

CS FOR SENATE BILL NO. 139(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered: 3/17/14

Referred: Finance

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the base student allocation used in the formula for state funding of**
2 **public education; repealing the secondary student competency examination and related**
3 **requirements; relating to high school course credit earned through assessment; relating**
4 **to charter schools; relating to charter school student transportation; relating to**
5 **residential school applications; increasing the stipend for boarding school students;**
6 **relating to unemployment contributions for the Alaska technical and vocational**
7 **education program; relating to earning high school credit for completion of vocational**
8 **education courses offered by institutions receiving technical and vocational education**
9 **program funding; relating to education tax credits; making conforming amendments;**
10 **and providing for an effective date."**

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

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

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

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

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

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

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

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

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

20 (3)] progress of the department

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

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

24 **(3)** [(4)] a description of the resources provided to each school and
25 school district for coordinated school improvement activities and staff training in each
26 school and school district;

27 **(4)** [(5)] each school district's and each school's progress in aligning
28 curriculum with state education performance standards;

29 **(5)** [(6)] a description of the efforts by the department to assist a public
30 school **or district** that receives a **low performance** designation **under AS 14.03.123**
31 [OF DEFICIENT OR IN CRISIS];

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

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

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

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

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

16 (1) information on accreditation;

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

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

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

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

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

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

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

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

15 (9) [(10)] other information concerning school performance and the
 16 performance of the school's students as required by the state board in regulation.

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

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

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

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

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

28 (B) measures of student improvement; and

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

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

1 districts.

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

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

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

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

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

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

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

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

1 recommendations, the state Board of Education and Early Development may

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

3 (2) approve the charter school application; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (3) be approved by the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 [\$1,184].

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

10 (d) If a charter school has a student count of more than 74 [120] but less than
11 150 for the current year and is in the first three years [YEAR] of operation or had a
12 student count of at least 75 [150 OR MORE] in the previous year of operation,

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

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

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

25 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,765
26 [\$5,680].

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

28 **Sec. 14.17.470. Base student allocation.** The base student allocation is \$5,823
29 [\$5,765].

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

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

1 [\$5,823].

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

3 (a) In the manner provided in AS 23.20 and for the benefit of the program, the
4 department shall collect from each employee an amount equal to **.16** [.15] percent of
5 the wages, as set out in AS 23.20.175, on which the employee is required to make
6 contributions under AS 23.20.290(d). The department shall remit to the Department of
7 Revenue, in accordance with AS 37.10.050, money collected under this subsection.

8 * **Sec. 19.** AS 23.15.835(d) is amended to read:

9 (d) Notwithstanding AS 23.15.840(a), for the fiscal years ending June 30,
10 2015 [2009], through June 30, 2017 [2014], the money collected under this section or
11 otherwise appropriated to the Alaska Workforce Investment Board, formerly known as
12 the Alaska Human Resource Investment Council, shall be allocated directly in the
13 following percentages to the following institutions for programs consistent with
14 AS 23.15.820 - 23.15.850 and capital improvements:

15 University of Alaska	<u>46</u> [45] percent
16 [UNIVERSITY OF ALASKA SOUTHEAST	5 PERCENT]
17 Galena <u>Interior Learning Academy</u> [PROJECT	4 percent
18 EDUCATION VOCATIONAL TRAINING CENTER]	
19 <u>Alaska</u> [KOTZEBUE] Technical Center	9 percent
20 Alaska Vocational Technical Center	17 percent
21 Northwestern Alaska Career and Technical Center	3 percent
22 Southwest Alaska Vocational and Education Center	3 percent
23 Yuut Elitnaurviat, Inc. People's Learning Center	9 percent
24 <u>Partners for Progress in Delta, Inc.</u> [DELTA CAREER	3 percent
25 ADVANCEMENT CENTER]	
26 <u>Amundsen Educational Center</u> [NEW FRONTIER	2 percent
27 VOCATIONAL TECHNICAL CENTER]	
28 <u>Southern Southeast Alaska Technical Education Center</u>	<u>2 percent</u>
29 <u>Southeast Career Consortium</u>	<u>2 percent</u>

30 * **Sec. 20.** AS 23.15.835(e) is amended to read:

31 (e) The institutions receiving funding under (d) of this section shall provide an

1 expenditure and performance report to the department by November 1 of each year
2 that includes [THE]

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

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

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

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

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

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

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

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

25 * **Sec. 21.** AS 23.15.835 is amended by adding new subsections to read:

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

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

1 * **Sec. 22.** AS 23.15.850 is amended by adding new paragraphs to read:

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

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

9 * **Sec. 23.** AS 43.20.014(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 **(11) the operations of a nonprofit organization dedicated to**
 21 **providing educational opportunities that promote the legacy of public service**
 22 **contributions to the state and perpetuate ongoing educational programs that**
 23 **foster public service leadership for future generations of residents of the state.**

24 * **Sec. 24.** AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, sec. 14, ch. 7,
 25 FSSLA 2011, and sec. 15, ch. 74, SLA 2012, is amended to read:

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

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

1 association;

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

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

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

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

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

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

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

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

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

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

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

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

1 * **Sec. 25.** AS 43.20.014(f) is amended by adding new paragraphs to read:

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

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

7 * **Sec. 26.** AS 43.65.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

1 (A) tuition and textbooks;

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

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

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

9 (E) other related educational and programmatic costs;

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

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

18 (11) the operations of a nonprofit organization dedicated to
19 providing educational opportunities that promote the legacy of public service
20 contributions to the state and perpetuate ongoing educational programs that
21 foster public service leadership for future generations of residents of the state.

22 * **Sec. 27.** AS 43.65.018(a), as amended by sec. 35, ch. 92, SLA 2010, sec. 14, ch. 7,
23 FSSLA 2011, and sec. 21, ch. 74, SLA 2012, is amended to read:

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

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

31 (2) for secondary school level vocational education courses and

1 programs by a school district in the state;

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

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

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

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

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

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

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

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

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

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

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

30 * **Sec. 28.** AS 43.65.018(f) is amended by adding new paragraphs to read:

31 (3) "dual-credit student" means a secondary level student in the state

1 who simultaneously earns college and high school credit for a course;

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

5 * **Sec. 29.** AS 43.75.018(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (E) other related educational and programmatic costs;

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

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

16 (11) the operations of a nonprofit organization dedicated to
 17 providing educational opportunities that promote the legacy of public service
 18 contributions to the state and perpetuate ongoing educational programs that
 19 foster public service leadership for future generations of residents of the state.

20 * **Sec. 30.** AS 43.75.018(a), as amended by sec. 42, ch. 92, SLA 2010, sec. 14, ch. 7,
 21 FSSLA 2011, and sec. 23, ch. 74, SLA 2012, is amended to read:

22 (a) A person engaged in a fisheries business is allowed a credit against the tax
 23 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 operations**, and contributions to
 26 endowment, by an Alaska university foundation or by a nonprofit, public or private,
 27 Alaska two-year or four-year college accredited by a regional accreditation
 28 association;

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

31 (3) by a state-operated vocational technical education and training

1 school; [AND]

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

4 **(5) for funding a scholarship awarded by a nonprofit organization**
5 **to a dual-credit student to defray the cost of a dual-credit course, including the**
6 **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 **(6) for constructing, operating, or maintaining a residential**
17 **housing facility by a residential school approved by the Department of Education**
18 **and Early Development under AS 14.16.200;**

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

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

28 * **Sec. 31.** AS 43.75.018(f) is amended by adding new paragraphs to read:

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

31 (4) "nonprofit organization" means a charitable or educational

1 organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3)
2 (Internal Revenue Code).

3 * **Sec. 32.** AS 43.77.045(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

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

31 **(C) on-campus room and board at the postsecondary**

1 institution in the state that provides the dual-credit course;

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

6 (E) other related educational and programmatic costs;

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

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

15 (11) the operations of a nonprofit organization dedicated to
 16 providing educational opportunities that promote the legacy of public service
 17 contributions to the state and perpetuate ongoing educational programs that
 18 foster public service leadership for future generations of residents of the state.

19 * **Sec. 33.** AS 43.77.045(a), as amended by sec. 49, ch. 92, SLA 2010, sec. 14, ch. 7,
 20 FSSLA 2011, and sec. 25, ch. 74, SLA 2012, 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

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

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

31 (3) by a state-operated vocational technical education and training

1 school; [AND]

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

4 **(5) for funding a scholarship awarded by a nonprofit organization**
5 **to a dual-credit student to defray the cost of a dual-credit course, including the**
6 **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 **(6) for constructing, operating, or maintaining a residential**
17 **housing facility by a residential school approved by the Department of Education**
18 **and Early Development under AS 14.16.200;**

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

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

28 * **Sec. 34.** AS 43.77.045(f) is amended by adding new paragraphs to read:

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

31 (4) "nonprofit organization" means a charitable or educational

1 organization in the state that is exempt from taxation under 26 U.S.C. 501(c)(3)
2 (Internal Revenue Code).

3 * **Sec. 35.** AS 14.03.075 and AS 14.07.165(5) are repealed.

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

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

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

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

12 **TRANSITION: CHARTER SCHOOL APPLICATIONS.** Sections 5 and 6 of this Act
13 apply to charter school applications filed with a local school board on or after September 1,
14 2014.

15 * **Sec. 38.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

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

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

24 **LEGISLATIVE AUDIT OF ALASKA TECHNICAL AND VOCATIONAL**
25 **EDUCATION.** By June 30, 2016, the legislative audit division shall conduct an audit of and
26 provide a report to the legislature on the funding and outcomes of technical and vocational
27 education programs provided under AS 23.15.820 - 23.15.850.

28 * **Sec. 40.** Section 38 of this Act takes effect immediately under AS 01.10.070(c).

29 * **Sec. 41.** Sections 15 and 18 - 22 of this Act take effect July 1, 2014.

30 * **Sec. 42.** Sections 1 and 16 of this Act take effect July 1, 2015.

31 * **Sec. 43.** Section 17 of this Act takes effect July 1, 2016.

1 * **Sec. 44.** Sections 24, 27, 30, and 33 of this Act take effect January 1, 2021.

2 * **Sec. 45.** Except as provided in secs. 40 - 44 of this Act, this Act takes effect September 1,
3 2014.