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FREE CONFERENCE CS FOR HOUSE BILL NO. 278
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE FREE CONFERENCE COMMITTEE

Offered:

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

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to the exemption from jury service for certain teachers; relating to the**
2 **powers of the Department of Education and Early Development; relating to school**
3 **performance reports; relating to accountability standards; relating to the secondary**
4 **school competency examination and related requirements; relating to charter schools**
5 **and student transportation; relating to residential school applications; relating to the**
6 **local contribution to public school funding; relating to funding of and reporting by**
7 **Alaska technical and vocational education programs; relating to earning high school**
8 **credit for completion of vocational education courses offered by institutions receiving**
9 **technical and vocational education program funding; relating to schools operated by a**
10 **federal agency; relating to education tax credits; establishing an optional municipal tax**
11 **exemption for privately owned real property rented or leased for use as a charter**
12 **school; and providing for an effective date."**

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

*** Section 1.** AS 09.20.030(b) is amended to read:

(b) A person may claim exemption and shall be excused by the court from service as a juror during the school term if it is shown that the person is a teacher in a school that is designated as **a low performing school under regulations adopted by the state Board of Education and Early Development** [FAILING TO MAKE ADEQUATE YEARLY PROGRESS UNDER P.L. 107-110]. In this subsection, "teacher" means a person who serves a school district in a teaching capacity in a classroom setting and is required to be certificated in order to hold the position.

*** 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 **by electronic means** 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;

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

(10) information on the number, attendance, and performance of students enrolled in the school whose parents or guardians are on active duty in the armed forces of the United States, the United States Coast Guard, the Alaska National Guard, the Alaska Naval Militia, or the Alaska State Defense Force.

* 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) A decision of a local school board approving or denying an application for a charter school must be in writing, must be issued within 60 days after the application, 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. A decision of the commissioner upholding the denial by the local school board may be appealed within 30 days to the state Board of Education and Early Development.

(e) If the commissioner approves a charter school application, the commissioner shall forward the application 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 a written decision. The state Board of

1 Education and Early Development shall exercise independent judgment in evaluating
2 the application.

3 (f) A local school board that denied an application for a charter school
4 approved by the state board on appeal shall operate the charter school as provided in
5 AS 14.03.255 - 14.03.290.

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

7 **Sec. 14.03.253. Charter school application appeal.** (a) In an appeal to the
8 commissioner under AS 14.03.250, the commissioner shall review the record before
9 the local school board. The commissioner may request written supplementation of the
10 record from the applicant or the local school board. The commissioner may

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

12 (2) approve the charter school application and forward the application
13 to the state Board of Education and Early Development with or without added
14 conditions; or

15 (3) uphold the decision denying the charter school application; if the
16 commissioner upholds a local school board's decision to deny a charter school
17 application and the applicant appeals to the State Board of Education and Early
18 Development, the commissioner shall immediately forward the application and record
19 to the state Board of Education and Early Development.

20 (b) In an appeal to the state Board of Education and Early Development of a
21 denial of a charter school application under (a)(3) of this section, the state board shall
22 determine, based on the record, whether the commissioner's findings are supported by
23 substantial evidence and whether the decision is contrary to law. The state board shall
24 issue a written decision within 90 days after an appeal.

25 * **Sec. 7.** 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

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 14.03.255(d) is amended to read:

(d) A school district shall offer to a charter school the right of first refusal for a lease of space [CHARTER SCHOOL MAY BE OPERATED] in an existing school district facility or in a facility within the school district that is not currently being used as a public school, if the chief school administrator determines the facility meets requirements for health and safety applicable to public buildings or other public schools in the district. If the school district requires lease payments by a charter school, the school district shall negotiate a lease agreement with the charter school for an amount that does not exceed the true operational costs calculated on a square foot basis for space leased under this subsection.

* **Sec. 9.** 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 up to four percent. Costs directly related to charter school facilities, including rent, utilities, and maintenance, may not be included in an annual program budget for the purposes of calculating the four percent cap on administrative costs under this subsection. A local school board shall provide a charter school with a report itemizing the administrative costs retained by the local school board under this section [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 grants, appropriations, federal impact aid, the required local contribution, the local contribution under AS 14.17.410(c), 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.

* **Sec. 10.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.263. Charter school grant program. (a) A charter school that is established on or after the effective date of this section may receive a one-time grant from the department equal to the amount of \$500 for each student enrolled in the school on October 1 of the first year in which the school applies for the grant. The charter school shall use a grant received under this section to provide educational services. In this subsection, "educational services" includes curriculum development, program development, and special education services.

(b) The department shall establish by regulation procedures for the application for and expenditure of grant funds under (a) of this section.

(c) If the amount appropriated in a fiscal year for the charter school grant program is insufficient to meet the amounts authorized under (a) of this section, the department shall reduce pro rata the per pupil grant amount by the necessary percentage as determined by the department. If a charter school grant is reduced under this subsection, the charter school may apply to the department in a subsequent fiscal year for the balance of the grant amount.

* **Sec. 11.** AS 14.07.020(a)(16) is amended to read:

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

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

(B) an end date for departmental intervention, as described in AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three consecutive years of improvement consisting of not less than two percent

increases in student proficiency on standards-based assessments in language arts and mathematics, [READING, AND WRITING] as provided in AS 14.03.123(f)(2)(A); and

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

* **Sec. 12.** AS 14.07.020(b) is amended to read:

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

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

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

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

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

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

* **Sec. 13.** 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;

(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. 14.** 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. 15.** AS 14.17.410(c) is amended to read:

(c) In addition to the local contribution required under (b)(2) of this section, a city or borough school district in a fiscal year may make a local contribution of not more than the greater of

(1) the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110; or

(2) 23 percent of the total of the district's basic need for the fiscal year under (b)(1) of this section and any additional funding distributed to the district in a fiscal year according to (b) of this section.

* **Sec. 16.** AS 23.15.835(a) is amended to read:

(a) In the manner provided in AS 23.20 and for the benefit of the program, the department shall collect from each employee an amount equal to .16 [.15] percent of the wages, as set out in AS 23.20.175, on which the employee is required to make contributions under AS 23.20.290(d). The department shall remit to the Department of

Revenue, in accordance with AS 37.10.050, money collected under this subsection.

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

(d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30, **2015** [2009], through June 30, **2017** [2014], the money collected under this section or otherwise appropriated to the Alaska Workforce Investment Board, formerly known as the Alaska Human Resource Investment Council, shall be allocated directly in the following percentages to the following institutions for programs consistent with AS 23.15.820 - 23.15.850 and capital improvements:

University of Alaska 45 percent

[UNIVERSITY OF ALASKA SOUTHEAST 5 PERCENT]

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

EDUCATION VOCATIONAL TRAINING CENTER]

Alaska [KOTZEBUE] Technical Center 9 percent

Alaska Vocational Technical Center 17 percent

Northwestern Alaska Career and Technical Center 3 percent

Southwest Alaska Vocational and Education Center 3 percent

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

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

ADVANCEMENT CENTER]

Amundsen Educational Center [NEW FRONTIER 2 percent

VOCATIONAL TECHNICAL CENTER]

Ilisagvik College **5 percent**

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

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

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

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

(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) 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;

(5) 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

(6) the performance and financial information needed to verify the performance of the program as specified by the department by regulation [PERCENTAGE OF FORMER PARTICIPANTS WHO INDICATE SOME LEVEL OF SATISFACTION WITH THE TRAINING RECEIVED UNDER THE PROGRAM; AND

(5) PERCENTAGE OF EMPLOYERS WHO INDICATE SATISFACTION WITH THE SERVICES PROVIDED THROUGH THE PROGRAM].

* **Sec. 19.** 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. 20.** 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 toward a career or vocational certification.

* **Sec. 21.** AS 29.45.050 is amended by adding a new subsection to read:

(v) A municipality may by ordinance classify and exempt or partially exempt from taxation all or a portion of privately owned real property rented or leased for use as a charter school established under AS 14.03.250.

* **Sec. 22.** AS 43.20.014(a) is amended to read:

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

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

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

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

(4) a facility [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 **or by a public or private nonprofit elementary or secondary school in the state;**

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

(6) education, research, rehabilitation, and facilities by an institution

that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government; [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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

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

* Sec. 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 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, **or by a public or private nonprofit elementary or secondary school in the state;**

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

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

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

(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;

(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; and

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

* **Sec. 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 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, **or by a public or private nonprofit elementary or secondary school in the state;**

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

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

(4) a facility [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 **or by a public or private**

nonprofit elementary or secondary school in the state;

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

(6) education, research, rehabilitation, and facilities by an institution that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government; [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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

(12) the operation of a nonprofit organization dedicated to

providing educational opportunities that promote the legacy of public service contributions to the state and perpetuate ongoing educational programs that foster public service leadership for future generations of residents of the state.

* Sec. 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 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, **or by a public or private nonprofit elementary or secondary school in the state;**

(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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

(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;

(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; and

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

* **Sec. 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 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, or by a public or private nonprofit elementary or secondary school in the state;

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

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

(4) a facility [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 or by a public or private nonprofit elementary or secondary school in the state;

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

(6) education, research, rehabilitation, and facilities by an institution that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government; [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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

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

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

* Sec. 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 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, **or by a public or private nonprofit elementary or secondary school in the state;**

(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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

(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;

(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; and

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

* **Sec. 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 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, or by a public or private nonprofit elementary or secondary school in the state;

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

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

(4) a facility [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 **or by a public or private nonprofit elementary or secondary school in the state;**

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

(6) education, research, rehabilitation, and facilities by an institution that is located in the state and that qualifies as a coastal ecosystem learning center under the Coastal America Partnership established by the federal government; [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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

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

(E) other related educational and programmatic costs;

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

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

(11) science, technology, engineering, and math programs

provided by a nonprofit agency or a school district for school staff and for students in grades kindergarten through 12 in the state; and

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

* Sec. 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 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, or by a public or private nonprofit elementary or secondary school in the state;

(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 a dual-credit course, including the cost of

(A) tuition and textbooks;

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

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

(D) transportation costs to and from a residential school approved by the Department of Education and Early Development under

AS 14.16.200 or the postsecondary school in the state that provides the dual-credit course; and

(E) other related educational and programmatic costs;

(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;

(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; and

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

* **Sec. 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; AS 14.07.165(5); and AS 14.20.147(b) are repealed.

* **Sec. 35.** Section 3, ch. 91, SLA 2010, is repealed.

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

TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 5 and 6 of this Act apply to charter school applications filed with a local school board on or after July 1, 2014.

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

TRANSITION: REGULATIONS. The Department of Education and Early Development, the Department of Labor and Workforce Development, and the Department of

1 Revenue may adopt regulations necessary to implement their respective changes made by this
2 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
3 before the effective date of the relevant provision of this Act implemented by the regulation.

4 * **Sec. 38.** Sections 17 and 37 of this Act take effect immediately under AS 01.10.070(c).

5 * **Sec. 39.** Sections 18 - 20 of this Act take effect July 1, 2015.

6 * **Sec. 40.** Sections 23, 26, 29, and 32 of this Act take effect January 1, 2021.

7 * **Sec. 41.** Except as provided in secs. 38 - 40 of this Act, this Act takes effect July 1, 2014.