/Greely | 9,915,334 | 9,915,334 | 0 | 0.0% | 12,995 | 12,370 | 12,370 | 0 | 0.0% | 401,227 | 100.00% | 361,104 | 84,049 | 9,554,226 | 0 | 27,931 | 9,582,156 | 12,555 | | | |
| Denali | 6,732,938 | 6,732,938 | 0 | 0.0% | 32,526 | 18,258 | 18,258 | 660,233 | 9.8% | 6,294 | 29.89% | 1,693 | 2,918 | 6,071,012 | 0 | 18,966 | 6,089,978 | 29,420 | | | |
| Dillingham | 7,155,744 | 7,155,744 | 0 | 0.0% | 14,846 | 14,771 | 14,771 | 543,947 | 7.6% | 632,406 | 41.87% | 236,460 | 390,541 | 6,371,337 | 0 | 20,157 | 6,391,494 | 13,261 | | | |
| Fairbanks | 150,262,898 | 150,262,898 | 0 | 0.0% | 10,891 | 10,802 | 10,802 | 27,829,166 | 18.5% | 12,774,232 | 57.10% | 6,564,678 | 6,113,757 | 115,869,054 | 0 | 423,776 | 116,292,330 | 8,428 | | | |
| Galena | 20,045,081 | 20,045,081 | 0 | 0.0% | 70,334 | 13,733 | 13,733 | 80,477 | 0.4% | 91,975 | 5.02% | 4,155 | 91,314 | 19,860,448 | 0 | 56,465 | 20,016,913 | 70,235 | | | |
| Haines | 3,546,538 | 3,546,538 | 0 | 0.0% | 15,156 | 14,962 | 14,962 | 1,015,859 | 26.6% | 0 | 65.15% | - | 0 | 2,530,878 | 0 | 9,950 | 2,540,828 | 10,858 | | | |
| Heenah | 2,393,646 | 2,393,646 | 0 | 0.0% | 22,797 | 22,797 | 22,797 | 194,031 | 8.1% | 170,002 | 39.75% | 59,876 | 82,003 | 2,139,136 | 0 | 6,743 | 2,145,879 | 20,437 | | | |
| Hydaburg | 1,523,430 | 1,523,430 | 0 | 0.0% | 22,738 | 22,738 | 22,738 | 46,600 | 2.7% | 80,523 | 28.42% | 20,688 | 34,784 | 1,462,131 | 0 | 4,291 | 1,466,422 | 21,887 | | | |
| Iditarod Area | 5,680,833 | 5,680,833 | 0 | 0.0% | 28,743 | 27,364 | 27,364 | 0 | 0.0% | 253,376 | 100.00% | 228,038 | 19,650 | 5,452,795 | 0 | 16,002 | 5,468,797 | 28,632 | | | |
| Juneau | 49,726,827 | 49,726,827 | 0 | 0.0% | 10,493 | 10,432 | 10,432 | 12,964,812 | 26.1% | 0 | 53.67% | - | 0 | 36,762,015 | 0 | 140,676 | 36,902,691 | 7,787 | | | |
| Kake | 1,918,365 | 1,918,365 | 0 | 0.0% | 19,377 | 19,377 | 19,377 | 76,124 | 4.0% | 346,585 | 47.79% | 148,070 | 260,570 | 1,693,171 | 0 | 5,404 | 1,698,575 | 17,167 | | | |
| Kashunamiut | 5,351,128 | 5,351,128 | 0 | 0.0% | 17,151 | 17,151 | 17,151 | 0 | 0.0% | 1,914,980 | 100.00% | 1,723,482 | 162,210 | 3,627,646 | 0 | 15,074 | 3,642,720 | 11,675 | | | |
| Kenai Peninsula | 87,628,271 | 87,628,271 | 0 | 0.0% | 12,182 | 11,752 | 11,752 | 23,593,944 | 24.2% | 0 | 52.92% | - | 0 | 74,034,327 | 0 | 275,009 | 74,309,336 | 9,272 | | | |
| Ketchikan Gateway | 27,008,788 | 27,008,788 | 0 | 0.0% | 12,480 | 12,482 | 12,482 | 4,438,076 | 16.4% | 0 | 54.87% | - | 0 | 22,570,712 | 0 | 76,081 | 22,646,793 | 16,632 | | | |
| Klawock | 2,374,348 | 2,374,348 | 0 | 0.0% | 18,408 | 18,408 | 18,408 | 143,391 | 5.0% | 432,604 | 65.63% | 267,340 | 54,354 | 1,963,618 | 0 | 6,688 | 1,970,306 | 15,274 | | | |
| Kodiak Island | 29,585,317 | 29,585,317 | 0 | 0.0% | 12,481 | 12,286 | 12,286 | 4,016,219 | 13.8% | 1,334,947 | 37.42% | 584,295 | 1,113,106 | 24,984,802 | 0 | 83,283 | 25,068,085 | 10,574 | | | |
| Kuskokwim | 7,475,999 | 7,475,999 | 0 | 0.0% | 22,586 | 22,586 | 22,586 | 0 | 0.0% | 1,803,345 | 100.00% | 1,623,011 | 281,480 | 5,852,586 | 0 | 21,059 | 5,874,048 | 17,746 | | | |
| Lake & Peninsula | 8,093,773 | 8,093,773 | 0 | 0.0% | 28,525 | 28,378 | 28,378 | 378,755 | 4.2% | 1,441,959 | 28.66% | 371,838 | 1,043,510 | 6,343,078 | 0 | 25,616 | 6,368,695 | 27,171 | | | |
| Lower Kuskokwim | 73,253,735 | 73,253,735 | 0 | 0.0% | 17,980 | 17,980 | 17,980 | 0 | 0.0% | 16,537,855 | 100.00% | 14,875,070 | 1,104,271 | 58,378,665 | 0 | 206,348 | 58,585,013 | 14,387 | | | |
| Lower Yukon | 39,270,391 | 39,270,391 | 0 | 0.0% | 19,628 | 19,628 | 19,628 | 0 | 0.0% | 10,350,100 | 100.00% | 8,225,060 | 2,005,341 | 30,045,301 | 0 | 116,621 | 30,161,922 | 15,072 | | | |
| Mat-Su | 169,231,828 | 169,231,828 | 0 | 0.0% | 10,727 | 10,204 | 10,204 | 25,982,579 | 15.4% | 0 | 50.46% | - | 0 | 143,248,248 | 0 | 476,709 | 143,725,058 | 9,110 | | | |
| Nenana | 6,421,454 | 6,421,454 | 0 | 0.0% | 28,592 | 14,934 | 14,934 | 77,614 | 1.2% | 616 | 80.68% | 462 | 636 | 6,343,379 | 0 | 18,059 | 6,361,468 | 29,316 | | | |
| Nome | 8,684,132 | 8,684,132 | 0 | 0.0% | 13,516 | 13,459 | 13,459 | 1,004,049 | 10.4% | 71,046 | 47.74% | 30,812 | 60,871 | 8,629,171 | 0 | 27,223 | 8,656,394 | 12,107 | | | |
| North Slope | 30,098,989 | 30,098,989 | 0 | 0.0% | 17,199 | 17,189 | 17,189 | 12,896,094 | 42.8% | 3,609,544 | 36.24% | 1,177,289 | 2,357,916 | 16,025,606 | 0 | 84,760 | 16,110,382 | 8,888 | | | |
| Northwest Arctic | 37,781,132 | 37,781,132 | 0 | 0.0% | 20,086 | 20,086 | 20,086 | 2,020,777 | 5.3% | 4,451,782 | 26.79% | 1,073,369 | 2,778,803 | 34,666,886 | 0 | 106,426 | 34,773,412 | 18,467 | | | |
| Pelican | 404,842 | 404,842 | 0 | 0.0% | 40,464 | 40,464 | 40,464 | 32,148 | 7.9% | 0 | 61.41% | - | 0 | 372,484 | 74,917 | 1,140 | 448,551 | 44,855 | | | |
| Palatka | 6,450,299 | 6,450,299 | 0 | 0.0% | 15,213 | 15,213 | 15,213 | 854,814 | 13.3% | 0 | 45.02% | - | 0 | 5,595,485 | 0 | 18,170 | 5,613,655 | 19,389 | | | |
| Pribilof | 2,004,016 | 2,004,016 | 0 | 0.0% | 23,035 | 23,035 | 23,035 | 0 | 0.0% | 501,307 | 100.00% | 451,177 | -5,652 | 1,552,838 | 0 | 5,645 | 1,558,484 | 17,814 | | | |
| Saint Mary's | 3,410,076 | 3,410,076 | 0 | 0.0% | 16,845 | 16,845 | 16,845 | 35,341 | 1.0% | 0 | 29.50% | - | 0 | 3,374,735 | 0 | 9,696 | 3,384,431 | 18,802 | | | |
| Sika | 16,720,100 | 16,720,100 | 0 | 0.0% | 12,780 | 12,672 | 12,672 | 3,081,916 | 18.4% | 11,686 | 60.15% | 6,326 | 1,095 | 13,631,858 | 0 | 47,099 | 13,678,957 | 18,464 | | | |
| Skagway | 1,174,778 | 1,174,778 | 0 | 0.0% | 13,821 | 13,821 | 13,821 | 458,314 | 38.0% | 0 | 41.15% | - | 0 | 716,463 | 0 | 3,109 | 719,572 | 6,468 | | | |
| Southeast Island | 5,566,510 | 5,566,510 | 0 | 0.0% | 26,634 | 26,612 | 26,612 | 0 | 0.0% | 0 | 100.00% | - | 0 | 5,566,510 | 0 | 15,680 | 5,582,190 | 26,709 | | | |
| Southwest Region | 12,787,101 | 12,787,101 | 0 | 0.0% | 20,962 | 20,962 | 20,962 | 0 | 0.0% | 3,668,721 | 100.00% | 3,301,849 | 266,944 | 9,485,253 | 0 | 36,070 | 9,521,273 | 15,608 | | | |
| Tanana | 1,154,692 | 1,154,692 | 0 | 0.0% | 27,493 | 27,493 | 27,493 | 24,675 | 2.1% | 157,885 | 99.24% | 141,071 | 78,599 | 989,001 | 0 | 3,253 | 992,254 | 28,625 | | | |
| Unalaska | 5,935,924 | 5,935,924 | 0 | 0.0% | 14,133 | 14,133 | 14,133 | 1,490,964 | 25.1% | 24,976 | 52.25% | 11,746 | 14,759 | 4,433,214 | 0 | 16,721 | 4,449,935 | 18,888 | | | |
| Valdez | 7,672,981 | 7,672,981 | 0 | 0.0% | 12,641 | 12,641 | 12,641 | 3,494,998 | 45.5% | 4,464 | 44.00% | 1,768 | -1,360 | 4,176,215 | 0 | 21,814 | 4,198,029 | 6,616 | | | |
| Wrangell | 3,707,442 | 3,707,442 | 0 | 0.0% | 13,580 | 13,580 | 13,580 | 342,378 | 14.8% | 599 | 75.40% | 408 | 318 | 3,164,657 | 0 | 10,446 | 3,175,103 | 11,636 | | | |
| Yakutat | 1,592,520 | 1,592,520 | 0 | 0.0% | 17,695 | 17,341 | 17,341 | 97,852 | 12.4% | 140,034 | 53.98% | 68,031 | 80,950 | 1,326,536 | 0 | 4,486 | 1,331,022 | 14,700 | | | |
| Yukon Flats | 7,531,416 | 7,531,416 | 0 | 0.0% | 30,369 | 30,369 | 30,369 | 0 | 0.0% | 722,628 | 100.00% | 650,365 | 212,019 | 6,881,050 | 0 | 21,215 | 6,902,265 | 27,332 | | | |
| Yukon/Koyukuk | 12,740,535 | 12,740,535 | 0 | 0.0% | 40,065 | 25,061 | 25,061 | 0 | 0.0% | 1,605,871 | 100.00% | 805,284 | 598,346 | 11,835,252 | 0 | 35,888 | 11,871,141 | 37,331 | | | |
| Yupik | 8,816,269 | 8,816,269 | 0 | 0.0% | 20,455 | 20,455 | 20,455 | 0 | 0.0% | 2,776,381 | 100.00% | 2,498,745 | 153,009 | 6,317,524 | 0 | 24,835 | 6,342,359 | 14,715 | | | |
| Mt. Edgecumbe | 3,888,857 | 3,888,857 | 0 | 0.0% | 9,747 | 9,747 | 9,747 | 0 | 0.0% | 1,603,715 | 100.00% | 903,344 | 226,416 | 2,985,514 | 0 | 10,983 | 3,006,497 | 7,516 | | | |

8

Alaska Statute 14.11.100 State aid for costs of school Construction Debt

70/30 or 60/40 Criteria

Alaska municipal school districts can participate in the school construction debt program for major maintenance projects and/or construction projects under Alaska Statute 14.11.100. The department administers the debt program in accordance with statute through a debt application; project review checklist; review of bonds sold and voter approval; and annual reimbursement of principal and interest payments. The debt is voter approved and sold and held by the municipality. The reimbursement rate is set in statute and currently 70% or 60% depending on criteria. Other statute, regulations and procedures apply to the debt program.

The major differences between the reimbursement rates are that the 60% rate provides funding for projects that build square footage in excess of the maximum allowable square footage for schools as defined in regulation. The 70% reimbursement is available for projects that build within the maximum square footage. As written, the current statute limits the department to review of 60% projects but provides the department with authority to approve 70% projects. The current statute also releases the 60% projects from demonstrating a need for the project under item (j) (4).

It is also noted that while the projects must be voter approved, there is no longer specific required voter language for either 60% or 70%. While most voter language remains detailed, some voter language is broad and only indicates school construction and major maintenance without providing the specific project. Currently, without specific voter language identifying projects and considering the 60% reimbursement does not require the district to demonstrate need, there is considerable flexibility in the 60% program. The statutory language for the 70% and 60% debt programs is as follows:

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020 (a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020 (a)(11), and are not reimbursed under (o) of this section.

- Both the 60% and 70% reimbursement rates require (j) (2), (3), (5) as follows:
 - (2) specifies bonds may not be refunded unless annual debt service is less than original issue.
 - (3) specifies that bonds must be repaid in approximately equal annual payments over a period of at least 10 years.
 - (5)evidence acceptable to the department that that district has and is following a preventative maintenance program.
- The 70% reimbursement rate requires (j) (4) as follows:
 - (4) the municipality to demonstrate need for the project by establishing that the school district has
 - (A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment;
 - (B) facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes;
 - (C) demonstrated that the project will result in a reduction in annual operating costs that economically justifies the cost of the project; or
 - (D) facilities that require modification or rehabilitation for the purpose of improving the instructional program;

Further statutory definitions related to the citation above include:

(1) "approved school construction project" means the plan for a new school or an addition to or major rehabilitation of an existing school to the extent that the plan has been approved by the commissioner under AS 14.07.020 (a)(11);

70/30 or 60/40 Examples

The schedule of projects presented on the next two pages shows debt projects that are voter approved, department reviewed and approved and bonds issued for the time period of July 1, 2010 through December 31, 2013. This schedule includes among other data, the reimbursement rate and the project name. The rate and name provide information on the types of projects that are funded at 60% and the types of projects that are funded at 70%.

Reviewed, Approved, Funded Debt Projects for the Period 7/1/10 through 12/31/13

| District | Project Number | Reimbursement Rate | Project Type | Project Name | Funding Amount |
|----------------------------|----------------|--------------------|--------------|---|----------------|
| Anchorage | | | | | |
| | DR-11-108 | 70% | Maintenance | Career and Vocational Education Upgrades | \$17,000,000 |
| | DR-12-128 | 70% | Maintenance | Building Life Extension Projects | \$22,730,000 |
| | DR-12-129 | 70% | Maintenance | Career Technology Education Upgrades | \$8,425,000 |
| | DR-12-130 | 60% | Construction | Career Technology Education Additions and Chugiak HS Control Room Replacement | \$15,390,000 |
| | DR-12-131 | 60% | Construction | Design Projects; Girdwood K-8, Airport Hts Elem | \$2,900,000 |
| | DR-13-106 | 70% | Maintenance | Districtwide Building Life Extension Projects | \$10,650,000 |
| | DR-13-107 | 70% | Construction | Bartlett HS Cafeteria/Kitchen Renovations | \$4,700,000 |
| | DR-13-108 | 60% | Construction | Districtwide Planning & Design Projects – 9 Schools | \$10,725,000 |
| | DR-13-109 | 60% | Construction | Aurora Elementary School Gym Addition | \$5,750,000 |
| | DR-13-110 | 60% | Construction | Girdwood K-8 School Construction | \$23,000,000 |
| Cordova | | | | | |
| | DR-11-107 | 60% | Construction | Cordova Jr/Sr High School ILP Building | \$500,000 |
| Fairbanks | | | | | |
| | DR-12-102 | 70% | Maintenance | North Pole Middle School Roof Replacement | \$3,890,000 |
| | DR-12-103 | 70% | Maintenance | North Pole Vocational Wing Renovation | \$3,740,000 |
| | DR-12-104 | 70% | Maintenance | Ryan Renovation Phase II | \$9,900,000 |
| | DR-12-105 | 70% | Maintenance | Salcha Roof and Envelope Upgrade | \$1,140,000 |
| | DR-12-106 | 70% | Maintenance | Wood River Gym Upgrades | \$1,620,000 |
| | DR-14-102 | 60% | Maintenance | Ryan Middle School Replacement | \$37,150,000 |
| | DR-14-103 | 70% | Maintenance | Tanana MS Roof Replacement and Exterior Upgrades | \$4,751,747 |
| | DR-14-104 | 70% | Maintenance | University Park Elementary Roof Replacement and Exterior Upgrades | \$3,912,133 |
| | DR-14-105 | 70% | Maintenance | Ticasuk Brown Elementary Roof Replacement And Exterior Upgrades | \$3,905,346 |
| | DR-14-106 | 70% | Maintenance | North Pole MS Mechanical and Energy Efficiency Upgrades | \$6,033,410 |
| | DR-14-107 | 70% | Construction | Two Rivers Elementary Classroom Upgrades | \$797,464 |
| Juneau City Borough | | | | | |
| | DR-11-101 | 70% | Maintenance | Auke Bay Elementary School Renovation | \$20,100,000 |
| | DR-12-101 | 70% | Construction | Adair-Kennedy Synthetic Turf Replacement | \$1,191,000 |
| Kenai Peninsula | | | | | |
| | DR-11-100 | 70% | Maintenance | District Wide Roofing Projects | \$16,866,500 |
| | DR-14-100 | 70% | Construction | Homer High School Turf Upgrade | \$1,991,718 |
| | DR-14-101 | 70% | Maintenance | Roof Replacement – 10 Schools | \$20,995,282 |
| Ketchikan | | | | | |
| | DR-11-106 | 70% | Maintenance | Ketchikan High School Roof Replacement | \$3,400,000 |
| | DR-13-100 | 70% | Construction | District Wide Major Maintenance | \$2,506,323 |
| | DR-13-101 | 70% | Construction | Schoenbar Middle School Field Upgrades | \$232,000 |
| | DR-13-102 | 60% | Construction | Fawn Mountain Elementary Upgrades | \$1,169,696 |
| | DR-13-103 | 70% | Construction | District Wide Site Upgrades | \$228,728 |
| | DR-13-104 | 70% | Construction | Smithers Pool Demolition | \$1,363,253 |

| District | Project Number | Reimbursement Rate | Project Type | Project Name | Funding Amount |
|----------------------------|----------------|--------------------|--------------|---|----------------------|
| Kodiak Island | | | | | |
| | DR-12-100 | 70% | Construction | Kodiak High School Renovation/Addition | \$68,679,814 |
| Lake and Peninsula | | | | | |
| | DR-13-111 | 70% | Construction | Tanalian School Addition and Renovation | \$15,000,000 |
| | DR-13-112 | 60% | Construction | Newhalen Kitchen and Gym Remodel and Expansion | \$3,200,000 |
| Mat-Su Borough | | | | | |
| | DR-11-102 | 70% | Maintenance | Fire Alarm System Replacement, 10 Schools | \$3,410,038 |
| | DR-11-103 | 70% | Maintenance | Roof Replacement, 7 Schools & Admin Building | \$26,956,050 |
| | DR-11-104 | 70% | Maintenance | Flooring Replacement, 8 Schools | \$3,118,963 |
| | DR-11-105 | 70% | Maintenance | ADA Parking & Access, 3 Schools | \$300,000 |
| | DR-12-107 | 70% | Maintenance | Big Lake Elementary School Renovation | \$3,000,000 |
| | DR-12-108 | 70% | Maintenance | Palmer High School Renovation | \$5,500,000 |
| | DR-12-109 | 70% | Construction | Palmer & Colony High School Athletic Field Improvements | \$6,000,000 |
| | DR-12-110 | 70% | Construction | Wasilla & Houston High School Athletic Field Improvements | \$6,000,000 |
| | DR-12-111 | 70% | Maintenance | Fire Alarm Replacement, 3 Schools | \$600,000 |
| | DR-12-112 | 70% | Maintenance | Restroom Renovation, 6 Schools | \$863,000 |
| | DR-12-113 | 70% | Maintenance | Flooring Replacement, 6 Schools | \$685,000 |
| | DR-12-114 | 70% | Construction | New Knik Area Middle/High School | \$65,455,000 |
| | DR-12-115 | 70% | Construction | Valley Pathways School | \$22,515,000 |
| | DR-12-116 | 70% | Construction | Mat-Su Day School | \$12,426,000 |
| | DR-12-117 | 70% | Construction | Mat-Su Career & Tech High School Replacement | \$16,150,000 |
| | DR-12-118 | 70% | Construction | Iditarod Elementary School Replacement | \$25,214,000 |
| | DR-12-119 | 70% | Construction | New Knik Area Elementary School | \$26,529,000 |
| | DR-12-120 | 70% | Maintenance | District Wide Energy Upgrades | \$3,162,000 |
| | DR-12-121 | 70% | Construction | District Wide Physical Education Improvements | \$1,350,000 |
| | DR-12-122 | 70% | Maintenance | District Wide HVAC Upgrades | \$7,100,000 |
| | DR-12-123 | 70% | Maintenance | Emergency Power Generators & Switch Gear, 9 Schools | \$2,600,000 |
| | DR-12-124 | 70% | Maintenance | Houston High School Exterior Envelope Upgrades | \$600,000 |
| | DR-12-125 | 70% | Maintenance | Houston Middle School & Palmer High School Locker Replacement | \$335,000 |
| | DR-12-126 | 70% | Maintenance | District Wide ADA Upgrades | \$1,500,000 |
| | DR-12-127 | 70% | Construction | Athletic Field Improvements | \$6,461,000 |
| North Slope Borough | | | | | |
| | DR-12-132 | 70% | Maintenance | Nuiqsut Trapper School Renovation Project | \$5,815,000 |
| | DR-12-133 | 70% | Construction | Tikigaq School Gym & Locker Room Renovation | \$1,100,000 |
| Valdez City | | | | | |
| | DR-12-134 | 60% | Construction | George H. Gilson Junior High School Replacement | \$39,804,183 |
| Total: | | | | | \$650,083,548 |

The Projects listed on pages three and four by district are summarized below to show totals for 60% and 70% reimbursement. The data is for the past three and one-half years under SB237. Since this data was readily available it is used here to demonstrate the ratio of 60% debt versus 70% debt.

EED Approved District Project Amounts

| District | Number of Projects | |
|-----------------------|--------------------|----------------------|
| | at 70% | Approved Amount |
| Anchorage* | 5 | \$63,505,000 |
| Fairbanks | 10 | \$39,690,000 |
| Juneau City Borough | 2 | \$21,291,000 |
| Kenai Peninsula | 3 | \$39,853,500 |
| Ketchikan | 5 | \$7,730,304 |
| Kodiak Island | 1 | \$68,679,814 |
| Lake and Peninsula | 1 | \$15,000,000 |
| Mat-Su Borough | 25 | \$247,830,051 |
| North Slope Borough** | 2 | \$6,915,000 |
| Totals: | 54 | \$510,494,669 |

| District | Number of Projects | |
|--------------------|--------------------|----------------------|
| | at 60% | Approved Amount |
| Anchorage* | 5 | \$57,765,000 |
| Cordova | 1 | \$500,000 |
| Fairbanks | 1 | \$37,150,000 |
| Ketchikan | 1 | \$1,169,696 |
| Valdez City | 1 | \$39,804,183 |
| Lake and Peninsula | 1 | \$3,200,000 |
| Totals: | 10 | \$139,588,879 |

*Does not include FY14 Debt project applications as they are not voter approved, but they are EED approved.

**Does not include FY14 Debt project applications as they have not been EED approved.

Current Fiscal Status

- The table on page seven titled State Share of School Debt Reimbursement Outstanding presents the state share for reimbursing approved outstanding debt payments for projects that are approved and sold through January 30, 2014 under AS14.11.100. There are some new projects recently approved that will be added to this schedule. The total debt, including the district share is approximately \$1.3 billion principal plus \$400 million interest for a total of approximately \$1.7 billion payable over the next approximately 20 years.
- The table on page eight titled School Debt Reimbursement FY2005 – FY2014 shows the annual cost of the debt program over the past 10 years.
- The table on page nine shows the break out of the annual state cost for FY2014 by district.

Terms of Debt- Statue requires debt term to be at least 10 years and of approximately equal annual debt service. Currently districts typically sell debt for a term 10 or 20 years; over one-half of the current debt is for a 20 year term. Occasionally there has been a 25 year and a thirty year issue.

Conclusion

This document is intended to provide a brief snapshot of the school debt program. In addition to new construction or major renovation the debt program is an important avenue for maintaining the major maintenance elements of our schools. Many of the projects in the debt program are undertaken to repair roofing systems, upgrade outdated code conditions and otherwise keep our schools safe and preserve the investment the state and communities have made in these buildings.

The debt program is a partnership between our communities and the state of Alaska. The state has provided for reimbursement of a major portion of the principal and interest for our schools. The municipalities must receive voter approval and sell and hold the debt as part of the municipality.

Costs for routine maintenance and annual repairs are covered in the school district's annual operating budget and are not part of the debt program.

SCHOOL CONSTRUCTION DEBT RETIREMENT AS 14.11.100
State Share of School Debt Reimbursement Outstanding

\$ Thousands

| Fiscal Yr | State Share |
|------------------|----------------------|
| FY2014 | 112,099,766 |
| FY2015 | 109,309,743 |
| FY2016 | 104,859,307 |
| FY2017 | 98,499,160 |
| FY2018 | 94,544,189 |
| FY2019 | 87,619,987 |
| FY2020 | 81,222,820 |
| FY2021 | 78,248,984 |
| FY2022 | 66,370,475 |
| FY2023 | 62,431,340 |
| FY2024 | 51,010,668 |
| FY2025 | 42,419,349 |
| FY2026 | 31,172,591 |
| FY2027 | 26,978,642 |
| FY2028 | 24,063,004 |
| FY2029 | 18,754,229 |
| FY2030 | 15,551,729 |
| FY2031 | 13,078,640 |
| FY2032 | 9,728,283 |
| FY2033 | 2,745,315 |
| TOTALS | 1,130,708,221 |

Notes:

1. This spreadsheet includes the state share on school bonds that are currently sold and outstanding.
2. This is the State of Alaska's share for reimbursement at current statutory rates if no new bonds are sold.
3. This data current as of 1/30/14

SCHOOL CONSTRUCTION DEBT RETIREMENT AS 14.11.100
School Debt Reimbursement FY2005 - FY2014

\$ Thousands

| Fiscal Year | State Share Actual Debt Reimbursement |
|-------------|---|
| FY2005 | 70,675.0 |
| FY2006 | 81,095.2 |
| FY2007 | 86,924.1 |
| FY2008 | 91,103.3 |
| FY2009 | 93,319.5 |
| FY2010 | 95,788.7 |
| FY2011 | 99,594.5 |
| FY2012 | 100,907.8 |
| FY2013 | 112,613.4 |
| FY2014 | 112,099.8 |

Notes:

1. The actual debt reimbursement is the amount that was paid to districts on eligible principal and interest.

SCHOOL CONSTRUCTION DEBT RETIREMENT AS 14.11.100
FY2014 Debt Retirement Entitlement by District

\$ Thousands

| School Dist. | Actual Entitlement by District for FY2014 |
|------------------|--|
| Aleutians East | 656,795 |
| Anchorage | 44,172,360 |
| Cordova | 967,801 |
| Dillingham | 823,058 |
| Fairbanks | 10,468,572 |
| Haines | 908,728 |
| Hoonah | 69,284 |
| Juneau | 13,556,832 |
| Kenai | 1,750,310 |
| Ketchikan | 2,753,027 |
| Kodiak | 3,336,494 |
| Lake & Pen | 901,080 |
| Mat-Su | 19,679,679 |
| Nome | 227,457 |
| North Slope | 1,638,389 |
| Northwest Arctic | 4,446,116 |
| Petersburg | 496,743 |
| Sitka | 2,523,860 |
| Unalaska | 823,672 |
| Valdez | 1,687,059 |
| Wrangell | 212,450 |
| TOTALS | 112,099,766 |

Notes:

1. The amounts listed by district are expected to be paid to the district for school debt retirement in FY2014.

9



To: Senator Michael Dunleavy

From: Bob Whicker, Director
Consortium for Digital Learning

Re: Assurances for Personalized Learning Opportunity Grants

The Consortium for Digital Learning (CDL) has advanced the use of technology in Alaska schools since 2006. Through this experience and research, we've learned what works. We know that a personalized learning opportunity grant program using one electronic device for each student and teacher within the regular instructional program across all content areas can increase student achievement, improve instruction and create opportunities for cost efficiencies.

From our experience, we have developed critical processes designed to effectively support school districts in the planning, launch, implementation, and ongoing evaluation of successful and sustainable 1:1 digital learning projects. These processes are research-based and field tested. Omitting or sacrificing any one of these critical components has consequences. Our design of the Personalized Learning Opportunity grant processes are the result of our direct involvement in digital learning projects for more than 130 schools and 32 districts.

We believe that local control of school reform efforts is imperative. Local decisions regarding components of a digital learning initiative must match a district's academic and operational goals, instructional design and technical infrastructure. Hardware and software purchases are important foundations for successful project implementations. The project design should include mobile devices that are full featured, and fully enabled for web access or stand alone use. Devices available from numerous major vendors (Microsoft, Apple, Dell, among others) meet that criteria. Vendor support in the form of professional development and technical services are also critical components of the project design and should be available in a variety of blended (face-to-face, synchronous and asynchronous) delivery options.

The Consortium for Digital Learning wants to assure all stakeholders that processes of the Personalized Learning Opportunity grants will follow the above principles to give districts the best possibility for improving student achievement, changing instructional practices, and creating cost containments. Honoring districts' local choices of hardware, software and services is essential. The CDL is vendor neutral and will work with vendors identified by local school districts that are participating in grant projects.

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10

| School District | 2.7 mil rate | | | 2.8 mil rate | | | 2.9 mil rate | | | 3.0 mil rate | | |
|---------------------------|--|---------------------------|--|--|---------------------------|--|--|---------------------------|--|--|---------------------------|--|
| | FY2015 Current Law 2.65mils Required Local | @ 2.7 mils Required Local | Difference increase to C/B & decrease to State | FY2015 Current Law 2.65mils Required Local | @ 2.8 mils Required Local | Difference increase to C/B & decrease to State | FY2015 Current Law 2.65mils Required Local | @ 2.9 mils Required Local | Difference increase to C/B & decrease to State | FY2015 Current Law 2.65mils Required Local | @ 3.0 mils Required Local | Difference increase to C/B & decrease to State |
| Alaska Gateway | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Aleutian Region | - | - | - | - | - | - | - | - | - | - | - | - |
| Aleutians East Borough | 615,358 | 626,968 | 11,610 | 615,358 | 650,189 | 34,831 | 615,358 | 673,410 | 58,052 | 615,358 | 696,631 | 81,273 |
| Anchorage | 97,578,452 | 99,419,555 | 1,841,103 | 97,578,452 | 103,101,760 | 5,523,308 | 97,578,452 | 106,783,966 | 9,205,514 | 97,578,452 | 110,466,172 | 12,887,720 |
| Annette Island | - | - | - | - | - | - | - | - | - | - | - | - |
| Bering Strait | - | - | - | - | - | - | - | - | - | - | - | - |
| Bristol Bay Borough | 829,813 | 845,470 | 15,657 | 829,813 | 876,783 | 46,970 | 829,813 | 908,097 | 78,284 | 829,813 | 939,411 | 109,598 |
| Chatham | - | - | - | - | - | - | - | - | - | - | - | - |
| Chugach | - | - | - | - | - | - | - | - | - | - | - | - |
| Copper River | - | - | - | - | - | - | - | - | - | - | - | - |
| Cordova | 808,972 | 824,235 | 15,263 | 808,972 | 854,762 | 45,790 | 808,972 | 885,290 | 76,318 | 808,972 | 915,817 | 106,845 |
| Craig | 342,223 | 348,680 | 6,457 | 342,223 | 361,594 | 19,371 | 342,223 | 374,508 | 32,285 | 342,223 | 387,422 | 45,199 |
| Delta/Greely | - | - | - | - | - | - | - | - | - | - | - | - |
| Denali Borough | 660,233 | 672,690 | 12,457 | 660,233 | 697,605 | 37,372 | 660,233 | 722,519 | 62,286 | 660,233 | 747,434 | 87,201 |
| Dillingham | 545,947 | 556,248 | 10,301 | 545,947 | 576,849 | 30,902 | 545,947 | 597,451 | 51,504 | 545,947 | 618,053 | 72,106 |
| Fairbanks N. Star Borough | 27,829,166 | 28,354,244 | 525,078 | 27,829,166 | 29,404,402 | 1,575,236 | 27,829,166 | 30,454,559 | 2,625,393 | 27,829,166 | 31,504,716 | 3,675,550 |
| Galena | 80,477 | 81,995 | 1,518 | 80,477 | 85,032 | 4,555 | 80,477 | 88,069 | 7,592 | 80,477 | 91,106 | 10,629 |
| Haines Borough | 1,015,859 | 1,035,027 | 19,168 | 1,015,859 | 1,073,361 | 57,502 | 1,015,859 | 1,111,695 | 95,836 | 1,015,859 | 1,150,030 | 134,171 |
| Hoonah | 194,633 | 198,306 | 3,673 | 194,633 | 205,650 | 11,017 | 194,633 | 212,995 | 18,362 | 194,633 | 220,340 | 25,707 |
| Hydaburg | 40,600 | 41,366 | 766 | 40,600 | 42,898 | 2,298 | 40,600 | 44,430 | 3,830 | 40,600 | 45,962 | 5,362 |
| Iditarod Area | - | - | - | - | - | - | - | - | - | - | - | - |
| Juneau Borough | 12,964,812 | 13,209,431 | 244,619 | 12,964,812 | 13,698,669 | 733,857 | 12,964,812 | 14,187,908 | 1,223,096 | 12,964,812 | 14,677,146 | 1,712,334 |
| Kake | 76,124 | 77,560 | 1,436 | 76,124 | 80,433 | 4,309 | 76,124 | 83,305 | 7,181 | 76,124 | 86,178 | 10,054 |
| Kashumamut | - | - | - | - | - | - | - | - | - | - | - | - |
| Kenai Peninsula Borough | 23,593,944 | 24,039,113 | 445,169 | 23,593,944 | 24,929,450 | 1,335,506 | 23,593,944 | 25,819,788 | 2,225,844 | 23,593,944 | 26,710,125 | 3,116,181 |
| Ketchikan Gateway Borough | 4,438,076 | 4,521,813 | 83,737 | 4,438,076 | 4,689,287 | 251,211 | 4,438,076 | 4,856,762 | 418,686 | 4,438,076 | 5,024,237 | 586,161 |
| Klawock | 143,391 | 146,096 | 2,705 | 143,391 | 151,507 | 8,116 | 143,391 | 156,918 | 13,527 | 143,391 | 162,329 | 18,938 |
| Kodiak Island Borough | 4,016,219 | 4,091,997 | 75,778 | 4,016,219 | 4,243,552 | 227,333 | 4,016,219 | 4,395,108 | 378,889 | 4,016,219 | 4,546,663 | 530,444 |
| Kuspuk | - | - | - | - | - | - | - | - | - | - | - | - |
| Lake & Peninsula Borough | 378,755 | 385,902 | 7,147 | 378,755 | 400,194 | 21,439 | 378,755 | 414,487 | 35,732 | 378,755 | 428,780 | 50,025 |
| Lower Kuskokwim | - | - | - | - | - | - | - | - | - | - | - | - |
| Lower Yukon | - | - | - | - | - | - | - | - | - | - | - | - |
| Mat-Su Borough | 25,982,579 | 26,472,817 | 490,238 | 25,982,579 | 27,453,291 | 1,470,712 | 25,982,579 | 28,433,766 | 2,451,187 | 25,982,579 | 29,414,241 | 3,431,662 |
| Nezaha | 77,614 | 79,078 | 1,464 | 77,614 | 82,007 | 4,393 | 77,614 | 84,936 | 7,322 | 77,614 | 87,865 | 10,251 |
| Nome | 1,004,049 | 1,022,993 | 18,944 | 1,004,049 | 1,060,882 | 56,833 | 1,004,049 | 1,098,771 | 94,722 | 1,004,049 | 1,136,659 | 132,610 |
| North Slope Borough | 12,896,094 | 12,896,094 | - | 12,896,094 | 12,896,094 | - | 12,896,094 | 12,896,094 | - | 12,896,094 | 12,896,094 | - |
| Northwest Arctic Borough | 2,020,777 | 2,058,904 | 38,127 | 2,020,777 | 2,135,160 | 114,383 | 2,020,777 | 2,211,416 | 190,639 | 2,020,777 | 2,287,672 | 266,895 |
| Pelican | 32,148 | 32,755 | 607 | 32,148 | 33,968 | 1,820 | 32,148 | 35,181 | 3,033 | 32,148 | 36,394 | 4,246 |
| Petersburg | 854,814 | 870,943 | 16,129 | 854,814 | 903,200 | 48,386 | 854,814 | 935,457 | 80,643 | 854,814 | 967,715 | 112,901 |
| Pribilof | - | - | - | - | - | - | - | - | - | - | - | - |
| Saint Mary's | 35,341 | 36,008 | 667 | 35,341 | 37,342 | 2,001 | 35,341 | 38,675 | 3,334 | 35,341 | 40,009 | 4,668 |
| Sitka Borough | 3,081,916 | 3,140,065 | 58,149 | 3,081,916 | 3,256,364 | 174,448 | 3,081,916 | 3,372,663 | 290,747 | 3,081,916 | 3,488,962 | 407,046 |
| Skagway | 458,316 | 458,316 | - | 458,316 | 458,316 | - | 458,316 | 458,316 | - | 458,316 | 458,316 | - |
| Southeast Island | - | - | - | - | - | - | - | - | - | - | - | - |
| Southwest Region | - | - | - | - | - | - | - | - | - | - | - | - |
| Tanana | 24,675 | 25,141 | 466 | 24,675 | 26,072 | 1,397 | 24,675 | 27,003 | 2,328 | 24,675 | 27,934 | 3,259 |
| Unalaska | 1,490,964 | 1,519,096 | 28,132 | 1,490,964 | 1,575,358 | 84,394 | 1,490,964 | 1,631,621 | 140,657 | 1,490,964 | 1,687,884 | 196,920 |
| Valdez | 3,494,998 | 3,494,998 | - | 3,494,998 | 3,494,998 | - | 3,494,998 | 3,494,998 | - | 3,494,998 | 3,494,998 | - |
| Wrangell | 542,378 | 552,612 | 10,234 | 542,378 | 573,079 | 30,701 | 542,378 | 593,546 | 51,168 | 542,378 | 614,013 | 71,635 |
| Yakutat | 197,852 | 201,586 | 3,734 | 197,852 | 209,052 | 11,200 | 197,852 | 216,518 | 18,666 | 197,852 | 223,984 | 26,132 |
| Yukon Flats | - | - | - | - | - | - | - | - | - | - | - | - |
| Yukon/Koyukuk | - | - | - | - | - | - | - | - | - | - | - | - |
| Yupit | - | - | - | - | - | - | - | - | - | - | - | - |
| Mt Edgcombe High School | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | \$ 228,347,569 | \$ 232,338,102 | \$ 3,990,533 | \$ 228,347,569 | \$ 240,319,160 | \$ 11,971,591 | \$ 228,347,569 | \$ 248,300,226 | \$ 19,952,657 | \$ 228,347,569 | \$ 256,281,292 | \$ 27,933,723 |

| School District | 3.1 mil rate | | | 3.2 mil rate | | |
|---------------------------|--|------------------------------|---|--|------------------------------|---|
| | FY2015 Current Law 2.65mils Required Local | @ 3.1 mils Required Local | Difference increase to C/B & decrease to State | FY2015 Current Law 2.65mils Required Local | @ 3.2 mils Required Local | Difference increase to C/B & decrease to State |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Alaska Gateway | - | - | - | - | - | - |
| Aleutian Region | - | - | - | - | - | - |
| Aleutians East Borough | 615,358 | 719,852 | 104,494 | 615,358 | 743,073 | 127,715 |
| Anchorage | 97,578,452 | 114,148,378 | 16,569,926 | 97,578,452 | 117,830,583 | 20,252,131 |
| Annette Island | - | - | - | - | - | - |
| Bering Strait | - | - | - | - | - | - |
| Bristol Bay Borough | 829,813 | 970,724 | 140,911 | 829,813 | 1,002,038 | 172,225 |
| Chatham | - | - | - | - | - | - |
| Chugach | - | - | - | - | - | - |
| Copper River | - | - | - | - | - | - |
| Cordova | 808,972 | 946,344 | 137,372 | 808,972 | 976,871 | 167,899 |
| Craig | 342,223 | 400,336 | 58,113 | 342,223 | 413,251 | 71,028 |
| Delta/Grceely | - | - | - | - | - | - |
| Denali Borough | 660,233 | 772,348 | 112,115 | 660,233 | 797,263 | 137,030 |
| Dillingham | 545,947 | 638,655 | 92,708 | 545,947 | 659,256 | 113,309 |
| Fairbanks N. Star Borough | 27,829,166 | 32,554,873 | 4,725,707 | 27,829,166 | 33,605,030 | 5,775,864 |
| Galena | 80,477 | 94,143 | 13,666 | 80,477 | 97,180 | 16,703 |
| Haines Borough | 1,015,859 | 1,188,364 | 172,505 | 1,015,859 | 1,226,698 | 210,839 |
| Hoonah | 194,633 | 227,684 | 33,051 | 194,633 | 235,029 | 40,396 |
| Hydaburg | 40,600 | 47,494 | 6,894 | 40,600 | 49,026 | 8,426 |
| Iditarod Area | - | - | - | - | - | - |
| Juneau Borough | 12,964,812 | 15,166,384 | 2,201,572 | 12,964,812 | 15,655,622 | 2,690,810 |
| Kake | 76,124 | 89,050 | 12,926 | 76,124 | 91,923 | 15,799 |
| Kashunamiut | - | - | - | - | - | - |
| Kenai Peninsula Borough | 23,593,944 | 27,600,463 | 4,006,519 | 23,593,944 | 28,490,800 | 4,896,856 |
| Ketchikan Gateway Borough | 4,438,076 | 5,191,711 | 753,635 | 4,438,076 | 5,359,186 | 921,110 |
| Klawock | 143,391 | 167,740 | 24,349 | 143,391 | 173,151 | 29,760 |
| Kodiak Island Borough | 4,016,219 | 4,698,219 | 682,000 | 4,016,219 | 4,849,774 | 833,555 |
| Kuspuk | - | - | - | - | - | - |
| Lake & Peninsula Borough | 378,755 | 443,072 | 64,317 | 378,755 | 457,365 | 78,610 |
| Lower Kuskokwim | - | - | - | - | - | - |
| Lower Yukon | - | - | - | - | - | - |
| Mai-Su Borough | 25,982,579 | 30,394,715 | 4,412,136 | 25,982,579 | 31,375,190 | 5,392,611 |
| Nenana | 77,614 | 90,794 | 13,180 | 77,614 | 93,723 | 16,109 |
| Nome | 1,004,049 | 1,174,548 | 170,499 | 1,004,049 | 1,212,436 | 208,387 |
| North Slope Borough | 12,896,094 | 12,896,094 | - | 12,896,094 | 12,896,094 | - |
| Northwest Arctic Borough | 2,020,777 | 2,363,927 | 343,150 | 2,020,777 | 2,440,183 | 419,406 |
| Pelican | 32,148 | 37,607 | 5,459 | 32,148 | 38,820 | 6,672 |
| Petersburg | 854,814 | 999,972 | 145,158 | 854,814 | 1,032,229 | 177,415 |
| Pribilof | - | - | - | - | - | - |
| Saint Mary's | 35,341 | 41,343 | 6,002 | 35,341 | 42,676 | 7,335 |
| Sitka Borough | 3,081,916 | 3,605,260 | 523,344 | 3,081,916 | 3,721,559 | 639,643 |
| Skagway | 458,316 | 458,316 | - | 458,316 | 458,316 | - |
| Southeast Island | - | - | - | - | - | - |
| Southwest Region | - | - | - | - | - | - |
| Tanana | 24,675 | 28,865 | 4,190 | 24,675 | 29,796 | 5,121 |
| Unalaska | 1,490,964 | 1,744,147 | 253,183 | 1,490,964 | 1,800,410 | 309,446 |
| Valdez | 3,494,998 | 3,494,998 | - | 3,494,998 | 3,494,998 | - |
| Wrangell | 542,378 | 634,480 | 92,102 | 542,378 | 654,947 | 112,569 |
| Yakutat | 197,852 | 231,450 | 33,598 | 197,852 | 238,916 | 41,064 |
| Yukon Flats | - | - | - | - | - | - |
| Yukon/Koyukuk | - | - | - | - | - | - |
| Yupit | - | - | - | - | - | - |
| Mt. Edgecumbe High School | - | - | - | - | - | - |
| TOTAL | \$ 228,347,569 | \$ 264,262,350 | \$ 35,914,781 | \$ 228,347,569 | \$ 272,243,412 | \$ 43,895,843 |

11

MEMORANDUM

TO: Lydia Garcia - NEA-Alaska
FROM: Kim Dunn
DATE: April 10, 2014 Our Client No.: 13271-001
RE: Tenure

You have asked us to explain the differences in due process protections that are provided to non-tenured versus tenured teachers. Both our state and federal constitution protect against the deprivation of a citizen's property interests without a due process hearing. A public employee's legitimate expectation of continued public employment is a constitutionally protected property interest. Non-probationary public employees have a right to request due process before their employment is terminated.

In Alaska, as elsewhere, no certified education employee or teacher may be terminated during the school year without just cause. AS 14.20.180. This basic right to due process stems from the fact that the teacher and the school entered into an employment contract for a definite period -- the school year. In the case of a mid-year dismissal, all teachers have the right to pre-termination and post-termination due process under state and federal constitutional guarantees. Teaching contracts are regulated by DEED, and are considered to be fully binding on the teacher as well as the school district. State regulations provide that a teacher cannot break her contract without risking her teaching certificate. 20 AAC 10.020 (d)(15).

Tenure grants teachers due process rights *beyond* the current year employment contract. AS 14.20.155, AS 14.20.175(b). Earning tenure means that teachers will be continue to be employed the next school year, barring good cause for dismissal, grounds for non-retention or acute financial shortage. AS 14.20.140, 14.20.155, AS 14.20.175(b), AS 14.20.177. Unless the school district gives timely notice of dismissal or non-retention in the current school year, a tenured teacher has a position for next year. Through years of unprotected "probationary" status, teachers earn the right to expect continuing employment. But tenure does not change the school district's authority to determine teacher pay, or to select the teacher's assignment, duties and location of work. AS 14.20.158.



To compare, non-tenured teachers have no right to a continuing contract, and can be "non-retained" for "any cause that the employer determines to be adequate." AS 14.20.175. Their only protection after non-retention is to ask the district to give the reason for the district's decision. AS 14.20.175(a). In funding shortages, non-tenured teachers must be laid off before tenured teachers. AS 14.20.177.

Tenured staff can still be dismissed during the school year for misconduct, be non-retained for cause for next school year, and laid-off due to funding shortages (AS 14.20.170, 177). As noted, all mid-year dismissals require due process hearings. In sum, tenure grants long-term teachers the right to have valid grounds and a due process hearing before they are denied employment for the next school year.

Teacher Termination in Alaska

Termination Process: Non-Tenured Teacher

Termination Process: Tenured Teacher

All teachers, tenured or non-tenured, may be dismissed for misconduct or insubordination

Teachers receive 1 year contract with no guarantee of renewal within the first 3 years

Tenure is granted on the 1st day of the 4th year and a continuing contract or new contract is granted

Performance Review conducted annually

Teacher may be placed on Plan of Improvement at any time for one year

Failure to complete plan may result in termination



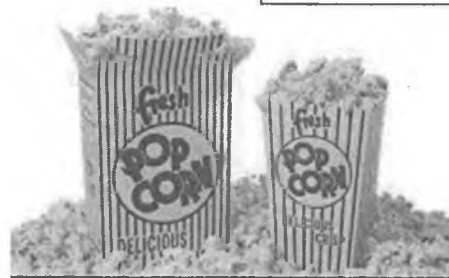
Parents and community members
who care about fully funded
quality public education

SWAV
*Students With A
Voice*

Coalition of parent
leaders from
Alaska's PTA, PTO, and
PTSA groups



Flix Friday!



You don't have to pay for cable service...

You don't have to find a television or even go to the movie rental store...

**Great Alaska Schools shares its links - Ready NOW for
your viewing pleasure!**

Pop the popcorn and give yourself a break!

Links will also be sent via email.

Videos About Education Issues in Alaska

<http://vimeo.com/89750203> ["cuts to great anchorage schools"]

<http://vimeo.com/90070855> ["my disappearing school"]

www.tinyurl.com/AKparentparade [RELEASED TODAY: Produced by a coalition of parents]

GASA Rally Videos:

<http://youtu.be/iSTM-R56gvk> [1st Anchorage Rally]

<https://vimeo.com/90429630> [2nd Anchorage Rally]

http://www.360north.org/gavel-archives/?event_id=2147483647_2014041064

Alaskan Nobel Prize winner Discusses Education Funding:

<https://www.youtube.com/user/pacificrimmedia>

Student Satire – Made By Students With A Voice:

<http://m.youtube.com/watch?v=x1x38XYEd6Q>

We would love to chat with you if you have any questions or would like us to know something:
Alison Arians 748-3712 and Alyse Galvin 884-2299



Parents and community members
who care about fully funded
quality public education

SWAV

Students With A
Voice

Coalition of parent
leaders from
Alaska's PTA, PTO, and
PTSA groups



Flix Friday!



Who we are

Great Alaska Schools: A grass-roots organization of now more than 2,000 concerned Alaskans that has sprung up in **just 11 weeks** to advocate for funding our public schools.

- Republicans, Independents, and Democrats
- Business owners, oil industry workers, and stay-at-home moms
- Though we are diligent and careful voters, the majority of our members have **never before been actively engaged in a political cause**

And

- A coalition of parent leaders from more than 50 schools and 5 school districts in Alaska who connected with each other to share knowledge and resources as a better way of bringing opportunities of success to children in Alaska

And

SWAV - Movement of Alaskan students standing up for public education and giving their peers a voice.

Who we aren't

- The NEA.
- Any other politically organized group.

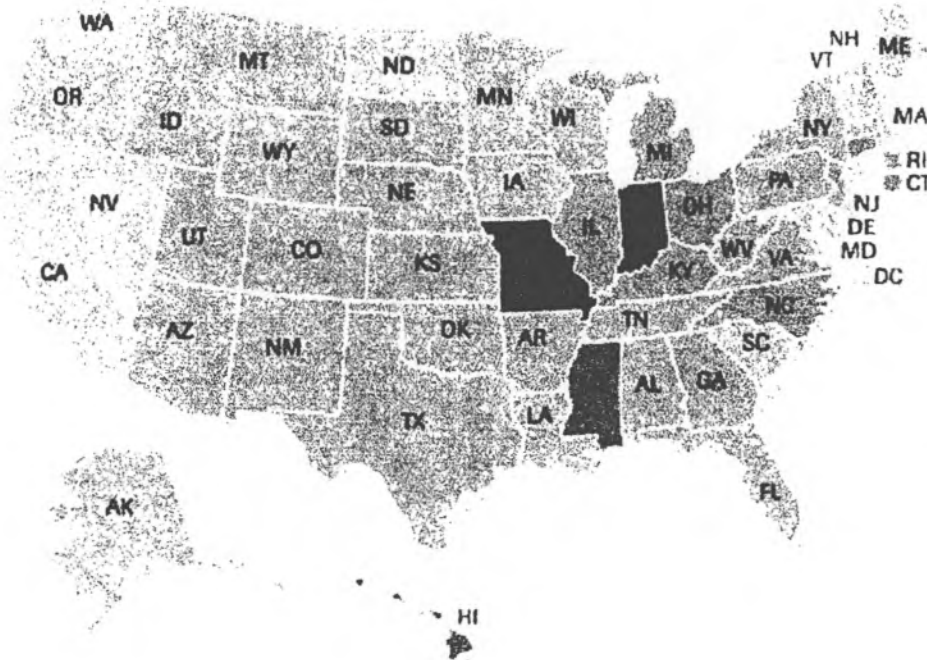
Fuhrer, Ron [AK]

From: Rob Pfisterer
Sent: Thursday, March 27, 2014 12:56 PM
To: Fuhrer, Ron [AK]
Subject: FW: Length of time before tenure kicks in, state by state

Willie has been busy.
Rob

From: Anderson, Willie [AK]
Sent: Thursday, March 27, 2014 12:55 PM
To: Rob Pfisterer
Subject: Length of time before tenure kicks in, state by state

Length of time before tenure kicks in, state by state



Length of Time Before Tenure Kicks In

| KEY | POLICY | NUMBER OF STATES |
|------------------|-----------|------------------|
| White | No Policy | 1 |
| Solid Black | 1 year | 2 |
| Horizontal Lines | 2 Years | 8 |
| Vertical Lines | 3 Years | 32 |
| Diagonal Lines | 4 Years | 5 |
| Cross-hatch | 5 Years | 2 |
| Solid Black | 6 Years | 0 |
| Stippled | 7 Years | 1 |

MAINE: Probationary period must not exceed two years.

NEVADA: New teachers with three consecutive satisfactory evaluations may qualify for tenure after one year.

SOURCE: National Council on Teacher Quality

Source: Stephen Sawchuk, "States Strive to Overhaul Teacher Tenure," www.edweek.org, Apr. 7, 2010

12



Examining School and Library Broadband Connectivity

A Connected Nation Policy Brief

July 19, 2013

The average school and library today has about the same connectivity as the average American home – but as digital learning technology expands both inside and outside the classroom, the need to have more robust broadband capacity at our nation's community institutions will increase. On June 6, 2013, President Barack Obama announced his Administration's ConnectED initiative, a plan to bring very high-speed broadband Internet to the nation's schools. The centerpiece of the ConnectED initiative is a fundamental reform of the Federal Communications Commission's (FCC) \$2.3 billion Schools and Libraries Universal Service Fund program, commonly known as "E-Rate." Created in 1996, E-Rate provides school and libraries with discounts on telecommunications and Internet services.

Today, the FCC adopted a Notice of Proposed Rulemaking (NPRM) proposing several sweeping changes to the E-Rate program. The action proposes to establish goals for the E-Rate program, including a target that 99% of America's schools will have broadband speeds of no less than 100 Mbps by 2015, with an ultimate target of 1 Gbps by 2020. While the full text of the FCC's action has not yet been released, the FCC has released a Fact Sheet, a news release, and Commissioner's statements on the action (Chairwoman Mignon Clyburn, Commissioner Jessica Rosenworcel, and Commissioner Ajit Pai). The FCC vote today begins an official public debate about this reform that is likely to take many months and engage representatives from multiple stakeholder groups.

The ConnectED initiative's call for capacity upgrade is a significant, national effort that will require tens of millions of dollars and an understanding of the current status of broadband in our nation's learning institutions. In this Policy Brief, Connected Nation analyzes data on K-12 school and library connectivity collected across nine states and the territory of Puerto Rico. We find that **there are significant differences in high-speed broadband adoption among states, and that there are substantial gaps in low-income and rural areas.**

- **Approximately 34% of schools and only 3% of libraries surveyed by Connected Nation currently report having 100 Mbps download broadband connections**
- **Connectivity across states analyzed by Connected Nation varies greatly, ranging from 54% of schools with 100 Mbps connections in Nevada to fewer than 1% of schools in Puerto Rico**
- **Community income level is a significant driver of 100 Mbps broadband across schools**

Schools in some states such as Nevada (where 54% of schools report having download speeds of 100 Mbps or faster) are much closer to meeting the President's high-speed connectivity goal than other jurisdictions, most notably Puerto Rico. These results are similar to other studies and FCC findings discussed today that indicate that the majority of schools and libraries do not have the bandwidth they need to meet current and future needs.

Importantly, very few libraries met this goal of 100 Mbps download speeds. Libraries are one of the most important locations outside of the classroom where students research and complete their schoolwork. Understanding the scope and scale of the needed broadband upgrades across the nation's libraries is essential to any national initiative to advance digital learning.

13



Alaska Workforce Investment Board » Career and Technical Education » CTE Programs

CTE Opportunities for Career Training

Too often the world of education and the world of work are seen as separate environments that have no connection. But meeting Alaska's workforce needs requires not only initial education and training, but continuous learning as workforce needs and technologies evolve. Strong partnerships that support and coordinate activities between educators, employers, and government are critical in the development of a qualified workforce that is adequate to meet Alaska's current and future economic demands.

Regional Training Centers

Alaska's Regional Training Centers (RTC's) are public or non-profit centers created through partnerships. Their mission is to develop and implement educational activities linked to employment opportunities in Alaska. RTCs provide coordinated workforce development, education, and training in conjunction with local, statewide and federal partners to prepare our citizens to enter into the Alaskan workforce.

- Alaska Technical Center
- AVTEC - Alaska's Institute of Technology
- Delta Career Advancement Center
- Fairbanks Pipeline Training Center
- GILA - Galena Interior Learning Academy
- Ilisagvik College and North Slope Workforce Training Partners
- NACTEC - Northwestern Alaska Career & Technical Center
- SAVEC - Southwest Alaska Vocational & Education Center
- Southeast Career Consortium
- U.A. Workforce Programs
- Yuut Eilinaurviat - Peoples Learning Center

Regional Training Centers



- (1) Alaska Technical Center
- (2) AvTEC
- (3) Delta Career Advancement Center
- (4) Fairbanks Pipeline Training Center
- (5) Galena Interior Learning Academy
- (6) NACTEC - Northwestern Alaska Career and Technical Center
- (7) North Slope Training and Education Cooperative
- (8) SAVEC - Southwest Alaska Vocational Education Center
- (9) SE Alaska Career Center
- (10) U.A. Workforce Programs
- (11) Yuut Eilinaurviat - Peoples Learning Center

Source: DOLMDE's annual Business Partnerships
 *tag used by DOLMDE's research and analysis section.
 Rev. 6/2010

Programs

- Alaska Tech Prep
- Apprenticeships
- Career Clusters & Pathways
- Career Lattice
- LPN & CNA state licensing
- Training Providers (PDF)
- WorkKeys®

Terms

Career Cluster - used nationally as an organizer of knowledge and skills needed by a broad industry or related industries.

Career Lattice- a new project of the Alaska Department of Labor and Workforce Development's Research & Analysis Section to identify occupations that are most likely to lead to advancement. This information is based on real-world analysis of occupation-to-occupation movements of Alaska workers from 2001 through 2006.

Career Pathway - identifies a sub-set within career clusters, i.e. as an organizer of knowledge and skills statements shared by closely related professions.

Personal Learning and Career Plan (PLCP) - outlines a student's academic course work and other experiences and used as a guide by the student to achieve individually chosen career goals.

- PLCP Templates and Resources

Program of Study - identifies a sequence of instruction that is available to students during and after high school that provides the academic and skill competencies and credentials to qualify for employment in a career pathway.

- Program of Study form (PDF)

Program and Facility Inventories

Alaska Regional Training Centers Program and Facility Inventories April 2012 (PDF)



NEA-ALASKA

Leading Alaska's Public Schools

Leading the Profession

Leading the Profession

Statement of purpose: Like all Alaskans, educators want each and every child to have a world class education. As professionals, we are not only accountable for managing, monitoring, and inspiring student learning, but we are also trained experts on evaluating which education reform ideas will most improve schools. Directing Alaska's resources and energy to the following principles will provide the substantial gains in student learning at reasonable cost. Alaska should say YES to these six items:

1. Make every educator a great educator. *It takes time, resources, and support for educators to become highly effective. Mentor and teacher-coach programs are essential for all teachers. Alaska public education should improve its professional development by providing adequate time to accomplish it, and by making it relevant to the specific needs that reflective practitioners identify; and continue to support the growth of collaborative activities and professional learning communities.*

2. Create opportunities for innovative practices. *We want to create opportunities to test practices that advance student learning, including such innovations as peer review programs that are sound and support continuous teacher development.*

3. Increase the amount of time that students spend learning. *We believe distracters such as excessive standardized testing, poor attendance and too many students in the classroom minimize the amount of time students spend learning. We would invite a dialogue that addresses these concerns, and explores other ideas for maximizing student learning such as alternative daily schedules or adding days to the school year*

4. Create a quality teacher evaluation system. *We believe in reasonable accountability systems with multiple measures that help teachers strengthen their knowledge, skills and practice. We welcome relevant and constructive feedback and support that improves instruction. The public has a right to expect us to be accountable, and we embrace that idea as long as it is done in a fair way, and it involves factors within the teacher's control.*

5. Reinforce effective family-school partnering. *We believe that parents have a direct effect on student learning, and should have a rich variety of opportunities to be actively involved in schools. We support family education, advisory boards, and other methods of inviting parents and other local leaders into schools and helping them to become integrated into the learning process.*

6. Deliver a rich and varied curriculum. *We believe that the arts, sciences, physical education and humanities all help students become healthy, creative, and innovative citizens. Schools must have the funding and resources to provide a variety of opportunities for students.*

Key Contacts

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Lydia Garcia

Executive Director

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Fairbanks Office: 2118 S. Cushman Street | Fairbanks, AK 99701 | t 907.456.4435 | f 907.456.2159

www.neaalaska.org

Alaska Council of
 School
 Administrators

Alaska Association
 of Elementary
 School Principals

Alaska Association
 of Secondary
 School Principals

Alaska Association
 of School
 Administrators

Alaska Association
 of School Business
 Officials

Alaska Staff
 Development
 Network

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As Education in Alaska Changes, Who Do You Want Leading the Charge?

by Rod Morrison, AASSP President; Principal, Gilson Middle School

"The principal goal of education is to create men who are capable of doing new things, not simply repeating what other generations have done – men who are creative, inventive, and discoverers." -Jean Piaget

I just returned from Juneau, where I had the opportunity to meet with state legislators and staff and spend time with many of our state's leaders in education. One of the things we know for sure is that the face of education in Alaska is changing—everything from funding to standards, evaluations, and all of the resources we will need to prepare our students to succeed. Over my 12 years as a principal in Alaska, I have seen several key initiatives come and go. The only thing that appears to be constant in our state's educational leadership is change. Having been a part of many hiring committees—for teachers, principals, superintendents, and executive directors of various educational organizations in the state—I have come to appreciate the intricacies of picking a good leader. As a father of two students in public schools, I embrace positive change, but I also sometimes fear that constant changes in education leadership could cause our school systems to move backward.

When choosing leaders to guide our children's future, we must always be careful to select those who hold educating people as their highest priority. Our children don't have time for us to decide to act on their behalf. Urgency should be a catalyst for the change needed in our schools. Our leaders have to assess what is truly urgent versus what can be done over time through partnering and collaboration. Also, not much will be accomplished if stakeholders are not part of the change process. Team-building is an essential skill for any school leader. More than once, I have seen leaders fail because they were unable to build a functional team. Without a broad base of support, any effort for change will be less likely to succeed.

Leaders have to be able both to vision and to effectively share their vision. In education, the process of visioning

itself should be a collaborative endeavor. The model of a heroic leader swooping in and saving a school diminishes any prior efforts made toward improvement. When a vision is developed collaboratively, it is more likely to be comprehensive. Once the vision is set, school leaders need to work to remove the obstacles that stand in the way of progress.

Data, whether student interest surveys, test results, or school climate feedback, have an important role to play in a school's fulfilling its vision. By tracking our progress on these fronts, we encounter occasions when we can celebrate the short-term gains, which are important in education, especially when they lead to long-term victories. Sometimes, celebration is the only positive our teachers and schools experience, particularly with the budget cuts and other challenges we are facing.

Education is a profession that renews itself every year. A new school year brings with it great hope. For schools with a clear long-term vision, the new school year also provides an opportunity to renew everyone's focus on key initiatives. If our schools are truly seeking to improve, our plans and strategies must center on enduring goals.

School leaders rarely stay in one place for very long. Is the change that you are fostering dependent on you? If you left your school today, would efforts to complete the work you started continue on? These are questions you should ask yourself every time you consider a new initiative. If the change you are seeking is dependent solely on your leadership, then it might not be as important as you think. Change for the sake of change undermines effective school reform efforts, whereas developing a culture of ongoing change and innovation leaves your school with a natural succession plan. Isn't that what leadership is all about?

"If you are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people." -Chinese proverb



ACSA Welcomes New Executive Director

by Lisa Parady, ACSA/AASA Incoming Executive Director

Let me begin my first column with a heartfelt thanks to our outgoing Executive Director, Bruce Johnson. Truly, it is worth recognizing the skills and experience he brought to us – state-wide knowledge, deep education experience, and an ability to bring people together. My plan is to continue to walk in his path while I get my feet on the ground!

For those who don't know me, I come to our association with a broad background. I am a recovering attorney, have a doctorate in Educational Leadership and have been with the North Slope Borough School District these past six years. Before moving to Alaska, I served as Chief of Staff in the Wyoming Department of Education and worked education policy issues while with the Governor's Office. A thumbnail sketch is that I am systems oriented, like to bring people together to work hard and get things

done, and love the interplay between the legislature, Governor, and the reality of where we all live in education – serving our students!

We need to look forward and keep our eyes on the horizon. We each experience tremendous challenges in delivering the fundamental promise of public education – an equal chance for every student to make the most of their lives, to learn how to learn, to engage with the world as it is. While we all recognize the need for continual improvement, we must also bring the naysayers into a broader conversation about what it takes to fulfill this fundamental promise.

I will open my service to you with a simple promise – to listen, work my hardest, and find ways to both tighten our circle (bring us together) while broadening it (reaching out to our allies – and others).

ACSA Welcomes New Executive Director *(continued)*

I look forward to serving you and learning from you. My cell phone is 907.903.1689, and I will be reaching out to you for input with a listening tour and by phone, text and email.

Let me close by thanking the ACSA Board for bringing me aboard. They have given me the unrivalled opportunity to bring our four associations, full of the best and the brightest

educational leaders, together in the service of all of the students across Alaska.

Anytime you are in Juneau please come by the office to get acquainted – and know that I intend to visit as many schools and districts as possible.



Leading the Way with Instructional Tours

by Mary McMahon, AASSP President Elect; Principal, Colony Middle School

How do we adapt to meet the challenges coming our way with the new teacher evaluation and standards? One answer we've found is through our monthly instructional tours. At Colony Middle School, we have been leading the way with instructional tours over the years by hosting them monthly and working with teachers to come up with a process that works best.

As with anything we do in our schools, principal leadership is key. Each year, it is my job to set monthly tours on the calendar and then prepare everything needed to limit any undue stress on teachers. The teacher's job is to show up during her or his session and spend time collaborating and learning as we tour classrooms together.

Why host instructional tours?

- Teachers deserve thoughtful feedback to support them in honing their craft.
- We observe teachers teaching and students learning because that's our #1 priority.
- Great teachers arrive at deliberate and thoughtful decisions as a result of reflection. As Charlotte Danielson reminds us, "Teaching is a thinking person's job; it is not simply a matter of following a script or carrying out other people's instructional designs."
- Observers and teachers being observed benefit in the feedback process.

Over the years, our observational focus has changed to meet our school's instructional goals. This year, we decided that we should take advantage of the time we have before fall of 2015 to best prepare teachers for the transition to the new teacher evaluation. Because MSBSD has adopted Charlotte Danielson's Framework for Teaching, we chose to use her writings to frame our monthly instructional tours. For this year, we are observing for Domain 2: The Classroom Environment. Next year, we will transition to Domain 3: Instruction. These are the two observable domains of



Danielson's framework. By observing within this structure now, our teachers are learning to look for evidence and identify the components needed to be rated as an effective or highly effective teacher in each of the four domains. In some cases, teachers have assigned an "unsatisfactory" or "needs improvement/developing" rating when completing *The Four Domains Self-Assessment*.

What does the school get out of the instructional tours?

At Colony, instructional tours are helping to build a climate of trust and teamwork. When we go into classrooms, we always point out the positive in what we see; each of the observers leaves the teacher with genuine comments, which are collected and handed to the teacher by one of the observers as we leave the classroom. We do this because we've found that teachers appreciate immediate feedback, just like our students do. Authentic feedback is the breakfast of champions! While in classrooms, we record on forms observable evidence pertaining to each of the components we are observing for. We then take these forms back to our meeting location and discuss what we've observed. We spend the last bit of our time together learning from the collaborative discussions we engage in based on one another's observations. This is where the truest form of a professional learning community comes into being. It is so nice to be with one another discussing what we are all so passionate about – teaching and learning.

Our work can be physically, emotionally, and cognitively demanding. We are constantly changing and adapting to the challenges coming our way. Differentiated instruction expert Carol Ann Tomlinson says, "Plan to be better tomorrow than you are today, but don't ever plan to be finished." Our work is challenging, but with the challenges come some of the greatest rewards possible. Our instructional tours provide a solid foundation on which to work together to meet the challenges we face. The conversations generated by the tours remind us how complex and rewarding our profession really is. We continually strive to do better, but know that our work is never finished.

Photo credit: Tahnya Hursh, CMS Teacher

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Think Different

by John Pothast, President AAESP; Principal, Redoubt Elementary

I have a school full of misfits, rebels, and troublemakers. A number of my students are round pegs trying to fit into square holes, and some are not fond of our rules. I also have a school full of students who will change our world—who will be future politicians, scientists, lawyers, doctors, petroleum engineers, construction workers, and educators. No matter their career choices, all of our students carry in them vast untapped potential, and they stand poised to change the direction of our communities, state, nation, and even world. My question, then, is: What are we doing in our schools to encourage, or discourage, those hopes and dreams?

In 1997, Apple ran an ad campaign titled "Think Different," embracing the vision and talent of "misfits, "rebels" and "troublemakers":

Here's to the crazy ones.

The misfits.

The rebels.

The troublemakers.

The round pegs in the square holes.

The ones who see things differently.

They're not fond of rules.

And they have no respect for the status quo.

You can praise them, disagree with them, quote them, disbelieve them, glorify them or vilify them.

About the only thing you can't do is ignore them.

Because they change things.

They invent. They imagine. They heal.

They explore. They create. They inspire.

They push the human race forward.

Maybe they have to be crazy.

How else can you stare at an empty canvas and see a work of art?

Or sit in silence and hear a song that's never been written?

Or gaze at a red planet and see a laboratory on wheels?

We make tools for these kind of people.

While some see them as the crazy ones, we see genius.

Because the people who are crazy enough to think they can change the world, are the ones who do.

In my day-to-day busy-ness, it's unfortunately all too easy to lose focus on what really matters in the principalship: our students! And no matter how long we serve them, whether they are just entering as kindergarteners or transferring into our high school as seniors, we have tremendous power and ability to shape their lives forever. Sometimes, that "power" comes from our direct contact with a student, through conversations in the hallway, interactions in the principal's office, or attending or involving ourselves in co-curricular activities after school. Other times, our "power" in influencing our students is exerted indirectly, by the work we principals do with our teachers—holding high expectations so that the teaching and learning in each and every one of our classrooms is of high quality. By being engaged on-site, we can ensure that our students' experiences in our schools encourage them to become confident learners. As we work with our students, we must continually ask ourselves if we are doing enough to empower them to go forth from our schools and be crazy enough to try and change our world for the better.

"Think Different" challenges my professional courage. Education in our country is at an unprecedented crossroads. Accountability, school choice, and innovation are the new norms. I am challenged by the words, inviting me to be a leader who is not afraid to "invent...imagine...create...inspire." I am challenged to stare at the canvas I call "school" and, rather than see what is, imagine what could be. If we want our students to rise to achieve their full potential, we need to set the example for them to follow. I like to think I'm just crazy enough to be able to change our educational world for the better, and I hope you will join me on that journey!



Proud to be a Principal

by Jennifer Schmitz, AAESP President Elect; Principal, Scenic Park Elementary

This past week, it was my privilege and honor to attend the annual "Principal Fly-in" in Juneau as a representative of both the Anchorage Principals Association (APA) and the Alaska Association of Elementary School Principals (AAESP).

Together with the Alaska Association of Secondary School Principals (AASSP), we gathered a strong team of principals from around the state. In three whirlwind days, we met with Commissioner Hanley, attended legislative committee meetings, and met and conversed with over 30 individual senators and representatives from around the state.

This year, as in recent years, the main message we carried pertained to adequate and sustainable funding for education. Over our days in Juneau, we met with individual senators and representatives in small groups, so I had a chance to spend time with many different colleagues. While we know better than to expect we'll get everything we asked for, every superintendent, fellow principal, teacher, parent, and student should be proud of the effort we put forward during the Fly-in to advocate for statewide education funding.

As I sat listening to my colleagues, I was repeatedly amazed at the extent to which they understood and were able to communicate about the many complex education-related

issues before the legislature. These professionals are true champions for students. We are principals and we run schools; but the administrators I was with on the Fly-in represented so much more. They compelled our elected officials to listen, to think, and to respond. Many talked about the need for early childhood education, explaining how that small investment early on can save the state later in reduced prison costs. Others raised questions about what could be done to strengthen our foster care system so that each of our students may return home to a stable and caring environment every day. Their strong voices encouraged lawmakers and others to pursue ways to identify and address mental health issues early on and begin treating individuals before something tragic happens.

Emphasis was repeatedly placed on the importance of ensuring all of our students leave high school ready for the job market. We need additional career and technology education programs to make this happen. If properly funded, many districts would be doing more to make these programs accessible to more students. We also shared information about the effort our national organizations are making to secure more Title II funding for administrators' professional development. Effective leadership is one of the most critical aspects of school success, and we are often left out of districts' plans.

Proud to be a Principal *(continued)*

by Jennifer Schmitz, AAESP President Elect; Principal, Scenic Park Elementary

Another issue we talked with lawmakers about concerned the fact that we live and work in the only state with an undefined retirement plan for our teachers. This, along with other flat funding issues, is causing us to lose some of our best teachers and discouraging young people from wanting to teach here someday.

Yes! We "lobbied" for adequate and sustainable funding. We shared our stories and told of the difficulties we are having

and will continue to have if we are not adequately funded. Emotions ran high at times, and, while we might not see immediate legislative action based on our conversations, I know people were listening. Every day of the Fly-in, I watched in awe as my colleagues advocated in every possible way for each and every child, teacher, and administrator in our state. By the time I boarded our flight home, I felt prouder than ever to be a principal in Alaska.

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Stay the Course

by Todd Poage, AASA President; Superintendent, Alaska Gateway School District



As the 2014 legislative session begins winding down, a few of the approximately 60 education bills that were introduced may begin moving rapidly. With all but five legislators up for reelection, as well as the Governor, an opportunity is before us that may not present itself for another eight years. This demands that we be vigilant in monitoring the daily activities of the Senate and House as legislation works its way through the committee process, sometimes with limited public notice. As the session approaches adjournment, please recall that only 24-hour notice is required for a bill to be considered, resulting in legislation moving quickly as supporting votes are calculated.

In regard to the 60 education bills presented during this session, the AASA board attempted to target our legislative efforts by identifying the six major bills "most" in play at the time of the AASA Legislative Fly-in. Focusing on these pre-selected bills, like-type districts discussed and prioritized the importance of each. From these discussions, the prevailing priority was the adoption of a multi-year foundation funding plan that would positively affect education—from the largest school districts with thousands of students to the smallest school districts with limited enrollments. The groups discussed the funds needed to adequately support education for the next three years versus the increase required to maintain the status-quo. A Base Student Allocation (BSA) increase of \$250 was determined by the majority as a bare minimum to assist districts in curbing budget deficits and minimize reductions in staff, instructional programs, and co-curricular activities. Overall, AASA legislative fly-in participants generally supported the Governor's Education Bill (HB278/SB139), Internet Services (HB179), Residential School Stipends (HB291/SB113), and Incentive Grants (SSSB100). Conversely, little or no support was voiced for

Charter School Conversions (HB321/SB185) or a Constitutional Amendment allowing Public Funding for Private & Religious Schools (HJR1 and SJR9).

We applaud the efforts of both the Senate and House to address the funding needs of PreK-12 public education. As of this report, the Senate Finance Committee has added \$100 million to the education budget for FY15 and FY16 distributed through the foundation formula. This represents an increase in education funding of \$54 million as compared to last year, taking into account the \$25 million for energy and \$21 million for school security received in FY14. Since each \$25 million added to education funding equates to a BSA increase of roughly \$100, the foundation formula would receive a one-time increase of just over \$200 for FY15 and FY16. This allocation presents an incredible opportunity, even if not permanently tied to the foundation formula, and is significantly greater than other funds currently targeted for education. We need to support these funds while continuing to calibrate our efforts and expectations for a clean BSA increase.

On Monday, April 7, the House passed a CS for HB278 that provides BSA increases for FY15 @ \$5,865, FY16 @ \$5,923 and FY17 @ \$5,981 as well as \$30 million onetime funding distributed through the formula. AASA extends its appreciation to House members for reconsidering the proposed adjustment to the school size formula multiplier that would have shifted funds, without a comprehensive study, and potentially diminish the overall goal of providing financial parity across all districts. AASA remains committed to education funding based on the true cost of doing business and creating equity for all students.

In closing, a heartfelt "Thank You" to the Champions for Children for sponsoring meetings and other events, such as

Stay the Course *(continued)*



Left to right: Champions for Children- Sheryl Weinberg, SERRC; Jerry Covey, JSC Consulting; Steve Asay & Jason Hoopes, School Improvement Network; Grady Fisher, AML/JIA; Cole Saxton, Saxton Bradley, Inc.; Kevin Smith, AML/JIA

the recent AASA Legislative Fly-in, that allowed our membership an opportunity to work together in the interest of all kids in Alaska. On behalf of AASA, we offer our sincere appreciation to our retiring superintendents and executive director for their tireless dedication and service as advocates for a strong and evolving public education system in Alaska. From the numerous remarks provided by fellow colleagues during the AASA Legislative Fly-in, your leadership unquestionably made a real difference.

By staying involved, AASA can continue to focus the course of the 28th Legislature towards the needs of public education. Best wishes to each of you for your efforts on behalf of children through the remainder of the school year.



Left to Right: Todd Poage, AASA President; Bruce Johnson, outgoing ACSA/AASA Executive Director; Rob Thomason, ASAA Past President; Dave Herbert, ACSA Past President



The Final Lap—28th Legislature

by Dr. Bruce Johnson, Executive Director, ACSA/AASA

As billed, the Second Session of the 28th Legislature has lived up to the projection that PreK-12 education would be a major focus. With less than ten days prior to the scheduled adjournment on April 20, legislators will be enduring long days and intense conversation regarding many issues. We are fortunate that education will be among the major issues being addressed prior to adjournment. I am confident that I share the sentiments of the entire ACSA membership in offering our sincere appreciation for the attention PreK-12 education received this session. The needs of PreK-12 education are real and we remain steadfast in our effort to influence the outcome in a manner that helps meet the needs of all of Alaska's children.

Several big issues remain on the legislative docket that are critical for PreK-12 education and the children and families represented by decisions being made in the upcoming days. These include:

- **Unfunded PERS/TRS Retirement Liability** – Governor Parnell, along with the Senate and House members, have been earnest in their commitment to address the unfunded liability. The “policy call” related to this complex issue has generated a variety of potential solutions and, despite some differences, the Governor and legislators are maintaining their resolve to advance a solution that is good for Alaska and protects future generations from having to shoulder this burden. Let’s all encourage them to work together to secure the best outcome possible.
- **PreK-12 Funding** – No issue is of greater prominence than the need for an infusion of additional funds to carry out the mission of our 53 school districts. Many districts, due to ever-rising costs and obligations, are making deep cuts in program and the staff that create opportunities for Alaska's

children attending our schools. Currently the Senate has offered a proposal for funds outside the foundation program that would include \$100 million each of the next two years. These funds represent a net gain of \$54 million when considering that districts currently receive one-time funds—\$25 million for energy related costs and \$21 million for school safety upgrades. The House, has affirmed the \$85.00 addition to the BSA proposed by Governor Parnell and added another \$100.00 to the BSA to cover ever increasing costs. On top of the BSA increase, the House has added \$30 million in one-time funds. No doubt, the two bodies will find middle ground in the coming days and coalesce around a plan to address education funding.

I would submit that now is not the time to keep your head down, so be bold and respectfully lend a hand in solving these complex issues facing the 28th Legislature in the remaining few days of this session.

- **Teacher Tenure** – The current proposal would have teachers acquiring tenure after five years of consecutive employment in the same district and signing of their sixth contract. Districts located within an REAA, small borough or a first class city with a population of less than 5,500 would have tenure acquisition reduced by two years.
- **Charter Schools** – Legislators have been active in their support for charter schools and have increased opportunities for charters by creating an appeal route if a local school board denies a charter application. In addition, the current proposal provides charter schools with the first refusal of available school district lease space, all funds generated by special needs students and secondary vocational and technical instruction, and any state aid generated for the construction or major maintenance of a charter school facility. More recently, a one-time grant of \$500 per student during the initial year of operation has been included to support charter schools.
- **Reports and Studies** – The House has proposed an addition to EED's report to the legislature that includes recommendations to change the method of education

The Final Lap- 28th Legislature (continued)

spending by the state and school districts that result in improved efficiencies in the administration of public education in the state. In addition, a Department of Administration written proposal to implement a salary and benefit schedule for school districts no later than January 1, 2016, has also been offered by the House.

Clearly, the issues outlined above are of great importance to all district and school leaders. You are terribly busy, but I would urge you to find the time necessary to connect with legislators. I would submit that now is not the time to keep

your head down, so be bold and respectfully lend a hand in solving these complex issues facing the 28th Legislature in the remaining few days of this session.

And to each of you, a fond farewell as I enter my final lap as an active public school administrator and advocate for PreK-12 education. I have been touched by many outstanding leaders over the past 40+ years and appreciate all the support I have received and the kindred spirits that I have encountered. Best wishes.

Dr. Martin Laster Named AASA 2014 Honorary Member



The Association of Alaska School Administrators (AASA) is honored to recognize Dr. Martin Laster with the 2014 AASA Honorary Member Award in recognition of his long-term service to Alaska public education.

During his notable career, Dr. Laster served with distinction as superintendent and assistant superintendent in several Alaska school districts, including Mat-Su, North Slope, Craig, and Kuspuk. He also served on

the American Association of School Administrators governing board as one of two Alaska representatives.

In addition to being the recipient of several major educational leadership awards, Dr. Laster was previously honored by AASA as the Alaska Superintendent of the Year in 1996.

Currently, he serves as a University of Alaska Southeast assistant professor responsible for the development of principals.

Presented To
DR. MARTIN LASTER

**HONORARY MEMBER
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*With appreciation from his Alaskan
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*His contribution to public education in Alaska
will long be remembered.*

*Bestowed this date
March 3, 2014*



**Dr. Pam Lloyd, Senior Director,
GCI School Access**



GCI School Access Donates VTC Equipment to ACSA

ACSA/AASA would like to thank GCI School Access for their generous donation of Video Teleconferencing (VTC) equipment.

GCI SchoolAccess provides broadband access, video conferencing, and state-of-the-art digital tools used for high-quality content to schools and libraries in rural and underserved regions of the United States.

ACSA is deeply appreciative of GCI School Access and its continued support of our membership events as well as our Champions for Children scholarship program.

Thank you!



**Polycom VTC equipment generously
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District Budgets: Make Every Dollar Count!

by Jim Farrington, Treasurer, Anchorage School District; President, ALASBO

As we move closer to the end of another school year, we find ourselves facing many potential changes in the coming year. One of the biggest factors affecting our future work will be what happens during this legislative session. On March 17-19, I had the opportunity to participate in the ALASBO Legislative Fly-in in Juneau. This was my first time as a participant at the Fly-in, and I have to admit it was an enlightening experience that I am hopeful made a difference. I, along with Amy Lujan (ALASBO Executive Director), Dave Jones (Kenai), Mark Vink (Bering Strait) and David Means (Juneau), set up a full slate of appointments with Senators, Representatives, and staff to discuss issues important to ALASBO members.

The first day we were in Juneau, the ALASBO group met at the Department of Education and Early Development to discuss and formulate our Talking Points, putting requests we'd received from other member districts together with our own respective districts' wants and needs. Over the next two days, we divided up into groups of two or three and visited over 30 different legislative offices to discuss the needs of school districts across the state. When speaking with legislators, first and foremost we wanted to take time to express our gratitude for the things that we have received in prior years: special funding for energy costs, updates in the Pupil Transportation Grant calculation, the addition of the CTE formula adjustment, continuation of the PERS/TRS on-behalf payments, and this past year's allocation of funds for Safety and Security Preparedness.

Next, we discussed our needs going forward. Since the Governor had included the BSA in his omnibus bill, we wanted to reiterate the need for increases. This is one of the biggest unknowns that districts are waiting to have resolved in order to plan and budget for the years ahead. With costs for workers' comp, health care, and wages rising, districts are facing additional pressures to balance their budgets. Increases in the BSA would help immensely to lighten some of these increasing funding demands. Along with the issue of the BSA, we took the opportunity of our visit to express concerns over several other bills the group considered important: implementation of cost controls on workers' compensation medical costs, the lump-sum contribution to the PERS/TRS program proposed by the Governor, elimination of the PERS termination costs, and support for funding the CIP Major Maintenance List.

As I mentioned earlier, it was an enlightening experience to be able to be a part of potential changes in the funding that all school districts receive. Thank you to Amy, Dave, Mark, and David for walking the floors of the Capitol to convey the needs of our state's school districts. And thank you to all who have provided information and testimony in an effort to make a difference during this important legislative session. If you have never been involved in this process before, I encourage you to take the time to do what you can to make your voice heard. Talking Points from this year's ALASBO Fly-in can be found on the ALASBO website: <http://alasbo.org/news/>.



School District Purchasing Options to Save Time and Money

by Amy Lujan, ALASBO Executive Director

At this time of year, school districts typically face a busy purchasing season for summer projects and as everyone begins to gear up for the new school year. A number of purchasing opportunities are available to help save districts time in the procurement process and to ensure competitive pricing.

State Contracts – Public entities around the state are able to take advantage of contracts negotiated by the State of Alaska. These contracts have been established by the state in accordance with the State Procurement Code. A list of the available contracts and more information can be found at <http://polisubs.alaska.gov>.

Cooperative Purchasing – A number of purchasing cooperatives are available to Alaska's school districts. Cooperatives consolidate the buying power of diverse entities, such as school districts, government agencies, and nonprofits, to provide benefits in pricing, product quality, and contract efficiencies.

As with state contracts, the cooperative has typically completed the competitive bidding process and makes the negotiated contract available to member entities. In most cases, membership is free or very low cost. Participation can be as simple as making a note on a purchase order for a participating vendor, e.g., "Apply XXX Cooperative Member Pricing."

As in all purchasing transactions, it is important to ensure the school district's own purchasing policies and procedures are

followed. Questions about contract compliance may be directed to the state contract manager or cooperative staff.

In addition, it is important to make sure that shipping costs are well-understood in advance of placing an order. This element can be tricky for contracts negotiated with less complex and expensive shipping issues than those encountered in Alaska. A contract might indicate low cost or even free shipping, but it is necessary to ensure that the shipping rate applies to Alaska and not just the continental US.

Purchasing cooperatives interested in working with Alaska's school districts include the following:

- *U.S. Communities* – Free registration; members include over 55,000 government agencies, education institutions and nonprofits – www.uscommunities.org
- *KCDA Purchasing* – Free registration; owned and operated by Washington state public school districts and open to Alaskan and other member districts; volume purchasing managed through centralized warehouse – www.kcda.org
- *TCPN* – Free registration; nationwide cooperative providing contracts used by over 35,000 public entities – www.tcpn.org



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**ALASKA ARTS EDUCATION CONSORTIUM
ADMINISTRATORS RETREAT
ANCHORAGE APRIL 30-MAY 1, 2014**



This program is provided under a contract with the John F. Kennedy Center for the Performing Arts. The Alaska Arts Education Consortium is supported, in part, by a grant from the Alaska State Council on the Arts and the National Endowment for the Arts.

Integrating 21st Century Skills through the Arts



WHAT TO EXPECT?

This program is provided under a contract with the John F. Kennedy Center for the Performing Arts. The Alaska Arts Education Consortium is supported, in part, by a grant from the Alaska State Council on the Arts and the National Endowment for the Arts.

Register online now at www.akartsed.org

Contact MK MacNaughton with questions ~ aaec@akartsed.org ~ 907-957-2061

- Learn why the arts are important for ALL students
- Focus on working with students with disabilities
- Learn how to integrate the arts with the Common Core and Alaska Standards
- Gain statewide and national arts and special education perspectives
- Assess your school's arts health
- Hear about state programs, resources and training opportunities
- Experience live student arts performances
- Collaborate with art leaders across the state
- Leave the retreat ready to increase the arts in your district!

Keynote Speaker

Mary Liniger

Executive Director of Art Enables has designed and implemented professional development workshops for inclusive arts programs and worked extensively within the D.C. arts community as both the Arts Education and ADA/504 Accessibility Coordinator for the D.C. Commission on the Arts and Humanities.



SEARHC Raven's Way Program Moves to Open Enrollment

Raven's Way, the SouthEast Alaska Regional Health Consortium's (SEARHC's) residential teen substance abuse treatment program, has made a few changes recently. The most important is a shift from scheduled enrollment, where students were only able to participate in the program during specific sessions, to "open enrollment", which allows referral agents, school counselors, or parents the flexibility to enroll a child in need of treatment for substance abuse any time throughout the year.

This is just one important change Raven's Way has made to better meet the needs of its students over the past 20 years. The average length of stay within the program has become six to eight weeks, allowing some extra time within the program for those who need more strategies for their success. The additional time spent in the program is yet another way the staff has been able to refine the experience and give each student the optimal opportunity for success.

There are things the program has definitely not changed. It is still a cultural and adventure-based program, and it is still open to all Alaska teens, both Alaska Native and non-Native. The Raven's Way focus remains on developing each young person's physical, emotional, mental, and spiritual strengths, as well as his or her communication and problem-solving

skills. Those skills are the tools necessary to choose a healthy, substance-free lifestyle after graduation from the program.

Additionally, and as always, the program's services are provided by licensed/certified staff, including psychologists and therapists, alcohol/drug counselors (including expedition specialists), and a secondary education teacher. While in the program, students engage in school, and are able to earn up to two credits, focusing on Alaska History and Health credits. Raven's Way also provides medical and psychiatric support through Mt. Edgecumbe Hospital.

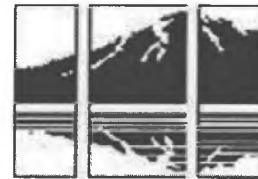
Raven's Way
(Yéil Jeeyáx)



"Building strength and skills for a healthy lifestyle"
SITKA, ALASKA

The program currently has availability and is accepting students. Raven's Way takes referrals from parents, community service providers, health councils, probation officers, schools, and others. If you'd like to refer a teen age 13 - 18 from anywhere in the state of Alaska, or to get more information, please contact Jeremiah Craig, jcraig@searhc.org, (907) 966-8716 or visit Raven's Way on the SEARHC website under Behavioral Health Services, <http://www.searhc.org/services/behavioral-health/veil-ieevax-ravens-way>.

Alaska Staff Development Network Offers Alaska Studies and Multicultural Classes This Summer



Summer Classes with Father Oleksa

➤ **Communicating Across Cultures**

Tuition and technology fees (Tier 1/Tier 2) \$420 / \$445
EDUC 59207 • 3 credits • Alaska Pacific University, Materials: \$50

What's a culture? What's your culture? Do you have a culture? Everyone does. The best definition of culture is "the way you see the world." But you can't SEE the way you see the world. Your own culture is always invisible to you. We can look at other people's cultures, but we can't articulate our own very well. Rev. Dr. Michael Oleksa's presentations are devoted to a discussion of cultures and how they affect us as educators. This course is the product of many years of experience in rural communities as well as years of research. It is especially designed to give the participant grounding in the cultural differences that often create miscommunication among Alaskans.

➤ **Alaska Alive! with Father Oleksa**

Tuition and technology fees (Tier 1/Tier 2) \$420 / \$445
EDUC 59501 • 3 credits • Alaska Pacific University, Materials: \$20

In *Alaska Alive!* you will learn about Alaska's history and the history of education in the state from one of Alaska's most dynamic presenters. Explore the culture of the Native peoples of Alaska and the connections between the environment and emigrations.

Both *Communicating Across Cultures* and *Alaska Alive!* will be offered in Anchorage in June. Both classes will be offered again in August.

- The June sessions will be offered June 2-6.
- The August sessions will take place August 4-8.

Summer sessions are blended learning courses that begin with two-and-a-half days of instruction from Father Michael at the BP Energy Center and are completed online with instructor Sharon Bandle. *Alaska Alive!* Includes a guided field trip to the Anchorage Museum of History and Art. Participants in *Communicating Across Cultures* spend a half-day touring the Alaska Native Heritage Center.

Self-Paced Online Alaska Studies and Multicultural Classes – Start Anytime!

➤ **Alaska Alive! Online**

APU EDUC 59500, 3 Credits / Graded A-F, **Online - Self-paced, start anytime**
Tuition (Tier 1 /Tier 2 Member Districts): \$410 / \$435, Materials: \$110

Alaska Alive! is an online graduate course specifically designed for educators. *Alaska Alive!* is a survey course, designed to give you an overview of the incredible history of Alaska. The themes of Education, Land and People provide a simple framework for learning activities. This course provides many materials and resources for Alaskan exploration and discovery, on foot, online and in your community. This course has been developed to meet the intent of the legislature in terms of content so that it fulfills the Alaska History course requirement for teacher certification. Beyond certification, however, the course offers an abundance of updated information, resources and application of ideas to standards based instruction.

Instructor: Sharon Bandle

➤ **Creating Culturally Responsive Schools**

APU EDUC 59600, 3 Credits / Graded A-F, **Online - Self-paced, start anytime**
Tuition (Tier 1 /Tier 2 Member Districts): \$410 / \$435, Materials: \$105

Alaska Standards for Culturally Responsive Schools were developed by Alaska Native educators throughout the state. This important work examines how educators, curriculum, schools, and communities must work together to address the unique learning needs of Alaska's diverse students. A holistic approach to learning and quality education that honors Alaska's past, present and future is critical for both rural and urban students. The goal of this online course is to introduce you to the Alaska Standards for Culturally Responsive Schools which guide you through a process of introspection and investigation of key questions: How effectively do I teach my students? How might I improve my classroom or school to increase student engagement?

Instructors: Doug Penn and Laurie Van Huis

These courses meet Alaska Department of Education and Early Development requirements for teacher certification and re-certification and have been approved in the Anchorage School District's MLP system.

Alaska Staff Development Network: 907-364-3809 or e-mail asdn@alaskaacsa.org

Register online at: asdn.org

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NSBA 74th Annual Conference – New Orleans, LA
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ASDN Annual Spring Leadership Conf. & Membership Meeting – Anchorage, AK
April 8-11, 2014

ATP Job Fair – Anchorage, AK
April 11-12, 2014

28th Alaska Legislative Session Ends
April 20, 2014

ACSA Quarterly Board Meeting –Teleconference
May 22, 2014

State School Board Meeting – Fairbanks, AK
June 5-6, 2014

NAESP National Conference – Nashville, TN
July 10-12, 2014

ALASBO Summer Leadership – Juneau, AK
July 25-27, 2014

AASA/EED Summer Meeting – Juneau, AK
July 27-28, 2014

AASA Fall Conference – Fairbanks, AK
October 2-4, 2014

AAESP/AASSP Principals' Conference – Anchorage, AK
October 19-21, 2014

ALASBO Conference – Anchorage, AK
December 7-10, 2014

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