

Alaska State Legislature

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Session: Capital Room 125
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Senate Education Committee

Senate Bill 96 – Alaska Education Transformation Act

Sectional Analysis

Section 1 (Pages 1-2): Creates uncoded law for legislative findings of the Alaska Education Transformation Act in regards to virtual education, education spending, and quality teachers and classroom instruction.

Sections 2-3 (Page 2): Makes technical amendments to AS 14.03.073 to add references to specific subsections within this section due to a new subsection added in Section 4 of this bill.

Section 4 (Pages 2-3): Adds a new subsection to AS 14.03.073 requiring school districts to allow credit for gym, music, or art classes for a student that participates in an activity that meets the educational or physical requirements of the course. Cultural activities may be used to obtain class credit.

Section 5 (Page 3): Amends AS 14.03.120(a) to add a requirement to the annual report school districts must submit to the Department of Education and Early Development (DEED). Districts will need to include categories of administrative employees and the ratio of the employees in each category compared to the number of students in the district.

Section 6 (Page 3): Amends AS 14.09.030(b) to require DEED to conduct one inspection for each school bus rather than two each year.

Section 7 (Page 3-4): Amends AS 14.14.110(a) to allow school districts to partner with businesses, nonprofit organizations, and state or local government agencies. This section also adds to the definition of “administrative services” to include student nutrition, student transportation, and health insurance pooling with the State plan. This section also adds to the definition of “educational services” to include teacher training and the use of technology to teach students such as the use of virtual education.

Section 8 (Page 4): Amends AS 14.14.115(a) to allow school districts to partner with businesses, nonprofit organizations, and state or local government agencies to qualify for the one-time grant under this section. This section also increase the maximum grant amount and requires that the school district demonstrate how the grant will reduce costs for the district.

Section 9 (Page 4-5): Adds new subsections to AS 14.14.115 to give further directions for the cooperative grants under this section.

- Subsection (d) requires that if two school districts enter into a cooperative grant, one must be a rural district.
- Subsection (e) establishes that if a cooperative grant is used for health insurance pooling with the State, the grant can only be used to pay for the costs of transferring district employees to the State insurance plan.
- Subsection (f) allows a school district to carry forward the savings realized during the first three years after a grant is awarded. The savings will not be counted towards the fund balance limit established in AS 14.17.505(a).
- Subsection (g) defines “rural school district” as a regional educational attendance area or a small municipal school district defined in AS 14.11.025(c) as a district with less than 300 Average Daily Membership (ADM) and a district full value per ADM less than \$500,000.

Section 10 (Page 5): Amends AS 14.17.450(a) to provide an exception to the School Size Adjustment (SSA) for schools that meet the qualifications in (g) of this section (Section 11).

Section 11 (Pages 5-6): Amends AS 14.17.450 by adding a new subsection establishing that a school may not use the SSA under (a) of this section if it is below 80% capacity and if it is within 25 miles by road of another school in the same district that is also below 80% capacity.

Section 12 (Page 6): Amends AS 14.17.505(a) to increase the limit that a school district is allowed to retain in its unreserved fund balance from 10% to 25% of district expenditures. This section also allows for savings realized from a cooperative grant under AS 14.14.115 to not count towards the 25% limit.

Section 13 (Page 6): Amends AS 14.20.020(i) to require the State School Board to periodically adjust the minimum score needed to pass the Praxis exam so that Alaska has the highest testing standards for teacher certification.

Section 14 (Page 6): Adds a new subsection to AS 14.20.380 to require DEED to provide administrative services to the Professional Teaching Practices Commission (PTPC).

Section 15 (Page 6-7): Amends AS 14.20.460 to require the PTPC to use administrative support services provided by DEED.

Section 16 (Pages 7-9): Creates a new section under AS 14.30 titled Virtual education consortium which also creates a new article titled Article 15. Virtual Education. The subsections that AS 14.30.760 consists of are:

- Subsection (a) establishes the virtual education consortium under DEED. The consortium will have a database of virtual education courses available to all districts for students in grades 6-12. The consortium will also provide training for teachers instructing in virtual settings and professional development for all teachers in the state. A school district or third-party vendor may offer courses on the database if it is approved by DEED.

- Subsection (b) will require DEED to review each course to ensure it meets state standards and is appropriate for students in grades 6-12. This subsection also requires that each course has the following information: the title, subject, and description of the course, the district providing the course, method of virtual education delivery, and samples of the course curriculum and teacher instruction provided in the course.
- Subsection (c) requires the consortium to provide training for teachers before they are allowed to teach a course that is included in the database. A waiver may be granted if the consortium finds that the teacher has the experience and skills necessary to teach in a virtual setting.
- Subsection (d) requires that the consortium provide professional development courses for all teachers in the state. Any district that has adequate broadband access to participate in the trainings shall require its teachers to participate in any necessary trainings. The consortium may also require participating districts to adopt the same in-service days for training.
- Subsection (e) sets a fee structure for students that take a course offered virtually by a school district that is not the student's home district. The student's district shall calculate the fee by multiplying the base student allocation by the proportion of classes that the student is taking in the district offering the virtual course. The student's district shall pay this fee to the district offering the course.
- In subsection (f), the consortium is allowed to charge a fee to any school district that offers a course in the database under (b) of this section. DEED will be able to set the fee in regulation and can adjust it as necessary annually. The fees must be set in such a manner that by June 30, 2020, the fees paid by districts will approximately equal any administrative costs of the consortium.
- Subsection (g) allows the consortium to require districts that provide courses or have students taking courses through the consortium to adopt a shared calendar and a shared bell schedule for at least a portion of the school day.
- Subsection (h) creates definitions for the terms: "asynchronous", "base student allocation", "blended", "host district", "synchronous", and "virtual education" or "virtual instruction".

Section 17 (Pages 9-12): Deletes a reference to AS 23.10.065(b) in AS 23.10.055(a) (Alaska Wage and Hour Act) which is repealed in Section 23 of this bill.

Section 18 (Page 12): Deletes the reference to AS 37.14.110(c) which is repealed in Section 24 of this bill, and rearranges the reference to AS 37.14.160.

Section 19 (Page 12): Deletes language in AS 37.14.130 that requires the Public School Fund Advisory Board to prepare accounting specifically for the principal and income of the Public School Trust Fund.

Section 20 (Pages 12-13): Deletes language in AS 37.14.160 relating to separate accounting of the principal and income of the Public School Trust Fund. This section also requires the Department of Revenue (DOR) to determine each year the monthly average market value of fund for the last three fiscal years.

Section 21 (Page 13): Creates a new section in AS 37.14 to allow the Legislature to appropriate 4.75% of the market value established with the changes made in Section 20 of the bill. The funds may be used to support public education in Alaska and to cover the administrative costs of the fund.

Section 22 (Pages 13-14): Amends AS 37.14.170 to allow the commissioner of DOR to invest the Public School Trust Fund in order to provide increasing returns from capital appreciation.

Section 23 (Page 14): Repeals AS 14.20.470(a)(7) so that the PTPC is no longer able to appoint an executive secretary. This section also repeals AS 23.10.065(b) and (c) which requires an employer to pay a public school bus driver at a rate two times the Alaska minimum wage, and which allows for wage adjustments to only occur when a contract begins or is renewed.

Section 24 (Page 14): Repeals AS 37.14.110(c) which sets how the commissioner of DOR will calculate the net income of the Public School Trust Fund and AS 37.14.140 which requires that net income from the fund only go towards funding public education.

Section 25 (Page 14): Creates applicability language for the repeal of AS 23.10.065(b) and (c) so that this bill will only effect contracts made on or after the effective date of this bill.

Section 26 (Page 14): Creates a conditional effect establishing that changes made to the Public School Trust Fund will only go into effect if a final judgment is made regarding combining the income and principal of the Public School Trust Fund and that such action will not violate trust law. The commissioner of DEED shall notify the Lieutenant Governor and the revisor of statutes when the final judgement has been entered.

Section 27 (Page 14): Creates an effective date for Sections 18-22 and 24 to be the day after the commissioner of DEED notifies the revisor of statutes that a final judgment has been made regarding the Public School Trust Fund.

Section 28 (Page 14): Creates an effective date for Sections 1-17, 23, and 25 to be June 30, 2017.