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CS FOR HOUSE BILL NO. 278(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

**Offered:
Referred:**

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

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

13 * **Sec. 2.** AS 14.03.075 is repealed and reenacted to read:

14 **Sec. 14.03.075. College and career readiness assessment.** (a) A student may
15 not be issued a secondary school diploma unless the student takes a college and career
16 readiness assessment or receives a waiver from the governing body.

17 (b) A student who fails to qualify for the issuance of a diploma under (a) of
18 this section by the end of the student's final semester of attendance but who has met all
19 other graduation requirements of a governing body and the state shall be awarded a
20 certificate of achievement.

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

24 (d) In this section, "college and career readiness assessment" means the SAT,
25 ACT, WorkKeys assessment, or the Armed Services Vocational Aptitude Battery.

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
30 under this section must include

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

1 (2) [THE NUMBER AND PERCENTAGE OF STUDENTS IN
2 EACH SCHOOL WHO PASS THE EXAMINATION REQUIRED UNDER
3 AS 14.03.075, AND THE NUMBER WHO PASS EACH SECTION OF THE
4 EXAMINATION;

5 (3)] progress of the department

6 (A) toward implementing the school accountability provisions
7 of AS 14.03.123; and

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

9 (3) [(4)] a description of the resources provided to each school and
10 school district for coordinated school improvement activities and staff training in each
11 school and school district;

12 (4) [(5)] each school district's and each school's progress in aligning
13 curriculum with state education performance standards;

14 (5) [(6)] a description of the efforts by the department to assist a public
15 school or district that receives a low performance designation under AS 14.03.123
16 [OF DEFICIENT OR IN CRISIS];

17 (6) [(7)] a description of intervention efforts by each school district
18 and school for students who are not meeting state performance standards; and

19 (7) [(8)] the number and percentage of turnover in certificated
20 personnel and superintendents [;

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

25 * Sec. 4. AS 14.03.120(d) is amended to read:

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

- 1 (1) information on accreditation;
- 2 (2) results of norm-referenced achievement tests;
- 3 (3) results of state standards-based assessments in language arts
- 4 [READING, WRITING,] and mathematics;
- 5 (4) a description, including quantitative and qualitative measures, of
- 6 student, parent, community, and business involvement in student learning;
- 7 (5) a description of the school's attendance, retention, dropout, and
- 8 graduation rates [, INCLUDING THE NUMBER AND PERCENTAGE OF
- 9 STUDENTS WHO RECEIVED A DIPLOMA UNDER A WAIVER FROM THE
- 10 COMPETENCY EXAMINATION REQUIRED UNDER AS 14.03.075(a),] as
- 11 specified by the state board;
- 12 (6) the annual percent of enrollment change, regardless of reason, and
- 13 the annual percent of enrollment change due to student transfers into and out of the
- 14 school district;
- 15 (7) if Native language education is provided, a summary and
- 16 evaluation of the curriculum described in AS 14.30.420;
- 17 (8) [THE NUMBER AND PERCENTAGE OF STUDENTS IN
- 18 EACH SCHOOL WHO TAKE AND WHO SUCCESSFULLY COMPLETE AN
- 19 ALTERNATIVE ASSESSMENT PROGRAM IN READING, ENGLISH, OR
- 20 MATHEMATICS; AND THE NUMBER AND PERCENTAGE OF PUPILS IN
- 21 EACH SCHOOL WHO SUCCESSFULLY COMPLETE THE ALTERNATIVE
- 22 ASSESSMENT PROGRAM BUT WHO DO NOT REACH THE STATE
- 23 PERFORMANCE STANDARDS AT THE COMPETENCY EXAM LEVEL IN
- 24 READING, ENGLISH, OR MATHEMATICS; A SCHOOL MAY NOT REPORT
- 25 RESULTS UNDER THIS PARAGRAPH UNLESS THE SCHOOL COMPLIES
- 26 WITH THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY
- 27 REQUIREMENTS OF 34 C.F.R. 99;
- 28 (9)] the performance designation assigned the school under
- 29 AS 14.03.123 and the methodology used to assign the performance designation,
- 30 including the measures used and their relative weights; and
- 31 (9) [(10)] other information concerning school performance and the

1 performance of the school's students as required by the state board in regulation.

2 * Sec. 5. AS 14.03.123(f) is amended to read:

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

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

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

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

13 (B) measures of student improvement; and

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

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

18 * Sec. 6. AS 14.03.250 is repealed and reenacted to read:

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

25 (b) A decision of a local school board approving or denying an application for
26 a charter school must be in writing and must include all relevant findings of fact and
27 conclusions of law.

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

31 (d) If a local school board denies an application for a charter school, the

1 applicant may appeal the denial to the commissioner. The appeal to the commissioner
2 shall be filed not later than 60 days after the local school board issues its written
3 decision of denial. The commissioner shall review the local school board's decision to
4 determine whether the findings of fact are supported by substantial evidence and
5 whether the decision is contrary to law. A decision of the commissioner upholding the
6 denial by the local school board is a final decision not subject to appeal to the state
7 Board of Education and Early Development.

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

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

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

25 * Sec. 8. AS 14.03.255(a) is amended to read:

26 (a) A charter school operates as a school in the local school district except that
27 the charter school (1) is exempt from the local school district's textbook, program,
28 curriculum, and scheduling requirements; (2) is exempt from AS 14.14.130(c); the
29 principal of the charter school shall be selected by the academic policy committee and
30 shall select, appoint, or otherwise supervise employees of the charter school; and (3)
31 operates under the charter school's annual program budget as set out in the contract

1 between the local school board and the charter school under (c) of this section. A local
2 school board may exempt a charter school from other local school district
3 requirements if the exemption is set out in the contract. A charter school is subject to
4 [SECONDARY SCHOOL COMPETENCY TESTING AS PROVIDED IN
5 AS 14.03.075 AND OTHER COMPETENCY] tests required by the department.

6 * Sec. 9. AS 14.03.260(a) is amended to read:

7 (a) A local school board shall provide an approved charter school with an
8 annual program budget. The budget shall be not less than the amount generated by the
9 students enrolled in the charter school less administrative costs retained by the local
10 school district, determined by applying the indirect cost rate approved by the
11 Department of Education and Early Development. The "amount generated by students
12 enrolled in the charter school" is to be determined in the same manner as it would be
13 for a student enrolled in another public school in that school district **and includes**
14 **funds generated by special needs under AS 14.17.420(a)(1), secondary school**
15 **vocational and technical instruction under AS 14.17.420(a)(3), and student**
16 **transportation under AS 14.09.010. A school district shall direct state aid under**
17 **AS 14.11 for the construction or major maintenance of a charter school facility to**
18 **the charter school that generated the state aid, subject to the same terms and**
19 **conditions that apply to state aid under AS 14.11 for construction or major**
20 **maintenance of a school facility that is not a charter school.**

21 * Sec. 10. AS 14.07.020(a)(16) is amended to read:

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

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

27 (B) an end date for departmental intervention, as described in
28 AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three
29 consecutive years of improvement consisting of not less than two percent
30 increases in student proficiency on standards-based assessments in **language**
31 **arts and** mathematics, [READING, AND WRITING] as provided in

1 AS 14.03.123(f)(2)(A); and

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

4 * Sec. 11. AS 14.07.020(b) is amended to read:

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

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

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

13 (A) be made available to all districts and regional educational
14 attendance areas;

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

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

20 * Sec. 12. AS 14.07.165 is amended to read:

21 **Sec. 14.07.165. Duties.** The board shall adopt

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

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

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

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

29 (5) regulations implementing the college and career readiness
30 assessment [SECONDARY SCHOOL STUDENT COMPETENCY
31 EXAMINATION] provisions of AS 14.03.075, providing for the needs of a student

1 who is a child with a disability, and setting standards for a waiver under
 2 AS 14.03.075; the regulations may address the conditions, criteria, procedure,
 3 and scheduling of the assessment [, INCLUDING THE CRITERIA AND
 4 PROCEDURE UNDER WHICH A GOVERNING BODY USES A WAIVER TO
 5 GRANT A DIPLOMA TO A STUDENT; CRITERIA REGARDING GRANTING A
 6 WAIVER MUST INCLUDE PROVISIONS THAT A WAIVER MAY ONLY BE
 7 GRANTED FOR STUDENTS WHO ENTER THE SYSTEM LATE OR HAVE
 8 RARE OR UNUSUAL CIRCUMSTANCES MERITING A WAIVER].

9 * Sec. 13. AS 14.07.165 is amended by adding a new subsection to read:

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

12 * Sec. 14. AS 14.16.050(a) is amended to read:

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

15 (1) requirements relating to school district operations:

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

18 (B) AS 14.03.073 and 14.03.083 - 14.03.140 [AS 14.03.083 -
 19 14.03.140] (miscellaneous provisions applicable to school district operations);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 * Sec. 15. AS 14.16 is amended by adding a new section to article 2 to read:

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

7 * **Sec. 16.** AS 14.16.200(b) is amended to read:

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

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

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

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

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

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

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

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

21 [\$1,184].

22 * **Sec. 17.** AS 14.17.470 is amended to read:

23 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,765
24 [\$5,680].

25 * **Sec. 18.** AS 14.17.470, as amended by sec. 17 of this Act, is amended to read:

26 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,823
27 [\$5,765].

28 * **Sec. 19.** AS 14.17.470, as amended by secs. 17 and 18 of this Act, is amended to read:

29 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,881
30 [\$5,823].

31 * **Sec. 20.** AS 23.15.835(d) is amended to read:

1 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
 2 2009, through June 30, 2024 [2014], the money collected under this section or
 3 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
 4 the Alaska Human Resource Investment Council, shall be allocated directly in the
 5 following percentages to the following institutions for programs consistent with
 6 AS 23.15.820 - 23.15.850 and capital improvements:

7	University of Alaska	45 percent
8	University of Alaska Southeast	5 percent
9	Galena Project Education Vocational Training Center	4 percent
10	Kotzebue Technical Center	9 percent
11	Alaska Vocational Technical Center	17 percent
12	Northwestern Alaska Career and Technical Center	3 percent
13	Southwest Alaska Vocational and Education Center	3 percent
14	Yuut Elitnaurviat, Inc. People's Learning Center	9 percent
15	Delta Career Advancement Center	3 percent
16	New Frontier Vocational Technical Center	2 percent.

17 * Sec. 21. AS 23.15.835(e) is amended to read:

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

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

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

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

29 (4) the percentage of former participants who indicate some level of
 30 satisfaction with the training received under the program; [AND]

31 (5) the percentage of employers who indicate satisfaction with the

1 services provided through the program;

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

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

10 * Sec. 22. AS 23.15.835 is amended by adding new subsections to read:

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

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

17 * Sec. 23. AS 23.15.850 is amended by adding new paragraphs to read:

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

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

25 * Sec. 24. AS 43.20.014(a) is amended to read:

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

28 (1) 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 or
31 four-year college accredited by a regional accreditation association;

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

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

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

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

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

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

15 **(8) funding a scholarship awarded by a nonprofit organization to a**
16 **dual-credit student to defray the cost of tuition, registration, course, and textbook**
17 **fees; and**

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

21 * Sec. 25. AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7,
22 FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

25 (1) for 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 or
28 four-year college accredited by a regional accreditation association;

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

31 (3) by a state-operated vocational technical education and training

1 school; [AND]

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

4 (5) for funding a scholarship awarded by a nonprofit organization
5 to a dual-credit student to defray the cost of tuition, registration, course, and
6 textbook fees; and

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

10 * Sec. 26. AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

16 * Sec. 27. AS 43.65.018(a) is amended to read:

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

19 (1) direct instruction, research, and educational support purposes,
20 including library and museum acquisitions, and contributions to endowment, by an
21 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
22 four-year college accredited by a regional accreditation association;

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

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

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

30 (5) Alaska Native cultural or heritage programs and educational
31 support, including mentoring and tutoring, provided by a nonprofit agency for public

1 school staff and for students who are in grades kindergarten through 12 in the state;

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

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

6 **(8) funding a scholarship awarded by a nonprofit organization to a**
7 **dual-credit student to defray the cost of tuition, registration, course, and textbook**
8 **fees; and**

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

12 * Sec. 28. AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7,
13 FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

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

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 or
19 four-year college accredited by a regional accreditation association;

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

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

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

26 **(5) for funding a scholarship awarded by a nonprofit organization**
27 **to a dual-credit student to defray the cost of tuition, registration, course, and**
28 **textbook fees; and**

29 **(6) for constructing, operating, or maintaining a residential**
30 **housing facility by a residential school approved by the Department of Education**
31 **and Early Development under AS 14.16.200.**

1 * Sec. 29. AS 43.65.018(f) is amended by adding new paragraphs to read:

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

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

7 * Sec. 30. AS 43.75.018(a) is amended to read:

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

10 (1) direct instruction, research, and educational support purposes,
11 including library and museum acquisitions, and contributions to endowment, by an
12 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
13 four-year college accredited by a regional accreditation association;

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

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

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

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

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

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

28 **(8) funding a scholarship awarded by a nonprofit organization to a**
29 **dual-credit student to defray the cost of tuition, registration, course, and textbook**
30 **fees; and**

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 * Sec. 31. AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7,
4 FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

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

7 (1) for direct instruction, research, and educational support purposes,
8 including library and museum acquisitions, and contributions to endowment, by an
9 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
10 four-year college accredited by a regional accreditation association;

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

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

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

17 (5) for funding a scholarship awarded by a nonprofit organization
18 to a dual-credit student to defray the cost of tuition, registration, course, and
19 textbook fees; and

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.

23 * Sec. 32. AS 43.75.018 is amended by adding new paragraphs to read:

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

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

29 * Sec. 33. AS 43.77.045(a) is amended to read:

30 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in
31 a floating fisheries business is allowed a credit against the tax due under this chapter

1 for cash contributions accepted for

2 (1) direct instruction, research, and educational support purposes,
3 including library and museum acquisitions, and contributions to endowment, by an
4 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
5 four-year college accredited by a regional accreditation association;

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 tournament by a
11 nonprofit, public or private, Alaska two-year or four-year college accredited by a
12 regional accreditation association;

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 tuition, registration, course, and textbook**
22 **fees; and**

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

26 * Sec. 34. AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7,
27 FSSLA 2011, and sec. 25, ch. 74, SLA 2012, 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

31 (1) for direct instruction, research, and educational support purposes,

1 including library and museum acquisitions, and contributions to endowment, by an
2 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or
3 four-year college accredited by a regional accreditation association;

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

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

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

10 (5) for funding a scholarship awarded by a nonprofit organization
11 to a dual-credit student to defray the cost of tuition, registration, course, and
12 textbook fees; and

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 * Sec. 35. 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. 36. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 TRANSITION: STUDENT TESTING IN PROGRESS. Until June 30, 2015, a school
25 district shall continue to administer the competency examination under former AS 14.03.075,
26 and the regulations adopted under former AS 14.03.075, in effect on August 31, 2014, to a
27 student who seeks to qualify for a secondary school diploma under former AS 14.03.075, as it
28 read on August 31, 2014.

29 * Sec. 37. The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 6 and 7 of this Act

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

3 * **Sec. 38.** 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. 39.** Sections 20 and 38 of this Act take effect immediately under AS 01.10.070(c).

11 * **Sec. 40.** Sections 15, 16, and 17 of this Act takes effect July 1, 2014.

12 * **Sec. 41.** Sections 1, 18, and 21 - 23 of this Act take effect July 1, 2015.

13 * **Sec. 42.** Section 19 of this Act takes effect July 1, 2016.

14 * **Sec. 43.** Sections 25, 28, 31, and 34 of this Act take effect January 1, 2021.

15 * **Sec. 44.** Except as provided in secs. 39 - 43 of this Act, this Act takes effect September 1,
16 2014.