

CS FOR HOUSE BILL NO. 261(EDC)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE EDUCATION COMMITTEE

Offered: 4/1/26

Referred: Finance

Sponsor(s): REPRESENTATIVE STORY

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;

1 (B) \$14,571,000 to projects in a municipality with a public
2 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
3 2000, as determined under **former** AS 14.17.500;

4 (C) \$14,143,000 to projects in a municipality with a public
5 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
6 2000, as determined under **former** AS 14.17.500;

7 (D) \$7,429,000 to projects in a municipality with a public
8 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
9 2000, as determined under **former** AS 14.17.500;

10 (E) \$20,712,912 to projects in a municipality with a public
11 school enrollment of at least 5,000 but less than 7,500 students in fiscal year
12 2000, as determined under **former** AS 14.17.500;

13 (F) \$2,660,000 to projects in a municipality with a public
14 school enrollment of at least 2,750 but less than 3,000 students in fiscal year
15 2000, as determined under **former** AS 14.17.500;

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

19 (H) \$46,869,989 to projects in a municipality with a public
20 school enrollment of at least 2,050 but less than 2,400 students in fiscal year
21 2000, as determined under **former** AS 14.17.500;

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

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

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

31 (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 (1) requirements relating to school district operations:

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

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

6 (C) [REPEALED

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

9 **(D)** [(E)] AS 14.14.050 (imposing the requirement of an annual
10 audit);

11 **(E)** [(F)] AS 14.14.110 (authorizing cooperation with other
12 school districts);

13 **(F)** [(G)] AS 14.14.140(b) (establishing a prohibition on
14 employment of a relative of the chief school administrator);

15 **(G)** [(H)] AS 14.18 (prohibiting discrimination based on sex in
16 public education);

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

19 (A) [AS 14.17.500 (RELATING TO STUDENT COUNT
20 ESTIMATES); (B)] AS 14.17.505 (relating to school operating fund balances);

21 **(B) AS 14.17.505 - 14.17.910** [(C) AS 14.17.500 - 14.17.910]
22 (setting out the procedure for payment of public school funding and imposing
23 general requirements and limits on money paid);

24 (3) requirements relating to teacher employment and retirement:

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

26 (B) AS 14.20.095 - 14.20.215 (relating to the employment and
27 tenure of teachers);

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

30 (D) AS 23.40.070 - 23.40.260 (authorizing collective
31 bargaining by certificated employees), except with regard to teachers who are

1 administrators and except that the board may delegate some or all of its
2 responsibilities under those statutes;

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

5 (4) requirements relating to students and educational programs:

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

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

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

12 * **Sec. 6.** AS 14.17.410(b) is amended to read:

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

15 (1) state aid equals basic need minus a required local contribution and
16 90 percent of eligible federal impact aid for that fiscal year; basic need equals the sum
17 obtained under (D) of this paragraph, multiplied by the base student allocation set out
18 in AS 14.17.470; district adjusted ADM is calculated as follows:

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

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

23 (C) the ADMs of each school in a district, as adjusted
24 according to (A) and (B) of this paragraph, are added; the sum is then
25 multiplied by the special needs factor set out in AS 14.17.420(a)(1) and the
26 secondary school vocational and technical instruction funding factor set out in
27 AS 14.17.420(a)(3);

28 (D) the number obtained for intensive services under
29 AS 14.17.420(a)(2) and the number obtained for correspondence study under
30 AS 14.17.430 are added to the number obtained under (C) of this paragraph or
31 under (E) [(H)] and (F) [(I)] of this paragraph;

1 (E) [NOTWITHSTANDING (A) - (C) OF THIS
2 PARAGRAPH, IF A SCHOOL DISTRICT'S ADM ADJUSTED FOR
3 SCHOOL SIZE UNDER (A) OF THIS PARAGRAPH DECREASES BY
4 FIVE PERCENT OR MORE FROM ONE FISCAL YEAR TO THE NEXT
5 FISCAL YEAR, THE SCHOOL DISTRICT MAY USE THE LAST FISCAL
6 YEAR BEFORE THE DECREASE AS A BASE FISCAL YEAR TO
7 OFFSET THE DECREASE, ACCORDING TO THE FOLLOWING
8 METHOD:

9 (i) FOR THE FIRST FISCAL YEAR AFTER THE
10 BASE FISCAL YEAR DETERMINED UNDER THIS
11 SUBPARAGRAPH, THE SCHOOL DISTRICT'S ADM ADJUSTED
12 FOR SCHOOL SIZE DETERMINED UNDER (A) OF THIS
13 PARAGRAPH IS CALCULATED AS THE DISTRICT'S ADM
14 ADJUSTED FOR SCHOOL SIZE, PLUS 75 PERCENT OF THE
15 DIFFERENCE IN THE DISTRICT'S ADM ADJUSTED FOR
16 SCHOOL SIZE BETWEEN THE BASE FISCAL YEAR AND THE
17 FIRST FISCAL YEAR AFTER THE BASE FISCAL YEAR;

18 (ii) FOR THE SECOND FISCAL YEAR AFTER THE
19 BASE FISCAL YEAR DETERMINED UNDER THIS
20 SUBPARAGRAPH, THE SCHOOL DISTRICT'S ADM ADJUSTED
21 FOR SCHOOL SIZE DETERMINED UNDER (A) OF THIS
22 PARAGRAPH IS CALCULATED AS THE DISTRICT'S ADM
23 ADJUSTED FOR SCHOOL SIZE, PLUS 50 PERCENT OF THE
24 DIFFERENCE IN THE DISTRICT'S ADM ADJUSTED FOR
25 SCHOOL SIZE BETWEEN THE BASE FISCAL YEAR AND THE
26 SECOND FISCAL YEAR AFTER THE BASE FISCAL YEAR;

27 (iii) FOR THE THIRD FISCAL YEAR AFTER THE
28 BASE FISCAL YEAR DETERMINED UNDER THIS
29 SUBPARAGRAPH, THE SCHOOL DISTRICT'S ADM ADJUSTED
30 FOR SCHOOL SIZE DETERMINED UNDER (A) OF THIS
31 PARAGRAPH IS CALCULATED AS THE DISTRICT'S ADM

1 ADJUSTED FOR SCHOOL SIZE, PLUS 25 PERCENT OF THE
2 DIFFERENCE IN THE DISTRICT'S ADM ADJUSTED FOR
3 SCHOOL SIZE BETWEEN THE BASE FISCAL YEAR AND THE
4 THIRD FISCAL YEAR AFTER THE BASE FISCAL YEAR;

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

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

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

26 (i) for the first two fiscal years after the base fiscal year,
27 the district's ADM of the consolidated schools as adjusted under (A) -
28 (C) of this paragraph is calculated by dividing the sum of the district's
29 ADM of the consolidated schools as adjusted under (A) - (C) of this
30 paragraph for the base fiscal year by the sum of the district's ADM of
31 the consolidated schools for the base fiscal year without adjustment,

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

10 (ii) for the third fiscal year after the base fiscal year, the
11 district's ADM of the consolidated schools as adjusted under (A) - (C)
12 of this paragraph is calculated by dividing the sum of the district's
13 ADM of the consolidated schools as adjusted under (A) - (C) of this
14 paragraph for the base fiscal year by the sum of the district's ADM of
15 the consolidated schools for the base fiscal year without adjustment,
16 and subtracting the quotient obtained by dividing the sum of the
17 district's ADM of the consolidated schools for the current fiscal year as
18 adjusted under (A) - (C) of this paragraph by the sum of the district's
19 ADM of the consolidated schools for the current fiscal year,
20 multiplying that number by the sum of the district's ADM of the
21 consolidated schools for the current fiscal year without adjustment,
22 multiplying that number by 66 percent, and adding that number to the
23 sum of the district's ADM of the consolidated schools for the current
24 fiscal year as adjusted under (A) - (C) of this paragraph;

25 (iii) for the fourth fiscal year after the base fiscal year,
26 the district's ADM of the consolidated schools as adjusted under (A) -
27 (C) of this paragraph is calculated by dividing the sum of the district's
28 ADM of the consolidated schools as adjusted under (A) - (C) of this
29 paragraph for the base fiscal year by the sum of the district's ADM of
30 the consolidated schools for the base fiscal year without adjustment,
31 and subtracting the quotient obtained by dividing the sum of the

1 district's ADM of the consolidated schools for the current fiscal year as
 2 adjusted under (A) - (C) of this paragraph by the sum of the district's
 3 ADM of the consolidated schools for the current fiscal year,
 4 multiplying that number by the sum of the district's ADM of the
 5 consolidated schools for the current fiscal year without adjustment,
 6 multiplying that number by 33 percent, and adding that number to the
 7 sum of the district's ADM of the consolidated schools for the current
 8 fiscal year as adjusted under (A) - (C) of this paragraph;

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

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

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

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

22 **(H)** [OR

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

25 **(K)** a district that offsets a decrease under **(E)** [(H)] of this
 26 paragraph may not reopen a school that was closed for consolidation in the
 27 district until

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

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

1 capacity;

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

5 **(J)** [(M)] a district offsetting a decrease under **(E)** [(H)] of this
6 paragraph shall provide the department with the list of schools participating in
7 the consolidation and the corresponding ADM;

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

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

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

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

23 (2) in addition to the special needs funding for which a district is
24 eligible under (1) of this subsection, a district is eligible for intensive services funding
25 [FOR EACH SPECIAL EDUCATION STUDENT WHO NEEDS AND RECEIVES
26 INTENSIVE SERVICES AND IS ENROLLED ON THE LAST DAY OF THE
27 COUNT PERIOD; FOR EACH SUCH STUDENT, INTENSIVE SERVICES
28 FUNDING IS] equal to the intensive student count multiplied by 13; **the intensive
29 student count equals the greater of the following:**

30 **(A) the number of special education students who needed**
31 **and received intensive services and were enrolled on the last day of the**

1 count period conducted in the previous fiscal year under AS 14.17.600(a);

2 (B) the number of special education students who needed
 3 and received intensive services and were enrolled on the last day of the
 4 count period conducted in the current fiscal year under AS 14.17.600(a);

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

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

16 (A) administrative expenses; and

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

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

20 (g) Except as provided in (b) of this section, calculation of a district's student
 21 count under this section for a fiscal year must be based on the greater of

22 (1) the district's prior three-year average ADM reported in the previous
 23 fiscal year under AS 14.17.600;

24 (2) the district's ADM reported in the previous fiscal year under
 25 AS 14.17.600; or

26 (3) the district's ADM reported in the current fiscal year under
 27 AS 14.17.600, but only if the district's ADM reported in the current fiscal year under
 28 AS 14.17.600 exceeds the greater of the ADMs described in (1) or (2) of this
 29 subsection by five percent or more.

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

31 (a) Within two weeks after the end of the 20-school-day period ending the

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

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

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

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

27 (e) Except as provided in (f) - (h) of this section, a student in a district-wide
 28 early education program provided by a district and approved by the department under
 29 AS 14.07.020(a)(8) is counted as one-half of a full-time equivalent student.

30 (f) A district may not include in a school's ADM students who are four and
 31 five years of age if the students are enrolled in an early education program that

1 receives state or federal funding other than funding under this chapter.

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

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

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

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

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

23 (a) **Except as provided in (d) of this section, the** [THE] department shall
24 determine the state aid for each school district **for** [IN] a fiscal year on the basis of the
25 district's student count data reported **in the previous fiscal year** under AS 14.17.600.
26 On or before the 15th day of each **month** [OF THE FIRST NINE MONTHS] of each
27 fiscal year, one-twelfth of each district's state aid shall be distributed on the basis of
28 the data reported **under AS 14.17.600** [FOR THE PRECEDING FISCAL YEAR. ON
29 OR BEFORE THE 15TH DAY OF EACH OF THE LAST THREE MONTHS OF
30 EACH FISCAL YEAR, ONE-THIRD OF THE BALANCE OF EACH DISTRICT'S
31 STATE AID SHALL BE DISTRIBUTED, AFTER THE BALANCE HAS BEEN

1 RECOMPUTED ON THE BASIS OF STUDENT COUNT AND OTHER DATA
2 REPORTED FOR THE CURRENT FISCAL YEAR].

3 * **Sec. 13.** AS 14.17.610 is amended by adding new subsections to read:

4 (d) If a district is entitled to additional funding under AS 14.17.420(a)(2)(B)
5 or (C) or 14.17.450(g)(3), the department shall

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

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

11 (e) The department may not reduce the amount of a district's state aid for a
12 fiscal year on the basis that the department distributed additional funding to another
13 district for the fiscal year under (d) of this section.

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 prior three-year average ADM
6 reported in the previous fiscal year under AS 14.17.600;

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

9 (3) the community's or charter school's ADM reported in the current
10 fiscal year under AS 14.17.600, but only if the community's or charter school's ADM
11 reported in the current fiscal year under AS 14.17.600 exceeds the greater of the
12 ADMs described in (1) or (2) of this subsection by five percent or more.

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

14 (8) "prior three-year average ADM" means the number resulting from
15 combining the ADM counts from the three student count periods immediately
16 preceding a student count period conducted under AS 14.17.600(a) for a fiscal year
17 and dividing that sum by three.

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

19 Sec. 47. AS 14.03.120(h), 14.03.410, 14.03.420; [AS 14.17.500(e),
20 14.17.500(f), 14.17.500(g);] AS 14.20.020(I); AS 14.30.760, 14.30.765, 14.30.770,
21 14.30.775, 14.30.780, and 14.30.800 are repealed.

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

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

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

26 TRANSITION: HOLD HARMLESS. Notwithstanding the repeal of
27 AS 14.17.410(b)(1)(E) - (G) by sec. 6 of this Act, a school district that meets the requirements
28 on July 1, 2026, to employ the method for calculating the school district's ADM adjusted for
29 school size as provided under AS 14.17.410(b)(1)(E) - (G), as those subparagraphs read on
30 the day before the effective date of sec. 6 of this Act, may continue to calculate the school
31 district's ADM adjusted for school size according to AS 14.17.410(b)(1)(E) - (G), as those

1 subparagraphs read on the day before the effective date of sec. 6 of this Act, until the school
2 district is no longer eligible to calculate the school district's ADM adjusted for school size
3 under AS 14.17.410(b)(1)(E) - (G), as those subparagraphs read on the day before the
4 effective date of sec. 6 of this Act. In this section, "ADM" has the meaning given in
5 AS 14.17.990.

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

8 TRANSITION: ADM CALCULATION. (a) Notwithstanding AS 14.17.420(a)(2)(A),
9 as amended by sec. 7 of this Act, for the fiscal year ending June 30, 2027, if student count
10 data is unavailable to calculate the number of special education students who needed and
11 received intensive services and were enrolled on the last day of the count period conducted
12 under AS 14.17.600(a), a district shall use student count data that is applicable to the fiscal
13 year ending June 30, 2026, obtained under AS 14.17.420(a), as that section read on the day
14 before the effective date of sec. 7 of this Act.

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

24 * **Sec. 22.** Sections 11 and 19 of this Act take effect on the effective date of sec. 47, ch. 40,
25 SLA 2022.

26 * **Sec. 23.** Except as provided in sec. 22 of this Act, this Act takes effect July 1, 2026.