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CS FOR SENATE BILL NO. 139(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE 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; repealing the secondary student competency examination and related**
3 **requirements; relating to high school course credit earned through assessment; relating**
4 **to charter schools; relating to charter school student transportation; relating to**
5 **residential school applications; increasing the stipend for boarding school students;**
6 **relating to unemployment contributions for the Alaska technical and vocational**
7 **education program; relating to earning high school credit for completion of vocational**
8 **education courses offered by institutions receiving technical and vocational education**
9 **program funding; relating to education tax credits; making conforming amendments;**
10 **and providing for an effective date."**

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

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

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

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

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

* **Sec. 2.** AS 14.03.078 is amended to read:

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

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

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

(3)] progress of the department

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

(B) in assisting high schools to become accredited;

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

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

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

1 (6) [(7)] a description of intervention efforts by each school district
2 and school for students who are not meeting state performance standards; **and**

3 (7) [(8)] the number and percentage of turnover in certificated
4 personnel and superintendents [;

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

9 * **Sec. 3.** AS 14.03.120(d) is amended to read:

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

16 (1) information on accreditation;

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

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

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

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

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

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

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

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

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

* **Sec. 4.** AS 14.03.123(f) is amended to read:

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

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

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

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

(B) measures of student improvement; and

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

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

districts.

* **Sec. 5.** AS 14.03.250 is repealed and reenacted to read:

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

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

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

(d) If a local school board denies an application for a charter school, the applicant may appeal the denial to the commissioner. The appeal to the commissioner shall be filed not later than 60 days after the local school board issues its written decision of denial. The commissioner shall review the local school board's decision to determine whether the findings of fact are supported by substantial evidence and whether the decision is contrary to law.

(e) The commissioner shall forward the application and the written recommendations of the commissioner to the state Board of Education and Early Development for review and approval. The application shall be forwarded not later than 30 days after the commissioner issues written recommendations. The state Board of Education and Early Development shall exercise independent judgment in evaluating the application.

* **Sec. 6.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.253. Charter school application appeal. In an appeal to the commissioner under AS 14.03.250, the commissioner shall review the record before the local school board. The commissioner may request written supplementation of the record from the applicant or the local school board. After receiving the commissioner's

recommendations, the state Board of Education and Early Development may

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

(2) approve the charter school application; or

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

* **Sec. 7.** AS 14.03.255(a) is amended to read:

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

* **Sec. 8.** AS 14.03.260(a) is amended to read:

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

1 * **Sec. 9.** AS 14.07.020(a)(16) is amended to read:

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

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

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

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

15 * **Sec. 10.** AS 14.07.020(b) is amended to read:

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

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

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

24 (A) be made available to all districts and regional educational
25 attendance areas;

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

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

31 * **Sec. 11.** AS 14.09.010 is amended by adding new subsections to read:

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

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

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

(3) be approved by the department.

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

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

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

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

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

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

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

(2) a per-pupil monthly stipend to cover room and board expenses as

determined by the department on a regional basis and not to exceed the following amounts:

- (A) for the Southeast Region (Region I), \$1,230 [\$820];
- (B) for the Southcentral Region (Region II), \$1,200 [\$800];
- (C) for the Interior Region (Region III), \$1,452 [\$968];
- (D) for the Southwest Region (Region IV), \$1,509 [\$1,006];
- (E) for the Northern Remote Region (Region V), \$1,776 [\$1,184].

* **Sec. 14.** AS 14.17.450(d) is amended to read:

(d) If a charter school has a student count of more than 74 [120] but less than 150 for the current year and is in the first three years [YEAR] of operation or had a student count of at least 75 [150 OR MORE] in the previous year of operation,

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

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

* **Sec. 15.** AS 14.17.470 is amended to read:

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

* **Sec. 16.** AS 14.17.470, as amended by sec. 15 of this Act, is amended to read:

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

* **Sec. 17.** AS 14.17.470, as amended by secs. 15 and 16 of this Act, is amended to read:

Sec. 14.17.470. Base student allocation. The base student allocation is \$5,881

1 [\$5,823].

2 * **Sec. 18.** AS 23.15.835(d) is amended to read:

3 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
4 2009, through June 30, **2018** [2014], the money collected under this section or
5 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
6 the Alaska Human Resource Investment Council, shall be allocated directly in the
7 following percentages to the following institutions for programs consistent with
8 AS 23.15.820 - 23.15.850 and capital improvements:

9 University of Alaska **47** [45] percent

10 [UNIVERSITY OF ALASKA SOUTHEAST 5 PERCENT]

11 Galena **Interior Learning Academy** [PROJECT 4 percent

12 EDUCATION VOCATIONAL TRAINING CENTER]

13 **Alaska** [KOTZEBUE] Technical Center 9 percent

14 Alaska Vocational Technical Center 17 percent

15 Northwestern Alaska Career and Technical Center 3 percent

16 Southwest Alaska Vocational and Education Center 3 percent

17 Yuut Elitnaurviat, Inc. People's Learning Center 9 percent

18 **Partners for Progress in Delta, Inc.** [DELTA CAREER 3 percent

19 ADVANCEMENT CENTER]

20 **Amundsen Educational Center** [NEW FRONTIER 2 percent

21 VOCATIONAL TECHNICAL CENTER]

22 **Southern Southeast Alaska Technical Education Center** **3 percent**

23 * **Sec. 19.** AS 23.15.835(e) is amended to read:

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

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

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

31 (3) **the** percentage of former participants who were employed after

leaving the program who received training under the program that was related or somewhat related to the former participants' jobs seven to 12 months after leaving the program;

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

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

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

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

(8) other performance and financial information, as determined by the department, to verify the performance of the program.

* **Sec. 20.** AS 23.15.835 is amended by adding new subsections to read:

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

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

* **Sec. 21.** AS 23.15.850 is amended by adding new paragraphs to read:

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

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

1 towards a career or vocational certification.

2 * **Sec. 22.** 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 operations**, and contributions to
7 endowment, by an Alaska university foundation or by a nonprofit, public or private,
8 Alaska two-year or four-year college accredited by a regional accreditation
9 association;

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

12 (3) vocational education courses, programs, and facilities by a state-
13 operated vocational technical education and training school **or a nonprofit tribal**
14 **organization**;

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

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

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

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

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

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

31 **(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.

* **Sec. 23.** AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions and operations, 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) for secondary school level vocational education courses and programs by a school district in the state;

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

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

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

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

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

* **Sec. 24.** AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

* **Sec. 25.** 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 operations**, 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 **or a nonprofit tribal organization**;

(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 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 tuition, registration, course, and textbook fees;

(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; and

(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.

* Sec. 26. AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

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

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions and operations, 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) for secondary school level vocational education courses and programs by a school district in the state;

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

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

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

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

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

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

* **Sec. 27.** AS 43.65.018(f) is amended by adding new paragraphs to read:

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

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

* **Sec. 28.** 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 operations**, 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 **or a nonprofit tribal organization**;

(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 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 tuition, registration, course, and textbook fees;

(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; and

(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.

* Sec. 29. AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

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

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions and operations, 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) for secondary school level vocational education courses and programs by a school district in the state;

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

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

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

(6) for constructing, operating, or maintaining a residential

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

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

* **Sec. 30.** AS 43.75.018(f) is amended by adding new paragraphs to read:

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

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

* **Sec. 31.** 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 operations**, 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 **or a nonprofit tribal organization**;

(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 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 tuition, registration, course, and textbook fees;

(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; and

(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.

* **Sec. 32.** AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7, FSSLA 2011, and sec. 25, ch. 74, SLA 2012, is amended to read:

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

(1) for direct instruction, research, and educational support purposes, including library and museum acquisitions **and operations**, 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) for secondary school level vocational education courses and programs by a school district in the state;

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

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

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

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

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

* **Sec. 33.** AS 43.77.045(f) is amended by adding new paragraphs to read:

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

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

* **Sec. 34.** AS 14.03.075 and AS 14.07.165(5) are repealed.

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

RETROACTIVE ISSUANCE OF A HIGH SCHOOL DIPLOMA. (a) A school district shall issue a high school diploma to a student who was issued a certificate of achievement under AS 14.03.075, as it read on August 31, 2014.

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

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

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

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

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

8 * **Sec. 38.** Sections 18 and 37 of this Act take effect immediately under AS 01.10.070(c).

9 * **Sec. 39.** Section 15 of this Act takes effect July 1, 2014.

10 * **Sec. 40.** Sections 1, 16, and 19 - 21 of this Act take effect July 1, 2015.

11 * **Sec. 41.** Section 17 of this Act takes effect July 1, 2016.

12 * **Sec. 42.** Sections 23, 26, 29, and 32 of this Act take effect January 1, 2021.

13 * **Sec. 43.** Except as provided in secs. 38 - 42 of this Act, this Act takes effect September 1,
14 2014.