

**HOUSE BILL NO. 278**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/24/14

Referred: Education, Finance

**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; repealing 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 charter**  
5 **school application appeals and program budgets; relating to residential school**  
6 **applications; increasing the stipend for boarding school students; extending**  
7 **unemployment contributions for the Alaska technical and vocational education**  
8 **program; relating to earning high school credit for completion of vocational education**  
9 **courses offered by institutions receiving technical and vocational education program**  
10 **funding; relating to education tax credits; making conforming amendments; and**  
11 **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. Course credit earned through mastery of course content.**

3 (a) A school district shall provide a high school student with the opportunity to earn  
4 credit for a course offered in the school in mathematics, language arts, science, social  
5 studies, and world languages, if the student proves mastery of the course content  
6 through a district-approved assessment. Course credit earned under this subsection  
7 shall meet district and statewide requirements for graduation and the course credit  
8 requirements of the Alaska performance scholarship program under AS 14.43.810 -  
9 14.43.849.

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

11 \* **Sec. 2.** AS 14.03.075 is repealed and reenacted to read:

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

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

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

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

24 \* **Sec. 3.** AS 14.03.078 is amended to read:

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

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

30 (2) [THE NUMBER AND PERCENTAGE OF STUDENTS IN  
31 EACH SCHOOL WHO PASS THE EXAMINATION REQUIRED UNDER

1 AS 14.03.075, AND THE NUMBER WHO PASS EACH SECTION OF THE  
2 EXAMINATION;

3 (3)] progress of the department

4 (A) toward implementing the school accountability provisions  
5 of AS 14.03.123; and

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

7 **(3)** [(4)] a description of the resources provided to each school and  
8 school district for coordinated school improvement activities and staff training in each  
9 school and school district;

10 **(4)** [(5)] each school district's and each school's progress in aligning  
11 curriculum with state education performance standards;

12 **(5)** [(6)] a description of the efforts by the department to assist a public  
13 school **or district** that receives a **low performance** designation **under AS 14.03.123**  
14 [OF DEFICIENT OR IN CRISIS];

15 **(6)** [(7)] a description of intervention efforts by each school district  
16 and school for students who are not meeting state performance standards; **and**

17 **(7)** [(8)] the number and percentage of turnover in certificated  
18 personnel and superintendents [;

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

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

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

30 (1) information on accreditation;

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

1 (3) results of state standards-based assessments in reading, writing, and  
2 mathematics;

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

5 (5) a description of the school's attendance, retention, dropout, and  
6 graduation rates [, INCLUDING THE NUMBER AND PERCENTAGE OF  
7 STUDENTS WHO RECEIVED A DIPLOMA UNDER A WAIVER FROM THE  
8 COMPETENCY EXAMINATION REQUIRED UNDER AS 14.03.075(a),] as  
9 specified by the state board;

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

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

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

26 (9)] the performance designation assigned the school under  
27 AS 14.03.123 and the methodology used to assign the performance designation,  
28 including the measures used and their relative weights; and

29 (9) [(10)] other information concerning school performance and the  
30 performance of the school's students as required by the state board in regulation.

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

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

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

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

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

11 (B) measures of student improvement; and

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

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

16 \* **Sec. 6.** 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) The decision of the local school board approving or denying the  
24 application for a charter school must be in writing and must include all relevant  
25 findings of fact and conclusions of law.

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

29 (d) If the 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 is a final decision not subject to appeal to the state  
 5 board.

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

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

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

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

18 (2) approve the charter school application and forward the application  
 19 to the state board with or without added conditions; or

20 (3) uphold the decision denying the application for the charter school.

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

22 (a) A charter school operates as a school in the local school district except that  
 23 the charter school (1) is exempt from the local school district's textbook, program,  
 24 curriculum, and scheduling requirements; (2) is exempt from AS 14.14.130(c); the  
 25 principal of the charter school shall be selected by the academic policy committee and  
 26 shall select, appoint, or otherwise supervise employees of the charter school; and (3)  
 27 operates under the charter school's annual program budget as set out in the contract  
 28 between the local school board and the charter school under (c) of this section. A local  
 29 school board may exempt a charter school from other local school district  
 30 requirements if the exemption is set out in the contract. A charter school is subject to  
 31 [SECONDARY SCHOOL COMPETENCY TESTING AS PROVIDED IN

1 AS 14.03.075 AND OTHER COMPETENCY] tests required by the department.

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

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

17 \* **Sec. 10.** AS 14.07.165 is amended to read:

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

- 19 (1) statewide goals and require each governing body to adopt written  
 20 goals that are consistent with local needs;
- 21 (2) regulations regarding the application for and award of grants under  
 22 AS 14.03.125;
- 23 (3) regulations implementing provisions of AS 14.11.014(b);
- 24 (4) regulations requiring approval by the board before a charter school,  
 25 state boarding school, or a public school may provide domiciliary services;
- 26 (5) regulations implementing the **college and career readiness**  
 27 **assessment** [SECONDARY SCHOOL STUDENT COMPETENCY  
 28 EXAMINATION] provisions of AS 14.03.075 **and providing for the needs of a**  
 29 **student who is a child with a disability and setting standards for a waiver under**  
 30 **AS 14.03.075; the regulations may address the conditions, criteria, procedure,**  
 31 **and scheduling of the assessment** [, INCLUDING THE CRITERIA AND

1 PROCEDURE UNDER WHICH A GOVERNING BODY USES A WAIVER TO  
 2 GRANT A DIPLOMA TO A STUDENT; CRITERIA REGARDING GRANTING A  
 3 WAIVER MUST INCLUDE PROVISIONS THAT A WAIVER MAY ONLY BE  
 4 GRANTED FOR STUDENTS WHO ENTER THE SYSTEM LATE OR HAVE  
 5 RARE OR UNUSUAL CIRCUMSTANCES MERITING A WAIVER].

6 \* **Sec. 11.** AS 14.07.165 is amended by adding a new subsection to read:

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

9 \* **Sec. 12.** AS 14.16 is amended by adding a new section to article 2 to read:

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

16 \* **Sec. 13.** AS 14.16.200(b) is amended to read:

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

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

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

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

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

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

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

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

30 [\$1,184].

31 \* **Sec. 14.** AS 14.17.470 is amended to read:



1                   **Sec. 14.17.470. Base student allocation.** The base student allocation is **\$5,765**  
2                   [\$5,680].

3           \* **Sec. 15.** AS 14.17.470, as amended by sec. 14 of this Act, is amended to read:

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

6           \* **Sec. 16.** AS 14.17.470, as amended by secs. 14 and 15 of this Act, is amended to read:

7                   **Sec. 14.17.470. Base student allocation.** The base student allocation is **\$5,881**  
8                   [\$5,823].

9           \* **Sec. 17.** AS 23.15.835(d) is amended to read:

10                   (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,  
11                   2009, through June 30, **2024** [2014], the money collected under this section or  
12                   otherwise appropriated to the Alaska Workforce Investment Board, formerly known as  
13                   the Alaska Human Resource Investment Council, shall be allocated directly in the  
14                   following percentages to the following institutions for programs consistent with  
15                   AS 23.15.820 - 23.15.850 and capital improvements:

16                   University of Alaska	45 percent
17                   University of Alaska Southeast	5 percent
18                   Galena Project Education Vocational Training Center	4 percent
19                   Kotzebue Technical Center	9 percent
20                   Alaska Vocational Technical Center	17 percent
21                   Northwestern Alaska Career and Technical Center	3 percent
22                   Southwest Alaska Vocational and Education Center	3 percent
23                   Yuut Elitnaurviat, Inc. People's Learning Center	9 percent
24                   Delta Career Advancement Center	3 percent
25                   New Frontier Vocational Technical Center	2 percent

26           \* **Sec. 18.** AS 23.15.835(e) is amended to read:

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

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

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

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

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

8 (5) percentage of employers who indicate satisfaction with the services  
9 provided through the program;

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

14 **(7) copy of any articulation agreement established under (g) of this**  
15 **section that either was in effect for the prior year or is in process for the next**  
16 **year of funding, and the number of high school students who earned dual credit**  
17 **under each articulation agreement.**

18 \* **Sec. 19.** AS 23.15.835 is amended by adding new subsections to read:

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

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

25 \* **Sec. 20.** AS 23.15.850 is amended by adding new paragraphs to read:

26 (3) "articulation agreement" means a dual-credit partnership between a  
27 school district and an institution receiving financing under AS 23.15.835(d) that  
28 describes vocational education courses, student eligibility, course location, academic  
29 policies, student support services, transcribing of credit, funding, and other items  
30 required by the partnering institutions;

31 (4) "dual credit" means simultaneous high school credit and credit

1 towards a career or vocational certification.

2 \* **Sec. 21.** AS 43.20.014(a) is amended to read:

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

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

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

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

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

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

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

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

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

26 **(9) the construction, operation, or maintenance of a residential**  
27 **housing facility by a residential school approved by the Department of Education**  
28 **and Early Development under AS 14.16.200.**

29 \* **Sec. 22.** AS 43.20.014(a), as that subsection read following amendment by sec.14, ch. 92,  
30 SLA 2010, until amended by sec. 21, ch. 74, SLA 2012, is amended to read:

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

1 cash contributions accepted

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

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

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

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

15 **(6) for the construction, operation, or maintenance of a residential**  
16 **housing facility by a residential school approved by the Department of Education**  
17 **and Early Development under AS 14.16.200.**

18 \* **Sec. 23.** AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

24 \* **Sec. 24.** AS 43.65.018(a) is amended to read:

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

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

31 (2) secondary school level vocational education courses, programs, and

1 facilities by a school district in the state;

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

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

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

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

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

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

17 **(9) the construction, operation, or maintenance of a residential**  
18 **housing facility by a residential school approved by the Department of Education**  
19 **and Early Development under AS 14.16.200.**

20 \* **Sec. 25.** AS 43.65.018(a), as that subsection read following amendment by sec. 35, ch. 92,  
21 SLA 2010, until amended by sec. 21, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

6 **(6) for the construction, operation, or maintenance of a residential**  
7 **housing facility by a residential school approved by the Department of Education**  
8 **and Early Development under AS 14.16.200.**

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

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

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

15 \* **Sec. 27.** AS 43.75.018 is amended to read:

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

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

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

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

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

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

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

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

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

8 **(9) the construction, operation, or maintenance of a residential**  
9 **housing facility by a residential school approved by the Department of Education**  
10 **and Early Development under AS 14.16.200.**

11 \* **Sec. 28.** AS 43.75.018(a), as that subsection read following amendment by sec. 42, ch. 92,  
12 SLA 2010, until amended by sec. 23, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

28 **(6) for the construction, operation, or maintenance of a residential**  
29 **housing facility by a residential school approved by the Department of Education**  
30 **and Early Development under AS 14.16.200.**

31 \* **Sec. 29.** AS 43.75.018 is amended by adding new paragraphs to read:

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

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

6 \* **Sec. 30.** AS 43.77.045(a) is amended to read:

7 (a) In addition to the credit allowed under AS 43.77.040, a person engaged in  
8 a floating fisheries business is allowed a credit against the tax due under this chapter  
9 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) the funding of a scholarship awarded by a nonprofit**  
29 **organization to a dual-credit student to defray the cost of tuition, registration,**  
30 **course, and textbook fees; and**

31 **(9) the construction, operation, or maintenance of a residential**



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

3           \* **Sec. 31.** AS 43.77.045(a), as that subsection read following amendment by sec. 49, ch. 92,  
 4 SLA 2010, until amended by sec. 25, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

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

21                           **(6) for the construction, operation, or maintenance of a residential**  
 22 **housing facility by a residential school approved by the Department of Education**  
 23 **and Early Development under AS 14.16.200.**

24           \* **Sec. 32.** AS 43.77.045(f) is amended by adding new paragraphs to read:

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

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

30           \* **Sec. 33.** The uncodified law of the State of Alaska is amended by adding a new section to  
 31 read:

1           TRANSITION: STUDENT TESTING IN PROGRESS. Until June 30, 2017, a school  
2 district shall continue to administer the competency examination under former AS 14.03.075,  
3 and the regulations adopted under former AS 14.03.075, in effect on August 31, 2014, to a  
4 student who seeks to qualify for a secondary school diploma under former AS 14.03.075, as it  
5 read on August 31, 2014.

6       \* **Sec. 34.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8           TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 6 and 7 of this Act  
9 apply to charter school applications filed with a local school board on or after September 1,  
10 2014.

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

13           TRANSITION: REGULATIONS. The Department of Education and Early  
14 Development, the Department of Labor and Workforce Development, and the Department of  
15 Revenue may proceed to adopt regulations necessary to implement their respective changes  
16 made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act),  
17 but not before the effective date of the relevant provision of this Act implemented by the  
18 regulation.

19       \* **Sec. 36.** Sections 17 and 35 of this Act take effect immediately under AS 01.10.070(c).

20       \* **Sec. 37.** Section 14 of this Act takes effect July 1, 2014.

21       \* **Sec. 38.** Sections 1, 15, and 18 - 20 of this Act take effect July 1, 2015.

22       \* **Sec. 39.** Section 16 of this Act takes effect July 1, 2016.

23       \* **Sec. 40.** Sections 22, 25, 28, and 31 of this Act take effect January 1, 2021.

24       \* **Sec. 41.** Except as provided in secs. 36 - 40 of this Act, this Act takes effect September 1,  
25 2014.