

SENATE CS FOR CS FOR HOUSE BILL NO. 28(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE EDUCATION COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STORY, Fields, Hall, Himschoot, Galvin, Dibert, Josephson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to education; relating to reports regarding correspondence study**
2 **programs; relating to correspondence study program materials; relating to student**
3 **transportation funding; relating to reemploying retired members of the teachers'**
4 **retirement system at regional resource centers; requiring the Legislative Budget and**
5 **Audit Committee to procure an education funding study; establishing a teachers'**
6 **student loan repayment pilot program; relating to school energy cost relief payments;**
7 **relating to reading proficiency incentive grants; relating to the use of tax revenue from**
8 **highly digitized businesses; relating to secondary school vocational and technical**
9 **instruction funding; and providing for an effective date."**

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

11 * **Section 1.** AS 14.03.120 is amended by adding a new subsection to read:

12 (l) A district shall annually file with the department and make available to the

1 public by November 1 each year, a report regarding correspondence study programs
2 operated by the district during the previous school year that includes

3 (1) the total administrative expenditures for the correspondence study
4 program, including expenditures toward real estate or facility rentals located outside of
5 the school district, promotional materials and services, and personnel information that
6 is disaggregated by classification;

7 (2) the total number of students enrolled in the correspondence study
8 program on May 1 of the year, disaggregated by grade level;

9 (3) the demographic information of enrolled students, including the
10 community of residence for each student;

11 (4) the amount of allotment funding authorized under AS 14.03.310
12 designated for each student, disaggregated by grade;

13 (5) a categorical accounting of allotment expenditures, including
14 curriculum and instructional materials; technology hardware, computer software, and
15 streaming services; tutoring and academic instruction services; tuition and fees to
16 postsecondary education institutions; physical education and extracurricular activities;
17 and travel and cultural activities;

18 (6) the number and disaggregated value of allotment expenditures
19 reviewed and denied by the district, including the reason for denial;

20 (7) the total value of carried forward allotment funds at year-end,
21 including the average carried forward amount for each grade level.

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

23 (c) A student who ceases to be enrolled in a correspondence study program
24 operated by a school district may retain textbooks, equipment, and other curriculum
25 materials provided to the student through the program, including materials purchased
26 through an annual student allotment provided to a parent or guardian of the student
27 under AS 14.03.310, if the textbook, equipment, or material is of the type that a
28 student may retain when the student ceases to be enrolled in a physical school in the
29 district.

30 * **Sec. 3.** AS 14.07.168 is amended to read:

31 **Sec. 14.07.168. Report to the legislature.** Not later than the 30th legislative

1 day of each regular session of the legislature, the board shall prepare and present in
2 person to the legislative committees having jurisdiction over education an annual
3 report that describes the efforts of the board to develop, maintain, and continuously
4 improve a comprehensive quality public education system, as provided for under the
5 bylaws of the board. The report must include

6 (1) a summary of the resolves and rationales provided in support of
7 policy decisions made under AS 14.03.015;

8 (2) program and curriculum changes made, discussed, or
9 recommended in meetings held under AS 14.07.125;

10 (3) additional information relevant to efforts made to improve and
11 maintain the public education system;

12 (4) a summary of implementation and utilization of the consortium
13 established under AS 14.30.800, including a review of consortium effectiveness and
14 the participation rates of districts, teachers, and students;

15 **(5) information reported to the department regarding**
16 **correspondence study programs as required under AS 14.03.120(I).**

17 * Sec. 4. AS 14.09.010(a) is amended to read:

18 (a) A school district that provides student transportation services for the
19 transportation of students who reside a distance from established schools is eligible to
20 receive funding for operating or subcontracting the operation of the transportation
21 system for students to and from the schools within the student's transportation service
22 area. Subject to appropriation, the amount of funding provided by the state for
23 operating the student transportation system is the amount of a school district's ADM,
24 less the ADM for the district's correspondence programs during the current fiscal year,
25 multiplied by the per student amount for the school district as follows, for the school
26 years beginning July 1, **2026** [2025]:

DISTRICT	PER STUDENT AMOUNT
Alaska Gateway	<u>\$3,028</u> [\$2,529]
Aleutians East	377
Anchorage	<u>784</u> [529]
Annette Island	<u>247</u> [221]

1	Bering Strait	59
2	Bristol Bay	<u>4,431</u> [3,247]
3	Chatham	<u>675</u> [341]
4	Copper River	<u>2,391</u> [1,928]
5	Cordova	<u>423</u> [408]
6	Craig	<u>555</u> [514]
7	Delta/Greely	<u>2,181</u> [2,013]
8	Denali	<u>2,580</u> [2,197]
9	Dillingham	<u>1,800</u> [1,480]
10	Fairbanks	<u>1,111</u> [992]
11	Galena	<u>943</u> [309]
12	Haines	<u>946</u> [761]
13	Hoonah	363
14	Iditarod	257
15	Juneau	<u>807</u> [733]
16	Kake	<u>416</u> [330]
17	Kashunamiut	6
18	Kenai Peninsula	1,112
19	Ketchikan	<u>1,070</u> [833]
20	Klawock	710
21	Kodiak Island	<u>1,162</u> [971]
22	Kuspuk	794
23	Lake and Peninsula	<u>486</u> [466]
24	Lower Kuskokwim	337
25	Lower Yukon	<u>5</u> [1]
26	Matanuska-Susitna	<u>1,323</u> [1,106]
27	Nenana	714
28	Nome	<u>961</u> [755]
29	North Slope	<u>1,577</u> [1,361]
30	Northwest Arctic	<u>36</u> [30]
31	Pelican	88

1	Petersburg	<u>477</u> [455]
2	Saint Mary's	<u>250</u> [234]
3	Sitka	<u>607</u> [520]
4	Skagway	44
5	Southeast Island	1,404
6	Southwest Region	726
7	Unalaska	788
8	Valdez	<u>1,148</u> [894]
9	Wrangell	<u>898</u> [851]
10	Yakutat	904
11	Yukon Flats	321
12	Yukon/Koyukuk	<u>720</u> [364]
13	Yupiit	<u>3</u> [2].

* **Sec. 5.** AS 14.20.136(a) is amended to read:

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

* **Sec. 6.** AS 14.20.136(b) is amended to read:

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

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

(2) has been retired for at least

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

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

* **Sec. 7.** AS 14.20.136(c) is amended to read:

(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. 8.** 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. 9.** 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. 10.** 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. 11.** Section 19, ch. 5, SLA 2025, is amended to read:

9 Sec. 19. CONDITIONAL EFFECT. AS 14.17.420(a), as amended by sec. 10,
10 **ch. 5, SLA 2025** [OF THIS ACT], AS 14.17.420(d), enacted by sec. 11, **ch. 5, SLA**
11 **2025** [OF THIS ACT], AS 14.30.773, enacted by sec. 13, **ch. 5, SLA 2025** [OF THIS
12 ACT], and AS 43.20.149, enacted by sec. 15, **ch. 5, SLA 2025** [OF THIS ACT], take
13 effect only if SB 113 **from the Thirty-Fourth Alaska State Legislature** or a
14 substantially similar bill that effectuates the sales factor, as determined under
15 AS 43.19 (Multistate Tax Compact), as the apportionment factor for highly digitized
16 businesses is passed by the Thirty-Fourth **or Thirty-Fifth** Alaska State Legislature
17 and enacted into law.

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

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

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

28 (2) include consideration of

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

31 (B) geographic location and specific student subpopulations, as

1 appropriate;

2 (C) appropriate proportions and mechanisms for state and local
3 contributions to public school funding; and

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

6 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 STUDENT LOAN REPAYMENT PILOT PROGRAM. (a) The Alaska Commission
9 on Postsecondary Education shall develop and administer a teachers' student loan repayment
10 pilot program. A person applying for a grant must submit the application to the commission
11 by a deadline established by the commission, on a form provided by the commission. Subject
12 to appropriation, the commission may award a grant to a person who

13 (1) is employed as a full-time certificated teacher in a public school to teach
14 special education, English as a second language, science, technology, engineering, or
15 mathematics;

16 (2) has completed a postsecondary degree or certificate program;

17 (3) has an outstanding student loan as described in 26 U.S.C. 108(f)(2)
18 incurred by the person for the degree or certificate program; and

19 (4) has otherwise exhausted all other federal and state student loan repayment
20 programs for which the person is eligible.

21 (b) The commission shall

22 (1) establish an application process for participation in the program;

23 (2) implement policies to determine the efficacy of the program toward
24 improving the recruitment and retention rates of teachers who receive a grant under this
25 section; and

26 (3) evaluate the effects of the program on employee recruitment and retention
27 for the purpose of preparing the report required under sec. 2 of this Act.

28 (c) The commission may require a person to refinance the outstanding student loan
29 described in (a) of this section with the commission in order to participate in the program.

30 (d) Grants awarded under this section are payable upon completion of the person's
31 contract term.

1 (e) The commission may award a grant to a person each year in an amount equal to
2 one-third of the balance of the outstanding student loan owed by the person. A grant awarded
3 to a person under this section may not exceed \$5,000 each year and may not be awarded for
4 more than three years.

5 (f) Grants may be awarded under this section each fiscal year. The total dollar amount
6 of grants awarded under this section may not exceed \$1,000,000 in a fiscal year. If the amount
7 appropriated in a fiscal year is insufficient to meet the amounts awarded under (a) of this
8 section, the commission shall reduce pro rata the amounts awarded by the necessary
9 percentage as determined by the commission.

10 (g) The commission may adopt regulations necessary to implement this section.

11 (h) In this section, "commission" means the Alaska Commission on Postsecondary
12 Education.

13 * **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 **PILOT PROGRAM: REPORT.** On or before December 31, 2028, the Alaska
16 Commission on Postsecondary Education shall submit a report to the senate secretary and the
17 chief clerk of the house of representatives and notify the legislature that the report is
18 available. The report must include the effects of the student loan repayment pilot program
19 under sec. 13 of this Act on teacher recruitment and retention and an analysis of the overall
20 success rate and effectiveness of the student loan repayment pilot program thus far.

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

23 **ONE-TIME SCHOOL ENERGY COST RELIEF PAYMENT.** (a) Subject to
24 appropriation, the Department of Education and Early Development shall distribute up to
25 \$58,714,000 among school districts. A school district may use a distribution for any operating
26 purpose. The amount the department distributes to a school district shall be proportional to the
27 school district's share of total statewide reported energy expenditures. The department shall
28 calculate the share by determining the quotient of the school district's actual expenditures for
29 heating fuel and electricity for fiscal year 2025, as reflected in the Department of Education
30 and Early Development's records, divided by the total actual expenditures of all school
31 districts for heating fuel and electricity for fiscal year 2025, as reflected in the Department of

1 Education and Early Development's records, multiplied by the total amount appropriated for
2 payments under this section.

3 (b) The department shall distribute funds appropriated for payments under this section
4 not later than 30 days after the funds become available.

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

7 **APPLICABILITY.** Sections 5 - 10 of this Act apply to contracts made on or after the
8 effective date of this Act.

9 * **Sec. 17.** Section 13 of this Act is repealed June 1, 2030.

10 * **Sec. 18.** Section 14 of this Act is repealed January 1, 2029.

11 * **Sec. 19.** This Act takes effect immediately under AS 01.10.070(c).