A BILL

FOR AN ACT ENTITLED

"An Act establishing the Alaska education innovation grant program; eliminating the Alaska education grant program; relating to the funding of and eligibility for the Alaska performance scholarship program; redesignating the Alaska higher education investment fund as the Alaska education innovation grant fund; and providing for an effective date."

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

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

Sec. 14.03.128. Alaska education innovation grant program. (a) An education innovation grant program is established in the department. The department shall establish procedures and standards for awarding grants to school districts under this section for the support of innovative education ideas, including

(1) programs that change the method of interaction between students and teachers in the classroom;
(2) instruction delivered through a combination of technologies, such as video, interactive software, games, social media, and print media;

(3) pilot projects that support teachers and students by using a variety of educational resources to bring new instructional approaches into classrooms in the state; and

(4) other programs designed to achieve best practices for education as identified by the commissioner.

(b) The commissioner shall annually determine the amount required to fund programs, projects, and ideas that meet the standards established by the department under this section and shall include the amount in the department's budget request. The legislature may appropriate funds from the Alaska education innovation grant fund established under AS 37.14.750 for the awarding of grants under this section.

* Sec. 2. AS 14.43.820(a) is amended to read:

(a) Subject to appropriation, the commission shall award an Alaska performance scholarship to an applicant who

(1) is a resident of the state as defined in AS 01.10.055;

(2) graduated or will graduate within six months from a high school in the state;

(3) except as provided in (c) of this section, has completed a core academic curriculum of high school level coursework that includes

   (A) four years of mathematics, four years of language arts, four years of science, and four years of social studies, one year of which may include a foreign language, an Alaska Native language, fine arts, or cultural heritage; or

   (B) three years of mathematics, four years of language arts, three years of science, four years of social studies, and two years of a foreign language or an Alaska Native language;

(4) has a minimum grade-point average in high school of 2.5 or higher for an applicant who is a member of the high school graduating class of 2017 or earlier, or 3.5 or higher for an applicant who is a member of the high school graduating class of 2018 or later; the department shall set by regulation minimum
requirements based on a substantially similar standard for districts that do not assign grades;

(5) has achieved a minimum score on a
(A) college entrance examination; or
(B) standardized examination designed to measure a student's level of preparedness to make the transition to work, as selected by the department; and

(6) is enrolled in good standing in a course of study at a qualified postsecondary institution in this state that is intended to result in the award of a certificate or degree.

* Sec. 3. AS 14.43.825(a) is amended to read:

(a) The maximum annual award for an Alaska performance scholarship are as follows:

(1) THE FIRST AWARD LEVEL is $4,755 for an applicant who

(1) [AND REQUIRES A (A)] 3.5 grade-point average or above; and
(2) [(B)] very high minimum score on a college entrance examination

[;

(2) THE SECOND AWARD LEVEL IS $3,566 AND REQUIRES A

(A) 3.0 GRADE-POINT AVERAGE OR ABOVE; AND
(B) HIGH MINIMUM SCORE ON A COLLEGE ENTRANCE EXAMINATION;

(3) THE THIRD AWARD LEVEL IS $2,378 AND REQUIRES A

(A) 2.5 GRADE-POINT AVERAGE OR ABOVE; AND
(B) MODERATELY HIGH MINIMUM SCORE ON A COLLEGE ENTRANCE EXAMINATION].

* Sec. 4. AS 14.43.825(b) is amended to read:

(b) A student's eligibility for a scholarship terminates four [SIX] years after the date the student graduates from high school unless the student qualifies for an extension of time allowed by the department by regulation.

* Sec. 5. AS 14.43.915(a) is amended to read:
(a) The Alaska education grant account is created as an account in the general fund. Money may be appropriated to the account from the Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750 and from other sources. The commission may use the money in the account to pay grants awarded under AS 14.43.400 - 14.43.420 and to pay the cost of administration of the Alaska education grant program created under AS 14.43.400.

* Sec. 6. AS 14.43.915(b) is amended to read:

(b) The Alaska performance scholarship award account is created as an account in the general fund. Money may be appropriated to the account from the Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750 and from other sources. The commission may use the money in the account to pay scholarships awarded to students under AS 14.43.810 - 14.43.849.

* Sec. 7. AS 14.43.915(c) is amended to read:

(c) Of the total amount available annually to the commission for payment of grants under AS 14.43.400 - 14.43.420 and for payment of scholarships under AS 14.43.810 - 14.43.849, one-third of the combined amount in the accounts established under (a) and (b) of this section shall be available solely for payment of grants awarded under AS 14.43.400 - 14.43.420. The commission shall annually allocate to all qualified applicants for scholarships awarded under AS 14.43.810 - 14.43.849 two-thirds of the combined amount in the accounts. If an insufficient number of qualified applicants are awarded grants under AS 14.43.400 - 14.43.420 or scholarships under AS 14.43.810 - 14.43.849, or both, before the end of that fiscal year, the commissioner shall redeposit the remaining funds into the Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund established under AS 37.14.750.

* Sec. 8. AS 14.43.915(c), as amended by sec. 7 of this Act, is amended to read:

(c) [OF THE TOTAL AMOUNT AVAILABLE ANNUALLY TO THE COMMISSION FOR PAYMENT OF GRANTS UNDER AS 14.43.400 - 14.43.420 AND FOR PAYMENT OF SCHOLARSHIPS UNDER AS 14.43.810 - 14.43.849, ONE-THIRD OF THE COMBINED AMOUNT IN THE ACCOUNTS
Established under (a) and (b) of this section shall be available solely for payment of grants awarded under AS 14.43.400 - 14.43.420. The commission shall annually allocate to all qualified applicants for scholarships awarded under AS 14.43.810 - 14.43.849 two-thirds of the combined amount in the accounts.] If an insufficient number of qualified applicants are awarded [grants under AS 14.43.400 - 14.43.420 or] scholarships under AS 14.43.810 - 14.43.849, [or both,] before the end of that fiscal year, the commissioner shall redeposit the remaining funds into the Alaska education innovation grant fund established under AS 37.14.750.

* Sec. 9. AS 14.43.915(d) is amended to read:

(d) The commission shall reserve a percentage calculated under this subsection of the total amount available for awards in the account [ACCOUNTS] established under [(a) and] (b) of this section each year for award to students who graduate from a school district with an ADM of less than 800 or from a school that was operated by the Alaska State-Operated School System established under former AS 14.08.020. The percentage reserved under this subsection shall be calculated by adding the ADMs of districts with an ADM of less than 800 and the number of students enrolled in a school that was operated by the Alaska State-Operated School System established under former AS 14.08.020 that is located in a district with an ADM of 800 or more and then dividing that number by the sum of the ADMs of all districts in the state.

* Sec. 10. AS 37.14.750(a) is amended to read:

(a) The Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund is established in the general fund for the purposes [PURPOSE] of making grants to school districts to support the Alaska education innovation grant program under AS 14.03.128, making grants awarded under AS 14.43.400 - 14.43.420 by appropriation to the account established under AS 14.43.915(a), and [of] making scholarship payments to qualified postsecondary institutions for students under AS 14.43.810 - 14.43.849 by appropriation to the account established under AS 14.43.915(b). Money in the fund does not lapse. The
fund consists of  
(1) money appropriated to the fund;  
(2) income earned on investment of fund assets;  
(3) donations to the fund; and  
(4) money redeposited under AS 14.43.915(c).

* Sec. 11. AS 37.14.750(a), as amended by sec. 10 of this Act, is amended to read:

(a) The Alaska education innovation grant fund is established in the general fund for the purposes of making grants to school districts to support the Alaska education innovation grant program under AS 14.03.128, [MAKING GRANTS AWARDED UNDER AS 14.43.400 - 14.43.420 BY APPROPRIATION TO THE ACCOUNT ESTABLISHED UNDER AS 14.43.915(a),] and making scholarship payments to qualified postsecondary institutions for students under AS 14.43.810 - 14.43.849 by appropriation to the account established under AS 14.43.915(b). Money in the fund does not lapse. The fund consists of  
(1) money appropriated to the fund;  
(2) income earned on investment of fund assets;  
(3) donations to the fund; AND  
(4) MONEY REDEPOSITED UNDER AS 14.43.915(c).

* Sec. 12. AS 37.14.750(c) is amended to read:

(c) As soon as is practicable after July 1 of each year, the commissioner of revenue shall determine the market value of the fund established in this section on June 30 for the immediately preceding fiscal year. The commissioner shall identify five [SEVEN] percent of that amount as available for appropriation as follows:  
(1) one-third for the grant account established under AS 14.43.915(a), from which the Alaska Commission on Postsecondary Education may award grants;  
[AND]  
(2) one-third [TWO-THIRDS] for the scholarship account established under AS 14.43.915(b), from which the Alaska Commission on Postsecondary Education may award scholarships; AND  
(3) one-third for the Alaska education innovation grant program established under AS 14.03.128.
* Sec. 13. AS 37.14.750(c), as amended by sec. 12 of this Act, is amended to read:

(c) As soon as is practicable after July 1 of each year, the commissioner of revenue shall determine the market value of the fund established in this section on June 30 for the immediately preceding fiscal year. The commissioner shall identify five percent of that amount as available for appropriation as follows:

(1) [ONE-THIRD FOR THE GRANT ACCOUNT ESTABLISHED UNDER AS 14.43.915(a), FROM WHICH THE ALASKA COMMISSION ON POSTSECONDARY EDUCATION MAY AWARD GRANTS;

(2)] one-third for the scholarship account established under AS 14.43.915(b), from which the Alaska Commission on Postsecondary Education may award scholarships; and

(2) two-thirds [(3) ONE-THIRD] for the Alaska education innovation grant program established under AS 14.03.128.

* Sec. 14. AS 37.14.750(d) is amended to read:

(d) In this section, unless the context requires otherwise, "fund" means the Alaska education innovation [ALASKA HIGHER EDUCATION INVESTMENT] fund established in (a) of this section.

* Sec. 15. AS 43.20.014(a) is amended to read:

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

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

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

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

(4) a facility 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;

(7) the Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750;

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

(A) tuition and textbooks;
(B) registration, course, and programmatic student fees;
(C) on-campus room and board at the postsecondary institution in the state that provides the dual-credit course;
(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

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

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

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

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

* Sec. 16. AS 43.55.019(a) is amended to read:

(a) A producer of oil or gas is allowed a credit against the tax levied by
AS 43.55.011(e) 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;

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

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

(4) a facility or an annual intercollegiate sports tournament by a
nonprofit, public or private, Alaska two-year or four-year college accredited by a
regional accreditation association;

(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 education innovation grant** [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750.

* Sec. 17. AS 43.56.018(a) is amended to read:

(a) The owner of property taxable under this chapter 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;

(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;

(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 education innovation grant** [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750.

* Sec. 18. 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, 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 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;

(7) the Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750;

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

(9) constructing, operating, or maintaining a residential housing facility by a residential school approved by the Department of Education and Early Development under AS 14.16.200;
(10) childhood early learning and development programs and educational support to childhood early learning and development programs provided by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school district in the state, by the Department of Education and Early Development, or through a state grant;

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

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

* Sec. 19. AS 43.75.018(a) is amended to read:

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

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

(7) the Alaska education innovation grant [ALASKA HIGHER
EDUCATION INVESTMENT] fund under AS 37.14.750;

(8) funding a scholarship awarded by a nonprofit organization to a
dual-credit student to defray the cost of a dual-credit course, including the cost of
(A) tuition and textbooks;
(B) registration, course, and programmatic student fees;
(C) on-campus room and board at the postsecondary institution
in the state that provides the dual-credit course;
(D) transportation costs to and from a residential school
approved by the Department of Education and Early Development under
AS 14.16.200 or the postsecondary school in the state that provides the dual-
credit course; and
(E) other related educational and programmatic costs;

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

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

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

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

* Sec. 20. 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) direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, 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 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;

(7) the Alaska education innovation grant [ALASKA HIGHER EDUCATION INVESTMENT] fund under AS 37.14.750;

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

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

* Sec. 21. AS 14.43.400, 14.43.405, 14.43.406, 14.43.415, 14.43.420, and 14.43.915(a) are repealed May 30, 2021.

* Sec. 22. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: SCHOLARSHIPS FOR GRADUATING CLASSES BEFORE 2018. Notwithstanding the amendments to AS 14.43.825(a) made by sec. 3 of this Act, a person who has been awarded an Alaska performance scholarship and is a member of the high school graduating class of 2017 or earlier may continue to receive an annual award as provided in AS 14.43.825(a), as that subsection read on January 1, 2017, if the person is otherwise eligible.

* Sec. 23. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Education and Early Development
Development, the Department of Labor and Workforce Development, and the Alaska Commission on Postsecondary Education may adopt regulations necessary to implement changes made to their respective authorities by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law being implemented.

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

RETROACTIVITY. If secs. 2 - 4 of this Act take effect after July 30, 2017, secs. 2 - 4 of this Act are retroactive to July 30, 2017.

* Sec. 25. Sections 8, 9, 11, and 13 of this Act take effect May 30, 2021.

* Sec. 26. Except as provided in sec. 25 of this Act, this Act takes effect immediately under AS 01.10.070(c).