4 AAC 43.035(a) is amended to read:

(a) The commissioner may grant a student a grace period to meet curriculum requirements for the Alaska performance scholarship, if the standards set out in this section are met. A grace period grants the applicant one extra year of eligibility after the date of the applicant's high school graduation to complete the curriculum requirements of 4 AAC 43.030. A student who is granted a grace period is [NOT] eligible for the scholarship during the year in which the grace period is granted.

4 AAC 43.035(e) is amended to read:

(e) A student who received a grace period and does not satisfy the requirements of (d) of this section is **no longer** [NOT] eligible for the scholarship.

4 AAC 43.035 is amended by adding a new sub section to read:

(f) A school district may sponsor a student who is granted a grace period under (a) of this section and elects to not enroll in an eligible institution during the grace period. A sponsoring district shall allow the student to enroll in a public school in the district during the grace period for the purpose of obtaining the curriculum requirement for which the student was granted the grace period. A student who enrolls for the purpose of obtaining a missing curriculum requirement is not considered to have completed the 12th grade under 4 AAC 06.076 during the student's grace period. A school district that sponsors a student under this subsection may include the student in the district's student count under 4 AAC 05.035(c), unless the student is 20 years of age or older at the time of enrollment. Funding will be provided to the sponsoring

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district under 4 AAC 09.040(c) for each missing curriculum requirement in which the student is enrolled. (Eff. 2/25/2011, Register 197; am 6/25/2011, Register 198)

Authority: AS 14.07.060 AS 14.43.810 Sec. 9, ch. 14, SLA 2010