

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** [METHODOLOGY] 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.