

HOUSE BILL NO. 261

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE STORY

Introduced: 1/20/26

Referred: Education, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to education funding; and providing for an effective date."**

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

3 * **Section 1.** AS 14.03.410(e) is amended to read:

4 (e) A student in an early education program may not be counted in a district's
5 ADM under **AS 14.17.600** [AS 14.17.500] unless the department has approved the
6 program.

7 * **Sec. 2.** AS 14.11.100(o) is amended to read:

8 (o) The total amount of school construction projects approved for
9 reimbursement by the department under (a)(10) of this section

10 (1) may not exceed \$190,644,901; and

11 (2) after June 30, 1998, and until July 1, 2006, shall be allocated as
12 follows:

13 (A) \$77,897,000 to projects in a municipality with a public
14 school enrollment of 25,000 or more students in fiscal year 2000, as
15 determined under **former** AS 14.17.500;

(B) \$14,571,000 to projects in a municipality with a public school enrollment of at least 15,000 but less than 25,000 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(C) \$14,143,000 to projects in a municipality with a public school enrollment of at least 10,000 but less than 15,000 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(D) \$7,429,000 to projects in a municipality with a public school enrollment of at least 7,500 but less than 10,000 students in fiscal year 2000, as determined under former AS 14.17.500;

(E) \$20,712,912 to projects in a municipality with a public school enrollment of at least 5,000 but less than 7,500 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(F) \$2,660,000 to projects in a municipality with a public school enrollment of at least 2,750 but less than 3,000 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(G) \$454,000 to projects in a municipality with a public school enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(H) \$46,869,989 to projects in a municipality with a public school enrollment of at least 2,050 but less than 2,400 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(I) \$329,000 to projects in a municipality with a public school enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as determined under **former AS 14.17.500**;

(J) \$286,000 to projects in a municipality with a public school enrollment of at least 650 but less than 725 students in fiscal year 2000, as determined under **former** AS 14.17.500;

(K) \$519,000 to projects in a municipality with a public school enrollment of at least 500 but less than 525 students in fiscal year 2000, as determined under **former AS 14.17.500**;

(L) \$2,224,000 to projects in a municipality with a public

1 school enrollment of at least 425 but less than 482 students in fiscal year 2000,
2 as determined under former AS 14.17.500;

3 (M) \$2,550,000 to projects in a municipality with a public
4 school enrollment of at least 290 but less than 305 students in fiscal year 2000,
5 as determined under former AS 14.17.500.

6 * **Sec. 3.** AS 14.11.100(p) is amended to read:

7 (p) The total amount of school construction projects approved for
8 reimbursement by the department under (a)(13) and (a)(14) of this section

9 (1) may not exceed \$177,256,000;

10 (2) after June 30, 1999, and until October 31, 2006, shall be allocated
11 as follows:

12 (A) \$61,925,000 to projects in a municipality with a public
13 school enrollment of 45,000 or more students in fiscal year 2005, as
14 determined under former AS 14.17.500;

15 (B) \$40,570,000 to projects in a municipality with a public
16 school enrollment of at least 14,600 but less than 20,000 students in fiscal year
17 2005, as determined under former AS 14.17.500;

18 (C) \$20,000,000 to projects in a municipality with a public
19 school enrollment of at least 10,000 but less than 14,600 students in fiscal year
20 2005, as determined under former AS 14.17.500;

21 (D) \$2,588,000 to projects in a municipality with a public
22 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
23 2005, as determined under former AS 14.17.500;

24 (E) \$5,995,000 to projects in a municipality with a public
25 school enrollment of at least 4,000 but less than 6,000 students in fiscal year
26 2005, as determined under former AS 14.17.500;

27 (F) \$1,237,000 to projects in a municipality with a public
28 school enrollment of at least 2,400 but less than 2,800 students in fiscal year
29 2005, as determined under former AS 14.17.500;

30 (G) \$1,100,000 to projects in a municipality with a public
31 school enrollment of at least 2,200 but less than 2,400 students in fiscal year

1 2005, as determined under former AS 14.17.500;

2 (H) \$7,164,000 to projects in a municipality with a public
3 school enrollment of at least 1,300 but less than 1,500 students in fiscal year
4 2005, as determined under former AS 14.17.500;

5 (I) \$1,260,000 to projects in a municipality with a public
6 school enrollment of at least 740 but less than 757 students in fiscal year 2005,
7 as determined under former AS 14.17.500;

8 (J) \$608,000 to projects in a municipality with a public school
9 enrollment of at least 650 but less than 700 students in fiscal year 2005, as
10 determined under former AS 14.17.500;

11 (K) \$32,000,000 to projects in a municipality with a public
12 school enrollment of at least 500 but less than 600 students in fiscal year 2005,
13 as determined under former AS 14.17.500;

14 (L) \$2,809,000 to projects in a municipality with a public
15 school enrollment of at least 370 but less than 390 students in fiscal year 2005,
16 as determined under former AS 14.17.500.

17 * **Sec. 4.** AS 14.11.100(q) is amended to read:

18 (q) The total amount of school construction projects approved for
19 reimbursement by the department under (a)(15) of this section

20 (1) may not exceed \$14,644,000;

21 (2) after June 30, 1999, and until October 31, 2006, shall be allocated
22 as follows:

23 (A) \$6,522,000 to projects in a municipality with a public
24 school enrollment of at least 1,925 but less than 2,025 students in fiscal year
25 2005, as determined under former AS 14.17.500;

26 (B) \$8,122,000 to projects in a municipality with a public
27 school enrollment of at least 398 but less than 400 students in fiscal year 2005,
28 as determined under former AS 14.17.500.

29 * **Sec. 5.** AS 14.16.050(a) is amended to read:

30 (a) The following provisions apply with respect to the operation and
31 management of a state boarding school as if it were a school district:

(1) requirements relating to school district operations:

(A) AS 14.03.030 - 14.03.050 (defining the school term, day in session, and school holidays);

(B) AS 14.03.083 - 14.03.140 (miscellaneous provisions applicable to school district operations);

(C) regulations adopted by the board under authority of AS 14.07.020(a) that are applicable to school districts and their schools, unless the board specifically exempts state boarding schools from compliance with a regulation;

(D) AS 14.12.150 (authorizing school districts to establish and participate in the services of a regional resource center);

(E) AS 14.14.050 (imposing the requirement of an annual audit);

(F) AS 14.14.110 (authorizing cooperation with other school districts);

(G) AS 14.14.140(b) (establishing a prohibition on employment of a relative of the chief school administrator);

(H) AS 14.18 (prohibiting discrimination based on sex in public education);

(2) requirements relating to the public school funding program and the receipt and expenditure of that funding:

(A) [AS 14.17.500 (RELATING TO STUDENT COUNT ESTIMATES);

(B)] AS 14.17.505 (relating to school operating fund balances);

(B) AS 14.17.505 - 14.17.910 [(C) AS 14.17.500 - 14.17.910]

(setting out the procedure for payment of public school funding and imposing general requirements and limits on money paid);

(3) requirements relating to teacher employment and retirement:

(A) AS 14.14.105 and 14.14.107 (relating to sick leave);

(B) AS 14.20.095 - 14.20.215 (relating to the employment and
hers);

(C) AS 14.20.280 - 14.20.350 (relating to sabbatical leave provisions for teachers);

(D) AS 23.40.070 - 23.40.260 (authorizing collective bargaining by certificated employees), except with regard to teachers who are administrators and except that the board may delegate some or all of its responsibilities under those statutes;

(E) AS 14.25 (provisions regarding the teachers' retirement system);

(4) requirements relating to students and educational programs:

(A) AS 14.30.180 - 14.30.350 (relating to educational services for children with disabilities);

(B) AS 14.30.360 - 14.30.370 (establishing health education program standards);

(C) AS 14.30.400 - 14.30.410 (relating to bilingual and bicultural education).

* **Sec. 6.** 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; 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) 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 (E) [(H)] and (F) [(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

1 BASE FISCAL YEAR DETERMINED UNDER THIS
2 SUBPARAGRAPH, THE SCHOOL DISTRICT'S ADM ADJUSTED
3 FOR SCHOOL SIZE DETERMINED UNDER (A) OF THIS
4 PARAGRAPH IS CALCULATED AS THE DISTRICT'S ADM
5 ADJUSTED FOR SCHOOL SIZE, PLUS 25 PERCENT OF THE
6 DIFFERENCE IN THE DISTRICT'S ADM ADJUSTED FOR
7 SCHOOL SIZE BETWEEN THE BASE FISCAL YEAR AND THE
8 THIRD FISCAL YEAR AFTER THE BASE FISCAL YEAR;

9 (F) THE METHOD ESTABLISHED IN (E) OF THIS
10 PARAGRAPH IS AVAILABLE TO A SCHOOL DISTRICT FOR THE
11 THREE FISCAL YEARS FOLLOWING THE BASE FISCAL YEAR
12 DETERMINED UNDER (E) OF THIS PARAGRAPH ONLY IF THE
13 DISTRICT'S ADM ADJUSTED FOR SCHOOL SIZE DETERMINED
14 UNDER (A) OF THIS PARAGRAPH FOR EACH FISCAL YEAR IS LESS
15 THAN THE DISTRICT'S ADM ADJUSTED FOR SCHOOL SIZE IN THE
16 BASE FISCAL YEAR;

17 (G) THE METHOD ESTABLISHED IN (E) OF THIS
18 PARAGRAPH DOES NOT APPLY TO A DECREASE IN THE DISTRICT'S
19 ADM ADJUSTED FOR SCHOOL SIZE RESULTING FROM A LOSS OF
20 ENROLLMENT THAT OCCURS AS A RESULT OF A BOUNDARY
21 CHANGE UNDER AS 29;

22 (H)] notwithstanding (A) - (C) of this paragraph, if one or more
23 schools close and consolidate with one or more other schools in the same
24 community and district and, as a result of the consolidation, basic need
25 generated by the district's ADM of the consolidated schools as adjusted under
26 (A) - (C) of this paragraph decreases, the district may use the last fiscal year
27 before the consolidation as the base fiscal year to offset that decrease for the
28 first four fiscal years following consolidation according to the following
29 method:

30 (i) for the first two fiscal years after the base fiscal year,
31 the district's ADM of the consolidated schools as adjusted under (A) -

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

14 (ii) for the third fiscal year after the base fiscal year, the
15 district's ADM of the consolidated schools as adjusted under (A) - (C)
16 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 sum of the
21 district's ADM of the consolidated schools for the current fiscal year as
22 adjusted under (A) - (C) of this paragraph by the sum of the district's
23 ADM of the consolidated schools for the current fiscal year,
24 multiplying that number by the sum of the district's ADM of the
25 consolidated schools for the current fiscal year without adjustment,
26 multiplying that number by 66 percent, and adding that number to the
27 sum of the district's ADM of the consolidated schools for the current
28 fiscal year as adjusted under (A) - (C) of this paragraph;

29 (iii) for the fourth fiscal year after the base fiscal year,
30 the district's ADM of the consolidated schools as adjusted under (A) -
31 (C) 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 33 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 (iv) to calculate the district's basic need for each fiscal
 14 year, the number obtained through the calculation in (i), (ii), or (iii) of
 15 this subparagraph is added to the number obtained under (C) of this
 16 paragraph for the remainder of the district;

17 **(F)** [(I)] if the basic need calculated under **(E)(i) - (iii)** [(H)(i) -
 18 (iii)] of this paragraph for one of the first four fiscal years after consolidation is
 19 less than the basic need calculated under (A) - (C) of this paragraph for that
 20 fiscal year, the basic need may not be adjusted under **(E)** [(H)] of this
 21 paragraph for that fiscal year;

22 **(G)** [(J)] a district may not offset a decrease under **(E)** [(H)] of
 23 this paragraph if

24 [(i)] a new facility is constructed in the district for the
 25 consolidation;

26 **(H)** [OR

27 (ii) THE DISTRICT OFFSET A DECREASE UNDER
 28 (E) OF THIS PARAGRAPH IN THE SAME FISCAL YEAR;

29 (K)] a district that offsets a decrease under **(E)** [(H)] of this
 30 paragraph may not reopen a school that was closed for consolidation in the
 31 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) [(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 **(E)** [(H)] of this paragraph;

(J) [M] a district offsetting a decrease under **(E) [(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.

* Sec. 7. AS 14.17.420(a) is amended to read:

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

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

(2) in addition to the special needs funding for which a district is eligible under (1) of this subsection, a district is eligible for intensive services funding [FOR EACH SPECIAL EDUCATION STUDENT WHO NEEDS AND RECEIVES INTENSIVE SERVICES AND IS ENROLLED ON THE LAST DAY OF THE COUNT PERIOD; FOR EACH SUCH STUDENT, INTENSIVE SERVICES

FUNDING IS] equal to the intensive student count multiplied by 13; **the intensive student count equals the greater of the following:**

(A) the number of special education students who needed and received intensive services and were enrolled on October 15 of the previous fiscal year;

(B) the number of special education students who needed and received intensive services and were enrolled on October 15 of the current fiscal year;

(C) the number of special education students who needed and received intensive services and were enrolled on February 15 of the current fiscal year, if a district chooses to conduct a second student count for the current fiscal year under this subparagraph;

(D) the district's three-year average intensive student count, calculated by combining the number of special education students who needed and received intensive services and were enrolled on October 15 of each of the previous three fiscal years and dividing that sum by three;

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

(A) administrative expenses; and

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

* **Sec. 8.** AS 14.17.450 is amended by adding a new subsection to read:

(g) Except as provided in (b) of this section, calculation of a district's student count under this section for a fiscal year must be based on the district's previous three-year average ADM reported in the previous fiscal year under AS 14.17.600 or the

1 ADM reported in the previous fiscal year under AS 14.17.600, whichever is greater.

2 * **Sec. 9.** AS 14.17.600(a) is amended to read:

3 (a) Within two weeks after the end of the 20-school-day period ending the
4 fourth Friday in October, each district shall transmit a report to the department that,
5 under regulations adopted by the department, reports the district's [ITS] ADM for
6 that count period, the district's previous three-year average ADM, student count
7 information the department determines is necessary to calculate community and
8 charter school ADMs that relate to the district under AS 14.17.905, and other
9 student count information that [WILL AID] the department shall use to determine
10 the amount of the district's [IN MAKING A DETERMINATION OF ITS] state aid
11 under the public school funding program for the succeeding fiscal year. The district
12 shall also include in the district's report the number of special education students
13 who needed and received intensive services on October 15 of that count period,
14 which the department shall use to determine the amount of the district's intensive
15 services funding under AS 14.17.420(a)(2)(A) and (D) for the succeeding fiscal
16 year and, if applicable, additional intensive services funding under
17 AS 14.17.420(a)(2)(B) for the current fiscal year. For centralized correspondence
18 study, the October report shall be based on the period from July 1 through the fourth
19 Friday in October. The department may make necessary corrections in the report
20 submitted and shall notify the district of changes made. The commissioner shall notify
21 the governor of additional appropriations the commissioner estimates to be necessary
22 to fully finance the public school funding program for the succeeding [CURRENT]
23 fiscal year.

24 * **Sec. 10.** AS 14.17.600 is amended by adding new subsections to read:

25 (c) Part-time students shall be included in the student count data in accordance
26 with regulations adopted by the department.

27 (d) When reporting a district's ADM, a part-time student who is a
28 correspondence student may not be counted as more than one full-time equivalent
29 student.

30 (e) Except as provided in (f) - (h) of this section, a student in a district-wide
31 early education program provided by a district and approved by the department under

1 AS 14.07.020(a)(8) is counted as one-half of a full-time equivalent student.

2 (f) A district may not include in a school's ADM students who are four and
 3 five years of age if the students are enrolled in an early education program that
 4 receives state or federal funding other than funding under this chapter.

5 (g) A district may not include in a school's ADM students who are four and
 6 five years of age if inclusion of the students would result in an increase of total state
 7 aid attributable to district-wide early education programs approved under
 8 AS 14.03.410 of more than \$3,000,000 from the previous fiscal year. The department
 9 shall prioritize the funding of district-wide early education programs, giving priority to
 10 districts with lower performance, based on the department's ranking of districts under
 11 AS 14.03.410(c). When the number of students in a district-wide early education
 12 program will result in an increase of total state aid attributable to district-wide early
 13 education programs approved under AS 14.03.410 of more than \$3,000,000 from the
 14 previous fiscal year, the department may identify the amount, up to \$3,000,000,
 15 available for the district's district-wide early education program.

16 (h) For purposes of AS 14.09.010, a student in a district-wide early education
 17 program provided by a district and approved by the department under
 18 AS 14.07.020(a)(8) is counted as a full-time equivalent student.

19 * **Sec. 11.** AS 14.17.600(e), enacted by sec. 10 of this Act, is amended to read:

20 (e) A district may not include in the district's ADM [EXCEPT AS
 21 PROVIDED IN (f) - (h) OF THIS SECTION,] a student in a district-wide early
 22 education program provided by the [A] district [AND APPROVED BY THE
 23 DEPARTMENT UNDER AS 14.07.020(a)(8) IS COUNTED AS ONE-HALF OF A
 24 FULL-TIME EQUIVALENT STUDENT].

25 * **Sec. 12.** AS 14.17.610(a) is amended to read:

26 (a) Except as provided in (d) of this section, the [THE] department shall
 27 determine the state aid for each school district for [IN] a fiscal year on the basis of the
 28 district's student count data reported in the previous fiscal year under AS 14.17.600.
 29 On or before the 15th day of each month [OF THE FIRST NINE MONTHS] of each
 30 fiscal year, one-twelfth of each district's state aid shall be distributed on the basis of
 31 the data reported under AS 14.17.600 [FOR THE PRECEDING FISCAL YEAR. ON

1 OR BEFORE THE 15TH DAY OF EACH OF THE LAST THREE MONTHS OF
2 EACH FISCAL YEAR, ONE-THIRD OF THE BALANCE OF EACH DISTRICT'S
3 STATE AID SHALL BE DISTRIBUTED, AFTER THE BALANCE HAS BEEN
4 RECOMPUTED ON THE BASIS OF STUDENT COUNT AND OTHER DATA
5 REPORTED FOR THE CURRENT FISCAL YEAR].

6 * **Sec. 13.** AS 14.17.610 is amended by adding a new subsection to read:

7 (d) If a district is entitled to additional intensive services funding after
8 conducting a student count under AS 14.17.420(a)(2)(B) or (C), the department shall

9 (1) distribute to the district the additional funding necessary to fully
10 fund the previous months of the fiscal year on the basis of the new student count on or
11 before the 15th day of the month following the student count;

12 (2) distribute the district's state aid for the remaining months of the
13 fiscal year on the basis of the new student count.

14 * **Sec. 14.** AS 14.17.905(a) is amended to read:

15 (a) For purposes of this chapter, the determination of the number of schools in
16 a district is subject to the following:

17 (1) a community with an ADM of at least 10, but not more than 100,
18 shall be counted as one school;

19 (2) a community with an ADM of at least 101, but not more than 425,
20 shall be counted as

21 (A) one elementary school, which includes those students in
22 grades kindergarten through six and, except as provided in **AS 14.17.600**
23 [AS 14.17.500], in an early education program provided by a school district
24 and approved by the department under AS 14.07.020(a)(8); and

25 (B) one secondary school, which includes students in grades
26 seven through 12;

27 (3) in a community with an ADM of greater than 425, each facility that
28 is administered as a separate school shall be counted as one school [, EXCEPT THAT
29 EACH ALTERNATIVE SCHOOL WITH AN ADM OF LESS THAN 175 SHALL
30 BE COUNTED AS A PART OF THE SCHOOL IN THE DISTRICT WITH THE
31 HIGHEST ADM].

1 * **Sec. 15.** AS 14.17.905 is amended by adding a new subsection to read:

2 (d) For purposes of determining a community's ADM for a fiscal year under
 3 (a) and (c) of this section, or a charter school's ADM for a fiscal year under (b) of this
 4 section, the ADM is the greater of

5 (1) the community's or charter school's previous three-year average
 6 ADM reported in the previous fiscal year under AS 14.17.600; or

7 (2) the community's or charter school's ADM reported in the previous
 8 fiscal year under AS 14.17.600.

9 * **Sec. 16.** AS 14.17.990 is amended by adding a new paragraph to read:

10 (8) "previous three-year average ADM" means the number resulting
 11 from combining the ADM counts from the three student count periods immediately
 12 preceding a student count period conducted under AS 14.17.600(a) for a fiscal year
 13 and dividing that sum by three.

14 * **Sec. 17.** Section 47, ch. 40, SLA 2022, is amended to read:

15 Sec. 47. AS 14.03.120(h), 14.03.410, 14.03.420; [AS 14.17.500(e),
 16 14.17.500(f), 14.17.500(g);] AS 14.20.020(l); AS 14.30.760, 14.30.765, 14.30.770,
 17 14.30.775, 14.30.780, and 14.30.800 are repealed.

18 * **Sec. 18.** AS 14.17.500 is repealed.

19 * **Sec. 19.** AS 14.17.600(f), 14.17.600(g), and 14.17.600(h) are repealed.

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

22 TRANSITION: ADM CALCULATION. (a) Notwithstanding AS 14.17.420(a)(2)(A),
 23 as amended by sec. 7 of this Act, for the fiscal year ending June 30, 2027, if student count
 24 data is unavailable to calculate the number of special education students who needed and
 25 received intensive services and were enrolled on October 15, 2025, a district shall use student
 26 count data that is applicable to the fiscal year ending June 30, 2026, obtained under
 27 AS 14.17.420(a), as that section read on the day before the effective date of sec. 7 of this Act.

28 (b) Notwithstanding AS 14.17.420(a)(2)(D), as amended by sec. 7 of this Act, for the
 29 fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029, if student count data is
 30 unavailable to calculate a district's previous three-year average intensive student count under
 31 AS 14.17.420(a)(2)(D), as amended by sec. 7 of this Act, a district shall, for each year of the

1 previous three-year average intensive student count for which data is unavailable, use student
2 count data that is applicable to that year obtained under AS 14.17.420(a), as that section read
3 on the day before the effective date of sec. 7 of this Act.

4 (c) Notwithstanding AS 14.17.600(a), as amended by sec. 9 of this Act,
5 AS 14.17.905(d), added by sec. 15 of this Act, and AS 14.17.990(8), added by sec. 16 of this
6 Act, for the fiscal years ending June 30, 2027, June 30, 2028, and June 30, 2029, if student
7 count data is unavailable to calculate a district's previous three-year average ADM under
8 AS 14.17.600(a), as amended by sec. 9 of this Act, or AS 14.17.905(d), added by sec. 15 of
9 this Act, a district shall, for each year of the previous three-year average ADM for which data
10 is unavailable, use student count data that is applicable to that year obtained under
11 AS 14.17.600, as that section read on the day before the effective date of sec. 9 of this Act. In
12 this subsection, "ADM" has the meaning given in AS 14.17.990.

13 * **Sec. 21.** Sections 11 and 19 of this Act take effect on the effective date of sec. 47, ch. 40,
14 SLA 2022.

15 * **Sec. 22.** Except as provided in sec. 21 of this Act, this Act takes effect July 1, 2026.