

SENATE BILL NO. 277

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Introduced: 3/13/26

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to education; relating to charter school budgets; relating to
2 correspondence study program materials, funding, and student counts; relating to
3 student transportation funding; relating to cooperative arrangements for
4 correspondence study program services entered into by school districts; relating to the
5 base student allocation; relating to eligibility for teacher certification; relating to
6 reemploying retired members of the teachers' retirement system at regional resource
7 centers; relating to reading proficiency incentive grants; requiring the Legislative
8 Budget and Audit Committee to procure an education funding study; and providing for
9 an effective date."

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

11 * **Section 1.** AS 14.03.260(a) is amended to read:

12 (a) A local school board shall provide an approved charter school with an

1 annual program budget. The budget shall be not less than the amount generated by the
 2 students enrolled in the charter school less administrative costs retained by the local
 3 school district, determined by applying the indirect cost rate approved by the
 4 department up to eight [FOUR] percent or the specified administrative costs,
 5 whichever is less. Costs directly related to charter school facilities, including rent,
 6 utilities, and maintenance, may not be included in an annual program budget for the
 7 purposes of calculating the four percent cap on administrative costs under this
 8 subsection. A local school board shall provide a charter school with a report itemizing
 9 the administrative costs retained by the local school board under this section. The
 10 "amount generated by students enrolled in the charter school" is to be determined in
 11 the same manner as it would be for a student enrolled in another public school in that
 12 school district and includes funds generated by grants, appropriations, federal impact
 13 aid, the required local contribution, the local contribution under AS 14.17.410(c),
 14 special needs under AS 14.17.420(a)(1), and secondary school vocational and
 15 technical instruction under AS 14.17.420(a)(3). A school district shall direct state aid
 16 under AS 14.11 for the construction or major maintenance of a charter school facility
 17 to the charter school that generated the state aid, subject to the same terms and
 18 conditions that apply to state aid under AS 14.11 for construction or major
 19 maintenance of a school facility that is not a charter school.

20 * **Sec. 2.** AS 14.03.300 is amended by adding a new subsection to read:

21 (c) A student who ceases to be enrolled in a correspondence study program
 22 may retain textbooks, equipment, and other curriculum materials provided to the
 23 student through the program, including materials purchased through an annual student
 24 allotment provided to a parent or guardian of the student under AS 14.03.310.

25 * **Sec. 3.** AS 14.09.010(a) is amended to read:

26 (a) A school district that provides student transportation services for the
 27 transportation of students who reside a distance from established schools is eligible to
 28 receive funding for operating or subcontracting the operation of the transportation
 29 system for students to and from the schools within the student's transportation service
 30 area. Subject to appropriation, the amount of funding provided by the state for
 31 operating the student transportation system is the amount of a school district's ADM,

1 less the ADM for the district's correspondence programs during the current fiscal year,
 2 multiplied by the per student amount for the school district as follows, for the school
 3 years beginning July 1, 2026 [2025]:

4	DISTRICT	PER STUDENT AMOUNT
5	Alaska Gateway	<u>\$2,694</u> [\$2,529]
6	Aleutians East	<u>402</u> [377]
7	Anchorage	<u>564</u> [529]
8	Annette Island	<u>236</u> [221]
9	Bering Strait	<u>63</u> [59]
10	Bristol Bay	<u>3,459</u> [3,247]
11	Chatham	<u>364</u> [341]
12	Copper River	<u>2,054</u> [1,928]
13	Cordova	<u>435</u> [408]
14	Craig	<u>548</u> [514]
15	Delta/Greely	<u>2,144</u> [2,013]
16	Denali	<u>2,340</u> [2,197]
17	Dillingham	<u>1,577</u> [1,480]
18	Fairbanks	<u>1,057</u> [992]
19	Galena	<u>330</u> [309]
20	Haines	<u>811</u> [761]
21	Hoonah	<u>387</u> [363]
22	Iditarod	<u>274</u> [257]
23	Juneau	<u>781</u> [733]
24	Kake	<u>352</u> [330]
25	Kashunamiut	<u>7</u> [6]
26	Kenai Peninsula	<u>1,185</u> [1,112]
27	Ketchikan	<u>941</u> [833]
28	Klawock	<u>757</u> [710]
29	Kodiak Island	<u>1,035</u> [971]
30	Kuspuk	<u>846</u> [794]
31	Lake and Peninsula	<u>497</u> [466]

1	Lower Kuskokwim	<u>359</u> [337]
2	Lower Yukon	<u>2</u> [1]
3	Matanuska-Susitna	<u>1,178</u> [1,106]
4	Nenana	<u>761</u> [714]
5	Nome	<u>805</u> [755]
6	North Slope	<u>1,450</u> [1,361]
7	Northwest Arctic	<u>32</u> [30]
8	Pelican	<u>94</u> [88]
9	Petersburg	<u>485</u> [455]
10	Saint Mary's	<u>250</u> [234]
11	Sitka	<u>554</u> [520]
12	Skagway	<u>47</u> [44]
13	Southeast Island	<u>1,496</u> [1,404]
14	Southwest Region	<u>774</u> [726]
15	Unalaska	<u>840</u> [788]
16	Valdez	<u>953</u> [894]
17	Wrangell	<u>907</u> [851]
18	Yakutat	<u>963</u> [904]
19	Yukon Flats	<u>342</u> [321]
20	Yukon/Koyukuk	<u>388</u> [364]
21	Yupiit	<u>3</u> [2].

22 * **Sec. 4.** AS 14.14.110(a) is amended to read:

23 (a) When necessary to provide more efficient or more economical educational
24 services, a district may cooperate or the department may require a district to cooperate
25 with other districts, state-operated schools, or the Bureau of Indian Affairs in
26 providing educational or administrative services. However, if a cooperative
27 arrangement requires pupils to live away from their usual homes, the school board
28 shall provide classes within the attendance area when there are at least eight children
29 eligible to attend elementary and secondary school in the attendance area. **A**
30 **cooperative arrangement related to providing correspondence study program**
31 **services must specify the amount of the administrative services fee paid to the**

1 **entity providing the correspondence study program services. The administrative**
 2 **services fee shall be the indirect cost rate approved by the department up to eight**
 3 **percent and may not include costs incurred by the entity providing the**
 4 **correspondence study program for providing special education services, in-**
 5 **person classes, career, technical, or vocational course fees, or extracurricular**
 6 **fees.** In this subsection,

7 (1) "administrative services" includes supervisory, maintenance,
 8 purchasing, or other services that are required for unified administration;

9 (2) "educational services" includes boarding and tuition arrangements,
 10 pupil or teacher exchanges, special education services, or curriculum development.

11 * **Sec. 5.** AS 14.17.430 is amended to read:

12 **Sec. 14.17.430. State funding for correspondence study.** Except as provided
 13 in AS 14.17.400(b), funding for the state centralized correspondence study program or
 14 a district correspondence program, including a district that offers a statewide
 15 correspondence study program, includes an allocation from the public education fund
 16 in an amount calculated by **using** [MULTIPLYING] the ADM of the correspondence
 17 program **reported under AS 14.17.500(a) and 14.17.600(a)** [BY 90 PERCENT].

18 * **Sec. 6.** AS 14.17.470 is amended to read:

19 **Sec. 14.17.470. Base student allocation.** The base student allocation is
 20 **\$6,786.54** [\$6,660].

21 * **Sec. 7.** AS 14.17.500 is amended by adding a new subsection to read:

22 (h) A district shall include in the ADM of a statewide correspondence study
 23 program offered by the district a student who is enrolled in the program and resides in
 24 the district. If a student is enrolled in a statewide correspondence study program but
 25 does not reside in the district offering the program, the district in which the student
 26 resides shall include the student in the ADM of the school in that district with the
 27 lowest ADM, as determined by the most recent student count data for the district.

28 * **Sec. 8.** AS 14.20.015(a) is amended to read:

29 (a) The department shall issue a preliminary teacher certificate to an out-of-
 30 state teacher who meets the requirements of this section. To be eligible for a
 31 preliminary teacher certificate, a person shall

1 (1) have received at least a baccalaureate degree from an institution of
2 higher education accredited by a recognized **institutional** [REGIONAL] accrediting
3 association or approved by the commissioner;

4 (2) hold a valid teacher certificate issued by another state;

5 (3) have submitted fingerprints to the department to be used for a
6 criminal history background check and been found by the department to be suitable for
7 employment as a teacher under AS 14.20.020(f);

8 (4) have paid the fee required by the department under
9 AS 14.20.020(c).

10 * **Sec. 9.** AS 14.20.020(b) is amended to read:

11 (b) A person is not eligible for a teacher certificate unless that person has
12 received at least a baccalaureate degree from an institution of higher education
13 accredited by a recognized **institutional** [REGIONAL] accrediting association or
14 approved by the commissioner and, if applicable, has passed the examination or
15 examinations required by (i) of this section. However, this subsection is not applicable
16 to

17 (1) persons employed in the state public school system on
18 September 1, 1962;

19 (2) persons issued an emergency certificate during a situation that, in
20 the judgment of the commissioner, requires the temporary issuance of a certificate to a
21 person not otherwise qualified.

22 * **Sec. 10.** AS 14.20.022(b) is amended to read:

23 (b) To be eligible for a subject-matter expert limited teacher certificate, a
24 person shall

25 (1) hold at least a baccalaureate degree from an institution of higher
26 education accredited by a recognized **institutional** [REGIONAL] or national
27 accrediting association or approved by the commissioner and

28 (A) have majored or minored in the subject that the person will
29 be teaching; or

30 (B) have at least five years **of** experience in the subject matter
31 that the person will be teaching;

1 (2) have submitted fingerprints and the fees required by the
 2 Department of Public Safety under AS 12.62.160 for criminal justice information and
 3 a national criminal history record check to the department; the department must have
 4 submitted the fingerprints and fees to the Department of Public Safety for a report of
 5 criminal justice information under AS 12.62 and a national criminal history record
 6 check under AS 12.62.400 and the person must have been found by the department to
 7 be suitable for employment as a teacher under AS 14.20.020(f); and

8 (3) be currently enrolled in an approved post-baccalaureate teacher
 9 education program at an [A REGIONALLY ACCREDITED] institution accredited
 10 by an institutional accrediting association meeting the requirements of
 11 AS 14.20.020(b) that provides for completion of the regular teacher certificate
 12 education requirements within two years after receipt of a subject-matter expert
 13 limited teacher certificate under this section.

14 * **Sec. 11.** AS 14.20.136(a) is amended to read:

15 (a) Subject to (b) - (d) of this section, a school district or regional resource
 16 center established under AS 14.12.150 may reemploy a member who is retired under
 17 a retirement plan established in AS 14.25.009 - 14.25.220, or a member who is retired
 18 under a retirement plan established in AS 14.25.310 - 14.25.590. In this subsection,
 19 "school district" has the meaning given in AS 14.30.350.

20 * **Sec. 12.** AS 14.20.136(b) is amended to read:

21 (b) A member who is retired under AS 14.25.110(a) may not be reemployed
 22 under (a) of this section unless the member

23 (1) certifies that the member and the school district or regional
 24 resource center did not arrange before the member retired from the school district or
 25 regional resource center for the member to be reemployed by the school district or
 26 regional resource center after the member retired; and

27 (2) has been retired for at least

28 (A) 60 days if the member is at least 62 years of age; or

29 (B) six months if the member is less than 62 years of age.

30 * **Sec. 13.** AS 14.20.136(c) is amended to read:

31 (c) Before reemploying a retired member under (a) of this section to fill a

1 position, a school district **or regional resource center** shall

2 (1) by resolution, adopt a policy that describes the circumstances of a
3 shortage or anticipated shortage of applicants, other than retired members, who are
4 qualified for particular positions and permits rehiring that complies with the
5 requirements of this section; and

6 (2) publicly advertise the position for 10 business days and actively
7 recruit to fill the position by hiring a person other than a member who is retired.

8 * **Sec. 14.** AS 14.20.136(e) is amended to read:

9 (e) A school district **or regional resource center** that reemploys a member
10 under this section who is retired under the defined benefit retirement plan established
11 in AS 14.25.009 - 14.25.220 is required to

12 (1) provide the administrator with

13 (A) a copy of the resolution and policy adopted under (c) of
14 this section; and

15 (B) for every retired member who is rehired, a report
16 identifying the member by name and describing the

17 (i) circumstances of the shortage that necessitated the
18 rehire; and

19 (ii) actions taken by the school district **or regional**
20 **resource center** to comply with [SCHOOL DISTRICT] policy adopted
21 under (c) of this section and the requirements of this section; and

22 (2) make contributions under AS 14.25.070.

23 * **Sec. 15.** AS 14.25.043(f) is amended to read:

24 (f) If a member who retired under AS 14.25.110(a) is reemployed by a school
25 district **or regional resource center** under AS 14.20.136,

26 (1) the member does not become an active member;

27 (2) the member shall continue to receive retirement benefits from the
28 plan as though the member were not reemployed by the school district **or regional**
29 **resource center**;

30 (3) deductions from the member's salary may not be made under
31 AS 14.25.050; and

1 (4) the member may not receive credited service in the plan during the
2 period of reemployment.

3 * **Sec. 16.** AS 14.25.043(g) is amended to read:

4 (g) Notwithstanding (f) of this section, a member who is retired under
5 AS 14.25.110(a) and reemployed by a school district **or regional resource center**
6 under AS 14.20.136 is eligible to receive the group health plan coverage provided to
7 active members employed by that school district **or regional resource center**.

8 * **Sec. 17.** AS 14.30.773(a) is amended to read:

9 (a) **A** [SUBJECT TO APPROPRIATION, A] school district is eligible to
10 receive a reading proficiency incentive grant of not less than \$450 for each student in
11 kindergarten through grade six who, at the end of the school year,

12 (1) performs at grade-level reading proficiency; or

13 (2) demonstrates improvement on a reading screening tool approved
14 by the department, on a standards-based assessment in language arts approved by the
15 department, or on a student portfolio in language arts approved by the department.

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

18 LEGISLATIVE BUDGET AND AUDIT COMMITTEE STUDY OF PUBLIC
19 SCHOOL FUNDING. The Legislative Budget and Audit Committee shall procure a study to
20 be completed not later than January 1, 2027, by an entity or entities with expertise in school
21 finance to evaluate the current education funding provisions and either recommend changes to
22 the current funding provisions or recommend alternative methods of education funding. The
23 study must

24 (1) be produced in consultation with the Institute of Social and Economic
25 Research at the University of Alaska Anchorage; and

26 (2) include consideration of

27 (A) stable and predictable funding for basic education needs and an
28 ancillary system of providing funding above basic education needs;

29 (B) geographic location and specific student subpopulations, as
30 appropriate;

31 (C) appropriate proportions and mechanisms for state and local

1 contributions to public school funding; and

2 (D) methods for funding alternative public school options, including
3 charter schools, residential schools, and correspondence programs.

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

6 APPLICABILITY. Sections 11 - 16 of this Act apply to contracts made on or after the
7 effective date of this Act.

8 * **Sec. 20.** This Act takes effect immediately under AS 01.10.070(c).