

HOUSE BILL NO. 76

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/31/25

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to education; relating to public school attendance; relating to mobile
2 communication devices in schools; relating to reading proficiency incentive grants;
3 relating to authorization of charter schools; relating to transportation of students;
4 relating to school bond debt reimbursement; relating to funding and reporting by
5 Alaska technical and vocational education programs; authorizing lump sum payments
6 for certain teachers as retention and recruitment incentives; and providing for an
7 effective date."

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

9 * **Section 1.** AS 14.03.080(a) is amended to read:

10 (a) **Subject to AS 14.14.110 and 14.14.120, a** [A] child of school age is
11 entitled to attend public school without payment of tuition during the school term

12 **(1) in the school district in which the child is a resident; and**

13 **(2) except as provided in (i) of this section, upon application to a**

school district, at a school selected by the child's parent in or outside the school district in which the child is a resident subject to

(A) capacity limitations of the selected school;

(B) a school district enrollment preference policy that prioritizes

(i) placement of siblings in the same school; and

(ii) enrollment of children in the order of applications received; and

(C) regulations that the department shall adopt to

(i) require a school district to accept students upon application throughout the school year as capacity becomes available;

(ii) require a school district to report to the department and publish on the school district's Internet website annually student enrollment data at each school, including capacity and vacancies for each grade; the number of applications, acceptances, and denials; and the reasons for any denial;

(iii) compensate a school district at the end of a school year to account for a year-end ADM that is greater than the district's student count data provided under AS 14.17.600;

(iv) establish a student transportation plan; and

(v) establish a procedure for appealing a school district's denial of an enrollment application [SUBJECT TO THE PROVISIONS OF AS 14.14.110 AND 14.14.120].

* **Sec. 2.** AS 14.03.080 is amended by adding a new subsection to read:

(i) Nothing in (a)(2) of this section applies to a correspondence study program under AS 14.03.300.

* **Sec. 3.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.103. Mobile communication devices in schools. (a) The governing body of a school district shall adopt a policy to prohibit a student from using a personal mobile communication device in school under the supervision of an

1 employee of the school district except

2 (1) in the event of an emergency or a perceived threat of danger;

3 (2) when a teacher or administrator of the school grants permission to
4 the student to use the device for educational purposes;

5 (3) when use of the device is necessary for the health or well-being of
6 the student; or

7 (4) when use of the device is a required component of the student's
8 individualized education plan.

9 (b) This section does not authorize monitoring, collecting, or accessing
10 information related to a student's use of a personal mobile communication device.

11 (c) In this section, "mobile communication device" means a cellular telephone,
12 smart phone, personal data assistant, wireless tablet, computer, or a similar device
13 used for voice or visual communication.

14 * **Sec. 4.** AS 14.03 is amended by adding a new section to read:

15 **Sec. 14.03.124. Reading proficiency incentive grants.** (a) Subject to
16 appropriation, a school district is eligible to receive a reading proficiency incentive
17 grant of \$450 for each student in

18 (1) grade kindergarten through three who performs at grade-level or
19 demonstrates improvement on expected grade-level skills on the statewide screening
20 tool adopted by the department under AS 14.30.760; and

21 (2) grade four through six who performs at grade-level or demonstrates
22 a measure of increased proficiency on a standards-based assessment in language arts.

23 (b) The department shall adopt regulations to implement this section.

24 * **Sec. 5.** AS 14.03.124(a), added by sec. 4 of this Act, is amended to read:

25 (a) Subject to appropriation, a school district is eligible to receive a reading
26 proficiency incentive grant of \$450 for each student in

27 [(1)] grade kindergarten through [THREE WHO PERFORMS AT
28 GRADE-LEVEL OR DEMONSTRATES IMPROVEMENT ON EXPECTED
29 GRADE-LEVEL SKILLS ON THE STATEWIDE SCREENING TOOL ADOPTED
30 BY THE DEPARTMENT UNDER AS 14.30.760; AND

31 (2) GRADE FOUR THROUGH] six who performs at grade-level or

1 demonstrates a measure of increased proficiency on a standards-based assessment in
2 language arts.

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

4 **Sec. 14.03.254. Application for charter school to the board.** (a) The state
5 Board of Education and Early Development shall prescribe by regulation a procedure
6 for the establishment of a charter school in any school district in the state by
7 application to the state board.

8 (b) The state Board of Education and Early Development shall issue a written
9 decision on an application for a charter school within 90 days after acceptance of the
10 application. If the state board approves a charter school application, the local school
11 board shall operate the charter school as provided in AS 14.03.255 - 14.03.290.

12 * **Sec. 7.** AS 14.07.170(a) is amended to read:

13 (a) The board may

14 (1) appoint unpaid advisory commissions;

15 (2) require school boards or school personnel to submit to the
16 department, in the form the board may require, the district budget or any information
17 or reports that are reasonably necessary to assist the department in carrying out its
18 functions;

19 **(3) authorize the establishment of a charter school to operate as**
20 **provided in AS 14.03.255 - 14.03.290 in any school district in the state; the board**
21 **may delegate the authority to authorize establishment of a charter school to a**
22 **board committee, political subdivision of the state, or state agency, including the**
23 **University of Alaska; delegation under this paragraph is limited to approving or**
24 **denying an application for a charter school and is subject to the review and**
25 **appeal processes applicable to a local school board under AS 14.03.250 and**
26 **14.03.253.**

27 * **Sec. 8.** AS 14.09.010(a) is repealed and reenacted to read:

28 (a) A school district that provides student transportation services for the
29 transportation of students who reside a distance from established schools is eligible to
30 receive funding for operating or subcontracting the operation of the transportation
31 system for students to and from the schools within the student's transportation service

area. Subject to appropriation, the amount of funding provided by the state for operating the student transportation system is the amount of a school district's ADM, less the ADM for the district's correspondence programs during the current fiscal year, multiplied by the per student amount for the school district as follows, for the school year beginning July 1, 2025:

DISTRICT	PER STUDENT AMOUNT
Alaska Gateway	\$2,790
Aleutians East	416
Anchorage	584
Annette Island	244
Bering Strait	66
Bristol Bay	3,583
Chatham	376
Copper River	2,127
Cordova	450
Craig	567
Delta/Greely	2,221
Denali	2,423
Dillingham	1,632
Fairbanks	1,095
Galena	341
Haines	839
Hoonah	400
Iditarod	284
Juneau	809
Kake	364
Kashunamiut	7
Kenai Peninsula	1,227
Ketchikan	975
Klawock	783
Kodiak Island	1,071

1	Kuspuk	877
2	Lake and Peninsula	515
3	Lower Kuskokwim	372
4	Lower Yukon	1
5	Matanuska-Susitna	1,220
6	Nenana	788
7	Nome	833
8	North Slope	1,502
9	Northwest Arctic	33
10	Pelican	97
11	Petersburg	503
12	Saint Mary's	259
13	Sitka	574
14	Skagway	48
15	Southeast Island	1,549
16	Southwest Region	801
17	Unalaska	869
18	Valdez	987
19	Wrangell	939
20	Yakutat	998
21	Yukon Flats	354
22	Yukon/Koyukuk	419
23	Yupiit	2.

24 * **Sec. 9.** AS 14.11.014(d) is amended to read:

25 (d) Notwithstanding any other provision of law, the committee may not
 26 recommend for approval an application for bond debt reimbursement made by a
 27 municipality for school construction or major maintenance for indebtedness authorized
 28 by the qualified voters of the municipality on or after January 1, 2015, but before
 29 July 1, 2030 [2025].

30 * **Sec. 10.** AS 14.11.100(a) is amended to read:

31 (a) During each fiscal year, the state shall allocate to a municipality that is a

1 school district the following sums:

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

5 (2) 90 percent of

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

10 (B) cash payments made after June 30, 1976, and before July 1,
11 1978, by the municipality during the fiscal year two years earlier to pay costs
12 of school construction;

13 (3) 90 percent of

14 (A) payments made by the municipality during the fiscal year
15 two years earlier for the retirement of principal and interest on outstanding
16 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
17 January 1, 1982, to pay costs of school construction projects approved under
18 AS 14.07.020(a)(11);

19 (B) cash payments made after June 30, 1978, and before July 1,
20 1982, by the municipality during the fiscal year two years earlier to pay costs
21 of school construction projects approved under AS 14.07.020(a)(11);

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

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

29 (B) cash payments made after June 30, 1982, and before July 1,
30 1983, by the municipality during the fiscal year two years earlier to pay costs
31 of school construction, additions to schools, and major rehabilitation projects

1 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

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

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

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

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

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

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

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

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

12 (8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
13 projects funded by the bonds, notes, or other indebtedness have been approved by the
14 commissioner, 70 percent of payments made by the municipality during the fiscal year
15 for the retirement of principal and interest on outstanding bonds, notes, or other
16 indebtedness authorized by the qualified voters of the municipality on or after July 1,
17 1995, but before July 1, 1998, to pay costs of school construction, additions to
18 schools, and major rehabilitation projects that exceed \$200,000 and are approved
19 under AS 14.07.020(a)(11);

20 (9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after
21 projects funded by the bonds, notes, or other indebtedness have been approved by the
22 commissioner, 70 percent of payments made by the municipality during the fiscal year
23 for the retirement of principal and interest on outstanding bonds, notes, or other
24 indebtedness authorized by the qualified voters of the municipality on or after July 1,
25 1998, but before July 1, 2006, to pay costs of school construction, additions to
26 schools, and major rehabilitation projects that exceed \$200,000 and are approved
27 under AS 14.07.020(a)(11);

28 (10) subject to (h), (i), (j)(2) - (5), and (o) 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 June 30,
2 1998, to pay costs of school construction, additions to schools, and major
3 rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11),
4 and are not reimbursed under (n) of this section;

5 (11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
6 funded by the bonds, notes, or other indebtedness have been approved by the
7 commissioner, 70 percent of payments made by a 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 June 30,
10 1999, but before January 1, 2005, to pay costs of school construction, additions to
11 schools, and major rehabilitation projects and education-related facilities that exceed
12 \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n)
13 or (o) of this section;

14 (12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
15 of payments made by a municipality during the fiscal year for the retirement of
16 principal and interest on outstanding bonds, notes, or other indebtedness authorized by
17 the qualified voters of the municipality on or after June 30, 1999, but before January 1,
18 2005, to pay costs of school construction, additions to schools, and major
19 rehabilitation projects and education-related facilities that exceed \$200,000, are
20 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this
21 section;

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

31 (14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60

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

8 (15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after
9 projects funded by the bonds, notes, or other indebtedness have been approved by the
10 commissioner, 90 percent of payments made by a municipality during the fiscal year
11 for the retirement of principal and interest on outstanding bonds, notes, or other
12 indebtedness authorized by the qualified voters of the municipality on or after June 30,
13 1999, but before October 31, 2006, to pay costs of school construction, additions to
14 schools, and major rehabilitation projects and education-related facilities that exceed
15 \$200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating
16 share requirement for a municipal school district under the former participating share
17 amounts required under AS 14.11.008(b), and are not reimbursed under (n) or (o) of
18 this section;

19 (16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects
20 funded by the tax exempt bonds, notes, or other indebtedness have been approved by
21 the commissioner, 70 percent of payments made by a municipality during the fiscal
22 year for the retirement of principal and interest on outstanding tax exempt bonds,
23 notes, or other indebtedness authorized by the qualified voters of the municipality on
24 or after October 1, 2006, but before January 1, 2015, to pay costs of school
25 construction, additions to schools, and major rehabilitation projects and education-
26 related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and
27 are not reimbursed under (o) of this section;

28 (17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent
29 of payments made by a municipality during the fiscal year for the retirement of
30 principal and interest on outstanding tax exempt bonds, notes, or other indebtedness
31 authorized by the qualified voters of the municipality on or after October 1, 2006, but

1 before January 1, 2015, to pay costs of school construction, additions to schools, and
 2 major rehabilitation projects and education-related facilities that exceed \$200,000, are
 3 reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

4 (18) 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, 50 percent of payments made by a municipality during the fiscal
 7 year for the retirement of principal of and interest on outstanding tax exempt bonds,
 8 notes, or other indebtedness authorized by the qualified voters of the municipality on
 9 or after July 1, 2030 [2025], to pay costs of school construction, additions to schools,
 10 and major rehabilitation projects and education-related facilities that exceed \$200,000,
 11 are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this
 12 section;

13 (19) subject to (h), (i), and (j)(2), (3), and (5) of this section, 40 percent
 14 of payments made by a municipality during the fiscal year for the retirement of
 15 principal of and interest on outstanding tax exempt bonds, notes, or other indebtedness
 16 authorized by the qualified voters of the municipality on or after July 1, 2030 [2025],
 17 to pay costs of school construction, additions to schools, and major rehabilitation
 18 projects and education-related facilities that exceed \$200,000, are reviewed under
 19 AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

20 * **Sec. 11.** AS 14.11.100(s) is amended to read:

21 (s) Notwithstanding any other provision of law, the commissioner may not
 22 approve an application for bond debt reimbursement made by a municipality for
 23 school construction or major maintenance for indebtedness authorized by the qualified
 24 voters of the municipality on or after January 1, 2015, but before July 1, 2030 [2025].

25 * **Sec. 12.** AS 14.11.102(c) is amended to read:

26 (c) The commissioner may not allocate funds to a municipality under
 27 AS 14.11.100 for the retirement of the principal of and interest on outstanding tax-
 28 exempt bonds, notes, or other indebtedness authorized by the qualified voters of the
 29 municipality on or after January 1, 2015, but before July 1, 2030 [2025].

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

31 (b) Costs that may be claimed by a district for reimbursement under (a) of this

section are

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

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

(A) for the Southeast Region (Region I), \$1,845 [\$1,230];

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

(C) for the Interior Region (Region III), \$2,178 [\$1,452];

(D) for the Southwest Region (Region IV), \$2,264 [\$1,509];

(E) for the Northern Remote Region (Region V), \$2,664 [\$1,776].

* **Sec. 14.** AS 14.17.410(b) is amended to read:

(b) Public school funding consists of state aid, a required local contribution, and eligible federal impact aid determined as follows:

(1) state aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum obtained under (D) of this paragraph, multiplied by the base student allocation set out in AS 14.17.470; district adjusted ADM is calculated as follows:

(A) the ADM of each school in the district is calculated by applying the school size factor to the student count as set out in AS 14.17.450;

(B) the number obtained under (A) of this paragraph is multiplied by the district cost factor described in AS 14.17.460;

(C) the ADMs of each school in a district, as adjusted according to (A) and (B) of this paragraph, are added to the number obtained for correspondence study under AS 14.17.430; the sum is then multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the secondary school vocational and technical instruction funding factor set out in AS 14.17.420(a)(3);

(D) the number obtained for intensive services under

AS 14.17.420(a)(2) is [AND THE NUMBER OBTAINED FOR CORRESPONDENCE STUDY UNDER AS 14.17.430 ARE] added to the number obtained under (C) of this paragraph or under (H) and (I) of this paragraph;

(E) notwithstanding (A) - (C) of this paragraph, if a school district's ADM adjusted for school size under (A) of this paragraph decreases by five percent or more from one fiscal year to the next fiscal year, the school district may use the last fiscal year before the decrease as a base fiscal year to offset the decrease, according to the following method:

(i) for the first fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 75 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the first fiscal year after the base fiscal year;

(ii) for the second fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 50 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the second fiscal year after the base fiscal year;

(iii) for the third fiscal year after the base fiscal year determined under this subparagraph, the school district's ADM adjusted for school size determined under (A) of this paragraph is calculated as the district's ADM adjusted for school size, plus 25 percent of the difference in the district's ADM adjusted for school size between the base fiscal year and the third fiscal year after the base fiscal year;

(F) the method established in (E) of this paragraph is available to a school district for the three fiscal years following the base fiscal year determined under (E) of this paragraph only if the district's ADM adjusted for school size determined under (A) of this paragraph for each fiscal year is less

1 than the district's ADM adjusted for school size in the base fiscal year;

2 (G) the method established in (E) of this paragraph does not
3 apply to a decrease in the district's ADM adjusted for school size resulting
4 from a loss of enrollment that occurs as a result of a boundary change under
5 AS 29;

6 (H) notwithstanding (A) - (C) of this paragraph, if one or more
7 schools close and consolidate with one or more other schools in the same
8 community and district and, as a result of the consolidation, basic need
9 generated by the district's ADM of the consolidated schools as adjusted under
10 (A) - (C) of this paragraph decreases, the district may use the last fiscal year
11 before the consolidation as the base fiscal year to offset that decrease for the
12 first four fiscal years following consolidation according to the following
13 method:

14 (i) for the first two fiscal years after the base fiscal year,
15 the district's ADM of the consolidated schools as adjusted under (A) -
16 (C) of this paragraph is calculated by dividing the sum of the district's
17 ADM of the consolidated schools as adjusted under (A) - (C) of this
18 paragraph for the base fiscal year by the sum of the district's ADM of
19 the consolidated schools for the base fiscal year without adjustment,
20 and subtracting the quotient obtained by dividing the district's ADM of
21 the consolidated schools for the current fiscal year as adjusted under
22 (A) - (C) of this paragraph by the sum of the district's ADM of the
23 consolidated schools for the current fiscal year without adjustment,
24 multiplying that number by the sum of the district's ADM of the
25 consolidated schools for the current fiscal year without adjustment, and
26 adding that number to the sum of the district's ADM of the consolidated
27 schools for the current fiscal year as adjusted under (A) - (C) of this
28 paragraph;

29 (ii) for the third fiscal year after the base fiscal year, the
30 district's ADM of the consolidated schools as adjusted under (A) - (C)
31 of this paragraph is calculated by dividing the sum of the district's

1 ADM of the consolidated schools as adjusted under (A) - (C) of this
 2 paragraph for the base fiscal year by the sum of the district's ADM of
 3 the consolidated schools for the base fiscal year without adjustment,
 4 and subtracting the quotient obtained by dividing the sum of the
 5 district's ADM of the consolidated schools for the current fiscal year as
 6 adjusted under (A) - (C) of this paragraph by the sum of the district's
 7 ADM of the consolidated schools for the current fiscal year,
 8 multiplying that number by the sum of the district's ADM of the
 9 consolidated schools for the current fiscal year without adjustment,
 10 multiplying that number by 66 percent, and adding that number to the
 11 sum of the district's ADM of the consolidated schools for the current
 12 fiscal year as adjusted under (A) - (C) of this paragraph;

13 (iii) for the fourth fiscal year after the base fiscal year,
 14 the district's ADM of the consolidated schools as adjusted under (A) -
 15 (C) of this paragraph is calculated by dividing the sum of the district's
 16 ADM of the consolidated schools as adjusted under (A) - (C) of this
 17 paragraph for the base fiscal year by the sum of the district's ADM of
 18 the consolidated schools for the base fiscal year without adjustment,
 19 and subtracting the quotient obtained by dividing the sum of the
 20 district's ADM of the consolidated schools for the current fiscal year as
 21 adjusted under (A) - (C) of this paragraph by the sum of the district's
 22 ADM of the consolidated schools for the current fiscal year,
 23 multiplying that number by the sum of the district's ADM of the
 24 consolidated schools for the current fiscal year without adjustment,
 25 multiplying that number by 33 percent, and adding that number to the
 26 sum of the district's ADM of the consolidated schools for the current
 27 fiscal year as adjusted under (A) - (C) of this paragraph;

28 (iv) to calculate the district's basic need for each fiscal
 29 year, the number obtained through the calculation in (i), (ii), or (iii) of
 30 this subparagraph is added to the number obtained under (C) of this
 31 paragraph for the remainder of the district;

(I) if the basic need calculated under (H)(i) - (iii) of this paragraph for one of the first four fiscal years after consolidation is less than the basic need calculated under (A) - (C) of this paragraph for that fiscal year, the basic need may not be adjusted under (H) of this paragraph for that fiscal year;

(J) a district may not offset a decrease under (H) of this paragraph if

(i) a new facility is constructed in the district for the consolidation; or

(ii) the district offset a decrease under (E) of this paragraph in the same fiscal year;

(K) a district that offsets a decrease under (H) of this paragraph may not reopen a school that was closed for consolidation in the district until

(i) seven or more years have passed since the school closure; and

(ii) the district provides evidence satisfactory to the department that the schools affected by the consolidation are over capacity;

(L) a district may not reopen and reconsolidate a school that was consolidated in the district more than once every seven years for purposes of the calculations made under (H) of this paragraph;

(M) a district offsetting a decrease under (H) of this paragraph shall provide the department with the list of schools participating in the consolidation and the corresponding ADM;

(2) the required local contribution of a city or borough school district is the equivalent of a 2.65 mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district's basic need for the preceding fiscal year as determined under (1) of this subsection.

1 * **Sec. 15.** AS 14.17.420(a) is amended to read:

2 (a) As a component of public school funding, a district is eligible for special
3 needs and secondary school vocational and technical instruction funding and may be
4 eligible for intensive services funding as follows:

5 (1) special needs funding is available to a district to assist the district
6 in providing special education, gifted and talented education, vocational education,
7 and bilingual education services to its students; a special needs funding factor of 1.20
8 shall be applied as set out in AS 14.17.410(b)(1);

9 (2) in addition to the special needs funding for which a district is
10 eligible under (1) of this subsection, a district is eligible for intensive services funding
11 for each special education student who needs and receives intensive services and is
12 enrolled on the last day of the count period; for each such student, intensive services
13 funding is equal to the intensive student count multiplied by 13;

14 (3) in addition to the special needs and intensive services funding
15 available under (1) and (2) of this subsection, secondary school vocational and
16 technical instruction funding is available to assist districts in providing vocational and
17 technical instruction to students who are enrolled in a secondary school; a secondary
18 school vocational and technical instruction funding factor of 1.04 [1.015] shall be
19 applied as set out in AS 14.17.410(b)(1); in this paragraph, "vocational and technical
20 instruction" excludes costs associated with

21 (A) administrative expenses; and

22 (B) instruction in general literacy, mathematics, and job
23 readiness skills.

24 * **Sec. 16.** AS 14.17.420 is amended by adding a new subsection to read:

25 (d) If a district offers secondary school vocational and technical instruction, in
26 order to receive funding under (a)(3) of this section, the district must file with the
27 department a program plan that indicates how the district's implementation of the
28 program will improve student achievement. A district that receives funding under
29 (a)(3) of this section shall file an annual expenditures report indicating how the funds
30 were used by the district in the prior year.

31 * **Sec. 17.** AS 14.17.430 is amended to read:

Sec. 14.17.430. State funding for correspondence study. Except as provided in AS 14.17.400(b), funding for the state centralized correspondence study program or a district correspondence program, including a district that offers a statewide correspondence study program, includes an allocation from the public education fund in an amount equal to the ADM of the correspondence program [CALCULATED BY MULTIPLYING THE ADM OF THE CORRESPONDENCE PROGRAM BY 90 PERCENT].

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

LUMP SUM PAYMENT FOR CERTAIN TEACHERS. (a) Subject to appropriation for the fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029, a certificated full time teacher occupying a position requiring teaching on a regular basis during the normal work period for each day or week at a classroom teaching assignment in a public elementary or secondary school, excluding a person teaching as an assistant or graduate assistant or teaching on a substitute, temporary, or per diem basis, is entitled to receive a lump sum payment as a retention and recruitment incentive on or within a reasonable period after July 1, 2026, July 1, 2027, and July 1, 2028, if the teacher was employed in a full-time classroom teaching position for the entirety of the school term for the school year immediately preceding the date of payment and complies with the application requirements of (c) of this section. The Department of Education and Early Development shall reduce the retention and recruitment incentive by the amount necessary to pay mandatory employee and employer deductions, including a deduction required under AS 14.25.

(b) Subject to the application and certification requirements in (c) of this section, the Department of Education and Early Development shall pay the retention and recruitment incentive identified in (a) of this section as grants to school districts as follows:

(1) \$5,000 for each eligible certificated full-time teacher teaching in the following districts:

- (A) Anchorage School District;
- (B) Fairbanks North Star Borough School District;
- (C) Juneau Borough School District;
- (D) Kenai Peninsula Borough School District;

1 (E) Matanuska-Susitna Borough School District;
 2 (2) \$10,000 for each eligible certificated full-time teacher teaching in the
 3 following districts:

- 4 (A) Alaska Gateway School District;
- 5 (B) Aleutian Region School District;
- 6 (C) Aleutians East Borough School District;
- 7 (D) Annette Island School District;
- 8 (E) Chugach School District;
- 9 (F) Copper River School District;
- 10 (G) Cordova City School District;
- 11 (H) Delta/Greely School District;
- 12 (I) Denali Borough School District;
- 13 (J) Galena City School District;
- 14 (K) Haines Borough School District;
- 15 (L) Ketchikan Gateway Borough School District;
- 16 (M) Kodiak Island Borough School District;
- 17 (N) Mount Edgecumbe;
- 18 (O) Nenana City School District;
- 19 (P) Nome Public Schools;
- 20 (Q) Petersburg Borough School District;
- 21 (R) Saint Mary's School District;
- 22 (S) Sitka School District;
- 23 (T) Skagway School District;
- 24 (U) Unalaska City School District;
- 25 (V) Valdez City School District;
- 26 (W) Wrangell Public School District;
- 27 (X) Yakutat School District;

28 (3) \$15,000 for each eligible certificated full-time teacher teaching in the
 29 following districts:

- 30 (A) Bering Strait School District;
- 31 (B) Bristol Bay Borough School District;

- (C) Chatham School District;
- (D) Craig City School District;
- (E) Dillingham City School District;
- (F) Hoonah City School District;
- (G) Hydaburg City School District;
- (H) Iditarod Area School District;
- (I) Kake City School District;
- (J) Kashunamiut School District;
- (K) Klawock City School District;
- (L) Kuspuk School District;
- (M) Lake and Peninsula Borough School District;
- (N) Lower Kuskokwim School District;
- (O) Lower Yukon School District;
- (P) North Slope Borough School District;
- (Q) Northwest Arctic Borough School District;
- (R) Pelican City School District;
- (S) Pribilof School District;
- (T) Southeast Island School District;
- (U) Southwest Region School District;
- (V) Yukon Flats School District;
- (W) Yukon-Koyukuk School District;
- (X) Yupiit School District.

(c) To be eligible for the retention and recruitment incentive identified in (a) of this section, a certificated full-time teacher must apply during each eligible calendar year to the Department of Education and Early Development on a date not later than the final day the teacher's school is in session for the school term. The teacher shall apply for the payment under this section on a form designated by the commissioner of education and early development. For each teacher who applies, the school district or regional educational attendance area shall certify the teacher's eligibility for payment under (a) of this section to the Department of Education and Early Development.

(d) A payment made under this section is considered compensation for the purposes

1 of AS 14.25.

2 (e) The Department of Education and Early Development may adopt regulations
3 necessary to carry out the purposes of this section.

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

6 REPORT TO THE LEGISLATURE. (a) The house and senate education committees
7 shall jointly prepare a report to the legislature that provides

8 (1) recommendations for any change to public school foundation funding;

9 (2) a survey of each school district's curriculum, programs, and services and
10 an explanation of whether there is any duplication of the curriculum, programs, or services
11 within the district;

12 (3) a definition of "accountability" as that term applies to measuring school
13 and student performance; and

14 (4) recommended metrics for determining school and student performance
15 other than the standardized testing that is currently used.

16 (b) The house and senate education committees shall deliver a copy of the report to
17 the senate secretary and the chief clerk of the house of representatives, and notify the
18 legislature that the report is available, before the first day of the First Regular Session of the
19 Thirty-Fifth Alaska State Legislature.

20 * **Sec. 20.** The uncoded law of the State of Alaska is amended by adding a new section to
21 read:

22 TRANSITION: REGULATIONS. The Department of Education and Early
23 Development may proceed to adopt regulations to implement this Act. The regulations take
24 effect under AS 44.62 (Administrative Procedure Act) but not before the effective date of the
25 law implemented by the regulations.

26 * **Sec. 21.** Section 6, ch. 3, SLA 2015, as amended by sec. 5, ch. 6, SLA 2020, is amended
27 to read:

28 Sec. 6. AS 14.11.014(d), 14.11.100(s), and 14.11.102(c) are repealed July 1,

29 2030 [2025].

30 * **Sec. 22.** Section 5 of this Act takes effect June 30, 2034.

31 * **Sec. 23.** Sections 9 - 12 and 21 of this Act take effect June 30, 2025.

- 1 * **Sec. 24.** Section 20 of this Act takes effect immediately under AS 01.10.070(c).
- 2 * **Sec. 25.** Sections 4, 8, and 13 - 19 of this Act take effect July 1, 2025.
- 3 * **Sec. 26.** Except as provided in secs. 22 - 25 of this Act, this Act takes effect July 1, 2026.