

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11 *** Sec. 2.** AS 14.03.075 is repealed and reenacted to read: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

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];

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

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

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

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

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

(1) information on accreditation;

(2) results of norm-referenced achievement tests;

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

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

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

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

(7) if Native language education is provided, a summary and 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. 5.** 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. 6.** 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 the 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 the local school board approves an application for a charter school, the local school board shall forward the application to the state board for review and approval.

(d) If the 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

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

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

* **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 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), secondary school vocational and technical instruction under AS 14.17.420(a)(3), and pupil transportation under AS 14.09.010. 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 14.07.165 is amended to read:

Sec. 14.07.165. Duties. The board shall adopt

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

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

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

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

* **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 14.17.470 is amended to read:

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

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

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

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

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

* **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, 2009, through June 30, 2024 [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 Project Education Vocational Training Center	4 percent
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
Delta Career Advancement Center	3 percent
New Frontier Vocational Technical Center	2 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) percentage of former participants in the program who have jobs one year after leaving the program;

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

(3) 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) 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;

(6) 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; and

(7) copy of any articulation agreement established under (g) of this section that either was in effect for the prior 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.

* **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 financing under AS 23.15.835(d) that describes vocational education courses, student eligibility, course location, academic policies, student support services, transcribing of credit, 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. 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]

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

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

* Sec. 26. 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. 27. AS 43.75.018 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;

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

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

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

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

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

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

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

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

* **Sec. 28.** AS 43.75.018(a), as that subsection read following amendment by sec. 42, ch. 92, SLA 2010, until amended by 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;

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

* **Sec. 29.** AS 43.75.018 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. 30.** 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;

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

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

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

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

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

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

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

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

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

* **Sec. 31.** AS 43.77.045(a), as that subsection read following amendment by sec. 49, ch. 92, SLA 2010, until amended by 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;

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

* **Sec. 32.** 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. 33.** The uncodified law of the State of Alaska is amended by adding a new section to 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 uncoded 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 uncoded 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.