

SENATE CS FOR CS FOR HOUSE BILL NO. 57(FIN) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/28/25

Offered: 4/25/25

Sponsor(s): REPRESENTATIVES FIELDS, Josephson, Schrage

A BILL

FOR AN ACT ENTITLED

"An Act relating to maximum classroom sizes in public schools; relating to education reports; relating to charter schools; relating to student transportation funding; relating to secondary school vocational and technical instruction funding; relating to the base student allocation; relating to reading proficiency incentive grants; relating to wireless telecommunications devices in public schools; relating to the use of tax revenue from highly digitized businesses; relating to the duties of the Department of Labor and Workforce Development; establishing the Task Force on Education Funding; and providing for an effective date."

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

*** Section 1.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.065. Maximum classroom size. Each school district shall establish and make available to the public a target average class size policy for each grade level.

The target average class size for pre-kindergarten through grade six may not exceed 23 and the target average class size for grades seven through 12 may not exceed 30. The policy may exclude mixed grade classes and courses in art, library, music, computer science, vocational-technical, and physical education. The policy must include procedures to reduce class sizes when the school district determines a reduction is appropriate.

* **Sec. 2.** AS 14.03.120(g) is amended to read:

(g) To the extent allowable under state and federal privacy laws, each district shall annually report to the department information from the previous school year regarding

(1) the number of students and teaching staff assigned to each classroom in grades kindergarten through 12 [THREE];

(2) the number and percentage of students

(A) in grades kindergarten through three who demonstrated improvement on expected grade-level skills on the statewide screening tool;

(B) in grades kindergarten through three who performed below expected grade-level skills on the statewide screening tool, by grade;

(C) in grades kindergarten through three who did not progress to the next grade and the reasons the students did not progress;

(D) in grade three who demonstrated sufficient reading skills to progress to grade four based on the statewide screening tool;

(E) in grade three who progressed to grade four based on a waiver under AS 14.30.765(f);

(F) in grade three who demonstrated sufficient reading skills to progress to grade four based on an alternative standardized reading screening;

(G) in grade three who demonstrated sufficient reading skills to progress to grade four based on a student reading portfolio;

(3) the performance on the statewide screening tool of students in a grade above grade three who did not progress to grade four or who progressed to grade four based on a waiver under AS 14.30.765(f).

* **Sec. 3.** AS 14.03.120 is amended by adding a new subsection to read:

(k) The department shall collaborate with the Department of Labor and Workforce Development under AS 44.31.020 to gather data on the progress of each high school graduating class in a district by collecting career, postsecondary education, and residency data on each student in the graduating class. The departments shall gather the data every five years for 20 years after the high school graduation date of the class.

* **Sec. 4.** AS 14.03.250(a) is amended to read:

(a) A local school board shall prescribe an application procedure for the establishment of a charter school in that school district. The application procedure must include provisions for an academic policy committee consisting of parents of students attending the school, teachers, and school employees and a proposed form for a contract between a charter school and the local school board, setting out the contract elements required under AS 14.03.255(c). **The application procedure must allow an application to be submitted at any time during a school year for the following school year. A local school board shall announce the deadline to submit an application for establishment of a charter school for the following school year.**

* **Sec. 5.** AS 14.03.253(b) is amended to read:

(b) In an appeal to the state Board of Education and Early Development of a denial of a charter school application under (a)(3) of this section, the state board shall determine, based on the record, whether the commissioner's findings are supported by substantial evidence and whether the decision is contrary to law. The state board shall issue a written decision within **45** [90] days after **the state board receives** an appeal.

* **Sec. 6.** AS 14.03.255(c) is amended to read:

(c) A charter school shall operate under a contract between the charter school and the local school board. A contract must contain the following provisions:

- (1) a description of the educational program;
- (2) specific levels of achievement for the education program;
- (3) admission policies and procedures;
- (4) administrative policies;
- (5) a statement of the charter school's funding allocation from the local school board and costs assignable to the charter school program budget;

(6) the method by which the charter school will account for receipts and expenditures;

(7) the location and description of the facility;

(8) the name of the teacher, or teachers, who, by agreement between the charter school and the teacher, will teach in the charter school;

(9) the teacher-to-student ratio;

(10) the number of students served;

(11) the term of the contract, not to exceed a term of 10 years;

(12) a termination clause providing that the contract may be terminated by the local school board for the failure of the charter school to meet educational achievement goals or fiscal management standards, or for other good cause;

(13) a clause providing that the local school board may only terminate a contract under the standards and procedures established in AS 14.03.256;

(14) a statement that the charter school will comply with all state and federal requirements for receipt and use of public money;

(15) [(14)] other requirements or exemptions agreed on [UPON] by the charter school and the local school board.

* **Sec. 7.** AS 14.03.255 is amended by adding a new subsection to read:

(e) A local school board may establish simplified procedures and standards for a renewal of a contract in good standing, as defined by the local school board, between the local school board and a charter school.

* **Sec. 8.** AS 14.03 is amended by adding a new section to read:

Sec. 14.03.256. Charter school termination. (a) A local school board may terminate a contract between the local school board and a charter school only if the charter school has

(1) failed to comply with a condition or material term of the contract or AS 14.03.250 - 14.03.290; or

(2) intentionally or fraudulently misrepresented, in whole or in part, material facts or circumstances upon which the contract was made.

(b) Before termination of a contract under this section, the local school board

shall give the charter school written notice of the local school board's intent to terminate the contract. The local school board may also provide the charter school with a reasonable opportunity, as determined by the local school board, to cure any deficiency that is the basis for the termination if the local school board determines that curing the deficiency is appropriate under the circumstances.

(c) A charter school whose contract is terminated under this section may file an appeal with the superior court under the Alaska Rules of Appellate Procedure.

* **Sec. 9.** AS 14.09.010(a) is repealed and reenacted to read:

(a) A school district that provides student transportation services for the transportation of students who reside a distance from established schools is eligible to receive funding for operating or subcontracting the operation of the transportation 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 years beginning July 1, 2025:

DISTRICT	PER STUDENT AMOUNT
Alaska Gateway	\$2,529
Aleutians East	377
Anchorage	529
Annette Island	221
Bering Strait	59
Bristol Bay	3,247
Chatham	341
Copper River	1,928
Cordova	408
Craig	514
Delta/Greely	2,013
Denali	2,197
Dillingham	1,480

1	Fairbanks	992
2	Galena	309
3	Haines	761
4	Hoonah	363
5	Iditarod	257
6	Juneau	733
7	Kake	330
8	Kashunamiut	6
9	Kenai Peninsula	1,112
10	Ketchikan	883
11	Klawock	710
12	Kodiak Island	971
13	Kuspuk	794
14	Lake and Peninsula	466
15	Lower Kuskokwim	337
16	Lower Yukon	1
17	Matanuska-Susitna	1,106
18	Nenana	714
19	Nome	755
20	North Slope	1,361
21	Northwest Arctic	30
22	Pelican	88
23	Petersburg	455
24	Saint Mary's	234
25	Sitka	520
26	Skagway	44
27	Southeast Island	1,404
28	Southwest Region	726
29	Unalaska	788
30	Valdez	894
31	Wrangell	851

1	Yakutat	904
2	Yukon Flats	321
3	Yukon/Koyukuk	364
4	Yupiit	2.

5 * **Sec. 10.** AS 14.17.420(a) is amended to read:

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

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

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

18 (3) in addition to the special needs and intensive services funding
19 available under (1) and (2) of this subsection, secondary school vocational and
20 technical instruction funding is available to assist districts in providing vocational and
21 technical instruction to students who are enrolled in a secondary school; a secondary
22 school vocational and technical instruction funding factor of 1.023 [1.015] shall be
23 applied as set out in AS 14.17.410(b)(1); in this paragraph, "vocational and technical
24 instruction" excludes costs associated with

25 (A) administrative expenses; and

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

28 * **Sec. 11.** AS 14.17.420 is amended by adding a new subsection to read:

29 (d) If the legislature increases the secondary school vocational and technical
30 instruction funding factor under (a)(3) of this section, a district shall budget for and
31 spend on secondary school vocational and technical instruction an amount equal to the

1 increase in the funds generated for the district by the increase to the secondary school
2 vocational and technical instruction funding factor under (a)(3) of this section.

3 * **Sec. 12.** AS 14.17.470 is amended to read:

4 **Sec. 14.17.470. Base student allocation.** The base student allocation is **\$6,660**
5 **[\$5,960]**.

6 * **Sec. 13.** AS 14.30 is amended by adding a new section to read:

7 **Sec. 14.30.773. Reading proficiency incentive grants.** (a) Subject to
8 appropriation, a school district is eligible to receive a reading proficiency incentive
9 grant of not less than \$450 for each student in kindergarten through grade six who, at
10 the end of the school year,

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

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

15 (b) If insufficient funding is appropriated to provide all grants authorized
16 under this section, the grants shall be distributed pro rata to eligible school districts.

17 * **Sec. 14.** AS 14.33 is amended by adding a new section to read:

18 **Article 5. Wireless Telecommunications Devices.**

19 **Sec. 14.33.300. Wireless telecommunications device policy.** (a) Each school
20 district shall adopt a policy that regulates the possession and use of nonschool-issued
21 wireless telecommunications devices during regular school hours, including lunch and
22 passing periods. Each school district shall share this policy with parents or guardians,
23 students, volunteers, and school employees. If a school district's policy prohibits the
24 use of nonschool-issued wireless telecommunications devices, the policy must allow
25 exceptions for students to use a wireless telecommunications device for medical or
26 translation purposes, in the event of an emergency, or when a teacher or administrator
27 of the school grants permission to a student to use a wireless telecommunications
28 device for educational purposes. A school in a district that has not adopted a policy
29 under this section may not allow a student to use an electronic telecommunications
30 device during regular school hours, including lunch and passing periods.

31 (b) This section does not authorize a person to monitor, collect, or access

1 information related to a student's use of a wireless telecommunications device.

2 (c) In this section, "wireless telecommunications device" means any portable
3 wireless device that has the capability to provide voice, messaging, or other data
4 communication between two or more parties.

5 * **Sec. 15.** AS 43.20 is amended by adding a new section to article 2 to read:

6 **Sec. 43.20.149. Highly digitized businesses tax revenue.** The amounts
7 collected under AS 43.20.148 shall be separately accounted for and shall be
8 appropriated to the Department of Education and Early Development. The Department
9 of Education and Early Development shall use funds appropriated under this section to
10 fund reading proficiency incentive grants awarded under AS 14.30.773. If the amount
11 appropriated to the Department of Education and Early Development exceeds the
12 amount necessary to award grants under AS 14.30.773 for the fiscal year, the
13 department shall use the remaining balance of the appropriation to fund secondary
14 school vocational and technical instruction. The department shall distribute the
15 secondary school vocational and technical instruction funding on a pro rata basis.

16 * **Sec. 16.** AS 44.31.020 is amended to read:

17 **Sec. 44.31.020. Duties of department.** The Department of Labor and
18 Workforce Development shall

19 (1) enforce the laws and adopt regulations under them concerning
20 employer-employee relationships, including the safety, hours of work, wages, and
21 conditions of workers, including children;

22 (2) accumulate, analyze, and report labor statistics;

23 (3) operate systems of workers' compensation and unemployment
24 insurance;

25 (4) gather data reflecting the cost of living in various locations of the
26 state upon request of the director of personnel under AS 39.27.030;

27 (5) operate the federally funded employment and training programs
28 under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998);

29 (6) administer the state's program of adult basic education and adopt
30 regulations to administer the program; and

31 (7) administer the programs of the Alaska Vocational Technical Center

1 and adopt regulations to administer the programs, including regulations that set rates
 2 for student tuition and room and board and fees for the programs and services
 3 provided by the department regarding the Alaska Vocational Technical Center;

4 **(8) gather data on the progress of each high school graduating**
 5 **class in a district by collecting career, postsecondary education, and residency**
 6 **data on each student in the graduating class; the department shall gather the**
 7 **data required under this paragraph every five years for 20 years after the high**
 8 **school graduation date of each high school graduating class; the department shall**
 9 **publish a biennial report on the data gathered under this paragraph; in this**
 10 **paragraph, "district" has the meaning given in AS 14.17.990.**

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

13 TASK FORCE ON EDUCATION FUNDING. (a) The Task Force on Education
 14 Funding is established as a joint task force of the Alaska State Legislature.

15 (b) The task force shall

16 (1) analyze the state of public education funding and the current accountability
 17 provisions for schools and districts in the state;

18 (2) analyze and recommend statewide policy on interdistrict open enrollment,
 19 including evaluating the effects on military families, subsidization of student transportation
 20 costs, and appeal processes;

21 (3) evaluate internal and external factors leading to school absenteeism and
 22 identify district and state level intervention and incentive tools relating to school absenteeism;

23 (4) analyze and make recommendations on effective policies relating to school
 24 major maintenance and school construction;

25 (5) evaluate and recommend health insurance, group insurance, and ways to
 26 reduce property and building insurance for public school facilities;

27 (6) make recommendations relating to public education funding and
 28 accountability provisions for schools and districts in the state; and

29 (7) submit a report of findings and recommendations of the task force to the
 30 senate secretary and the chief clerk of the house of representatives not later than the first day
 31 of the First Regular Session of the Thirty-Fifth Alaska State Legislature and notify the

1 members of the legislature that the report is available.

2 (c) The task force consists of six members as follows:

3 (1) three members of the senate, at least one of whom is a member of the
4 minority, appointed by the president of the senate; the president of the senate shall select one
5 of the members to serve as co-chair of the task force;

6 (2) three members of the house of representatives, at least one of whom is a
7 member of the minority, appointed by the speaker of the house of representatives; the speaker
8 of the house of representatives shall select one of the members to serve as co-chair of the task
9 force.

10 (d) A vacancy on the task force shall be filled in the same manner as the original
11 selection or appointment.

12 (e) The task force shall meet at the call of the co-chairs. The task force may meet
13 between and during legislative sessions. A majority of the members of the task force
14 constitute a quorum. The task force may conduct meetings in person, telephonically, or by
15 electronic means, as directed by the co-chairs.

16 (f) The task force may request data and other information from the Department of
17 Education and Early Development.

18 (g) The legislative staff of the members of the task force shall serve as staff for the
19 task force. The task force may hire staff and contract for services necessary to carry out the
20 duties of the task force under the procedures adopted by the legislative council governing
21 procurement of services, subject to the approval of the legislative council and the legislative
22 council making funds available for that purpose.

23 (h) The task force expires on January 31, 2027.

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

26 APPLICABILITY. (a) Sections 6 - 8 of this Act apply to a contract that becomes
27 legally binding on or after the effective date of this Act.

28 (b) Section 11 of this Act applies to an increase to the secondary school vocational
29 and technical instruction funding factor under AS 14.17.420(a)(3) that takes effect on or after
30 the effective date of sec. 11 of this Act.

31 * **Sec. 19.** The uncoded law of the State of Alaska is amended by adding a new section to

1 read:

2 CONDITIONAL EFFECT. AS 14.17.420(a), as amended by sec. 10 of this Act,
3 AS 14.17.420(d), enacted by sec. 11 of this Act, AS 14.30.773, enacted by sec. 13 of this Act,
4 and AS 43.20.149, enacted by sec. 15 of this Act, take effect only if Senate Bill 113 or a
5 substantially similar bill making highly digitized businesses subject to the Alaska Net Income
6 Tax Act is passed by the Thirty-Fourth Alaska State Legislature and enacted into law.

7 * **Sec. 20.** If secs. 10, 11, 13, and 15 of this Act take effect, they take effect July 1, 2025.

8 * **Sec. 21.** Section 1 of this Act takes effect July 1, 2026.

9 * **Sec. 22.** Except as provided in secs. 20 and 21 of this Act, this Act takes effect July 1,
10 2025.