

**CS FOR HOUSE BILL NO. 278(EDC)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-EIGHTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE EDUCATION COMMITTEE**

**Offered: 3/13/14**

**Referred: Finance**

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

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act increasing the base student allocation used in the formula for state funding of**  
2 **public education; relating to the secondary student competency examination and related**  
3 **requirements; relating to high school course credit earned through assessment; relating**  
4 **to school performance reports; relating to assessments; relating to charter schools and**  
5 **student transportation; relating to school construction bonds; relating to residential**  
6 **school applications; increasing the stipend for boarding school students; relating to**  
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. Secondary school course credit.** (a) A school district shall  
3 provide the opportunity for students enrolled in a secondary school in the district to  
4 challenge a course provided by the district by demonstrating mastery in the subject at  
5 the level of the course challenged. A school district shall give full credit for a course to  
6 a student who successfully challenges that course as provided under this section.

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

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

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

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

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

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

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

23                   (3)] progress of the department

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

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

27                   (3) [(4)] a description of the resources provided to each school and  
28 school district for coordinated school improvement activities and staff training in each  
29 school and school district;

30                   (4) [(5)] each school district's and each school's progress in aligning  
31 curriculum with state education performance standards;

1                   **(5)** [(6)] a description of the efforts by the department to assist a public  
 2 school **or district** that receives a **low performance** designation **under AS 14.03.123**  
 3 **[OF DEFICIENT OR IN CRISIS]**;

4                   **(6)** [(7)] a description of intervention efforts by each school district  
 5 and school for students who are not meeting state performance standards; **and**

6                   **(7)** [(8)] the number and percentage of turnover in certificated  
 7 personnel and superintendents [;

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

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

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

19                   (1) information on accreditation;

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

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

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

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

30                   (6) the annual percent of enrollment change, regardless of reason, and  
 31 the annual percent of enrollment change due to student transfers into and out of the

1 school district;

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

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

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

18 (9) [(10)] other information concerning school performance and the  
19 performance of the school's students as required by the state board in regulation; and

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

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

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

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

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

31 (A) measures of student performance on standards-based

1 assessments in language arts [READING, WRITING,] and mathematics [,  
 2 AND INCLUDING COMPETENCY TESTS REQUIRED UNDER  
 3 AS 14.03.075];

4 (B) measures of student improvement; and

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

7 (3) to the extent practicable, minimize the administrative burden on  
 8 districts.

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

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

16 (b) A decision of a local school board approving or denying an application for  
 17 a charter school must be in writing, must be issued within 60 days after the  
 18 application, and must include all relevant findings of fact and conclusions of law.

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

22 (d) If a local school board denies an application for a charter school, the  
 23 applicant may appeal the denial to the commissioner. The appeal to the commissioner  
 24 shall be filed not later than 60 days after the local school board issues its written  
 25 decision of denial. The commissioner shall review the local school board's decision to  
 26 determine whether the findings of fact are supported by substantial evidence and  
 27 whether the decision is contrary to law. A decision of the commissioner upholding the  
 28 denial by the local school board is a final decision not subject to appeal to the state  
 29 Board of Education and Early Development.

30 (e) If the commissioner approves a charter school application, the  
 31 commissioner shall forward the application to the state Board of Education and Early

1 Development for review and approval. The application shall be forwarded not later  
 2 than 30 days after the commissioner issues a written decision. The state Board of  
 3 Education and Early Development shall exercise independent judgment in evaluating  
 4 the application.

5 (f) Except as provided in (g) of this section, the state board shall operate a  
 6 charter school that has been approved by the state board on appeal of a denial of the  
 7 charter school application by the local school board under the laws governing the  
 8 operation and maintenance of a charter school, as if the state board were a school  
 9 district.

10 (g) A local school board that denied an application for a charter school  
 11 approved by the state board on appeal may elect to operate the charter school as  
 12 provided in AS 14.03.255 - 14.03.290.

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

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

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

20 (2) approve the charter school application and forward the application  
 21 to the state Board of Education and Early Development with or without added  
 22 conditions; or

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

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

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

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

5 \* **Sec. 8.** AS 14.03.255(d) is amended to read:

6 (d) A **school district shall offer to a charter school the right of first refusal**  
 7 **for a lease of space** [CHARTER SCHOOL MAY BE OPERATED] in an existing  
 8 school district facility or in a facility within the school district that is not currently  
 9 being used as a public school, if the chief school administrator determines the facility  
 10 meets requirements for health and safety applicable to public buildings or other public  
 11 schools in the district. **The school district may negotiate a lease agreement with the**  
 12 **charter school for the true operational costs calculated on a square foot basis for**  
 13 **space leased under this subsection.**

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

15 (a) A local school board shall provide an approved charter school with an  
 16 annual program budget. The budget shall be not less than the amount generated by the  
 17 students enrolled in the charter school less administrative costs retained by the local  
 18 school district, determined by applying the indirect cost rate approved by the  
 19 **department up to 4 percent** [DEPARTMENT OF EDUCATION AND EARLY  
 20 DEVELOPMENT]. The "amount generated by students enrolled in the charter school"  
 21 is to be determined in the same manner as it would be for a student enrolled in another  
 22 public school in that school district **and includes funds generated by special needs**  
 23 **under AS 14.17.420(a)(1) and secondary school vocational and technical**  
 24 **instruction under AS 14.17.420(a)(3). A school district shall direct state aid under**  
 25 **AS 14.11 for the construction or major maintenance of a charter school facility to**  
 26 **the charter school that generated the state aid, subject to the same terms and**  
 27 **conditions that apply to state aid under AS 14.11 for construction or major**  
 28 **maintenance of a school facility that is not a charter school.**

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

30 (16) establish by regulation criteria, based on low student performance,  
 31 under which the department may intervene in a school district to improve instructional

1 practices, as described in AS 14.07.030(14) or (15); the regulations must include

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

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

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

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

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

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

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

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

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

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

28 \* **Sec. 12.** AS 14.09.010 is amended by adding new subsections to read:

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



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

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

6 (3) be approved by the department.

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

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

15 \* **Sec. 13.** AS 14.11.100(a) is amended to read:

16 (a) During each fiscal year, the state shall allocate to a municipality that is a  
17 school district the following sums:

18 (1) payments made by the municipality during the fiscal year two years  
19 earlier for the retirement of principal and interest on outstanding bonds, notes, or other  
20 indebtedness incurred before July 1, 1977, to pay costs of school construction;

21 (2) 90 percent of

22 (A) payments made by the municipality during the fiscal year  
23 two years earlier for the retirement of principal and interest on outstanding  
24 bonds, notes, or other indebtedness incurred after June 30, 1977, and before  
25 July 1, 1978, to pay costs of school construction;

26 (B) cash payments made after June 30, 1976, and before July 1,  
27 1978, by the municipality during the fiscal year two years earlier to pay costs  
28 of school construction;

29 (3) 90 percent of

30 (A) payments made by the municipality during the fiscal year  
31 two years earlier for the retirement of principal and interest on outstanding

1 bonds, notes, or other indebtedness incurred after June 30, 1978, and before  
2 January 1, 1982, to pay costs of school construction projects approved under  
3 AS 14.07.020(a)(11);

4 (B) cash payments made after June 30, 1978, and before July 1,  
5 1982, by the municipality during the fiscal year two years earlier to pay costs  
6 of school construction projects approved under AS 14.07.020(a)(11);

7 (4) subject to (h) and (i) of this section, up to 90 percent of

8 (A) payments made by the municipality during the current  
9 fiscal year for the retirement of principal and interest on outstanding bonds,  
10 notes, or other indebtedness incurred after December 31, 1981, and authorized  
11 by the qualified voters of the municipality before July 1, 1983, to pay costs of  
12 school construction, additions to schools, and major rehabilitation projects that  
13 exceed \$25,000 and are approved under AS 14.07.020(a)(11);

14 (B) cash payments made after June 30, 1982, and before July 1,  
15 1983, by the municipality during the fiscal year two years earlier to pay costs  
16 of school construction, additions to schools, and major rehabilitation projects  
17 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

18 (C) payments made by the municipality during the current  
19 fiscal year for the retirement of principal and interest on outstanding bonds,  
20 notes, or other indebtedness to pay costs of school construction, additions to  
21 schools, and major rehabilitation projects that exceed \$25,000 and are  
22 submitted to the department for approval under AS 14.07.020(a)(11) before  
23 July 1, 1983, and approved by the qualified voters of the municipality before  
24 October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the  
25 annual growth rate of average daily membership of the municipality is more  
26 than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual  
27 growth rate of average daily membership of the municipality is 12 percent or  
28 more; payments made by a municipality under this subparagraph on total  
29 project costs that exceed the amounts set out in (i) and (ii) of this subparagraph  
30 are subject to (5)(A) of this subsection;

31 (5) subject to (h) - (j) of this section, 80 percent of

1 (A) payments made by the municipality during the fiscal year  
2 for the retirement of principal and interest on outstanding bonds, notes, or  
3 other indebtedness authorized by the qualified voters of the municipality

4 (i) after June 30, 1983, but before March 31, 1990, to  
5 pay costs of school construction, additions to schools, and major  
6 rehabilitation projects that exceed \$25,000 and are approved under  
7 AS 14.07.020(a)(11); or

8 (ii) before July 1, 1989, and reauthorized before  
9 November 1, 1989, to pay costs of school construction, additions to  
10 schools, and major rehabilitation projects that exceed \$25,000 and are  
11 approved under AS 14.07.020(a)(11); and

12 (B) cash payments made after June 30, 1983, by the  
13 municipality during the fiscal year two years earlier to pay costs of school  
14 construction, additions to schools, and major rehabilitation projects that exceed  
15 \$25,000 and are approved by the department before July 1, 1990, under  
16 AS 14.07.020(a)(11);

17 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments  
18 made by the municipality during the fiscal year for the retirement of principal and  
19 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
20 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay  
21 costs of school construction, additions to schools, and major rehabilitation projects  
22 that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

23 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments  
24 made by the municipality during the fiscal year for the retirement of principal and  
25 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified  
26 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay  
27 costs of school construction, additions to schools, and major rehabilitation projects;

28 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
29 projects funded by the bonds, notes, or other indebtedness have been approved by the  
30 commissioner, 70 percent of payments made by the municipality during the fiscal year  
31 for the retirement of principal and interest on outstanding bonds, notes, or other

1 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
2 1995, but before July 1, 1998, to pay costs of school construction, additions to  
3 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
4 under AS 14.07.020(a)(11);

5 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after  
6 projects funded by the bonds, notes, or other indebtedness have been approved by the  
7 commissioner, 70 percent of payments made by the municipality during the fiscal year  
8 for the retirement of principal and interest on outstanding bonds, notes, or other  
9 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
10 1998, but before July 1, 2006, to pay costs of school construction, additions to  
11 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
12 under AS 14.07.020(a)(11);

13 (10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after  
14 projects funded by the bonds, notes, or other indebtedness have been approved by the  
15 commissioner, 70 percent of payments made by the municipality during the fiscal year  
16 for the retirement of principal and interest on outstanding bonds, notes, or other  
17 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
18 1998, to pay costs of school construction, additions to schools, and major  
19 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),  
20 and are not reimbursed under (n) of this section;

21 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
22 funded by the bonds, notes, or other indebtedness have been approved by the  
23 commissioner, 70 percent of payments made by a municipality during the fiscal year  
24 for the retirement of principal and interest on outstanding bonds, notes, or other  
25 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
26 1999, but before January 1, 2005, to pay costs of school construction, additions to  
27 schools, and major rehabilitation projects and education-related facilities that exceed  
28 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)  
29 or (o) of this section;

30 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
31 of payments made by a municipality during the fiscal year for the retirement of

1 principal and interest on outstanding bonds, notes, or other indebtedness authorized by  
2 the qualified voters of the municipality on or after June 30, 1999, but before January 1,  
3 2005, to pay costs of school construction, additions to schools, and major  
4 rehabilitation projects and education-related facilities that exceed \$200,000, are  
5 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
6 section;

7 (13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after  
8 projects funded by the tax exempt bonds, notes, or other indebtedness have been  
9 approved by the commissioner, 70 percent of payments made by a municipality during  
10 the fiscal year for the retirement of principal and interest on outstanding tax exempt  
11 bonds, notes, or other indebtedness authorized by the qualified voters of the  
12 municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of  
13 school construction, additions to schools, and major rehabilitation projects and  
14 education-related facilities that exceed \$200,000, are approved under  
15 AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

16 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60  
17 percent of payments made by a municipality during the fiscal year for the retirement  
18 of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
19 authorized by the qualified voters of the municipality on or after June 30, 1999, but  
20 before October 31, 2006, to pay costs of school construction, additions to schools, and  
21 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
22 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this  
23 section;

24 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after  
25 projects funded by the bonds, notes, or other indebtedness have been approved by the  
26 commissioner, 90 percent of payments made by a municipality during the fiscal year  
27 for the retirement of principal and interest on outstanding bonds, notes, or other  
28 indebtedness authorized by the qualified voters of the municipality on or after June 30,  
29 1999, but before October 31, 2006, to pay costs of school construction, additions to  
30 schools, and major rehabilitation projects and education-related facilities that exceed  
31 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating

1 share requirement for a municipal school district under the former participating share  
 2 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of  
 3 this section;

4 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects  
 5 funded by the tax exempt bonds, notes, or other indebtedness have been approved by  
 6 the commissioner, 70 percent of payments made by a municipality during the fiscal  
 7 year for the retirement of principal and interest on outstanding tax exempt bonds,  
 8 notes, or other indebtedness authorized by the qualified voters of the municipality on  
 9 or after October 1, 2006, to pay costs of school construction, additions to schools, and  
 10 major rehabilitation projects and education-related facilities that exceed \$200,000, are  
 11 approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

12 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent  
 13 of payments made by a municipality during the fiscal year for the retirement of  
 14 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness  
 15 authorized by the qualified voters of the municipality on or after October 1, 2006, to  
 16 pay costs of school construction, additions to schools, and major rehabilitation projects  
 17 and education-related facilities that exceed \$200,000, are reviewed under  
 18 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

19 **(18) subject to (h), (i), and (j)(2), (3), and (5) of this section, 70**  
 20 **percent of payments made by a municipality during the fiscal year in which a**  
 21 **charter school is operated, for the retirement of principal and interest on**  
 22 **outstanding tax exempt bonds, notes, or other indebtedness authorized by the**  
 23 **qualified voters of the municipality on or after July 1, 2014, but before**  
 24 **December 31, 2017, to pay costs of school construction, additions to schools, and**  
 25 **major rehabilitation projects for the purpose of operating the charter school**  
 26 **approved under AS 14.03.250; projects reimbursed under this paragraph must**  
 27 **exceed \$200,000 and must be reviewed under AS 14.07.020(a)(11).**

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

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

31 (1) requirements relating to school district operations:

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

3 (B) **AS 14.03.073 and 14.03.083 - 14.03.140** [AS 14.03.083 -  
4 14.03.140] (miscellaneous provisions applicable to school district operations);

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

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

11 (E) AS 14.14.050 (imposing the requirement of an annual  
12 audit);

13 (F) AS 14.14.110 (authorizing cooperation with other school  
14 districts);

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

17 (H) AS 14.18 (prohibiting discrimination based on sex in  
18 public education);

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

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

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

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

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

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

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

30 (C) AS 14.20.220 (relating to the salaries of teachers  
31 employed);

1 (D) AS 14.20.280 - 14.20.350 (relating to sabbatical leave  
2 provisions for teachers);

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

7 (F) AS 14.25 (provisions regarding the teachers' retirement  
8 system);

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

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

12 (B) AS 14.30.360 - 14.30.370 (establishing health education  
13 program standards);

14 (C) AS 14.30.400 - 14.30.410 (relating to bilingual and  
15 bicultural education).

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

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

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

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

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

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



- 1 (A) for the Southeast Region (Region I), \$1,230 [\$820];  
 2 (B) for the Southcentral Region (Region II), \$1,200 [\$800];  
 3 (C) for the Interior Region (Region III), \$1,452 [\$968];  
 4 (D) for the Southwest Region (Region IV), \$1,509 [\$1,006];  
 5 (E) for the Northern Remote Region (Region V), \$1,776  
 6 [\$1,184].

7 \* **Sec. 17.** AS 14.17.450(d) is amended to read:

8 (d) If a charter school has a student count of more than 74 [120] but less than  
 9 150 for the current year and is in the first three years [YEAR] of operation or had a  
 10 student count of at least 75 [150 OR MORE] in the previous year of operation,

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

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

22 \* **Sec. 18.** AS 14.17.470 is amended to read:

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

25 \* **Sec. 19.** AS 14.17.470, as amended by sec. 18 of this Act, is amended to read:

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

28 \* **Sec. 20.** AS 14.17.470, as amended by secs. 18 and 19 of this Act, is amended to read:

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

31 \* **Sec. 21.** 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, 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  | <u>42</u> [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              |
| <u>Southern Southeast Alaska Technical Education Center</u> | <u>3 percent.</u>      |

\* **Sec. 22.** 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) the percentage of former participants who indicate some level of satisfaction with the training received under the program; [AND]

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

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

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

11 (8) the performance and financial information needed to verify the  
12 performance of the program as specified by the department by regulation.

13 \* **Sec. 23.** AS 23.15.835 is amended by adding new subsections to read:

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

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

20 \* **Sec. 24.** AS 23.15.850 is amended by adding new paragraphs to read:

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

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

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

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

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

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

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

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

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

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

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

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

18 **(8) funding a scholarship awarded by a nonprofit organization to a**  
 19 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

20 **(A) tuition and textbooks;**

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

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

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

28 **(E) other related educational and programmatic costs;**

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

1                   **(10) childhood early learning and development programs and**  
 2                   **educational support to childhood early learning and development programs**  
 3                   **provided by a for-profit corporation, a nonprofit corporation organized under**  
 4                   **AS 10.20, a tribal entity, or a school district in the state, by the Department of**  
 5                   **Education and Early Development, or through a state grant.**

6           \* **Sec. 26.** AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7,  
 7 FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

20                   **(5) for funding a scholarship awarded by a nonprofit organization**  
 21 **to a dual-credit student to defray the cost of a dual-credit course, including the**  
 22 **cost of**

23                                   **(A) tuition and textbooks;**

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

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

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

31                                   **(E) other related educational and programmatic costs;**

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

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

9 \* **Sec. 27.** AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

15 \* **Sec. 28.** AS 43.65.018(a) is amended to read:

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

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

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

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

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

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

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

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

5 **(8) funding a scholarship awarded by a nonprofit organization to a**  
6 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

7 **(A) tuition and textbooks;**

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

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

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

15 **(E) other related educational and programmatic costs;**

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

19 **(10) childhood early learning and development programs and**  
20 **educational support to childhood early learning and development programs**  
21 **provided by a for-profit corporation, a nonprofit corporation organized under**  
22 **AS 10.20, a tribal entity, or a school district in the state, by the Department of**  
23 **Education and Early Development, or through a state grant.**

24 \* **Sec. 29.** AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7,  
25 FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

7 **(5) for funding a scholarship awarded by a nonprofit organization**  
8 **to a dual-credit student to defray the cost of a dual-credit course, including the**  
9 **cost of**

10 **(A) tuition and textbooks;**

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

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

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

18 **(E) other related educational and programmatic costs;**

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

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

27 \* **Sec. 30.** AS 43.65.018(f) is amended by adding new paragraphs to read:

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

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



1 (Internal Revenue Code).

2 \* **Sec. 31.** AS 43.75.018(a) is amended to read:

3 (a) A person engaged in a fisheries business is allowed a credit against the tax  
4 due under this chapter for 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) funding a scholarship awarded by a nonprofit organization to a**  
24 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

25 **(A) tuition and textbooks;**

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

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

29 **(D) transportation costs to and from a residential school**  
30 **approved by the Department of Education and Early Development under**  
31 **AS 14.16.200 or the postsecondary school in the state that provides the**

1                   dual-credit course; and

2                                   (E) other related educational and programmatic costs;

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

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

11       \* **Sec. 32.** AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7,  
 12 FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

25                                   (5) for funding a scholarship awarded by a nonprofit organization  
 26 to a dual-credit student to defray the cost of a dual-credit course, including the  
 27 cost of

28   (A) tuition and textbooks;

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

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

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

5                    **(E) other related educational and programmatic costs;**

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

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

14 \* **Sec. 33.** AS 43.75.018(f) is amended by adding new paragraphs to read:

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

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

20 \* **Sec. 34.** AS 43.77.045(a) is amended to read:

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

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

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

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

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

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

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

11 **(8) funding a scholarship awarded by a nonprofit organization to a**  
12 **dual-credit student to defray the cost of a dual-credit course, including the cost of**

13 **(A) tuition and textbooks;**

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

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

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

21 **(E) other related educational and programmatic costs;**

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

25 **(10) childhood early learning and development programs and**  
26 **educational support to childhood early learning and development programs**  
27 **provided by a for-profit corporation, a nonprofit corporation organized under**  
28 **AS 10.20, a tribal entity, or a school district in the state, by the Department of**  
29 **Education and Early Development, or through a state grant.**

30 \* **Sec. 35.** AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7,  
31 FSSLA 2011, and sec. 25, ch. 74, SLA 2012, is amended to read:

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

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

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

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

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

14 **(5) for funding a scholarship awarded by a nonprofit organization**  
 15 **to a dual-credit student to defray the cost of a dual-credit course, including the**  
 16 **cost of**

17 **(A) tuition and textbooks;**

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

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

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

25 **(E) other related educational and programmatic costs;**

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

29 **(7) for childhood early learning and development programs and**  
 30 **educational support to childhood early learning and development programs**  
 31 **provided by a for-profit corporation, a nonprofit corporation organized under**

1           **AS 10.20, a tribal entity, or a school district in the state, by the Department of**  
2           **Education and Early Development.**

3           \* **Sec. 36.** AS 43.77.045(f) is amended by adding new paragraphs to read:

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

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

9           \* **Sec. 37.** Section 3, ch. 91, SLA 2010, is repealed.

10          \* **Sec. 38.** AS 14.03.075 and AS 14.07.165(5) are repealed.

11          \* **Sec. 39.** The uncodified law of the State of Alaska is amended by adding a new section to  
12          read:

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

18          \* **Sec. 40.** The uncodified law of the State of Alaska is amended by adding a new section to  
19          read:

20               TRANSITION: CHARTER SCHOOL APPLICATIONS. Sections 5 and 6 of this Act  
21          apply to charter school applications filed with a local school board on or after September 1,  
22          2014.

23          \* **Sec. 41.** The uncodified law of the State of Alaska is amended by adding a new section to  
24          read:

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

30          \* **Sec. 42.** Sections 21 and 41 of this Act take effect immediately under AS 01.10.070(c).

31          \* **Sec. 43.** Sections 15, 16, and 18 of this Act take effect July 1, 2014.

- 1     \* **Sec. 44.** Sections 1, 19, and 22 - 24 of this Act take effect July 1, 2015.  
2     \* **Sec. 45.** Section 20 of this Act takes effect July 1, 2016.  
3     \* **Sec. 46.** Sections 26, 29, 32, and 35 of this Act take effect January 1, 2021.  
4     \* **Sec. 47.** Except as provided in secs. 42 - 46 of this Act, this Act takes effect September 1,  
5     2014.