

**SB**

**96**

<TARGET><BILL>SB 96</BILL><SUBJECT>SB  
96</SUBJECT><COMM>SEDC30</COMM></TARGET>

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 3/20/17

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 4-5-17

**Education Committee** considered SENATE BILL NO. 96

**SB 96-EDUCATION:SCHOOLS/TEACHERS/FUNDING**

"An Act relating to education; relating to school districts; relating to course credit for students; relating to group insurance, self-insurance, and other cooperative arrangements between school districts and businesses, nonprofit organizations, and government agencies; relating to funding for school districts; relating to school operating funds; relating to competency examinations for teacher certificates; relating to the Professional Teaching Practices Commission; relating to the duties and powers of the Department of Education and Early Development and the commissioner of education and early development; relating to a virtual education consortium; relating to the minimum wage for bus drivers; relating to the investment, appropriation, and administration of the public school trust fund; and providing for an effective date."

and recommends:

- be replaced with CS SB 96 (EDU) [ ] Same Title  New Title
- [ ] adopt previous CS \_\_\_\_\_ (\_\_\_\_\_) [ ] Same Title [ ] New Title
- [ ] attached amendment(s)
- [ ] adopt \_\_\_\_\_ Letter of Intent
- [ ] further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
ADM			✓	1
LWF			✓	2
REV		✓		3
EED			✓	4
EED			✓	5

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
	STEVEN COGHILL	✓			
	Begich	✓		✓	
	Biessel				✓
CHAIR:		X			



# *Alaska State Legislature*

Senator Shelley Hughes, Chair  
Session: Capital Room 125  
Juneau, AK 99801  
(907) 465-3743



Senator John Coghill  
Senator Cathy Giessel  
Senator Gary Stevens  
Senator Tom Begich

## *Senate Education Committee*

### **Senate Bill 96 – Alaska Education Transformation Act**

#### **Sponsor Statement**

Every Alaskan student matters and deserves a high quality education. SB 96 takes steps toward the transformation of our education system in Alaska to better meet the needs of our students in the 21<sup>st</sup> century, while bearing in mind the budget challenges our districts face. Alaska has had a large achievement gap for too many years, resulting in some of the lowest graduation rates and testing scores in the nation and putting our students in a poor position on a global basis. We can do better, and it is our obligation to do better. The goal of this bill is to create better schools in Alaska and improve academic outcomes for students. SB 96 provides tools to help districts improve classroom instruction and reduce administrative costs.

First, this bill will create the Alaska Virtual Education Consortium to allow districts to offer virtual education courses through an online database to students in other districts for a fee. The consortium will also conduct teacher training, professional development, and can require participating districts to adopt a shared calendar and bell schedule. Students will gain access to great teachers statewide and to a wider variety of course offerings as districts choose to participate.

SB 96 also expands the scope of cooperative grants under AS 14.14.115 to allow districts to work with businesses, nonprofit organizations, and state or local government agencies. Grants can be used to share facilities, nutrition services, student transportation, health insurance pooling, teacher training, and virtual education. Any savings realized by districts in this process may be carried forward for three years, and emphasis for these grants will be placed on rural school districts. In addition, the bill raises the operating fund balance cap from 10% to 25% for districts, allowing them to rollover even more savings into the future.

SB 96 will make additional changes to help schools redirect dollars formerly for administration to student instruction. These changes include limiting the school size adjustment to incentivize districts to operate schools at full capacity with a phased funding mechanism, consolidating administrative functions within the department, and allowing districts to give students class credit for physical, musical, artistic, and cultural activities outside of school.

Overall spending on education does not correlate with better academic results, but direct spending in the classroom does. This bill will help districts focus money on the classroom and reduce administrative and overhead costs to help make that priority possible.

Staff Contact: Joshua Banks, (907) 465-3743

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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 uncodified 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.

**From:** [Bhree Roumagoux](#)  
**To:** [Senate Finance Committee](#)  
**Subject:** SB 96  
**Date:** Tuesday, March 28, 2017 3:30:09 PM

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Dear Senators:

Thank you for scheduling a public hearing on this bill for tonight. I will be unable to provide public testimony in person or on a call, but I want to let you know that I do not support a decrease in education funding. While I understand the fiscal crisis we are facing in our state, continuing to cut education is not the way to strengthen our state.

Support legislation like HB 111 and HB 115 to bring our revenues up to a level that will support a budget that keeps education funding at least at current levels.

SB 96 has some positive administrative provisions, but the overall decrease in the education funding simply is the wrong direction for Alaska's future.

Thank you for your time and consideration.

- Bhree (mobile)  
Bhree Roumagoux  
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9072406463  
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# Public School Trust Fund

All Values in \$thousands

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Principal Assets</b>									
Beginning Assets	428,431.4	460,561.7	499,857.2	561,545.0	571,479.0	573,321.7	601,950.1	628,896.0	657,236.8
DNR Contributions	-	-	-	-	-	4,400.0	4,800.0	5,200.0	5,400.0
Total Investment Return	25,345.0	37,907.3	62,442.4	15,595.4	11,794.9	40,319.1	38,121.1	39,833.4	41,627.4
Transferred to Income Assets (Dividends and Investment Income)	(8,841.7)	(12,949.7)	(13,748.6)	(14,458.3)	(14,812.1)	(16,090.8)	(15,975.1)	(16,692.7)	(17,444.5)
Net contribution/withdrawals	15,627.0	14,337.9	12,994.0	8,796.9	4,860.0	-	-	-	-
Ending Assets	460,561.7	499,857.2	561,545.0	571,479.0	573,321.7	601,950.1	628,896.0	657,236.8	686,819.7
<b>PRINCIPAL VARIABLES</b>									
Broad market allocation (Equity)	46.09%	27.30%	27.50%	33.00%	36.40%	31.76%	31.76%	31.76%	31.76%
REITs allocation	-	-	-	-	-	3.00%	3.00%	3.00%	3.00%
Broad Market Domestic Fixed Income Alloc	53.91%	58.10%	58.10%	50.00%	44.57%	43.38%	43.38%	43.38%	43.38%
International allocation (Equity)	0.00%	14.60%	14.50%	17.00%	19.03%	21.86%	21.86%	21.86%	21.86%
Broad market return (Equity)	9.35%	9.15%	9.15%	9.15%	9.15%	8.85%	8.85%	8.85%	8.85%
REITs return	-	-	-	-	-	8.95%	8.95%	8.95%	8.95%
International Equity Return	3.60%	9.25%	9.25%	9.25%	9.25%	9.55%	9.55%	9.55%	9.55%
Fixed income return	3.80%	2.55%	2.55%	1.99%	2.22%	2.63%	2.63%	2.63%	2.63%
Broad market yield (Equity)	2.00%	2.00%	2.00%	2.00%	2.00%	2.40%	2.40%	2.40%	2.40%
REITs Yield	-	-	-	-	-	5.00%	5.00%	5.00%	5.00%
Broad Market Dom Fixed Yield	3.80%	1.86%	2.55%	1.99%	2.22%	2.63%	2.63%	2.63%	2.63%
International Equity Yield	3.60%	2.00%	2.00%	3.00%	3.00%	2.70%	2.70%	2.70%	2.70%
Total Weighted Return	6.070%	5.13%	5.14%	5.587%	6.080%	6.308%	6.308%	6.308%	6.308%
Weighted Yield	2.064%	1.92%	2.32%	2.165%	2.288%	2.643%	2.643%	2.643%	2.643%
<b>Income Assets</b>									
Beginning Assets	12,068.1	6,830.8	6,171.8	13,467.0	15,870.7	30,661.6	10,175.0	10,090.5	10,842.1
Transferred from Principal Assets	8,841.7	12,949.7	13,748.6	14,458.3	14,812.1	16,090.8	15,975.1	16,692.7	17,444.5
EED Appropriations	-	-	-	-	-	(36,650.0)	(16,090.8)	(15,975.1)	(16,692.7)
DNR Appropriations	-	-	-	-	-	-	-	-	-
DOR Appropriations	-	-	-	-	-	(108.9)	(108.9)	(108.9)	(108.9)
Investment Income	52.1	27.0	38.0	60.8	140.1	181.6	140.0	143.0	152.4
Actual contribution/withdrawals	(14,131.1)	(13,635.7)	(6,491.4)	(12,115.4)	(161.4)	-	-	-	-
Ending Assets	6,830.8	6,171.8	13,467.0	15,870.7	30,661.6	10,175.0	10,090.5	10,842.1	11,637.4
Expected return of Short term FI	3.00%	0.27%	0.21%	0.42%	0.79%	0.99%	0.99%	0.99%	0.99%



## **7 OBJECTIVE 9: CONSOLIDATIONS OR REDUCTIONS**

**Objective 9: Identify agencies that could be terminated/consolidated, cost reductions, and potential programs and cost reductions.**

### **Overview and Summary of the Conclusion for Objective 9**

Public Works found a key area where the Department of Education and Early Development (DEED) could consolidate offices to yield cost reductions. The review team recommends that DEED eliminate duplication of work processes between DEED, the Professional Teaching Practices Commission (PTPC), and the University of Alaska's teacher preparation programs; and amend Article 5 of the Alaska Statutes, Professional Teaching Practices Act to consolidate the PTPC's work into the Teacher Certification Office's work. Fiscal implications of consolidation are described at the end of this chapter, below **Recommendations 7.1.1, 7.1.2, and 7.1.3.**

### **7.1 CONSOLIDATION OF PROFESSIONAL TEACHING PRACTICES COMMISSION (PTPC)**

#### **Findings**

There are inefficiencies and some duplication of effort in the management of educator licensing responsibilities between the PTPC and DEED's Teacher Certification Office. Examples are noted in the following paragraphs. The PTPC duplicates some services of the University of Alaska's teacher education programs, such as providing professional ethics training to candidates for graduation from these programs. These inefficiencies and duplications of effort generate unnecessary personnel time, travel, and facilities expenses.

State education agencies and/or state boards of education are responsible for issuing educator credentials in the form of a professional certificate or license. States routinely have statutory and regulatory mechanisms for reviewing allegations of educator misconduct and for taking actions that may include suspension or revocation of a certificate. The PTPC is a semi-autonomous entity that serves this function for the State of Alaska and for DEED.<sup>72</sup>

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<sup>72</sup>AS Title 14, Chapter 20, Article 5. Professional Teaching Practices Act.



Multiple interviewees report that, while there is a generally smooth flow of work processes between the PTPC and DEED's Teacher Certification Office, there are instances of unnecessary procedures on the part of the PTPC that could and should be addressed by DEED. For example, both the commissioner of education and the executive director of the PTPC can initiate license revocation proceedings. Denial of a license by DEED can be appealed to the PTPC, which can overrule the commissioner. This process is acknowledged by a key agency leader as unusual; this individual further reported that the shifting between the agencies of responsibilities related to sanctioning licenses and reporting such sanctions is duplication of effort. If the DEED Office of Teacher Certification determines from the National Association of State Directors of Teacher Education and Certification (NASDTEC) clearinghouse that an educator's certificate has been sanctioned in another state, the office upholds the sanction in Alaska. The application is automatically referred to the PTPC office for investigation and adjudication. The PTPC's action is final, rather than advisory to the certificate-issuing entity, which is DEED. It would streamline the process for DEED to take original sanction action, and for the State Board to make the final decision on a challenged sanction.

As noted above, DEED does not make the final determination when a certification candidate challenges a sanction; the PTPC does this. However, DEED is then responsible for reporting those sanctions against certificates to NASDTEC.

It is an inefficient division of responsibility for the PTPC to make final rulings on sanctions against education licenses, while DEED is responsible for the required public reporting on these rulings. There is occasionally excessive lag time and there are occasional errors in the reporting of these sanctions as this information moves between the PTPC and DEED's Teacher Certification Office.

The PTPC provides information about professional standards, and the director frequently meets with pre-service educators to explain the ethical requirements of the profession and the responsibilities and practices of the PTPC. Teacher education programs also address information and training on ethics in professional practice.

Nothing in this finding should be construed to suggest that there should not be a stringent system for addressing educator misconduct. Educators should be held



to high standards of professional and ethical conduct. When educators violate these standards, they should be held accountable, and if found guilty of such violations, should be subject to appropriate sanctions related to their professional certificates. Similarly, educators who are erroneously charged with ethical misconduct are entitled to a fair and due process through which they may be exonerated. These processes should flow smoothly, effectively, and efficiently.

DEED addresses educator misconduct through a system that is unnecessarily expensive and elaborate given the relatively small population of educators, and the significant fiscal challenges faced by the state. Other states manage these processes in a more efficient, yet effective manner.

### **Recommendation 7.1.1**

#### **Eliminate duplication of work processes by the Professional Teaching Practices Commission (PTPC) and university teacher preparation programs, and by PTPC and DEED. (Tier 1)**

The responsibility for providing pre-service educators with information on professional ethics should be assigned to and carried out by university programs of preparation. University programs of educator preparation should orient candidates to codes of conduct and ethical practice.

If this recommendation is implemented, both the time and travel associated with the PTPC director's meetings with educator candidates to explain such provisions can be reduced. Key entities report that the director spends "a lot" of time on this process. The executive director's position and time represent an expenditure of state resources that should not be necessary if the educator preparation programs uniformly and effectively manage this responsibility.

If the recommendation is not implemented, then the director should ensure that preparation program faculty and certification liaisons are properly oriented to educator standards and to any related changes (rather than provide direct orientation to educator candidates.) To do so, the PTPC director can deliver a trainer-of-trainers model and a system of electronically communicated updates. Such a process is less expensive than direct provision of such content to educator candidates by the director.



### **Recommendation 7.1.2**

#### **Amend AS 14.20.370-510 Professional Teaching Practices Act to consolidate the work of the Professional Teaching Practices Commission into the Teacher Certification Office's work. (Tier 2)**

DEED addresses educator misconduct through a system that is unnecessarily expensive and elaborate given the relatively small population of educators and the significant fiscal challenges faced by the state. The review team acknowledges that a proactive and effective process for addressing educator misconduct is essential. Other states manage these processes in a more efficient, yet effective manner. A number of states have elected to manage these processes within the state education agency, and do so effectively. A full-time administrator role need not be dedicated to dealing with educator misconduct. Other states with significantly larger educator populations effectively manage these processes with a smaller commitment of professional positions.

Given the inefficiencies of information flow, work processes, and divided reporting responsibilities, the state should consolidate the responsibilities for managing certificate sanctions into DEED's Teacher Certification Office. As noted above in **Recommendation 7.1.1**, the responsibility for providing pre-service educators with information on professional ethics should be assigned to and carried out by university programs of preparation.

Further given the costs of maintaining separate facilities and support staff for PTPC, consolidation of the PTPC into DEED's Teacher Certification Office will save funding currently expended for a support staff position and PTPC facilities. An assistant state attorney general currently manages the legal work for the PTPC, and this need not be altered by these recommendations. Reductions in the work responsibilities of the director, noted above in **Recommendation 7.1.1** should allow for these responsibilities to be managed by a part-time administrator, and should further result in reduced time and travel costs for this administrator.



### **Recommendation 7.1.3**

**Amend AS 14.20.370-510 such that the PTPC is advisory to the State Board of Education, rather than an entity that renders final administrative decisions in matters of certificate sanctions for educator misconduct. (Tier 2)**

The current line of authority for sanctioning certificates bypasses the entity charged with setting standards for educator preparation, practice, and conduct. This creates an unnecessary procedural step, presumes that the entity making the decision is not objective, and, in the case of the Alaska PTPC and DEED, creates duplication of effort across multiple agencies. Boards are deemed to be legitimate tribunals for such matters. By making the PTPC advisory to the State Board of Education in matters related to sanctions against educator certificates, legal challenges related to the full process of certificate administration would be managed more efficiently in one unit.

State education agencies elsewhere offer models that reflect the structures and processes encompassed in the recommendations above. For example, the state of North Carolina:

- Assigns responsibility for sanctions against educator licenses to the North Carolina State Board of Education;
- Engages an advisory committee of teachers and administrators to review and make recommendations to the State Board about cases involving certificate sanctions; and
- Manages the work through an assistant attorney general and staff attorney who will commit a portion of their time to this work.

According to DEED, PTPC is funded by receipts; consolidation of the process management for sanctioning educator credentials through DEED should not impact eligibility for any federal funding. It is anticipated that implementation of **Recommendations 7.1.1, 7.1.2, and 7.1.3** will save a minimum of \$100,000 in the state's general fund. The current total position cost for the PTPC secretary is \$74,918, all of which would be saved if these recommendations were implemented. The director's total position cost is \$145,403. Even a partial reduction to  $\frac{3}{4}$  position status would result in approximately \$30,000 savings. Additional savings can be achieved through additional components of the



recommendations outlined above (e.g., the elimination of a separate facility for the PTPC and reduced travel costs for the director).

The PTPC is funded through certification fees collected by the state to help defray the costs associated with educator credentialing. Among these costs are those associated with sanctions against educator credentials. The state should continue to collect these fees since, under the recommendation, the sanctioning process would continue within DEED, and through the Alaska State Board of Education.

The review team notes that the investigative role should not be duplicated through the implementation of this recommendation. Under both current practice and under the recommendation, an investigation occurs, and a body (whether the PTPC or the State Board of Education) acts. The processing of sanctions within the same agency (DEED) is expected to be more efficient than the current flow of work back and forth between two agencies –where leaders acknowledge that duplication of effort exists. Under the current process, the automatic investigation and adjudication of any application puts PTPC in the position of reviewing every denial by DEED. Under the recommended system, DEED staff would execute the denial, the system can transition to one in which only those denials that are appealed are adjudicated. The state board, with a recommendation from an advisory committee of practitioners (a streamlined PTPC composed of practitioners), is already part of the agency responsible for these processes. In personnel matters, a board can serve as an impartial tribunal.

## **Education Transformation Bill**

### **Increasing Virtual Education and Administrative Efficiencies**

#### **Sponsored by the Senate Education Committee**

Every Alaskan student matters and deserves a high quality education. This bill seeks to help districts provide that education by giving them the tools to do more with less. The goal of this bill is to create better schools in Alaska and improve the academic outcomes for our students. Included in the bill are the following provisions:

- Increases access to high quality education by creating a virtual education consortium to allow students to take virtual classes offered by other school districts. The consortium will also require teachers to receive training specific to virtual teaching. Professional development for teachers will also be offered virtually for teachers at no cost to districts.
- Incentivize districts to pool resources by providing grants for cooperative agreements with other districts, other government agencies, businesses, and non-profit organizations. These grants are available when districts can realize savings in areas including shared administrative services, student transportation and nutrition, shared facilities, virtual education, and health insurance pooling.
- Creates incentives for school districts to lower pupil transportation costs and keep school buildings at full capacity. Districts can waive credit requirements for gym, art, and music courses, which can include cultural activities. Districts will also be able to retain additional savings each year.
- Restructures the Education Trust Fund to make additional funds available for education.
- Consolidates duplicative administrative functions within the Department of Education and Early Development. Also, requires teacher certification test scores to be increased when they are lower than other states.
- Requires districts to report on the ratios of administrative employees to students and administrative employees to teachers. These ratios will be reported to the Legislature and available to the public.

Alaska has a large achievement gap among students resulting in among the lowest graduation rates and testing scores in the country, yet our per student spending level is one of the highest. Overall spending in schools does not correlate with better academic results, but direct spending in the classroom does. This bill will help districts reduce administrative and overhead costs in order to focus money on the classroom.

Staff Contact: Joshua Banks, 465-3743

30-LS0452\N  
Glover  
3/22/17

**CS FOR SENATE BILL NO. 96(EDC)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - FIRST SESSION**

**BY THE SENATE EDUCATION COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATE EDUCATION COMMITTEE**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to education; relating to school districts; relating to course credit for**  
2 **students; relating to group insurance, self-insurance, and other cooperative**  
3 **arrangements between school districts and businesses, nonprofit organizations, and**  
4 **government agencies; relating to funding for school districts; relating to school**  
5 **operating funds; relating to competency examinations for teacher certificates; relating**  
6 **to the Professional Teaching Practices Commission; relating to the duties and powers of**  
7 **the Department of Education and Early Development and the commissioner of**  
8 **education and early development; relating to a virtual education consortium; relating to**  
9 **the minimum wage for bus drivers; relating to the investment, appropriation, and**  
10 **administration of the public school trust fund; and providing for an effective date."**

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

12 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 LEGISLATIVE FINDINGS. The legislature finds that

3 (1) virtual education allows students to access courses that are not otherwise  
4 available in their local schools or school districts, including courses that are relevant to the  
5 interests and career paths of students;

6 (2) virtual education provides students with access to teachers who are experts  
7 in their fields, allowing for better instruction and better academic results;

8 (3) overall state spending on education does not correlate with improved  
9 academic results; however, spending on quality classroom instruction does correlate with  
10 improved academic results;

11 (4) access to quality classroom instruction, whether through virtual education  
12 or traditional delivery modes, is important for the success of every student in the state;

13 (5) despite the benefits of virtual education, virtual education has limitations  
14 and cannot replace high quality teachers and teaching aides in the classroom who inspire high  
15 quality student learning.

16 \* **Sec. 2.** AS 14.03.073(a) is amended to read:

17 (a) A school district shall provide the opportunity for students enrolled in  
18 grades nine through 12 in the district to challenge one or more courses provided by the  
19 district by demonstrating mastery in mathematics, language arts, science, social  
20 studies, and world languages at the level of the course challenged. A school district  
21 shall give full credit for a course to a student who successfully challenges that course  
22 as provided under **(b)** of this section.

23 \* **Sec. 3.** AS 14.03.073(b) is amended to read:

24 (b) A school district shall establish, within a reasonable time, an assessment  
25 tool and a standard for demonstrating mastery in courses provided for students in  
26 grades nine through 12 by the district under **(a)** of this section. This section does not  
27 require a school district to establish an assessment tool for every course in  
28 mathematics, language arts, science, social studies, and world languages that is offered  
29 to students in grades nine through 12 by the district.

30 \* **Sec. 4.** AS 14.03.073 is amended by adding a new subsection to read:

31 (e) In addition to providing the opportunity for a student to challenge a course

1 under (a) - (c) of this section, a school district shall allow a student enrolled in grades  
2 nine through 12 to receive course credit for a physical education, music, or art class, if  
3 the student participates in an activity, including a cultural activity, outside of school  
4 hours that the school district determines meets the educational or physical activity  
5 requirements of the course. A school district may adopt standards for awarding course  
6 credit for common activities.

7 \* **Sec. 5.** AS 14.03.120(a) is amended to read:

8 (a) A district shall annually file with the department, and make available to the  
9 public **on the district or local community's Internet website, or through another**  
10 **easily accessible method**, a report that

11 (1) establishes district goals and priorities for improving education in  
12 the district;

13 (2) includes a plan for achieving district goals and priorities; [AND]

14 (3) includes a means of measuring the achievement of district goals  
15 and priorities; **and**

16 **(4) summarizes the categories of administrative employees**  
17 **employed by the district and states the following ratios:**

18 **(A) each category of administrative employees compared to**  
19 **the number of students in the district;**

20 **(B) the total number of administrative employees employed**  
21 **by the district compared to the total number of teachers employed by the**  
22 **district;**

23 **(C) the total number of teachers employed by the district**  
24 **compared to the total number of students enrolled in the district.**

25 \* **Sec. 6.** AS 14.09.030(b) is amended to read:

26 (b) The department shall

27 (1) establish equipment requirements for each type of school bus that  
28 is used to transport school children to or from a public school;

29 (2) at least **once** [TWICE] each calendar year, inspect each school bus  
30 for compliance with requirements adopted under this subsection; and

31 (3) maintain a record of each accident involving a school bus or other

1 vehicle transporting school children that is owned by, leased by, or provided under  
2 contract to a municipal school district or regional educational attendance area; the  
3 record must include the date of the accident, a list of persons injured, whether the  
4 person's injury occurred within the school bus, and each type of injury.

5 \* **Sec. 7.** AS 14.14.110(a) is amended to read:

6 (a) When necessary to provide more efficient or more economical educational  
7 services, a district may cooperate or the department may require a district to cooperate  
8 **or share facilities** with other districts, **businesses, nonprofit organizations,** state-  
9 operated schools, **other state or local government agencies,** or the Bureau of Indian  
10 Affairs in providing educational or administrative services. However, if a cooperative  
11 arrangement, **including an arrangement to share facilities,** requires pupils to live  
12 away from their usual homes, the school board shall provide classes within the  
13 attendance area when there are at least eight children eligible to attend elementary and  
14 secondary school in the attendance area. In this subsection,

15 (1) "administrative services" includes supervisory, maintenance,  
16 purchasing, **student nutrition, student transportation,** or other services that are  
17 required for unified administration, **or participation in a policy of group health**  
18 **insurance under AS 39.30.090 or a policy of self-insurance provided by the**  
19 **Department of Administration under AS 39.30.091;**

20 (2) "educational services" includes boarding and tuition arrangements,  
21 pupil or teacher exchanges, special education services, [OR] curriculum development,  
22 **professional teacher development, or the use of technology to deliver classroom**  
23 **instruction.**

24 \* **Sec. 8.** AS 14.14.115(a) is amended to read:

25 (a) To encourage cooperative arrangements between school districts **and**  
26 **between school districts and businesses, nonprofit organizations, and state or**  
27 **local government agencies** to provide more efficient or economical administrative or  
28 educational services, a school district may receive a one-time cooperative arrangement  
29 grant from the department of up to **\$200,000 if the school district demonstrates that**  
30 **the arrangement will result in a cost savings to the district** [\$100,000].

31 \* **Sec. 9.** AS 14.14.115 is amended by adding new subsections to read:

1 (d) To be eligible for a cooperative arrangement grant between school districts  
 2 under this section, other than a cooperative arrangement grant for assistance with the  
 3 costs of transferring a health insurance policy under (e) of this section, a district must  
 4 either be a rural school district or enter into a cooperative arrangement with a rural  
 5 school district.

6 (e) The department may award a one-time cooperative arrangement grant  
 7 under this section to a school district to assist the school district in paying for the costs  
 8 of transferring school district employees from a health insurance policy provided by  
 9 the school district to a policy of group health insurance under AS 39.30.090 or a  
 10 policy of self-insurance provided by the Department of Administration under  
 11 AS 39.30.091. The department may not award a cooperative arrangement grant to a  
 12 school district to pay the school district's contributions to the costs of the health  
 13 insurance policy.

14 (f) During the first three fiscal years after a cooperative arrangement is  
 15 awarded under this section, a district awarded a grant may accumulate in its school  
 16 operating fund, in addition to the unreserved portion allowed under AS 14.17.505(a),  
 17 an amount equal to the savings resulting from the cooperative arrangement.

18 (g) In this section, "rural school district" means a regional educational  
 19 attendance area or a small municipal school district as that term is defined in  
 20 AS 14.11.025(c).

21 \* **Sec. 10.** AS 14.17.450(a) is amended to read:

22 (a) Except as provided in (g) of this section, for [FOR] purposes of  
 23 calculating a school's ADM to determine state aid, the ADM of each school in a  
 24 district shall be computed by applying the following formula:

If the student count		The adjusted student count is					
in a school is					The number of		
At least	But less than	Base	Multiplier	students in			
				excess of			
10	- 20	39.6					
20	- 30	39.6	+ (1.62	x	20)		
30	- 75	55.8	+ (1.49	x	30)		

1	75	-	150	122.85	+	(1.27	x	75)
2	150	-	250	218.1	+	(1.08	x	150)
3	250	-	400	326.1	+	(0.97	x	250)
4	400	-	750	471.6	+	(0.92	x	400)
5	750 or over			793.6	+	(0.84	x	750).

6 \* **Sec. 11.** AS 14.17.450 is amended by adding a new subsection to read:

7 (g) The adjustment under (a) of this section does not apply to a school that is  
 8 below 80 percent capacity and is within 25 miles by road of another school in the  
 9 same district that is also below 80 percent capacity. The ADM of a school described in  
 10 this subsection is equal to the student count for the school. In this subsection, the  
 11 district in which a school is located shall determine the capacity of the school.

12 \* **Sec. 12.** AS 14.17.505(a) is amended to read:

13 (a) A district may not accumulate in a fiscal year an unreserved portion of its  
 14 year-end fund balance in its school operating fund, as defined by department  
 15 regulations, that is greater than 25 [10] percent of its expenditures for that fiscal year,  
 16 **except that, during the first three fiscal years after a cooperative arrangement**  
 17 **grant is awarded under AS 14.14.115, a district may accumulate an additional**  
 18 **unreserved portion that is equal to the amount of savings resulting from the**  
 19 **grant.**

20 \* **Sec. 13.** AS 14.20.020(i) is amended to read:

21 (i) Beginning on July 1, 1998, a person is not eligible for an initial regular  
 22 teacher certificate unless the person has taken and successfully completed a  
 23 competency examination or examinations designated, at the time the person took the  
 24 test, by the board. The board shall review nationally recognized examinations that are  
 25 designed to test the competency of new teachers and shall designate those  
 26 examinations that it finds adequately test the skills and abilities of new teachers. For  
 27 each examination designated under this subsection, the board shall establish the  
 28 minimum acceptable level of performance. **If the board designates a Praxis test as a**  
 29 **competency examination under this subsection, the board shall periodically**  
 30 **adjust the minimum acceptable level of performance established for the Praxis**  
 31 **test so that the level is equal to or higher than the most stringent minimum**

1 acceptable level of performance for teacher certification established by another  
 2 state. Regulations adopted under this subsection to increase the minimum  
 3 acceptable level of performance on a competency examination may not take effect  
 4 earlier than one year after the board adopts the regulation.

5 \* **Sec. 14.** AS 14.20.380 is amended by adding a new subsection to read:

6 (b) The department shall provide administrative support services to the  
 7 commission.

8 \* **Sec. 15.** AS 14.20.460 is amended to read:

9 **Sec. 14.20.460. Duties of commission.** The commission shall

10 (1) establish procedures, and adopt regulations to implement the  
 11 purposes of AS 14.20.370 - 14.20.510;

12 (2) conduct investigations and hearings on alleged violations of ethical  
 13 or professional teaching performance, contractual obligations, and professional  
 14 teaching misconduct;

15 (3) review the regulations of the department as they relate to teacher  
 16 certification and recommend necessary changes;

17 (4) review the decisions of the department regarding the issuance or  
 18 denial of certificates and in its discretion recommend reversal of decisions;

19 (5) reduce the commission's administrative costs by using  
 20 administrative support services provided by the department.

21 \* **Sec. 16.** AS 14.30 is amended by adding a new section to read:

22 **Article 15. Virtual Education.**

23 **Sec. 14.30.760. Virtual education consortium.** (a) The department, in  
 24 cooperation with school districts, shall establish a virtual education consortium for the  
 25 purpose of making virtual education and professional development resources available  
 26 to students and teachers in the state. The consortium shall create and maintain a  
 27 database of virtual education courses for students in grades six through 12, training in  
 28 virtual instruction for teachers of students in grades six through 12, and professional  
 29 development courses for teachers of students in any grade. A school district or a third-  
 30 party vendor may provide a course for students or teachers that is included in the  
 31 database. A virtual education course for students may only be included in the database

1 if the course is approved by the department under (b) of this section.

2 (b) The department shall review the curriculum of a virtual education course  
3 for students before including the course in the database. The department may approve  
4 the course if the course is appropriate for students in grades six through 12 and aligned  
5 with state standards established by the department. The database must be accessible to  
6 all school districts and include the following information for each course:

7 (1) title, subject, and description;

8 (2) the name of the school district that provides the course;

9 (3) a description of the method of instruction; the description must  
10 indicate whether the instruction is synchronous, asynchronous, or blended; and

11 (4) samples of the curriculum and instruction provided in the course,  
12 including an introductory video of the instructor, and, for a synchronous course, a  
13 video of the instructor teaching.

14 (c) The consortium shall provide training for teachers of students in grades six  
15 through 12 on virtual instruction methods and the differences between virtual  
16 instruction and instruction offered in a classroom. A teacher may not provide  
17 instruction through a course for students that is in the database unless

18 (1) the teacher has completed the training provided by the consortium;

19 or

20 (2) the consortium determines that the teacher's previous experience  
21 has prepared the teacher to provide virtual instruction and the teacher demonstrates the  
22 skills necessary to provide virtual instruction.

23 (d) In addition to providing training for teachers under (c) of this section, the  
24 consortium shall offer professional development courses for teachers of students in  
25 any grade through the database. A school district with adequate broadband Internet  
26 access to participate in virtual professional development courses shall require teachers  
27 in that school district to complete professional development training through the  
28 consortium. The consortium may require, as a condition of participation, that school  
29 districts participating in virtual professional development courses for teachers adopt  
30 the same in-service days.

31 (e) The school district in which a student taking a course included in the

1 database under (b) of this section is enrolled shall pay a fee to the host district of the  
2 course. The school district in which the student is enrolled shall calculate the fee by  
3 multiplying the base student allocation by a fraction, the numerator of which is the  
4 number of classes the student is taking during the school year that are provided by the  
5 host district, and the denominator of which is the total number of classes in which the  
6 student is enrolled for the school year in any school district.

7 (f) A school district that participates in the consortium shall pay a fee to the  
8 consortium. The department shall establish the fee in regulations based on a  
9 recommendation of the consortium and may adjust the fee annually as necessary. By  
10 June 30, 2020, the fees must approximately equal the consortium's administrative  
11 costs related to reviewing and approving courses and maintaining the database.

12 (g) The consortium may require, as a condition of participation, that school  
13 districts that provide courses or have students participating in courses included in the  
14 database under (b) of this section adopt the same school term and class schedule for all  
15 or part of a school day. The school term must meet the requirements of AS 14.03.030.

16 (h) In this section,

17 (1) "asynchronous" means instruction that does not require the  
18 simultaneous participation of a student and instructor;

19 (2) "base student allocation" means the amount set out in  
20 AS 14.17.470;

21 (3) "blended" means instruction that uses a combination of  
22 asynchronous and synchronous delivery;

23 (4) "host district" means the school district that provides a course  
24 included in the database;

25 (5) "synchronous" means instruction that requires the simultaneous  
26 participation of a student and instructor; synchronous instruction is delivered in real  
27 time through videoconferencing or other live means;

28 (6) "virtual education" or "virtual instruction" means instruction  
29 delivered through telecommunications or other digital or electronic methods.

30 \* **Sec. 17.** AS 23.10.055(a) is amended to read:

31 (a) The provisions of AS 23.10.050 - 23.10.150 do not apply to

1 (1) an individual employed in agriculture, which includes farming in  
2 all its branches and, among other things, includes the cultivation and tillage of the soil,  
3 dairying, the production, cultivation, growing, and harvesting of any agricultural or  
4 horticultural commodities, the raising of livestock, bees, fur-bearing animals, or  
5 poultry, and any practices, including forestry and lumbering operations, performed by  
6 a farmer or on a farm as an incident to or in conjunction with the farming operations,  
7 including preparation for market, or delivery to storage or to market or to carriers for  
8 transportation to market;

9 (2) an individual employed in the catching, trapping, cultivating or  
10 farming, netting, or taking of any kind of fish, shellfish, or other aquatic forms of  
11 animal and vegetable life;

12 (3) an individual employed in the hand picking of shrimp;

13 (4) an individual employed in domestic service, including a baby-  
14 sitter, in or about a private home;

15 (5) an individual employed by the United States or by the state or a  
16 political subdivision of the state, [EXCEPT AS PROVIDED IN AS 23.10.065(b),]  
17 including prisoners not on furlough detained or confined in prison facilities;

18 (6) an individual engaged in the nonprofit activities of a nonprofit  
19 religious, charitable, cemetery, or educational organization or other nonprofit  
20 organization where the employer-employee relationship does not, in fact, exist, and  
21 where services rendered to the organization are on a voluntary basis and are related  
22 only to the organization's nonprofit activities; for purposes of this paragraph,  
23 "nonprofit activities" means activities for which the nonprofit organization does not  
24 incur a liability for unrelated business income tax under 26 U.S.C. 513, as amended;

25 (7) an employee engaged in the delivery of newspapers to the  
26 consumer;

27 (8) an individual employed solely as a watchman or caretaker of a  
28 plant or property that is not in productive use for a period of four months or more;

29 (9) an individual employed

30 (A) in a bona fide executive, administrative, or professional  
31 capacity;

1 (B) in the capacity of an outside salesman or a salesman who is  
2 employed on a straight commission basis; or

3 (C) as a computer systems analyst, computer programmer,  
4 software engineer, or other similarly skilled worker;

5 (10) an individual employed in the search for placer or hard rock  
6 minerals;

7 (11) an individual under 18 years of age employed on a part-time basis  
8 not more than 30 hours in a week;

9 (12) employment by a nonprofit educational or child care facility to  
10 serve as a parent of children while the children are in residence at the facility if the  
11 employment requires residence at the facility and is compensated on a cash basis  
12 exclusive of room and board at an annual rate of not less than

13 (A) \$10,000 for an unmarried person; or

14 (B) \$15,000 for a married couple;

15 (13) an individual who drives a taxicab, is compensated for taxicab  
16 services exclusively by customers of the service, whose written contractual  
17 arrangements with owners of taxicab vehicles, taxicab permits, or radio dispatch  
18 services are based on [UPON] flat contractual rates and not based on a percentage  
19 share of the individual's receipts from customers, and whose written contract with  
20 owners of taxicab vehicles, taxicab permits, or radio dispatch services specifically  
21 provides that the contract places no restrictions on hours worked by the individual or  
22 on areas in which the individual may work except to comply with local ordinances;

23 (14) a person who holds a license under AS 08.54 and who is  
24 employed by a registered guide-outfitter or master guide-outfitter licensed under  
25 AS 08.54, for the first 60 workdays in which the person is employed by the registered  
26 guide-outfitter or master guide-outfitter during a calendar year;

27 (15) an individual engaged in activities for a nonprofit religious,  
28 charitable, civic, cemetery, recreational, or educational organization where the  
29 employer-employee relationship does not, in fact, exist, and where services are  
30 rendered to the organization under a work activity requirement of AS 47.27 (Alaska  
31 temporary assistance program);

1 (16) an individual who

2 (A) provides emergency medical services only on a voluntary  
3 basis;

4 (B) serves with a full-time fire department only on a voluntary  
5 basis; or

6 (C) provides ski patrol services on a voluntary basis;

7 (17) a student participating in a University of Alaska practicum  
8 described under AS 14.40.065;

9 (18) an individual who is employed by a motor vehicle dealer and  
10 whose primary duty is to

11 (A) receive, analyze, or reference requests for service, repair,  
12 or analysis of motor vehicles;

13 (B) arrange financing for the sale of motor vehicles and related  
14 products and services that are added or included as part of the sale; or

15 (C) solicit, sell, lease, or exchange motor vehicles.

16 \* **Sec. 18.** AS 37.10.071(d) is amended to read:

17 (d) In exercising investment, custodial, or depository powers or duties under  
18 this section, the fiduciary or the fiduciary's designee is liable for a breach of a duty  
19 that is assigned or delegated under this section, or under AS 14.40.255, 14.40.280(c),  
20 14.40.400(b), AS 37.10.070, AS 37.14.160 [AS 37.14.110(c), 37.14.160], or  
21 37.14.170. However, the fiduciary or the designee is not liable for a breach of a duty  
22 that has been delegated to another person if the delegation is prudent under the  
23 applicable standard of prudence set out in statute or if the duty is assigned by law to  
24 another person, except to the extent that the fiduciary or designee

25 (1) knowingly participates in, or knowingly undertakes to conceal, an  
26 act or omission of another person knowing that the act or omission is a breach of that  
27 person's duties under this chapter;

28 (2) by failure to comply with this section in the administration of  
29 specific responsibilities, enables another person to commit a breach of duty; or

30 (3) has knowledge of a breach of duty by another person, unless the  
31 fiduciary or designee makes reasonable efforts under the circumstances to remedy the

1 breach.

2 \* **Sec. 19.** AS 37.14.130 is amended to read:

3 **Sec. 37.14.130. Powers and duties of board.** The board created in  
4 AS 37.14.120 has the following powers and duties:

5 (1) to hold regular meetings and special meetings considered  
6 necessary; and

7 (2) to have prepared an annual accounting of the [PRINCIPAL AND  
8 INCOME OF THE] fund established in AS 37.14.110.

9 \* **Sec. 20.** AS 37.14.140 is amended to read:

10 **Sec. 37.14.140. Utilization of income.** The net income of the fund may [NOT]  
11 be appropriated only for the purposes of [A PURPOSE OTHER THAN] the support  
12 of the state public school program or reimbursement of the costs of administration  
13 of the fund. The commissioner of revenue shall invest realized net income that has not  
14 been appropriated or that has been appropriated but not expended until the income is  
15 appropriated and expended.

16 \* **Sec. 21.** AS 37.14.140 is amended by adding a new subsection to read:

17 (b) Each fiscal year, the legislature may appropriate from the income of the  
18 fund not more than 4.75 percent of the amount determined by the commissioner of  
19 revenue under AS 37.14.160(5). The amount appropriated may not exceed the amount  
20 of income the fund earned in the previous fiscal year.

21 \* **Sec. 22.** AS 37.14.160 is amended to read:

22 **Sec. 37.14.160. Duties of the commissioner of revenue.** The commissioner of  
23 revenue is the treasurer of the trust fund created in AS 37.14.110 and shall

24 (1) in carrying out investment duties under this section, exercise the  
25 same powers and duties established for the Alaska Retirement Management Board in  
26 AS 37.10.220;

27 (2) deposit the principal and income from investments into [IN  
28 SEPARATE PRINCIPAL AND INCOME ACCOUNTS FOR] the fund;

29 (3) invest and maintain accounting records [THAT DISTINGUISH  
30 BETWEEN THE PRINCIPAL AND INCOME] of the fund;

31 (4) provide reports to the board established under AS 37.14.120 on the

1 condition and investment performance of the fund;

2 **(5) determine, on July 1 of each year, the monthly average market**  
3 **value of the fund for the previous three fiscal years.**

4 \* **Sec. 23.** AS 37.14.170 is amended to read:

5 **Sec. 37.14.170. Investments.** The commissioner of revenue is the fiduciary of  
6 the trust fund and shall invest the fund to provide increasing **returns from capital**  
7 **appreciation and** net income over long-term periods to the fund's **current**  
8 [INCOME] beneficiaries. The commissioner may invest the money in the fund on the  
9 basis of probable total rate of return to promote the long-term generation of **capital**  
10 **appreciation and** income. In managing the trust fund, the commissioner shall

11 (1) consider the status of the fund's capital and the income generated  
12 on both a current and a probable future basis;

13 (2) determine the appropriate investment objectives;

14 (3) establish investment policies to achieve the objectives; and

15 (4) act only in regard to the financial interests of the fund's  
16 beneficiaries.

17 \* **Sec. 24.** AS 14.20.470(a)(7); AS 23.10.065(b), 23.10.065(c); and AS 37.14.110(c) are  
18 repealed.

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

21 **APPLICABILITY.** The repeals of AS 23.10.065(b) and (c) by sec. 24 of this Act  
22 apply to a contract entered into on or after the effective date of sec. 24 of this Act.

23 \* **Sec. 26.** This Act takes effect June 30, 2017.

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-DOA-DRB-03-21-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education Committee

Department: Department of Administration  
Appropriation: Centralized Administrative Services  
Allocation: Retirement and Benefits  
OMB Component Number: 64

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time								
Part-time								
Temporary								

## Change in Revenues

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Michele Michaud, Chief Health Official  
Division: Retirement and Benefits  
Approved By: Sheldon Fisher, Commissioner  
Agency: Department of Administration

Phone: (907)465-3225  
Date: 03/21/2017 01:42 PM  
Date: 03/21/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. SB 96

**Analysis**

As currently written it is anticipated any cost to the Department of Administration would be de minimis and therefore submits a zero fiscal note.

The bill encourages cooperative arrangements around group health insurance, or self-insurance as outlined in AS 39.30.090 and AS 39.30.091. The bill provides for a one-time cooperative arrangement grant to the school district to assist with the cost of transferring health insurance policies from the existing policies to a group policy under AS 39.30.090 and AS 39.30.091.

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-DOR-TRS-03-20-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education Committee

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Treasury Division  
OMB Component Number: 121

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None	***		***	***	***	***	***
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no  
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

## Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Pamela Leary, Director  
Division: Treasury Division  
Approved By: Jerry Burnett, Deputy Commissioner  
Agency: Department of Revenue

Phone: (907)465-3751  
Date: 03/20/2017 10:20 AM  
Date: 03/20/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. SB 96

**Analysis**

This bill proposes to modify how the Public School Trust fund is administered. Rather than distinguish between two funds, principal and income, whereby the income of the principal fund is moved to the income fund to support the state's public school program, the funds would be combined into one fund with a new POMV revenue calculation approach to determine funds available for the public school program. The POMV (percent of market value approach) proposed would identify 4.75% of the monthly average market value of the fund for the previous three fiscal years at June 30 as available for appropriation for use in supporting the state's public school program. 4.75% of the past 3 year monthly average market value of the combined principal and income funds (for the fiscal year ended June, 2016) would have yielded an appropriation of up to \$27.4 million. While it is expected that the change will allow the Trust to be invested to achieve a greater return than under the current model, no additional costs would be incurred by the Treasury as a result of the proposed bill.

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-EED-SSA-03-23-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education Committee

Department: Department of Education and Early Development  
Appropriation: Teaching and Learning Support  
Allocation: Student and School Achievement  
OMB Component Number: 2796

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>								
Personal Services	925.8		925.8	925.8	925.8	925.8	925.8	925.8
Travel								
Services	146.8		146.8	146.8	76.8	76.8	76.8	76.8
Commodities								
Capital Outlay								
Grants & Benefits	5,200.0		5,200.0	5,200.0	5,200.0	5,200.0	5,200.0	5,200.0
Miscellaneous								
<b>Total Operating</b>	<b>6,272.6</b>	<b>0.0</b>	<b>6,272.6</b>	<b>6,272.6</b>	<b>6,202.6</b>	<b>6,202.6</b>	<b>6,202.6</b>	<b>6,202.6</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	6,272.6		6,272.6	6,272.6	6,202.6	6,202.6	6,202.6
<b>Total</b>	<b>6,272.6</b>	<b>0.0</b>	<b>6,272.6</b>	<b>6,272.6</b>	<b>6,202.6</b>	<b>6,202.6</b>	<b>6,202.6</b>

**Positions**

Full-time	8.0		8.0	8.0	8.0	8.0	8.0
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 03/31/18

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By:	Paul R. Prussing, Acting Director	Phone:	(907)465-8721
Division:	Teaching and Learning Support	Date:	03/23/2017 10:00 AM
Approved By:	Dr. Michael Johnson, Commissioner	Date:	03/23/17
Agency:	Department of Education & Early Development		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. CSSB 96

### Analysis

**Section 2 and 3:** adds clarifying reference language to AS 14.03.073, Secondary school course credit, subsections (a) and (b). No fiscal impact to the department.

**Section 4:** adds subsection (e) to AS 14.03.073, Secondary school course credit. This new section would allow districts to review, approve, and give credit for physical education, music, or art classes taken outside of school hours in grade nine through 12. No fiscal impact to the department.

**Section 5:** amends AS 14.03.120(a) by adding a new paragraph (4), which would require districts to compare the ratio of administrative employees to students. The bill does not define administrative employees and the department would not be able to report this figure without a clear definition. No fiscal impact to the department.

The below Sections 7, 8, and 9 will require department oversight and that is estimated to be one PFT position (Education Specialist II, Range 21 Step B). The associated costs for this position include a salary and benefits of \$119.4 and department chargebacks at \$9.6. In addition, \$5,200.0 per year for cooperative grants for 26 districts.

**Section 7:** adds language to AS 14.14.110, Cooperation with other districts, (a) that would allow districts to share facilities with: other districts, businesses, nonprofit organizations, or other state and local government agencies. The definition of "administrative services" under paragraph (1) is amended to include student nutrition, student transportation, and participation in a policy of group health insurance. The definition of "educational services" under paragraph (2) is amended to include professional teacher development or the use of technology to deliver classroom instruction.

**Section 8:** AS 14.14.115, Cooperative arrangement grant program for school districts, (a) is amended to add language included in Section 7 of this bill. This section also funds the cooperative arrangement grant at a one-time \$200.0 if the district demonstrates the cooperative arrangement will result in a cost savings.

**Section 9:** Further amends AS 14.14.115 by adding 4 new sections: (d), (e), (f) and (g).

- (d) Clarifies eligibility for the program; must include a rural district.
- (e) Clarifies the use of funds for transferring district employee's health insurance.
- (f) Allows the district to keep any savings created by the program for the first three years.
- (g) Defines rural school district.

Below is the total staff required for Section 16: 7 PFT positions, 6 - Education Specialist II, Range 21, Step B, at \$119.4 each = \$716.4 and 1 - Education Associate III, Range 15, Step B, at \$90.0. Total associated costs for these 7 positions includes salary and benefits of \$806.4 and department chargebacks of \$67.2, \$9.6 per position.

**Section 16:** Amends AS 14.30 to include a new Article 15: Virtual Education, and adds AS 14.30.760, Virtual education consortium, which requires the Department of Education & Early Development to:

- 1) establish a virtual education consortium (1 PFT position);
- 2) review curriculum and approve courses (3 PFT positions - content specialists in Language Arts, Mathematics, and Science);
- 3) provide virtual instruction methods for teachers of grades six through 12 (same as #2);
- 4) professional development courses for teachers of any grade (same as #2);
- 5) create and maintain a database of all virtual courses and professional development created (2 PFT positions); and
- 6) ensure teachers have completed training in virtual education or demonstrate that they have experience teaching virtual courses (same as #1).

Course development and review (10 courses a year at \$7.0 per course = \$70.0 per year for 3 years= \$210.0).

30-LS0452\T  
Glover  
3/25/17

**CS FOR SENATE BILL NO. 96(EDC)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - FIRST SESSION**

**BY THE SENATE EDUCATION COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATE EDUCATION COMMITTEE**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to education; relating to school districts; relating to course credit for**  
2 **students; relating to group insurance, self-insurance, and other cooperative**  
3 **arrangements between school districts and businesses, nonprofit organizations, and**  
4 **government agencies; relating to funding for school districts; relating to school**  
5 **operating funds; relating to competency examinations for teacher certificates; relating**  
6 **to the Professional Teaching Practices Commission; relating to the duties and powers of**  
7 **the Department of Education and Early Development and the commissioner of**  
8 **education and early development; relating to a virtual education consortium; relating to**  
9 **the minimum wage for bus drivers; relating to the investment, appropriation, and**  
10 **administration of the public school trust fund; and providing for an effective date."**

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

12 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section

1 to read:

2 LEGISLATIVE FINDINGS. The legislature finds that

3 (1) virtual education allows students to access courses that are not otherwise  
4 available in their local schools or school districts, including courses that are relevant to the  
5 interests and career paths of students;

6 (2) virtual education provides students with access to teachers who are experts  
7 in their fields, allowing for better instruction and better academic results;

8 (3) overall state spending on education does not correlate with improved  
9 academic results; however, spending on quality classroom instruction does correlate with  
10 improved academic results;

11 (4) access to quality classroom instruction, whether through virtual education  
12 or traditional delivery modes, is important for the success of every student in the state;

13 (5) despite the benefits of virtual education, virtual education has limitations  
14 and cannot replace high quality teachers and teaching aides in the classroom who inspire high  
15 quality student learning.

16 \* **Sec. 2.** AS 14.03.073(a) is amended to read:

17 (a) A school district shall provide the opportunity for students enrolled in  
18 grades nine through 12 in the district to challenge one or more courses provided by the  
19 district by demonstrating mastery in mathematics, language arts, science, social  
20 studies, and world languages at the level of the course challenged. A school district  
21 shall give full credit for a course to a student who successfully challenges that course  
22 as provided under **(b)** of this section.

23 \* **Sec. 3.** AS 14.03.073(b) is amended to read:

24 (b) A school district shall establish, within a reasonable time, an assessment  
25 tool and a standard for demonstrating mastery in courses provided for students in  
26 grades nine through 12 by the district under **(a)** of this section. This section does not  
27 require a school district to establish an assessment tool for every course in  
28 mathematics, language arts, science, social studies, and world languages that is offered  
29 to students in grades nine through 12 by the district.

30 \* **Sec. 4.** AS 14.03.073 is amended by adding a new subsection to read:

31 (e) In addition to providing the opportunity for a student to challenge a course

1 under (a) - (c) of this section, a school district shall allow a student enrolled in grades  
2 nine through 12 to receive course credit for a physical education, music, or art class, if  
3 the student participates in an activity, including a cultural activity, outside of school  
4 hours that the school district determines meets the educational or physical activity  
5 requirements of the course. A school district may adopt standards for awarding course  
6 credit for common activities.

7 \* **Sec. 5.** AS 14.03.120(a) is amended to read:

8 (a) A district shall annually file with the department, and make available to the  
9 public **on the district or local community's Internet website, or through another**  
10 **easily accessible method**, a report that

11 (1) establishes district goals and priorities for improving education in  
12 the district;

13 (2) includes a plan for achieving district goals and priorities; [AND]

14 (3) includes a means of measuring the achievement of district goals  
15 and priorities; **and**

16 **(4) summarizes the categories of administrative employees**  
17 **employed by the district and states the following ratios:**

18 **(A) each category of administrative employees compared to**  
19 **the number of students in the district;**

20 **(B) the total number of administrative employees employed**  
21 **by the district compared to the total number of teachers employed by the**  
22 **district;**

23 **(C) the total number of teachers employed by the district**  
24 **compared to the total number of students enrolled in the district.**

25 \* **Sec. 6.** AS 14.09.030(b) is amended to read:

26 (b) The department shall

27 (1) establish equipment requirements for each type of school bus that  
28 is used to transport school children to or from a public school;

29 (2) at least **once** [TWICE] each calendar year, inspect each school bus  
30 for compliance with requirements adopted under this subsection; and

31 (3) maintain a record of each accident involving a school bus or other

1 vehicle transporting school children that is owned by, leased by, or provided under  
 2 contract to a municipal school district or regional educational attendance area; the  
 3 record must include the date of the accident, a list of persons injured, whether the  
 4 person's injury occurred within the school bus, and each type of injury.

5 \* **Sec. 7.** AS 14.14.110(a) is amended to read:

6 (a) When necessary to provide more efficient or more economical educational  
 7 services, a district may cooperate or the department may require a district to cooperate  
 8 with other districts, state-operated schools, or the Bureau of Indian Affairs in  
 9 providing educational or administrative services. However, if a cooperative  
 10 arrangement requires pupils to live away from their usual homes, the school board  
 11 shall provide classes within the attendance area when there are at least eight children  
 12 eligible to attend elementary and secondary school in the attendance area. In this  
 13 subsection,

14 (1) "administrative services" includes supervisory, maintenance,  
 15 purchasing, **student nutrition, student transportation, shared facilities,** or other  
 16 services that are required for unified administration, **or participation in a policy of**  
 17 **group health insurance under AS 39.30.090 or a policy of self-insurance provided**  
 18 **by the Department of Administration under AS 39.30.091;**

19 (2) "educational services" includes boarding and tuition arrangements,  
 20 pupil or teacher exchanges, special education services, [OR] curriculum development,  
 21 **professional teacher development, or the use of technology to deliver classroom**  
 22 **instruction.**

23 \* **Sec. 8.** AS 14.14.115(a) is amended to read:

24 (a) To encourage cooperative arrangements between school districts **and**  
 25 **between school districts and businesses, nonprofit organizations, and state or**  
 26 **local government agencies** to provide more efficient or economical administrative or  
 27 educational services, a school district may receive a one-time cooperative arrangement  
 28 grant from the department of up to **\$200,000 if the school district demonstrates that**  
 29 **the arrangement will result in a cost savings to the district** [\$100,000].

30 \* **Sec. 9.** AS 14.14.115 is amended by adding new subsections to read:

31 (d) To be eligible for a cooperative arrangement grant between school districts

1 under this section, other than a cooperative arrangement grant for assistance with the  
2 costs of transferring a health insurance policy under (e) of this section, a district must  
3 either be a rural school district or enter into a cooperative arrangement with a rural  
4 school district.

5 (e) The department may award a one-time cooperative arrangement grant  
6 under this section to a school district to assist the school district in paying for the costs  
7 of transferring school district employees from a health insurance policy provided by  
8 the school district to a policy of group health insurance under AS 39.30.090 or a  
9 policy of self-insurance provided by the Department of Administration under  
10 AS 39.30.091. The department may not award a cooperative arrangement grant to a  
11 school district to pay the school district's contributions to the costs of the health  
12 insurance policy.

13 (f) During the first three fiscal years after a cooperative arrangement is  
14 awarded under this section, a district awarded a grant may accumulate in its school  
15 operating fund, in addition to the unreserved portion allowed under AS 14.17.505(a),  
16 an amount equal to the savings resulting from the cooperative arrangement.

17 (g) In this section, "rural school district" means a regional educational  
18 attendance area or a small municipal school district as that term is defined in  
19 AS 14.11.025(c).

20 \* **Sec. 10.** AS 14.17.450(a) is amended to read:

21 (a) **Except as provided in (g) of this section, for** [FOR] purposes of  
22 calculating a school's ADM to determine state aid, the ADM of each school in a  
23 district shall be computed by applying the following formula:

If the student count		The adjusted student count is					
in a school is					The number of		
At least	But less than	Base	Multiplier		students in		
					excess of		
10	- 20	39.6					
20	- 30	39.6	+	(1.62	x	20)	
30	- 75	55.8	+	(1.49	x	30)	
75	- 150	122.85	+	(1.27	x	75)	

1	150	-	250	218.1	+	(1.08	x	150)
2	250	-	400	326.1	+	(0.97	x	250)
3	400	-	750	471.6	+	(0.92	x	400)
4	750 or over			793.6	+	(0.84	x	750).

5 \* **Sec. 11.** AS 14.17.450 is amended by adding a new subsection to read:

6 (g) The adjustment under (a) of this section does not apply to a school that is  
 7 below 80 percent capacity and is within 25 miles by road of another school in the  
 8 same district that is also below 80 percent capacity. The ADM of a school described in  
 9 this subsection is computed by multiplying the student count for the school by 1.00.  
 10 For purposes of this subsection, the district in which a school is located shall  
 11 determine the capacity of the school. In this subsection, "road" means a road that is  
 12 open to the public and receives year-round maintenance.

13 \* **Sec. 12.** AS 14.17.505(a) is amended to read:

14 (a) A district may not accumulate in a fiscal year an unreserved portion of its  
 15 year-end fund balance in its school operating fund, as defined by department  
 16 regulations, that is greater than 25 [10] percent of its expenditures for that fiscal year,  
 17 **except that, during the first three fiscal years after a cooperative arrangement**  
 18 **grant is awarded under AS 14.14.115, a district may accumulate an additional**  
 19 **unreserved portion that is equal to the amount of savings resulting from the**  
 20 **grant.**

21 \* **Sec. 13.** AS 14.20.020(i) is amended to read:

22 (i) Beginning on July 1, 1998, a person is not eligible for an initial regular  
 23 teacher certificate unless the person has taken and successfully completed a  
 24 competency examination or examinations designated, at the time the person took the  
 25 test, by the board. The board shall review nationally recognized examinations that are  
 26 designed to test the competency of new teachers and shall designate those  
 27 examinations that it finds adequately test the skills and abilities of new teachers. For  
 28 each examination designated under this subsection, the board shall establish the  
 29 minimum acceptable level of performance. **If the board designates a Praxis test as a**  
 30 **competency examination under this subsection, the board shall periodically**  
 31 **adjust the minimum acceptable level of performance established for the Praxis**

1 test so that the level is equal to or higher than the most stringent minimum  
 2 acceptable level of performance for teacher certification established by another  
 3 state. Regulations adopted under this subsection to increase the minimum  
 4 acceptable level of performance on a competency examination may not take effect  
 5 earlier than one year after the board adopts the regulation.

6 \* **Sec. 14.** AS 14.20.380 is amended by adding a new subsection to read:

7 (b) The department shall provide administrative support services to the  
 8 commission.

9 \* **Sec. 15.** AS 14.20.460 is amended to read:

10 **Sec. 14.20.460. Duties of commission.** The commission shall

11 (1) establish procedures, and adopt regulations to implement the  
 12 purposes of AS 14.20.370 - 14.20.510;

13 (2) conduct investigations and hearings on alleged violations of ethical  
 14 or professional teaching performance, contractual obligations, and professional  
 15 teaching misconduct;

16 (3) review the regulations of the department as they relate to teacher  
 17 certification and recommend necessary changes;

18 (4) review the decisions of the department regarding the issuance or  
 19 denial of certificates and in its discretion recommend reversal of decisions;

20 (5) reduce the commission's administrative costs by using  
 21 administrative support services provided by the department.

22 \* **Sec. 16.** AS 14.30 is amended by adding a new section to read:

23 **Article 15. Virtual Education.**

24 **Sec. 14.30.760. Virtual education consortium.** (a) The department, in  
 25 cooperation with school districts, shall establish a virtual education consortium for the  
 26 purpose of making virtual education and professional development resources available  
 27 to students and teachers in the state. The consortium shall create and maintain a  
 28 database of virtual education courses for students in grades six through 12, training in  
 29 virtual instruction for teachers of students in grades six through 12, and professional  
 30 development courses for teachers of students in any grade. A school district or a third-  
 31 party vendor may provide a course for students or teachers that is included in the

1 database. A virtual education course for students may only be included in the database  
2 if the course is approved by the department under (b) of this section.

3 (b) The department shall review the curriculum of a virtual education course  
4 for students before including the course in the database. The department may approve  
5 the course if the course is appropriate for students in grades six through 12 and aligned  
6 with state standards established by the department. The database must be accessible to  
7 all school districts and include the following information for each course:

8 (1) title, subject, and description;

9 (2) the name of the school district or third-party vendor that provides  
10 the course;

11 (3) a description of the method of instruction; the description must  
12 indicate whether the instruction is synchronous, asynchronous, or blended; and

13 (4) samples of the curriculum and instruction provided in the course,  
14 including an introductory video of the instructor, and, for a synchronous course, a  
15 video of the instructor teaching.

16 (c) The consortium shall provide training for teachers of students in grades six  
17 through 12 on virtual instruction methods and the differences between virtual  
18 instruction and instruction offered in a classroom. A teacher may not provide  
19 instruction through a course for students that is in the database unless

20 (1) the teacher has completed the training provided by the consortium;

21 or

22 (2) the consortium determines that the teacher's previous experience  
23 has prepared the teacher to provide virtual instruction and the teacher demonstrates the  
24 skills necessary to provide virtual instruction.

25 (d) In addition to providing training for teachers under (c) of this section, the  
26 consortium shall offer professional development courses for teachers of students in  
27 any grade through the database and shall include in the database professional  
28 development courses provided by third-party vendors. A school district with adequate  
29 broadband Internet access to participate in virtual professional development courses  
30 shall require teachers in that school district to complete professional development  
31 training through the consortium. The consortium may require, as a condition of

1 participation, that school districts participating in virtual professional development  
2 courses for teachers adopt the same in-service days.

3 (e) A school district that provides a course included in the database may  
4 charge a fee to the school district in which a student who takes the course is enrolled.  
5 The fee may approximate the estimated cost to the school district for providing the  
6 course but may not exceed the amount calculated by multiplying the base student  
7 allocation by a fraction, the numerator of which is the number of classes the student is  
8 taking during the school year that are provided by the school district, and the  
9 denominator of which is the total number of classes in which the student is enrolled  
10 for the school year in any school district.

11 (f) A school district that participates in the consortium shall pay a fee to the  
12 consortium. The department shall establish the fee in regulations based on a  
13 recommendation of the consortium and may adjust the fee annually as necessary. By  
14 June 30, 2020, the fees must approximately equal the consortium's administrative  
15 costs related to reviewing and approving courses and maintaining the database.

16 (g) The consortium may require, as a condition of participation, that school  
17 districts that provide courses or have students participating in courses included in the  
18 database under (b) of this section adopt the same school term and class schedule for all  
19 or part of a school day. The school term must meet the requirements of AS 14.03.030.

20 (h) In this section,

21 (1) "asynchronous" means instruction that does not require the  
22 simultaneous participation of a student and instructor;

23 (2) "base student allocation" means the amount set out in  
24 AS 14.17.470;

25 (3) "blended" means instruction that uses a combination of  
26 asynchronous and synchronous delivery;

27 (4) "synchronous" means instruction that requires the simultaneous  
28 participation of a student and instructor; synchronous instruction is delivered in real  
29 time through videoconferencing or other live means;

30 (5) "virtual education" or "virtual instruction" means instruction  
31 delivered through telecommunications or other digital or electronic methods.

1 \* **Sec. 17.** AS 23.10.055(a) is amended to read:

2 (a) The provisions of AS 23.10.050 - 23.10.150 do not apply to

3 (1) an individual employed in agriculture, which includes farming in  
4 all its branches and, among other things, includes the cultivation and tillage of the soil,  
5 dairying, the production, cultivation, growing, and harvesting of any agricultural or  
6 horticultural commodities, the raising of livestock, bees, fur-bearing animals, or  
7 poultry, and any practices, including forestry and lumbering operations, performed by  
8 a farmer or on a farm as an incident to or in conjunction with the farming operations,  
9 including preparation for market, or delivery to storage or to market or to carriers for  
10 transportation to market;

11 (2) an individual employed in the catching, trapping, cultivating or  
12 farming, netting, or taking of any kind of fish, shellfish, or other aquatic forms of  
13 animal and vegetable life;

14 (3) an individual employed in the hand picking of shrimp;

15 (4) an individual employed in domestic service, including a baby-  
16 sitter, in or about a private home;

17 (5) an individual employed by the United States or by the state or a  
18 political subdivision of the state, [EXCEPT AS PROVIDED IN AS 23.10.065(b),]  
19 including prisoners not on furlough detained or confined in prison facilities;

20 (6) an individual engaged in the nonprofit activities of a nonprofit  
21 religious, charitable, cemetery, or educational organization or other nonprofit  
22 organization where the employer-employee relationship does not, in fact, exist, and  
23 where services rendered to the organization are on a voluntary basis and are related  
24 only to the organization's nonprofit activities; for purposes of this paragraph,  
25 "nonprofit activities" means activities for which the nonprofit organization does not  
26 incur a liability for unrelated business income tax under 26 U.S.C. 513, as amended;

27 (7) an employee engaged in the delivery of newspapers to the  
28 consumer;

29 (8) an individual employed solely as a watchman or caretaker of a  
30 plant or property that is not in productive use for a period of four months or more;

31 (9) an individual employed

1 (A) in a bona fide executive, administrative, or professional  
2 capacity;

3 (B) in the capacity of an outside salesman or a salesman who is  
4 employed on a straight commission basis; or

5 (C) as a computer systems analyst, computer programmer,  
6 software engineer, or other similarly skilled worker;

7 (10) an individual employed in the search for placer or hard rock  
8 minerals;

9 (11) an individual under 18 years of age employed on a part-time basis  
10 not more than 30 hours in a week;

11 (12) employment by a nonprofit educational or child care facility to  
12 serve as a parent of children while the children are in residence at the facility if the  
13 employment requires residence at the facility and is compensated on a cash basis  
14 exclusive of room and board at an annual rate of not less than

15 (A) \$10,000 for an unmarried person; or

16 (B) \$15,000 for a married couple;

17 (13) an individual who drives a taxicab, is compensated for taxicab  
18 services exclusively by customers of the service, whose written contractual  
19 arrangements with owners of taxicab vehicles, taxicab permits, or radio dispatch  
20 services are based on [UPON] flat contractual rates and not based on a percentage  
21 share of the individual's receipts from customers, and whose written contract with  
22 owners of taxicab vehicles, taxicab permits, or radio dispatch services specifically  
23 provides that the contract places no restrictions on hours worked by the individual or  
24 on areas in which the individual may work except to comply with local ordinances;

25 (14) a person who holds a license under AS 08.54 and who is  
26 employed by a registered guide-outfitter or master guide-outfitter licensed under  
27 AS 08.54, for the first 60 workdays in which the person is employed by the registered  
28 guide-outfitter or master guide-outfitter during a calendar year;

29 (15) an individual engaged in activities for a nonprofit religious,  
30 charitable, civic, cemetery, recreational, or educational organization where the  
31 employer-employee relationship does not, in fact, exist, and where services are

1 rendered to the organization under a work activity requirement of AS 47.27 (Alaska  
2 temporary assistance program);

3 (16) an individual who

4 (A) provides emergency medical services only on a voluntary  
5 basis;

6 (B) serves with a full-time fire department only on a voluntary  
7 basis; or

8 (C) provides ski patrol services on a voluntary basis;

9 (17) a student participating in a University of Alaska practicum  
10 described under AS 14.40.065;

11 (18) an individual who is employed by a motor vehicle dealer and  
12 whose primary duty is to

13 (A) receive, analyze, or reference requests for service, repair,  
14 or analysis of motor vehicles;

15 (B) arrange financing for the sale of motor vehicles and related  
16 products and services that are added or included as part of the sale; or

17 (C) solicit, sell, lease, or exchange motor vehicles.

18 \* **Sec. 18.** AS 37.10.071(d) is amended to read:

19 (d) In exercising investment, custodial, or depository powers or duties under  
20 this section, the fiduciary or the fiduciary's designee is liable for a breach of a duty  
21 that is assigned or delegated under this section, or under AS 14.40.255, 14.40.280(c),  
22 14.40.400(b), AS 37.10.070, AS 37.14.160 [AS 37.14.110(c), 37.14.160], or  
23 37.14.170. However, the fiduciary or the designee is not liable for a breach of a duty  
24 that has been delegated to another person if the delegation is prudent under the  
25 applicable standard of prudence set out in statute or if the duty is assigned by law to  
26 another person, except to the extent that the fiduciary or designee

27 (1) knowingly participates in, or knowingly undertakes to conceal, an  
28 act or omission of another person knowing that the act or omission is a breach of that  
29 person's duties under this chapter;

30 (2) by failure to comply with this section in the administration of  
31 specific responsibilities, enables another person to commit a breach of duty; or

1 (3) has knowledge of a breach of duty by another person, unless the  
2 fiduciary or designee makes reasonable efforts under the circumstances to remedy the  
3 breach.

4 \* **Sec. 19.** AS 37.14.130 is amended to read:

5 **Sec. 37.14.130. Powers and duties of board.** The board created in  
6 AS 37.14.120 has the following powers and duties:

7 (1) to hold regular meetings and special meetings considered  
8 necessary; and

9 (2) to have prepared an annual accounting of the [PRINCIPAL AND  
10 INCOME OF THE] fund established in AS 37.14.110.

11 \* **Sec. 20.** AS 37.14.140 is amended to read:

12 **Sec. 37.14.140. Utilization of income.** The net income of the fund may [NOT]  
13 be appropriated only for the purposes of [A PURPOSE OTHER THAN] the support  
14 of the state public school program or reimbursement of the costs of administration  
15 of the fund. The commissioner of revenue shall invest realized net income that has not  
16 been appropriated or that has been appropriated but not expended until the income is  
17 appropriated and expended.

18 \* **Sec. 21.** AS 37.14.140 is amended by adding a new subsection to read:

19 (b) Each fiscal year, the legislature may appropriate from the income of the  
20 fund not more than 4.75 percent of the amount determined by the commissioner of  
21 revenue under AS 37.14.160(5).

22 \* **Sec. 22.** AS 37.14.160 is amended to read:

23 **Sec. 37.14.160. Duties of the commissioner of revenue.** The commissioner of  
24 revenue is the treasurer of the trust fund created in AS 37.14.110 and shall

25 (1) in carrying out investment duties under this section, exercise the  
26 same powers and duties established for the Alaska Retirement Management Board in  
27 AS 37.10.220;

28 (2) deposit the principal and income from investments into [IN  
29 SEPARATE PRINCIPAL AND INCOME ACCOUNTS FOR] the fund;

30 (3) invest and maintain accounting records [THAT DISTINGUISH  
31 BETWEEN THE PRINCIPAL AND INCOME] of the fund;

1 (4) provide reports to the board established under AS 37.14.120 on the  
2 condition and investment performance of the fund;

3 (5) determine, on July 1 of each year, the monthly average market  
4 value of the fund for the previous three fiscal years.

5 \* **Sec. 23.** AS 37.14.170 is amended to read:

6 **Sec. 37.14.170. Investments.** The commissioner of revenue is the fiduciary of  
7 the trust fund and shall invest the fund to provide increasing returns from capital  
8 appreciation and net income over long-term periods to the fund's current  
9 [INCOME] beneficiaries. The commissioner may invest the money in the fund on the  
10 basis of probable total rate of return to promote the long-term generation of capital  
11 appreciation and income. In managing the trust fund, the commissioner shall

12 (1) consider the status of the fund's capital and the income generated  
13 on both a current and a probable future basis;

14 (2) determine the appropriate investment objectives;

15 (3) establish investment policies to achieve the objectives; and

16 (4) act only in regard to the financial interests of the fund's  
17 beneficiaries.

18 \* **Sec. 24.** AS 14.20.470(a)(7); AS 23.10.065(b), 23.10.065(c); and AS 37.14.110(c) are  
19 repealed.

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

22 **APPLICABILITY.** The repeals of AS 23.10.065(b) and (c) by sec. 24 of this Act  
23 apply to a contract entered into on or after the effective date of sec. 24 of this Act.

24 \* **Sec. 26.** This Act takes effect June 30, 2017.

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-EED-FP-3-25-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education Committee

Department: Department of Education and Early Development  
Appropriation: K-12 Aid to School Districts  
Allocation: Foundation Program  
OMB Component Number: 141

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Heidi Teshner, Director	Phone: (907)465-2875
Division: School Finance & Facilities / Education Support Services	Date: 03/25/2017 01:00 PM
Approved By: Dr. Michael Johnson, Commissioner	Date: 03/25/17
Agency: Department of Education & Early Development	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. CSSB 96

Analysis

**Sections 10 and 11:** amends AS 14.17.450, School size factor, (a) and adds a new subsection (g). If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table.

Alaska has vast regional differences in schools, both in school size (small schools do not benefit from economies of scale) and the cost to operate schools in areas with a high cost of living. One way the state accounts for this is by using a school size table. The school size table within the foundation formula provides additional resources to smaller schools by using higher adjustment factors than larger schools that receive a smaller adjustment. As a school's ADM within a community increases the school will move to the next school size adjustment level, which has a lower adjustment for the additional ADM. Since the school size factors decrease as the ADM's in a school increase, multiple smaller schools would generate a higher basic need amount than fewer larger schools within a community.

These sections have an effective date of June 30, 2017.

**The funding mechanism is a general fund transfer to the Public Education Fund (PEF). The fiscal note effect for FY2018 through FY2023 is reported in the fiscal note for the PEF, as the funding is deposited to the PEF not into the Foundation Program funding component. The above analysis is presented here for explanation purposes only.**

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-EED-SFF-03-23-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education Committee

Department: Department of Education and Early Development  
Appropriation: Education Support Services  
Allocation: School Finance & Facilities  
OMB Component Number: 2737

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicabel, initial version.

Prepared By: Heidi Teshner, Director	Phone: (907)465-2875
Division: School Finance & Facilities / Education Support Services	Date: 03/23/2017 10:00 AM
Approved By: Dr. Michael Johnson, Commissioner	Date: 03/23/17
Agency: Department of Education & Early Development	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. CSSB 96

**Analysis**

**Section 6:** amends AS 14.09.030(b)(2) to require the department to provide for school bus inspections at least once per calendar year.

The budget for school bus inspections would not change as the department would still need to have school buses inspected at least once, but could still require twice per calendar year as currently occurs. With only one school bus inspection per calendar year, a bus could go without an inspection for nearly two years. With school bus inspections conducted twice per calendar year, the longest a bus can go without an inspection is just under a year.

This section has an effective date of June 30, 2017.

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-EED-PEF-03-25-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education Committee

Department: Fund Capitalization  
Appropriation: Fund Capitalization (no approps out)  
Allocation: Public Education Fund (starts FY17)  
OMB Component Number: 2804

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits	(21,020.2)		(36,871.6)	(52,724.0)	(68,280.1)	(68,280.1)	(68,280.1)	
Miscellaneous								
<b>Total Operating</b>	<b>(21,020.2)</b>	<b>0.0</b>	<b>(36,871.6)</b>	<b>(52,724.0)</b>	<b>(68,280.1)</b>	<b>(68,280.1)</b>	<b>(68,280.1)</b>	

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	(21,020.2)		(36,871.6)	(52,724.0)	(68,280.1)	(68,280.1)	(68,280.1)
<b>Total</b>	<b>(21,020.2)</b>	<b>0.0</b>	<b>(36,871.6)</b>	<b>(52,724.0)</b>	<b>(68,280.1)</b>	<b>(68,280.1)</b>	<b>(68,280.1)</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Heidi Teshner, Director  
Division: School Finance & Facilities / Education Support Services  
Approved By: Dr. Michael Johnson, Commissioner  
Agency: Department of Education & Early Development

Phone: (907)465-2875  
Date: 03/25/2017 01:00 PM  
Date: 03/25/17

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. SB 96

### Analysis

Sections 10 and 11: amends AS 14.17.450, School size factor, (a) and adds a new subsection (g). If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table.

Alaska has vast regional differences in schools, both in school size (small schools do not benefit from economies of scale) and the cost to operate schools in areas with a high cost of living. One way the state accounts for this is by using a school size table. The school size table within the foundation formula provides additional resources to smaller schools by using higher adjustment factors than larger schools that receive a smaller adjustment. As a school's ADM within a community increases the school will move to the next school size adjustment level, which has a lower adjustment for the additional ADM. Since the school size factors decrease as the ADM's in a school increase, multiple smaller schools would generate a higher basic need amount than fewer larger schools within a community.

The reduction to school districts affected by this amendment will be realized over three years as the district goes through the hold harmless provision under AS 14.17.410(b)(1)(E). This provision provides a three year transition period for those districts that experience a loss in total school size adjustment that is 5% or greater. The total cost savings to the state is realized in the fiscal year 2021.

These sections have an effective date of June 30, 2017.

Prepared 3/25/17

SB96, Section's 10 & 11

School District	Proj. FY2018 TOTAL STATE ENTITLEMENT	FY2018 TOTAL STATE ENTITLEMENT	Difference	Projected TOTAL STATE ENTITLEMENT	FY2019 TOTAL STATE ENTITLEMENT	Difference	Projected TOTAL STATE ENTITLEMENT	FY2020 TOTAL STATE ENTITLEMENT	Difference	Projected TOTAL STATE ENTITLEMENT	FY2021 TOTAL STATE ENTITLEMENT	Difference
Alaska Gateway	\$ 7,505,401	\$ 7,153,695	\$ (351,706)	\$ 7,505,401	\$ 6,692,583	\$ (812,818)	\$ 7,505,401	\$ 6,231,293	\$ (1,274,108)	\$ 7,505,401	\$ 5,769,942	\$ (1,735,459)
Arctic Region	1,273,008	1,273,008	-	1,273,008	1,250,235	-	1,273,008	1,227,462	-	1,273,008	1,227,462	-
Arctic East Borough	4,579,995	4,579,995	-	4,579,995	4,579,995	-	4,579,995	4,579,995	-	4,579,995	4,579,995	-
Atkasof Pass Borough	324,592,613	322,887,419	(1,705,194)	324,592,613	317,939,752	(6,652,861)	324,592,613	312,992,027	(11,600,586)	324,592,613	308,044,241	(16,548,372)
Admiral Island	3,020,314	3,020,314	-	3,020,314	3,020,314	-	3,020,314	3,020,314	-	3,020,314	3,020,314	-
Barrow Borough	36,704,118	36,704,118	-	36,704,118	36,704,118	-	36,704,118	36,704,118	-	36,704,118	36,704,118	-
Bristol Bay Borough	1,188,286	1,188,286	-	1,188,286	1,152,432	-	1,188,286	1,152,432	-	1,188,286	1,152,432	-
Chatham	3,563,595	3,563,595	-	3,563,595	3,460,372	-	3,563,595	3,357,090	-	3,563,595	3,357,090	-
Chugach	3,247,611	3,247,611	-	3,247,611	3,247,611	-	3,247,611	3,247,611	-	3,247,611	3,247,611	-
Copper River	6,145,791	6,145,791	-	6,145,791	6,145,791	-	6,145,791	6,145,791	-	6,145,791	6,145,791	-
Cordova	3,960,740	3,653,570	(307,170)	3,960,740	3,288,485	(672,255)	3,960,740	2,923,461	(1,037,279)	3,960,740	2,558,377	(1,402,363)
Craig	4,586,175	4,586,175	-	4,586,175	4,586,175	-	4,586,175	4,586,175	-	4,586,175	4,586,175	-
Delta/Greely	9,691,613	9,362,204	(329,409)	9,691,613	9,066,213	(625,400)	9,691,613	8,770,280	(921,333)	9,691,613	8,770,280	(921,333)
Denali Borough	6,346,588	6,346,588	-	6,346,588	6,346,588	-	6,346,588	6,346,588	-	6,346,588	6,346,588	-
Dillingham	6,324,272	6,324,272	-	6,324,272	6,324,272	-	6,324,272	6,324,272	-	6,324,272	6,324,272	-
Fairbanks N. Star Borough	115,971,672	115,139,589	(832,083)	115,971,672	113,067,883	(2,903,789)	115,971,672	110,996,000	(4,975,672)	115,971,672	108,924,294	(7,047,378)
Galena	23,736,463	23,554,337	(182,126)	23,736,463	23,245,918	(490,545)	23,736,463	22,937,558	(798,905)	23,736,463	22,629,199	(1,107,264)
Haines Borough	2,276,640	2,109,855	(166,785)	2,276,640	1,821,712	(454,928)	2,276,640	1,533,628	(743,012)	2,276,640	1,245,484	(1,031,156)
Hoonah	2,102,422	2,102,422	-	2,102,422	2,076,083	-	2,102,422	2,049,622	-	2,102,422	2,023,222	-
Hydaburg	1,798,763	1,798,763	-	1,798,763	1,771,054	-	1,798,763	1,743,345	-	1,798,763	1,715,519	-
Iditarod Area	6,411,444	6,411,444	-	6,411,444	6,352,579	-	6,411,444	6,293,653	-	6,411,444	6,293,653	-
Juneau Borough	38,168,531	36,072,566	(2,095,965)	38,168,531	35,331,694	(2,836,837)	38,168,531	34,590,704	(3,577,827)	38,168,531	33,849,774	(4,318,757)
Katik	1,710,521	1,710,521	-	1,710,521	1,615,326	-	1,710,521	1,520,011	-	1,710,521	1,520,011	-
Ketchikan Borough	5,524,840	5,524,840	-	5,524,840	5,524,840	-	5,524,840	5,524,840	-	5,524,840	5,524,840	-
Konai Peninsula Borough	79,477,105	77,232,372	(2,244,733)	79,477,105	74,878,767	(4,598,338)	79,477,105	72,525,042	(6,952,063)	79,477,105	70,171,438	(9,305,667)
Kotzebue Borough	23,513,317	22,764,180	(749,137)	23,513,317	22,247,057	(1,266,260)	23,513,317	21,729,874	(1,783,443)	23,513,317	21,212,750	(2,300,567)
Kiawook	1,993,158	1,993,158	-	1,993,158	1,992,088	-	1,993,158	1,992,088	-	1,993,158	1,992,088	-
Kodiak Island Borough	27,252,415	26,504,408	(748,007)	27,252,415	25,909,154	(1,343,261)	27,252,415	25,313,840	(1,938,575)	27,252,415	24,718,646	(2,533,769)
Kuspuk	6,548,454	6,548,454	-	6,548,454	6,548,454	-	6,548,454	6,548,454	-	6,548,454	6,548,454	-
Lake & Peninsula Borough	9,587,732	9,587,732	-	9,587,732	9,487,185	-	9,587,732	9,386,876	-	9,587,732	9,386,876	-
Lower Kuskokwim	65,321,664	63,605,232	(1,716,432)	65,321,664	63,605,232	(1,716,432)	65,321,664	63,605,232	(1,716,432)	65,321,664	63,605,232	(1,716,432)
Lower Yukon	28,461,228	28,461,228	-	28,461,228	28,461,228	-	28,461,228	28,461,228	-	28,461,228	28,461,228	-
Mat-Su Borough	170,183,684	164,487,833	(5,695,851)	170,183,684	164,487,833	(5,695,851)	170,183,684	164,487,833	(5,695,851)	170,183,684	164,487,833	(5,695,851)
Nenana	8,051,273	8,051,273	-	8,051,273	7,937,407	-	8,051,273	7,937,407	-	8,051,273	7,937,407	-
Nome	8,391,092	8,210,215	(180,877)	8,391,092	7,758,379	(632,713)	8,391,092	7,306,363	(1,084,729)	8,391,092	6,854,408	(1,536,684)
North Slope Borough	18,170,027	15,457,818	(2,712,209)	18,170,027	15,457,818	(2,712,209)	18,170,027	15,457,818	(2,712,209)	18,170,027	15,457,818	(2,712,209)
Northwest Arctic Borough	36,904,642	36,916,416	11,774	36,904,642	36,266,993	(637,649)	36,904,642	35,617,511	(1,287,131)	36,904,642	34,968,090	(1,936,552)
Pelican	394,021	394,021	-	394,021	288,123	-	394,021	182,165	-	394,021	76,326	-
Petersburg	6,163,350	5,883,175	(280,175)	6,163,350	5,609,778	(553,572)	6,163,350	5,336,380	(826,970)	6,163,350	5,062,983	(1,100,367)
Pribilof	1,265,201	1,265,201	-	1,265,201	1,192,125	-	1,265,201	1,119,167	-	1,265,201	1,046,151	-
Saint Mary's	3,555,849	3,555,849	-	3,555,849	3,555,849	-	3,555,849	3,555,849	-	3,555,849	3,555,849	-
Sitka Borough	12,854,558	12,616,064	(238,494)	12,854,558	11,864,965	(989,593)	12,854,558	11,113,628	(1,740,930)	12,854,558	10,362,292	(2,492,266)
Skagway	1,034,507	1,034,507	-	1,034,507	1,034,507	-	1,034,507	1,034,507	-	1,034,507	1,034,507	-
Southeast Island	5,807,815	5,807,815	-	5,807,815	5,648,462	-	5,807,815	5,648,462	-	5,807,815	5,648,462	-
Southwest Region	8,961,507	8,961,507	-	8,961,507	8,961,507	-	8,961,507	8,961,507	-	8,961,507	8,961,507	-
Tanana	988,436	988,436	-	988,436	964,413	-	988,436	964,413	-	988,436	964,413	-
Unalaska	4,277,321	4,277,321	-	4,277,321	4,277,321	-	4,277,321	4,277,321	-	4,277,321	4,277,321	-
Valdez	4,536,848	4,286,224	(250,624)	4,536,848	3,783,965	(752,883)	4,536,848	3,281,826	(1,255,022)	4,536,848	2,779,567	(1,757,281)
Wainwright	3,373,598	3,128,623	(244,975)	3,373,598	2,850,172	(523,426)	3,373,598	2,571,662	(801,936)	3,373,598	2,293,210	(1,080,388)
Yakutat	1,054,300	1,054,300	-	1,054,300	1,023,796	-	1,054,300	993,293	-	1,054,300	962,849	-
Yukon Flats	6,863,580	6,863,580	-	6,863,580	6,745,017	-	6,863,580	6,626,215	-	6,863,580	6,626,215	-
Yukon/Koyukuk	14,709,665	14,709,665	-	14,709,665	14,709,665	-	14,709,665	14,709,665	-	14,709,665	14,709,665	-
Yupit	7,765,170	7,765,170	-	7,765,170	7,765,170	-	7,765,170	7,765,170	-	7,765,170	7,765,170	-
McDermott High School	3,337,343	3,337,343	-	3,337,343	3,337,343	-	3,337,343	3,337,343	-	3,337,343	3,337,343	-
<b>TOTAL</b>	<b>\$ 1,191,230,276</b>	<b>\$ 1,170,210,098</b>	<b>\$ (21,020,178)</b>	<b>\$ 1,191,230,276</b>	<b>\$ 1,153,261,798</b>	<b>\$ (36,871,620)</b>	<b>\$ 1,191,230,276</b>	<b>\$ 1,136,646,409</b>	<b>\$ (52,724,013)</b>	<b>\$ 1,191,230,276</b>	<b>\$ 1,120,826,782</b>	<b>\$ (68,280,115)</b>

NOTE: the "Difference" only reflects those districts affected by SB96, section 10 & 11.

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB096CS(EDC)-DOLWD-WHA-03-24-17  
Title: EDUCATION:SCHOOLS/TEACHERS/FUNDING  
Sponsor: EDUCATION  
Requester: Senate Education

Department: Department of Labor and Workforce Development  
Appropriation: Labor Standards and Safety  
Allocation: Wage and Hour Administration  
OMB Component Number: 345

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Deborah Kelly, Director  
Division: Labor Standards and Safety  
Approved By: Heidi Drygas, Commissioner  
Agency: Department of Labor and Workforce Development

Phone: (907)269-4961  
Date: 03/24/2017 09:00 AM  
Date: 03/24/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. SB 96

**Analysis**

This legislation removes an exception for school bus driver compensation within the Wage and Hour Act. This change will result in minimal costs for the Wage and Hour Administration to update materials provided to the public and will be absorbed within the current budget.

# *Alaska State Legislature*

Senator Shelley Hughes, Chair  
Session: Capital Room 125  
Juneau, AK 99801  
(907) 465-3743



Senator John Coghill  
Senator Cathy Giessel  
Senator Gary Stevens  
Senator Tom Begich

## *Senate Education Committee*

### **Senate Bill 96 – Alaska Education Transformation Act**

#### **Explanation of Changes – Version R to T**

1. Page 3, Lines 9-24: Adds additional requirements in Version T for the report that school districts must file annually under AS 14.03.120(a).
  - Districts will now need to make the report available on the district or community's website, or through another easily accessible method.
  - Districts will need to report the total number of administrative employees compared to the total number of teachers in the district.
  - Districts will need to report the total number of teachers compared to the total number of students in the district.
2. Page 4, Lines 6-13: Deletes changes in Version R that may require school districts to cooperate with businesses, nonprofit organizations, and other state or local government agencies.
3. Page 6, Lines 8-12: Adds language in Version T so that the multiplier is 1.00 for schools subject to the changes made in Section 11. Adds a definition of "road" to be one that is open to the public and receives year-round maintenance.
4. Page 7, Lines 3-5: Adds language in Version T to require any increases in Praxis test requirements to not go into effect for at least one year after the State School Board approves regulations that increase the requirements.
5. Page 8, Line 9: Adds language to Version T to require the name of a third-party vendor to be included on the consortium database for each virtual education course offered by a third-party vendor.
6. Page 8, Lines 27-28: Adds language in Version T to allow for third-party vendors to provide professional development courses on the consortium database.
7. Page 9, Lines 3-6: Adds language in Version T to allow for a district offering virtual education courses to charge a fee for the course based on the actual cost the district incurs to provide the course. The fee in Version R based on a fraction of the base student allocation is set as a ceiling for the course fee in Version T.

8. Page 9 Line 11: Changes this section to require any school district that participates in the consortium to pay a fee to cover the costs of the consortium.
9. Page 9 Lines 20-31: Version T deletes the definition of “host district”, as the change under point 7 makes this definition unnecessary.
10. Page 13 Lines 11-17: Adds a new section in Version T to make technical changes and to allow for the income of the Public School Trust Fund to be used for administrative costs of the fund.
11. Page 13 Lines 18-21: Changes Section 21 by placing this language in AS 37.14.140(b) and deletes language regarding the purposes for the fund as this is added in the changes under point 10.
12. Page 14 Line 18: AS 37.14.140 is no longer repealed in Version T and Sections 23 and 24 of Version R are combined into Section 24 of Version T.
13. Page 14 Line 24: Sections 26 and 27 of Version R are deleted as there are not currently any pending lawsuits relating to the Public School Trust Fund. Version T has only one effective date for the entire bill which is June 30, 2017.

Staff Contact: Joshua Banks, (907) 465-3743

**From:** Lance Roberts [<mailto:roberts.lance@gmail.com>]  
**Sent:** Monday, March 27, 2017 7:45 AM  
**To:** Sen. Shelley Hughes <[Senator.Shelley.Hughes@akleg.gov](mailto:Senator.Shelley.Hughes@akleg.gov)>  
**Subject:** SB96

Shelley,

Please don't raise the fund balance allowed at all, in fact shrink it. We recently found out our School District has accumulated \$34 million dollars, just under \$10 million of that last year. Yet, they are still complaining about the State cuts and want the taxpayers to pony up more locally.

Please realize that the Borough IS THE FUND BALANCE for the School District. They do not need to have any large amount of money, because they can always go back to the borough if they need it.

Lance Roberts  
Fairbanks

**From:** Jonathan Crocker [mailto:jon.crocker@gmail.com]  
**Sent:** Saturday, March 25, 2017 10:19 AM  
**To:** Joshua Banks <Joshua.Banks@akleg.gov>  
**Cc:** Sen. Shelley Hughes <Senator.Shelley.Hughes@akleg.gov>  
**Subject:** SB 96

Awesome!

The state needs something like this.

Should the bill pass, I would love to be a part of the changes. I am:

- A doctoral candidate in the field of Educational Technology.
- A graduate of UAS's Educational Technology M. Ed program (4.0).
- One of the first Alaskan teachers to have an official e-Learning endorsement on my certificate (possibly even the very first).
- A teacher with experience teaching in bush, ferry system, and road system schools, both online and in classrooms.
- A regular presenter at the ASTE (Alaska Society for Technology in Education) conference.

I don't know to what extent there may be committees or the need for input on implementation, but I want to be a part of it! I feel like it is long overdue and, of course, I'd be only too happy to share plans and strategies that have been stewing in my head for years.

Keep up the good work, and please keep me in mind.

Thanks,  
Jonathan Crocker

<http://www.joncrocker.guru>

**From:** Melodie Wright [<mailto:rewrighter@gmail.com>]  
**Sent:** Wednesday, March 22, 2017 3:08 PM  
**To:** Sen. Shelley Hughes <[Senator.Shelley.Hughes@akleg.gov](mailto:Senator.Shelley.Hughes@akleg.gov)>  
**Subject:** something to add to the education bill

Hi Sen. Hughes:

As you are drafting or considering things to add to the education bill, how about giving some teeth to truancy laws?

Right now, absenteeism is a big problem in Alaska schools. Parents take their kids on long vacations in the middle of a month, kids are mysteriously absent for days at a time with no explanation. As a teacher, I could open my attendance book at any time and see 20-30% absenteeism.

Kids who are absent don't learn. And it isn't the schools fault. Yet we teachers have no way to enforce attending school.

In New York City, parents who want to get their kids into good, PUBLIC middle schools have to prove they have good attendance. Kids with bad attendance don't get their choice of schools. Why can't Alaska do something like that?

You want to close the achievement gap? Consider funding truancy officers.

Thanks,  
Melodie Wright



# LOWER YUKON SCHOOL DISTRICT

P.O. Box 32089 • Mountain Village, Alaska 99632

Phone: (907) 591-2411 Fax: (907) 591-2449

[www.loweryukon.org](http://www.loweryukon.org)

**Edgar Hoelscher**  
Chairman

**Dr. Rob Picou**  
Superintendent

March 28, 2017

I am writing this letter on behalf of the Regional School Board and all the staff, parents, and children of the Lower Yukon School District. I have read through the specifics of Senate Bill 96 and have the following response. There may be some elements of the proposed legislation that could lead to cost savings, but there are many aspects if not fully considered could lead to unintended consequences.

The Lower Yukon School District was already preparing for a \$1.3 million dollar structural deficit before any further reductions in state funding. This structural deficit is a result of the accumulated effects of flat funding and the rising cost of doing business in rural Alaska. Because we believe school funding should be responsive to the needs of our communities, we conducted a comprehensive staff survey to identify potential cost savings. We also conducted Collective Community Impact meetings in each of our ten communities to identify what is important in school services to our communities and the many ways the various entities within the communities and the school can work together to maintain and build upon effective educational services for students. As a result of our surveys and our community meetings, we made the following decisions:

- 1) We eliminated all instructional support from district office. We cut 6 of the 10 instructional support positions in district office.
- 2) We reduced all remaining district office contracts by 4%.
- 3) We eliminated counselors from our schools. In a region with one of the highest suicide rates in the state, we made the very difficult decision to eliminate 6 counseling positions.
- 4) We are in the process of reviewing all other classified and certified positions to identify further reductions.
- 5) We are also in communication with regional partners and other school districts to identify savings that may or may not be realized through collaboration.

The language regarding school size adjustment in SB 96 would result in approximately an additional \$1.4 million dollar reduction to LYSD. In addition to the language coming out of the Senate Finance Committee which would result in a 5% reduction or \$2 million dollars, this would potentially bring the structural deficit in LYSD to a combined total of approximately \$4.7 million dollars. Needless to say, a reduction of funding to this magnitude will have a devastating impact on the district's capacity to provide adequate and equitable educational services to children in quite possibly the most impoverished region of Alaska.

*CHILDREN FIRST*

Alakanuk Emmonak Hooper Bay Kotlik Marshall Mt. Village Pilot Station Russian Mission Scammon Bay Sheldon Point

In closing, there is nothing inherently transformative about virtual education. Providing increased streamed educational content from urban to rural Alaska without a sustained effort in staff development and increased broadband in a district with a 30% staff turnover and a trickle of 45 k/sec/student is not necessarily transformative. There may be transformational change that could result from increased access to a technology rich learning environment, but that conversation would have to begin with a sizeable investment in broadband access to rural communities in addition to a sizable investment in classroom devices. Furthermore, a myopic vision of virtual education and its capacity to transform education in Alaska fails to fully understand and value the importance of teachers as mentors to students in rural communities.

Please do not misunderstand the intent of this correspondence. The Regional School Board for the Lower Yukon School District is not oblivious to the state's fiscal crisis nor our fiduciary responsibility to reduce expenditures. Neither are we oblivious to the need for transformation in education for rural Alaska. An increased emphasis on career and technical education, a critical review of graduation requirements that allows districts to customize educational services based upon individual student need, and a rebirth of art and music responsive to the needs of indigenous communities would indeed transform education in rural Alaska. We are leaning into the challenge of reduced revenue and working with our regional partners to transform education in the Lower Yukon School District. We encourage the members of the Alaska State Legislature to give careful consideration to the unintended consequences of any legislation that may irreparably harm children. For too long, education has been done to Alaska Natives. The time has come to do education with Alaska Natives. Now that would be transformative.

Sincerely,

Rob Picou, Ph.D.  
Superintendent  
Lower Yukon School District

Dear Senator Hughes,

On behalf of School Board Member Jerry Babcock and I, thank you taking some time out of your day to meet with he and I concerning public education in Alaska. Mr. Babcock and I are still putting some thoughts together regarding SB 96, but we will share with you as they are developed, either directly or through Dr. Lisa Parady of ASA.

Thank you again for your passion, support, concern, and willingness to innovate on behalf of the education of our students in Alaska.

Have a GREAT day and a GREAT week!

Eric Gebhart

Superintendent, Nenana City School District

(907) 832-5464 | [supt@nenanalynx.org](mailto:supt@nenanalynx.org) | [nenanalynx.org](http://nenanalynx.org) | Skype: egebhart53 |

PO Box 10, Nenana, AK 99760

I like some of the bill. Thanks!

I like this part so much but wish you could have eliminated districts within 20 miles of each other. Still a terrible waste of our \$\$\$

"remove the disincentive to merge schools within a district that are not at capacity. It will allow districts to adjust over three years to the funding change. This will reduce the number of needed administrators, custodians, secretaries, bus routes and more"

Still need to boost revenues by sales tax or income tax. Sounds like you do t want either. And didn't vote for PFD. What is your plan? Looks like just cuts again. Am disappointed you are not trying to solve the budget crisis.

Thanks for your time and hard work.

Carol Boquard [carolboquard@gmail.com](mailto:carolboquard@gmail.com)

Hello Senator,

My name is Marlie Loomis and I am Kindergarten teacher in the Sitka School District. I am writing to you today to advocate for keeping the Base Student Allocation (BSA) the same for next year. Please do not cut funding for schools. I understand in more difficult financial times, belts need to be tightened but cutting education is cutting our future. We, as educators, are being asked to do more with less and our students are being adversely effected. Thank you for considering the education of our children and keeping the BSA the same for next year. Please don't hesitate to contact me if you specific questions about how cuts would adversely affect my students.

Thank you

Marlie Loomis

Kindergarten Teacher

Sitka School District

Hello Senator,

My name is Jacquie Hedrick and I am Kindergarten teacher in the Sitka School District. I am writing to you today to advocate for keeping the Base Student Allocation (BSA) the same for next year. Please do not cut funding for schools. I understand in more difficult financial times, belts need to be tightened but cutting education is cutting our future. We, as educators, are being asked to do more with less and our students are being adversely effected. Thank you for considering the education of our children and keeping the BSA the same for next year. Please don't hesitate to contact me if you specific questions about how cuts would adversely affect my students.

Thank you

Jacquie Hedrick

Kindergarten Teacher

Sitka School District

Hello Senator,

My name is Jamie Parker and I am First Grade teacher in the Sitka School District. I am writing to you today to advocate for keeping the Base Student Allocation (BSA) the same for next year. Please do not cut funding for schools. I understand in more difficult financial times, belts need to be tightened but cutting education is cutting our future. We, as educators, are being asked to do more with less and our students are being adversely effected. Thank you for considering the education of our children and keeping the BSA the same for next year. Please don't hesitate to contact me if you specific questions about how cuts would adversely affect my students.

Thank you,

Jamie Parker

First Grade Teacher

Sitka School District

Good afternoon,

My name is Jessica Christianson. I teach in the Sitka School District, working with first graders for the past 11 1/2 years. I am also the parent of 2 children who attend public school in Sitka (a 1st grader and a 4th grader). I want to advocate for keeping the funding level of the Base Student Allocation at last year's amount. The proposed funding decrease would put the quality of our children's education in jeopardy, and therefore, our community's well-being at-risk. I implore you to stand up for our kids and to continue to invest in them now, so that they will have the capability to innovate and to advocate in the future.

Thank you,

Jessica Christianson

(907) 738-3521

(907) 966-1355

My name is Elizabeth McKee, from Anchorage, Alaska. I recently became aware of some concerning language in Senate Bill 96 Section 7 and Section 8. I am hoping that one or more of you might be able and willing to provide me with additional information about the intent of this language and whether I am understanding it's implications correctly.

As I read it, the addition of businesses and nonprofits, to the list of entities that a school district may choose to, or be required to, cooperate with, would allow the department to require school districts to outsource integral features like Special Education services, professional development for teachers, and instruction delivered through technology to private companies and nonprofits like private schools. This is deeply concerning on any number of levels. Can you address this?

Additionally, I am a current member of the Public Education Health Trust. The Health Trust currently has administrative costs of 3%. It is my understanding that the self-insurance of the Anchorage School District currently has administrative costs of 11% and the State of Alaska health plan has administrative costs of 19%. Of what benefit would it be for members of the Public Education Health Trust to cooperate with plans who are operating so inefficiently? Perhaps there should be an incentive for the State of Alaska health plan to lower it's administrative costs instead.

Thank you for your time and the information.

Sincerely,  
Elizabeth McKee

Dear Senators,

I am getting ready to go home for the evening, but not before sending you all an email concerning SB96. I have been blessed to teach Kindergarten for 25 years in the beautiful , rural town of Sitka, Alaska. We have a lot of pride in our historic, small-town atmosphere. Sitka is a terrific place to raise children, because we have a strong school system. Our community, however is slowly shrinking, because it is becoming, more and more expensive for young, professional families to live here. Please do not diminish our school system by the loss of this crucial funding. We depend on every dollar we receive to keep our skeletal system in place. Successful programs and class sizes will be directly impacted, and for our little ones, it will have an enormous impact. It will then impact our local economy as families choose to move away.

Thanks for all you do to serve us and hear the needs of our families and children.

Most sincerely,

Linda Fredrickson

Kindergarten Teacher & Advocate

Sitka School District

Honorable Senate Education Committee Chair Senator Hughes,

I am the superintendent of the Sitka School District, and am testifying today in strong opposition to SB 96, which is a bully bill that strips local control. Specifically, Sitka Schools and the community of Sitka have made numerous sacrifices over decades to keep our class sizes small specifically at the elementary level. SB 96 would force us to consolidate our elementary schools, which we do not have the classroom space to accommodate due to our low class sizes. Thus the bully bill would undo decades of local decisions and force us to have class sizes significantly larger. For example, an average elementary class would increase from 20 to 28 students. This is appalling and offensive, and is not in the best interest of our students nor would it be found acceptable to our community of Sitka. Additionally, the language in Section 11 of SB 96 states that, "the district in which a school is located shall determine the capacity of the school". I am confused why the Senate Education Committee requested that the Department of Education and Early Development set the capacity limits and attach a fiscal note that will cripple Sitka Schools.

Another example of SB 96's bullying tactics is the Virtual Education component. I hold a Masters and Doctorate in Educational Technology and my dissertation studied components of synchronous online learning and their value to critical thinking and education. Consequently, I am a strong proponent of virtual education in general; however, the language in SB 96 is unacceptable from an implementation point of view. To railroad districts to pay to join the consortium, change our bell schedule, district calendar, and inservice days in addition to providing professional development for all of our teachers regardless of whether or not virtual education works with their content area is heinous. Again, SB 96 is penalizing us for our local decisions to invest in bandwidth and provide a quality learning environment that prepares our students for success in today's world. Sitka Schools is seen as a leader both in Alaska and throughout the nation regarding our innovative and effective approaches to leveraging the potential afforded through the use of digital tools and bandwidth to enhance student learning. The Legislature has no right to change our local focus in the area of innovative and connected learning. And all of this when SB 96 strips almost \$5.5 million dollars from our district budget over a 4-year time period - at the same time as inflicting additional unfunded mandates, such as the professional learning for all teachers in the area of virtual education. Having the Legislature set goals for education is one thing; however, having the Legislature reach into our daily practices and dictate without any collaboration from us about how we do something is unacceptable.

For these and a number of other reasons, SB 96 is an oppressive bill. I am pleading with you to stop this overreach into our local practices and instead find ways to support our innovative and best practices in education.

Respectfully submitted,

Mary Wegner, Ed.D.

Superintendent, Sitka School District

300 Kostrometinoff St., Sitka, AK 99835

Voice: 907.966.1251 / Email: [wegnerm@sitkaschools.org](mailto:wegnerm@sitkaschools.org)

Senator Hughes,

Thank you for taking testimony, both written and oral, on SB 96. I testified last night regarding section 5 of the bill- the reporting of administrator ratio's. I don't believe that any district will shy away from being accountable for the way they provide education to their students. My understanding is that this information will help lawmakers understand if resources are being provided in the right place to meet the needs of our children.

The challenging part for districts that run variable term residential schools, is that we serve students from around the state but don't get to count them as our students. All variable term programs also rely heavily on grants and other funds to operate. Administrators are needed for these programs but will skew the results of administrator to student ratios. More importantly, these positions are largely funded with money outside of the state funds. Variable term programs like our Voyage to Excellence, offer great resources to students and leverage state dollars into grant opportunities. As written, this section will punish those districts for operating unique programs by making it seem that they are top heavy administratively. I believe that simply adding the descriptor "state funded" to the text so that it reads, "summarizes the categories of STATE FUNDED administrative employees" will more accurately reflect what is being asked and won't punish districts who have received grants to pursue additional resources and allocate some of those funds for the administration of those grants.

Again, I have no issue with reporting our district personnel and being accountable for the funds that we receive. Simply putting numbers into a report without clarification, though, leaves our information open to the misinterpretation that our district is top heavy.

Please consider adjusting the language to accurately reflect the information that the senate is requesting and accurately reflect the work of our districts.

Thank you.

Mike Hanley

Incoming Superintendent Chugach School District Former Commissioner of Education

Madam Chairman and Committee:

My name is Patrick Mayer, Superintendent of the Wrangell Public Schools and I am speaking in opposition, specifically, to Sections 10 and 11 of SB96.

Forty Years ago, Wrangell was a thriving community with a natural resource based economy, logging, and schools were at capacity. Wrangell, and student enrollment was growing. The schools at that time were built with expansion, not contraction in mind. Yet, the school construction was all approved by the state, through all appropriate channels. If we had only known that we should have considered something that might be proposed forty plus years later

In about 1994 the logging industry disappeared, the mill closed and this resulted in families leaving and student enrollment dropping. Other communities in Southeast experienced a similar situation. Our enrollment has now leveled off. With schools comes associated exterior developments around them such as playgrounds, greenhouses, gardens and a shop attached to the middle school.

These are all parts of our community and the schools I previously mentioned were designed with infrastructure that fits the appropriate grade level. For example, lower toilets, counters in elementary schools, science labs, in the middle school and long stairs at the high school are problematic. This is not simply a matter of packing boxes in preparation for a move and is not a simple square footage issue.

We are talking about a community wide issue of MAJOR proportions and student disruptions on a grand scale. Finally, this proposal disproportionately impacts some communities over others. Based on this proposal, Wrangell Public Schools could lose 32 percent of its funding. This is not the solution and it is not fair.

In the future, please give us more reaction time to our important concerns.

Thank you for your work.

Honorable Senator Hughes,

I'm writing to express my opposition to SB96. This bill is a kitchen sink full of unrelated matters, connected only in that they affect schools across the State. It was introduced late in the session, without input from stakeholders or professional educators, just as the DEED and the State Board of Education have kicked off a year-long process to take input and develop a stakeholder-driven, sustainable, long term plan to improve the efficiency and effectiveness of Alaska schools. SB96 is a slapdash effort to create efficiency in the short term, without truly considering the effects on districts' ability to function and improve education across the State.

The last thing schools need now is more unfunded mandates. It is ironic that Section 5 of this bill requires school districts to calculate and publish their administrative staffing ratios, which would just increase the administrative burden on districts without improving the quality of education that is provided. This provision is an implication that school districts are wasting funds that ought to be used on instruction on administration instead. The fact is, if we want to truly transform education in the State, we can't skimp on quality administration to lead improvement efforts. Sitka's administrative staffing is already incredibly low, and these increased legislative requirements, combined with drastic cuts to DEED over the past two years, are having a real and detrimental effect on our ability to lead change and do better.

For example, this fall, administrative staff spent significant time collecting information on the Health instructional materials in use across the District and the healthcare professionals who provide guest instruction in that area, so they could be approved by the School Board as required by HB156, in time for instruction to take place as scheduled. Because we already appropriately involve families and the community in our curriculum development processes, the instructional materials and guest speakers were approved with a substantial parental turnout in support of our work and without opposition from any member of the community. Further, tasks that were formerly centralized at DEED are now being reinvented in every school district. As an example of this, there have been changes to mandatory training requirements in recent years. Last spring, I needed a summary of the requirements in order to plan professional learning for this year, so I had to create it. DEED wasn't able to produce that summary until October, well after our opportunities for beginning-of-year training had passed us by.

More than anything, we at Sitka School District are very opposed to the State making decisions for the district that should be under local control. This happens in several sections of the bill, including Section 7, which could require schools to allow private businesses to use public facilities, Sections 10-11 which decrease funding for schools not operating "at capacity", and Section 16 which creates the Virtual Educator Consortium.

Over the years, Sitka has worked very hard to keep class sizes low at the elementary level and a rich and diverse program at the secondary level, despite a reduction in enrollment of about 500 students over the past 15 years. Our schools were built at a time when we had more students, and the cost to operate them does not magically go down because there are fewer students in them. The School Size Adjustment, currently in place in the foundation formula, accounts for that, but SB96 would take that away. By 2021, our annual State funding would decrease by \$2.5 million.

The State is making assumptions about school size and capacity without consulting district personnel, and as a result are making inaccurate estimates of potential cost savings. According to the State's capacity calculations, we could consolidate elementary schools in order to operate closer to their definition of full capacity. If we did this, we would need to move the District Office to Baranof School, because Keet Gooshi Heen doesn't have enough space to accommodate the DO and all of our elementary students. We wouldn't be able to close the Baranof building, so savings would be minimal, but funding would decrease dramatically. Additionally, in order to actually fit all the children into available classrooms, we would be forced to have much larger class sizes and to eliminate programming that is valued by our community, such as enrichment, music, and science classes. These decisions are more appropriately made at the local level.

Section 16, creating a Virtual Education Consortium, sounds like a great idea on its surface- in fact, we used to have something similar in the Alaska Learning Network or AKLN, which was discontinued due to lack of legislative support and funding. DEED also used to support districts with dedicated statewide educational technology staffing- this was lost in the last two years of DEED cuts. Currently, educational technology staff from various districts have formed a grassroots Virtual Educators Network, to collaborate and support each other, without significant State support. These educators would love some State support, if they were consulted and asked to help design what that could look like. In its current form, this section removes local control of teacher professional learning, school year calendaring and scheduling, and reduces our State funding regardless of whether or not the newly formed consortium meets a district's virtual learning needs. For Sitka, that loss of control would mean a dramatic shift away from our current innovations in the area of arts and culture embedded instruction, culturally responsive teaching practices, and culturally responsive social emotional learning. We have been awarded a number of private and highly competitive public innovation grants to support this work, that we would risk losing if we no longer controlled our own school calendar and professional learning.

In the big picture, this bill is bad for schools across the state, and it would hit Sitka particularly hard. Sitka has under 1% of the State's students, yet would bear almost 4% of the financial cuts made in this bill. We understand the need to be both more efficient and effective in these times of diminishing revenues, and we are working towards both of those goals on the local level. Systemic change takes time, stakeholder input, and educational expertise, and SB96 reflects none of those. I urge you to oppose this bill in its current form. Please feel free to contact us at SSD if you have any questions about impacts this bill would have on Sitka. Thank you for your service.

Sarah Ferrency

Co-Assistant Superintendent

Sitka School District

(907)966-1264

Fax: (907)966-1260

Hello Senator,

My name is Jeffrey Hole and I am First Grade teacher in the Sitka School District. I am writing to you today to advocate for keeping the Base Student Allocation (BSA) the same for next year. Please do not cut funding for schools.

Cutting school funding will create a rippling effect of catastrophic proportions, causing kids to suffer. Already, teachers are asked to teach to higher standards even though the number of students with social emotional needs, behavioral needs, and disability needs are increasing. A cut to the BSA will create a cut to the number of teachers. This will lead to an increase in classroom size, which will lead to a decrease in student learning, a decrease in authentic learning opportunities, a decrease in love for school for students, and a decrease in the love for teaching.

Decreasing the BSA... why? Why cut our future? Why harm the present? Why continue the cycle of asking for more with less? Thank you for considering the education of our children. Thank you for considering keeping the BSA the same for next school year. If you want to know more, or if you have specific questions about how cuts would adversely affect my students, please feel free to e-mail me.

Thank you

Jeffrey Hole

First Grade Teacher

Sitka School District

Hello Senators,

My name is Gretchen Matiatos. Presently, I am First Grade/Kindergarten combination teacher in the Sitka School District. I am PROUD to say that I have taught almost 20 years in Alaska.

Subjectively I say that the education of future Alaskans is vital to the future of our state.

The reason I am writing to you today is to be a voice for keeping the Base Student Allocation (BSA) the same for next year.

Please, consider a bright future and do not cut funding for schools.

I understand your overlooking perspective, the necessity of balance, finding out what the priorities in times of financial crisis... but I truly believe that a cut to education is a cut our future. I feel it is the difference in what kind of future YOU want to create. As an educator, I understand what is being asked, I understand how making difficult decisions have consequences 'down the line'. I am asking you to put yourself behind and support keeping the BSA the same as last year.

Thank you for considering the education of our children. Please don't hesitate to contact me if you specific questions about how cuts would adversely affect my students.

Thank you

Gretchen Matiatos

1<sup>st</sup>/K Teacher

Sitka School District

## SEWARD LEGISLATIVE INFORMATION OFFICE

Email: [Seward.lio@akleg.gov](mailto:Seward.lio@akleg.gov)  
907-224-5066/ phone, 907-224-5067/fax

### WRITTEN TESTIMONY

NAME: Allen McCarty  
 REPRESENTING: Citizens Alliance Protecting School Lands (CAPSL) a 501(c)3 non-profit advocacy group working to restore the Alaska Public School Lands Trust established in the historic 1915 Congressional Act (attached) reserving federal Sections 16 and 36 in every township in Alaska for the financial support of Alaska public schools. This Act was repealed yet confirmed in Section 6(k) of the Alaska Statehood Act (attached). The Alaska Statehood Act required all public school trust lands, reserved as of the date of the Act (July 7, 1958) be granted for the purposes for which they were reserved upon admission of the State into the Union.  
 BILL#/ SUBJECT: COMMITTEE SUBSTITUTE SB 96 VERSION T  
EDUCATION:SCHOOLS/TEACHERS/FUNDING  
 COMMITTEE & HEARING DATE: Senate Education 3/28/17

Thank you for allowing the opportunity to testify on this proposed legislation.

CAPSL believes only an Act of Congress can modify the requirements of the 1915 Act establishing the Alaska Public School Lands Trust or the Alaska Statehood Act. SB 96 materially changes essential provisions of the 1915 Act confirmed in Section 6(k) of the Alaska Statehood Act.

Please accept this testimony relevant to specific sections of the *Committee Substitute SB 96 Version T* considering the Senate Education Committee *Sectional Analysis* filed with the bill and *Explanation of Changes – Version R to T*:

- *Section 19: Deletes language in AS 37.14.130 that requires the Public School Fund Advisory Board prepare accounting specifically for the principal and income of the Public School Trust Fund. This accounting is required by the 1915 Act confirmed at Statehood which mandates the entire proceeds or income derived from the Public School Trust lands be deposited in "separate and permanent funds...to be invested and the income from which shall be expended only for the exclusive use and benefit of the public schools of Alaska."*

- **Section 21:** *Creates a new section to allow the Legislature to appropriate not more than 4.75% of the market value established with the changes made in Section 22 of the Committee Substitute Version T. Although the statute as currently proposed would continue to identify the funds available for use to benefit Alaska public school students as income (interest), the proposed new subsection AS 37.14.160(b) clearly contradicts by identifying these funds as a monthly average over three years of market value. This action is contrary to the 1915 Act confirmed at Statehood allowing only income (interest) earned by the separate and permanent school fund established in 1915 may be spent to benefit Alaska public school students. Income, once earned and received, is easily quantifiable while market value almost constantly fluctuates and thus the requirement of averaging over time. Income and market value are not directly related. Market value is more directly related to invested principal. Use of the principal endangers the longevity of the fund, fails trustee duties to protect the interests of current and future beneficiaries and is not allowed by the 1915 Act.*
- **Section 22:** *Deletes language in AS 37.14.160 relating to separate accounts and records for the principal and income of the Public School Trust Fund. This section also includes the new subsection that requires the Department of Revenue (DOR) to determine annually the monthly average market value of the fund for the last three fiscal years. It cannot be overstated that this action is contrary to the 1915 Act confirmed at Statehood that established and defined the Alaska Public School Land Trust and Permanent Fund. Providing separate accounting of principal and income (interest) and the ability to spend the income (interest) while making the principal permanent was agreed upon by Congress and the State as a prudent method to benefit Alaska public school students into perpetuity. These restrictions were accepted by the Territory of Alaska and the State of Alaska and remain unchanged except by Acts of Congress.*
- **Section 23:** *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." Requiring a specific investment strategy based on capital appreciation (market value) increases risk to the long-term viability of the trust and is contrary to long-standing trust law. Additionally injecting "current" beneficiaries into the statute is contradictory to AS 37.14.170(4) requiring the commissioner act only in regard to the financial interest of the fund's beneficiaries who include both "current" and future Alaska public school*

students. The commissioner as trustee and fiduciary of the trust must act for the beneficiaries not the state. It is not the commissioner's role to provide a larger income stream if it benefits "current" beneficiaries to the detriment of those next year, five years from now or sometime in the future.

- **Section 24: 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.** The statute proposed for repeal is essential to fulfill the obligation of the State of Alaska to current and future beneficiaries as required by the 1915 Act confirmed at Statehood and must be retained.

The Alaska Public School Land Trust Fund predates Statehood by 44 years. It is a dedicated funding source that was created specifically to benefit Alaska public school students into perpetuity. The State of Alaska holds restricted title to the Alaska Public School Trust lands as they are reserved and held in trust for Alaska public school students. The State of Alaska, like the Territory of Alaska before Statehood, is the trustee and is required by long-standing trust law to:

- follow the instructions in the trust documents (the 1915 Act, the Alaska Statehood Act & any additional Congressional Acts impacting the trust);
  - maintain all trust assets separately;
  - use trust assets for the benefit of the current and future beneficiaries (Alaska public school children)
  - treat all trust beneficiaries the same (current and future Alaska public school children); one cannot be favored over another;
  - invest assets in a prudent (conservative) manner, in a way that will result in reasonable growth with minimum risk
  - keep accurate records and report to the beneficiaries (Alaska public school students).
- **Section 26: Creates an effective date for the bill of June 30, 2017. In the original SB 96 prior to Committee Substitutes, the date was conditional on a final judgement being made regarding combining the income and principal of the Public School Trust Fund and that such action did not violate trust law. While this condition has been removed by the**

committee substitute because there are no pending lawsuits, it should be remembered that the judge in *Kasayulie v State of Alaska* found the State did indeed breach the trust. The parties agreed to leave the resolution of the Public School Land Trust breach unresolved in the settlement. However, the *Kasayulie* settlement may currently no longer be valid since the state may have failed to fulfill settlement obligations in a timely manner. Therefore *Kasayulie* plaintiffs could potentially reopen the case at any time adding the new trust breach created by SB 96 if passed.

Instead of potentially bleeding the trust dry to maximize income during this period of statewide fiscal difficulties, it is more important than ever to work with CAPSL and other stakeholders to rebuild the Alaska Public School Land Trust over time and as finances allow so that all Alaska public school children benefit into perpetuity from their lands held in state trust. Perhaps more importantly, Sections 16 and 36 and in lieu of lands remaining under federal control which should have been reserved and transferred to the trust after passage of the Statehood Act (July 7, 1958) could be recovered and put to work benefitting Alaska public school students.

Although only Congress can modify federal law including trust laws, the Legislature does have the ability to potentially create one of the largest public school land trusts in the country and truly impact Alaska education now and forever.

Contact: Allen McCarty 491-1095 or [mccartyallen@yahoo.com](mailto:mccartyallen@yahoo.com)

**Attachments:**

- *1915 Act to reserve lands to the Territory of Alaska for educational uses, and other purposes*
- *Alaska Statehood Act Section 6(k)*
- *Why SB 146 (and HB 261) are bad for Alaska's School Children.* (This document was provided to members of the 29<sup>th</sup> Legislature during the 2016 session in response to bills introduced by the Governor which appear to have been incorporated into SB96.)

Senate Education – Butrovich 205, 3/28/17

For the record, my name is Amy Lujan, Executive Director for the AK Association of School Business Officials, known as ALASBO.

In my testimony regarding SB96 today, I'd like to focus on Section 11 of the bill, which aims to drive districts toward using schools at greater capacity. Where schools operating below 80% capacity are located within 25 miles of each other, districts would lose foundation funding if they continue to operate these schools as they currently do. The reduction in funding would start next fiscal year, FY18. Please note that FY18 begins on July 1, 2017, four months from next weekend.

I'd like to know where the 80% and 25 mile figures came from. Also, I'd like to know if anyone thinks a decision to close and consolidate schools could be made in four months. In my experience, these public decision-making processes are quite painful.

Putting those issues aside, I took a look at how Section 11 of the bill would actually be implemented in the districts I'm most familiar with. In Nome, where I worked for seven years, there are two school facilities, both operating below the calculated 80% capacity. The two schools are about 4.5 miles apart.

If Nome School District were to move a group of students from one school building to the other, problem solved! As long as one of the two schools was no longer below the calculated 80% capacity, **the district would not lose foundation funding.**

But what would be achieved here?

- First, students would no longer be in the best environment to address their education needs
- Second, the facilities at the school receiving new students would probably have to be modified for the incoming students, at some expense to the district
- Finally, there would be NO COST SAVINGS at either the local or state level

So why would Nome School District even consider doing this? Well, they might do it to retain \$1.5 million per year in foundation funding by year 4 of implementation of this bill.

From a quick look at the fiscal note and school capacity listing, I believe that there are several school districts, in addition to Nome, where the above scenario would apply.

We can call this scenario a flaw in the bill, and such a flaw points to the need to take more time to more carefully review this bill. What are the objectives, and is the proposed mechanism the best way to achieve these objectives?

Thank you for your time.

Amy Lujan  
Executive Director  
Alaska Association of School Business Officials (ALASBO)  
3145 Pioneer Avenue  
Juneau, AK 99801  
907-723-7415  
[www.alasbo.org](http://www.alasbo.org)



# Anchorage School District

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## Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • www.asdk12.org

**PUBLIC TESTIMONY OF DEENA BISHOP, SUPERINTENDENT  
before the  
SENATE EDUCATION COMMITTEE  
March 28, 2017**

Hello. I am Deena Bishop, superintendent of Anchorage School District. Thank you for allowing me to testify on SB96. The present bill has many provisions, of which I will only speak to a couple today.

Please know that the Anchorage School District is highly troubled with the Senate's actions to fulfill its mission to take care of Alaska's future. In reality and in every business model for which I know that has shown success, one must invest in what one values. We plan ahead to experience a delayed gratification in our future. Young Alaskans are our future Alaskans.

This bill places them at the bottom of your collective priority. The changes proposed to the 80% capacity provision and subsequent decrease in funding inequitably penalize the educational concerns and goals of Anchorage and some other communities. ASD will be greatly disadvantaged in this scenario given the 5% reduction in enrollment needed for the *HOLD HARMLESS* statute.

ASD calculates a loss of an additional 15 million dollars in revenue due to this bill, given that we do not qualify for hold harmless. The decision to impact a small portion of the BSA formula impacts other areas of revenue. You have asked for a 5% reduction statewide in education - yet only 20 of the 53 school districts may be affected by this provision.

The Anchorage community pays its bills; we take care of our schools to the maximum allowable contribution. While SB96 includes innovative thinking in regard to instruction, this single bill in the middle of a session **will not** protect Alaska's future.

ASD is already reducing over 100 full time employees next year. The highest percentage being reduced is in administration (I know you are concerned with administration by the bill's authoring).

Please know that all levels of our organization will be negatively impacted by this bill. Reductions will continue to hit our schools given that 79% of our funds support instruction and less than 5% support administration - a fact that you can easily review on our state's education department's website.

Thank you for listening.

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*Educating All Students for Success in Life*

Anchorage School Board Tam Agosti-Gisler, President

Elisa Snelling, Vice President

Starr Marsett, Clerk

Kathleen Plunkett, Treasurer

Bettye Davis

Pat Higgins

Kameron Perez-Verdia

Superintendent Dr. Deena Bishop



# Anchorage School District

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## Education Center

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**PUBLIC TESTIMONY OF JAMES ANDERSON, CFO**  
**before the**  
**SENATE EDUCATION COMMITTEE**  
**March 28, 2017**

Good afternoon. My name is Jim Anderson. I am the Chief Financial Officer for the Anchorage School District. I want to briefly describe the effect of Senate Bill 96 as it significantly impacts ASD's ability to sustain operations.

This past year, as a result of the Governor's reduction in bond debt reimbursement by 25%, ASD was able to shift funds from our internal savings account to cover the nearly 10.8-million-dollar shortfall. Hence, we do not have the funds to cover a large shortfall for next year.

Anchorage historically provides 100% of the max local contribution. Depending on how the cuts are made within the formula, it is likely that ASD would see lower state and local funds.

The 2 minutes we're given for public testimony are not sufficient to articulate the full impact of this legislation, but it is all we have to counter last week's invited testimony by Mr. Mark Foster that our District could easily absorb 3% cuts for three years – approximately 54 million dollars - and somehow end up with more teachers in each classroom. The math simply doesn't work for this assessment to hold true.

Currently the "hold harmless" provision in the foundation formula only applies to districts that have had a 5% reduction in average daily membership. Anchorage and many other districts do not fit the current definition. Unless the "hold harmless" provision applies to all districts affected by Senate Bill 96, there will be hidden and unexpected funding shortfalls to many of the state's districts.

Thank you for your time and consideration.

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*Educating All Students for Success in Life*

**Anchorage School Board** Tam Agosti-Gisler, President

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Pat Higgins

Kameron Perez-Verdia

**Superintendent** Dr. Deena Bishop



# Anchorage School District

## Education Center

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### TESTIMONY OF STARR MARSETT, SCHOOL BOARD MEMBER

before the

### SENATE FINANCE COMMITTEE

March 16, 2017

Good afternoon. My name is Starr Marsett. I am an Anchorage School District Board member. I could speak to each one of the Sections in Senate Bill 96, but 2 minutes does not allow for that kind of honest input to a bill that will cripple education.

Great idea lets raise the score needed to pass the Praxis exam so Alaska has the highest quality teachers. Because teachers will travel from all over the world to teach here, teachers will have a great retirement plan and not receive pink slips at the end of each school year. And of course, there is no teacher shortage: Publication "ED Source" Feb 8, 2017 states that the teacher shortage is worsening. Some 25% of school districts are reporting an "extreme shortage" of job seekers for key teaching positions. Supply and Demand, simple economics. If you want the cream of the crop you give them a reason to come here and you develop a plan to grow your own.

Yes, you have let the cat out of the bag, you are cutting education by 5%. How you plan to do that is not clear and will not be made clear until after the Senate Votes not allowing any public testimony.

Section 11.AS14.17.450 is amended by adding a new subsection.

If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table. In effect, it changes the "size factor" to a "1" for all affected schools. This would result in a loss of \$15 Million for ASD unless the criteria in the "hold harmless" provision eliminates the need to have a 5% reduction in ADM across the district.

What will save the education of Alaska Children to ensure that Alaska continues to have a future for our children and theirs. I urge all Alaskans to reach out to your district representatives and tell them to stop cutting education. This is about the young faces that show up every morning at our schools expecting us to prepare them for success and trusting in all of us to secure their future.

*Educating All Students for Success in Life*

Anchorage School Board Tam Agosti-Gisler, President  
Elisa Snelling, Vice President Kathleen Plunkett, Treasurer  
Starr Marsett, Clerk Bettye Davis

Pat Higgins  
Kameron Perez-Verdia

Superintendent Dr. Deena Bishop

## SB 96 Talking Points

1. Statewide cuts to school districts are roughly \$21M in FY18, \$36.8M in FY19, and \$52.7M by FY20, culminating in a sustained loss to districts of \$68,280,115 in FY2021 and every year thereafter. These cuts, phased in over four years (due to hold harmless provision currently in the foundation formula) will result **If ASD does not consolidate schools operating below 80% capacity and located within 25 miles by road to another school.**
  - a. The losses occur in only 20 of the 54 districts, meaning the impact of this provision impacts urban areas more than rural areas.
  - b. Information from state sources indicates that Anchorage will lose at least \$1.7M in FY18, \$6.6M in FY19, \$11.6M in FY20, and \$16.5M in FY2021.
    - i. The current “hold harmless” definition requires a 5% ADM reduction across the District to meet the criteria.
    - ii. If a waiver to the “hold harmless” provision is not applied, and this amendment passes, ASD would lose up to \$15 Million in FY18.
  - c. These cuts don’t account for inflation or annual salary increases. The actual impact will be more severe if annual salary and health care costs continue to increase.
2. Section 1 (Pages 1-2): Legislative findings of the Alaska Education Transformation Act in regard to virtual education, education spending, and quality teachers and classroom instruction.
  - a. ASD has invested in new digital technology plus K-2 curriculum for FY18. Systematic cuts across the board will limit the district’s ability to further update curriculum and digital learning technology.
  - b. This section of the bill is meant to expand virtual learning opportunities across the state.
3. 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.
  - a. This section adds section (e) to AS14.03.120(a). This new section would allow districts to review, approve and give credit for physical education, music or art classes taken outside of school hours in grade 9 through 12. They gave examples of native dancing in committee discussion.
  - b. A possible amendment may include CTE.

4. 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.
  - a. Section 5 adds a new section (4) to AS14.03.120(a). This new section would require districts to compare the ratio of administrative employees to students and administrative employees to teachers. It would also need to be posted on the District's website.
  - b. The information is already reported in OASIS, the CAFR, and the annual budget. This amendment merely adds an additional reporting layer to information already provided to the public through other means.
  - c. Section 7, AS 14.14.110(a) defines Student Nutrition and Transportation as administrative expenses. See bullet 6 below.
5. 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.
  - a. This reduction in inspections will not change ASD's ability to maintain their bus fleets.
  - b. Transportation is already underfunded by more than \$2 Million in ASD. The reduction in inspections won't impact our focus on safety, but we aren't funded to replace aging busses.
6. 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.
  - a. This amendment defines Student Nutrition and Transportation as administrative expenses. These functions should not be counted against ratios for Students and Teachers as they are separately funded organizations in the district. It makes no sense to take a federally funded Student Nutrition program and portray it as a negative impact on an acceptable Teacher or Pupil to Administration ratio.
  - b. Should be amended to read that DEED may "recommend" rather than "require" Districts to open facilities to local businesses, other Districts, or other government organizations. DEED provides no insurance coverage over ASD facilities and would have to create a new department in order to centrally manage facility usage across the state.

7. 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).
  - a. If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table. In effect, it changes the "size factor" to a "1" for all affected schools.
  - b. This would result in a loss of \$15 Million for ASD unless the criteria in the "hold harmless" provision eliminates the need to have a 5% reduction in ADM across the district.
  - c. Anchorage School District cannot change boundaries or close schools on short notice. These actions require a year of planning and will likely result in increased transportation costs.
  - d. More than half of our students (more than 24,000 per day) live in neighborhood school districts so they can walk or drive to the school. Closing schools will add additional transportation requirements as approximately 12,000 students walk, or are driven by parents/guardians, each year. Each new bus route costs ASD \$100,000 per year.
8. 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.
  - a. Will make it harder to recruit teachers at a time when Alaska is facing substantial teaching shortages
9. 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.
  - a. ASD applauds the elimination of the Bus Driver salary requirement (at least 2 x minimum wage), but it will not change existing contracts for bus services or current Collective Bargain Unit salaried employees. It will only reduce costs for new hires.

## Explanations and Assumptions to Accompany School Capacity Worksheet

### Facilities

Schools and facilities listed are limited to state, municipal, or district-owned buildings. Educational programs held in leased facilities are not included.

### Square Footage

Gross square footage (GSF) does not include housing or boarding facilities, temporary structures, utility or storage modules, outdoor covered play area, or facilities whose purpose is district administration.

Gross square footage may include support facilities, allocated portions of swimming pool facilities, or bus barns.

Gross square footage may include water treatment/storage and wastewater treatment, particularly in rural communities (see notes). 4 AAC 31.020(e)(2)(A) provides for a 5% allowance to support water storage and water and wastewater treatment. This allowance was not captured in this spreadsheet, so the space is included and results in a percent capacity below the true calculation.

Eligible space calculations and types of space are based on 4 AAC 31.020(c), which includes both base square footage and supplementary square footage per ADM. Reference:

"Elementary": (c)(1) the base square feet allowable per ADM for an elementary school is 114 square feet; (2) the supplemental square feet allowable per ADM for an elementary school is  $130 \times 10^{(-ADM/250)}$

"Secondary": (c)(3) the base square feet allowable per ADM for a secondary school is 165 square feet; (4) the supplemental square feet allowable per ADM for a secondary school is  $300 \times 10^{(-ADM/300)}$

"K-12" and "Mixed Grade": (c)(5) the base square feet allowable per ADM for a combined elementary and secondary school is 114 square feet per elementary ADM and 165 square feet per secondary ADM; (6) the supplemental square feet allowable per ADM for a combined elementary and secondary school is  $213 \times 10^{(-combined\ ADM/483)}$

"Secondary+6" (c)(9) the base square feet allowable per ADM for a combined elementary and secondary school is 114 square feet per elementary ADM and 165 square feet per secondary ADM, except that for a mixed grade school that includes grade six in conjunction with two or more secondary grades located in a separate school facility, the base square feet allowable per ADM is 165 square feet per grade six ADM; (10) the supplemental square feet allowable per ADM for a mixed grade school is  $250 \times 10^{(-combined\ ADM/250)}$

### Capacity

For school facilities serving K-12, Mixed Grade, and Secondary+6 populations, "Capacity" will vary with each change in the ratio between elementary and secondary ADM.

Capacities are shown for each individual school. However, for communities/attendance areas with multiple facilities of the same type of space (e.g. elementary), an aggregated capacity using the total GSF and ADM for that type of space would be used for eligibility and priority determinations.

Capacities of school facilities can be calculated in many different ways using a variety of factors (e.g., total teaching stations, # of classrooms, class size limits, etc.). Capacities listed here may differ from the capacities for the same facility as determined by their respective school district.

### Projections

When the eight-year average annual ADM change for the attendance area shows negative growth (i.e., a declining student population), standard practice is to hold enrollment projections flat at 0%. Projections of negative growth at historic rates have proven to be inaccurate.

Changes in small ADM population schools can have a large effect on the "annual average ADM change" percentage and therefore growth in "projected percent capacity" may be overly large.

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Alaska Gateway	Dot Lake School	K-12	Dot Lake	5.00	7.70	11,970	14.57	22.44	34.32%	4.06%	6.88	10.59	47.20%
Alaska Gateway	Eagle Community School	K-12	Eagle	9.00	5.25	15,140	31.84	18.58	28.26%	6.36%	14.74	8.60	46.30%
Alaska Gateway	Mentasta Lake School	K-12	Mentasta Lake	25.00	9.75	11,360	26.63	10.39	93.86%	19.79%	105.98	41.33	397.89%
Alaska Gateway	Walter Northway School	K-12	Northway	34.35	13.95	30,830	89.17	36.21	38.52%	0.21%	34.94	14.19	39.19%
Alaska Gateway	Tanacross School	Mixed Grade	Tanacross	10.00	2.00	7,618	19.61	3.92	51.00%	2.52%	12.20	2.44	62.23%
Alaska Gateway	Tetlin School	K-12	Tetlin	18.90	9.00	11,776	25.90	12.34	72.96%	4.14%	26.14	12.45	100.92%
Alaska Gateway	Tok School	K-12	Tok	97.00	65.05	117,458	508.84	341.24	19.06%	-2.41%	97.00	65.05	19.06%
Aleutian Region	Yakov E. Netsvetov School	K-12	Atka	6.00	4.00	8,130	15.09	10.06	39.77%	-1.68%	6.00	4.00	39.77%
Aleutians East Borough	Akutan School	K-12	Akutan	9.00	1.00	11,425	34.70	3.86	25.94%	9.97%	19.24	2.14	55.46%
Aleutians East Borough	False Pass School	K-12	False Pass	6.00	5.00	9,584	16.23	13.53	36.96%	15.25%	18.68	15.57	115.07%
Aleutians East Borough	King Cove School	K-12	King Cove	46.10	38.00	49,113	131.30	108.23	35.11%	-1.63%	46.10	38.00	35.11%
Aleutians East Borough	Sand Point School	K-12	Sand Point	58.85	51.00	48,200	123.91	107.38	47.49%	0.70%	62.21	53.91	50.21%
Anchorage	Abbott Loop Elementary	Elementary	Anchorage	311.45	-	58,341	506.32	-	61.51%	-0.29%	311.45	-	61.51%
Anchorage	Airport Heights Elementary	Elementary	Anchorage	322.56	-	57,598	499.52	-	64.57%	-0.29%	322.56	-	64.57%
Anchorage	Klatt Elementary	Elementary	Anchorage	433.95	-	50,160	430.70	-	100.75%	-0.29%	433.95	-	100.75%
Anchorage	Bartlett High School	Secondary	Anchorage	-	1,480.28	360,209	-	2,183.08	67.81%	-0.29%	-	1,480.28	67.81%
Anchorage	Baxter Elementary	Elementary	Anchorage	384.68	-	62,076	540.27	-	71.20%	-0.29%	384.68	-	71.20%
Anchorage	Birchwood ABC Elementary	Elementary	Anchorage	324.20	-	48,276	412.98	-	78.50%	-0.29%	324.20	-	78.50%
Anchorage	Campbell Elementary	Elementary	Anchorage	339.45	-	61,438	534.49	-	63.51%	-0.29%	339.45	-	63.51%
Anchorage	Central Middle School of Science	Secondary	Anchorage	-	457.50	95,837	-	567.60	80.60%	-0.29%	-	457.50	80.60%
Anchorage	Chester Valley Elementary	Elementary	Anchorage	250.75	-	50,024	429.43	-	58.39%	-0.29%	250.75	-	58.39%
Anchorage	Chinook Elementary	Elementary	Anchorage	531.00	-	57,314	496.92	-	106.86%	-0.29%	531.00	-	106.86%
Anchorage	Chugach Optional Elementary	Elementary	Anchorage	258.00	-	40,661	339.72	-	75.94%	-0.29%	258.00	-	75.94%
Anchorage	Gruening Middle School	Mixed Grade	Anchorage	-	592.25	124,862	-	755.65	78.38%	-0.29%	-	592.25	78.38%
Anchorage	Chugiak Elementary	Elementary	Anchorage	503.50	-	61,468	534.77	-	94.15%	-0.29%	503.50	-	94.15%
Anchorage	Chugiak High School	Secondary	Anchorage	-	1,090.48	289,309	-	1,753.38	62.19%	-0.29%	-	1,090.48	62.19%
Anchorage	College Gate Elementary	Elementary	Anchorage	358.00	-	60,034	521.74	-	68.62%	-0.29%	358.00	-	68.62%
Anchorage	Creekside Park Elementary	Elementary	Anchorage	418.93	-	59,825	519.84	-	80.59%	-0.29%	418.93	-	80.59%
Anchorage	Denali Montessori Elementary	Elementary	Anchorage	404.53	-	62,915	547.87	-	73.84%	-0.29%	404.53	-	73.84%
Anchorage	Dimond High School	Secondary	Anchorage	-	1,694.70	242,440	-	1,469.30	115.34%	-0.29%	-	1,694.70	115.34%
Anchorage	Eagle River Elementary	Elementary	Anchorage	434.09	-	58,086	503.99	-	86.13%	-0.29%	434.09	-	86.13%
Anchorage	East High School	Secondary	Anchorage	-	2,090.89	342,568	-	2,076.17	100.71%	-0.29%	-	2,090.89	100.71%
Anchorage	Fairview Elementary	Elementary	Anchorage	417.80	-	64,312	560.48	-	74.54%	-0.29%	417.80	-	74.54%
Anchorage	Gladys Wood Elementary	Elementary	Anchorage	382.25	-	47,777	408.26	-	93.63%	-0.29%	382.25	-	93.63%
Anchorage	Government Hill Elementary	Elementary	Anchorage	464.50	-	58,401	506.86	-	91.64%	-0.29%	464.50	-	91.64%
Anchorage	Homestead Elementary	Elementary	Anchorage	321.25	-	51,965	447.56	-	71.78%	-0.29%	321.25	-	71.78%
Anchorage	Huffman Elementary	Elementary	Anchorage	378.30	-	60,610	526.98	-	71.79%	-0.29%	378.30	-	71.79%
Anchorage	Inlet View Elementary	Elementary	Anchorage	235.35	-	32,470	257.41	-	91.43%	-0.29%	235.35	-	91.43%
Anchorage	Lake Otis Elementary	Elementary	Anchorage	426.70	-	57,897	502.26	-	84.96%	-0.29%	426.70	-	84.96%
Anchorage	Mountain View Elementary	Elementary	Anchorage	319.14	-	58,158	504.64	-	63.24%	-0.29%	319.14	-	63.24%
Anchorage	Muldoon Elementary	Elementary	Anchorage	438.85	-	61,599	535.95	-	81.88%	-0.29%	438.85	-	81.88%
Anchorage	North Star Elementary	Elementary	Anchorage	439.20	-	75,674	662.11	-	66.33%	-0.29%	439.20	-	66.33%

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Anchorage	Northern Lights ABC K-8 School	Mixed Grade	Anchorage	488.55	116.00	61,599	393.15	93.35	124.27%	-0.29%	488.55	116.00	124.27%
Anchorage	Northwood ABC	Elementary	Anchorage	280.16	-	61,115	531.56	-	52.71%	-0.29%	280.16	-	52.71%
Anchorage	Nunaka Valley Elementary	Elementary	Anchorage	251.69	-	44,100	373.16	-	67.45%	-0.29%	251.69	-	67.45%
Anchorage	O'Malley Elementary	Elementary	Anchorage	298.05	-	50,253	431.57	-	69.06%	-0.29%	298.05	-	69.06%
Anchorage	Ocean View Elementary	Elementary	Anchorage	420.74	-	59,736	519.03	-	81.06%	-0.29%	420.74	-	81.06%
Anchorage	Clark Middle School	Secondary+6	Anchorage	356.65	616.53	180,000	399.77	691.07	89.21%	-0.29%	356.65	616.53	89.21%
Anchorage	Ptarmigan Elementary	Elementary	Anchorage	428.80	-	59,275	514.84	-	83.29%	-0.29%	428.80	-	83.29%
Anchorage	Rabbit Creek Elementary	Elementary	Anchorage	441.10	-	49,410	423.66	-	104.12%	-0.29%	441.10	-	104.12%
Anchorage	Rogers Park Elementary	Elementary	Anchorage	542.15	-	55,403	479.38	-	113.09%	-0.29%	542.15	-	113.09%
Anchorage	Romig Middle School	Secondary	Anchorage	-	759.00	137,862	-	832.99	91.12%	-0.29%	-	759.00	91.12%
Anchorage	Russian Jack Elementary	Elementary	Anchorage	347.54	-	61,599	535.95	-	64.84%	-0.29%	347.54	-	64.84%
Anchorage	Sand Lake Elementary	Elementary	Anchorage	672.69	-	62,500	544.11	-	123.63%	-0.29%	672.69	-	123.63%
Anchorage	Scenic Park Elementary	Elementary	Anchorage	415.90	-	50,912	437.74	-	95.01%	-0.29%	415.90	-	95.01%
Anchorage	Service High School	Secondary	Anchorage	-	1,604.94	344,360	-	2,087.03	76.90%	-0.29%	-	1,604.94	76.90%
Anchorage	Steller Secondary School	Secondary	Anchorage	-	284.24	47,765	-	214.26	132.66%	-0.29%	-	284.24	132.66%
Anchorage	Susitna Elementary	Elementary	Anchorage	469.75	-	55,023	475.88	-	98.71%	-0.29%	469.75	-	98.71%
Anchorage	Taku Elementary	Elementary	Anchorage	356.75	-	53,270	459.68	-	77.61%	-0.29%	356.75	-	77.61%
Anchorage	Tudor Elementary	Elementary	Anchorage	347.25	-	56,757	491.82	-	70.60%	-0.29%	347.25	-	70.60%
Anchorage	Turnagain Elementary	Elementary	Anchorage	414.40	-	54,000	466.44	-	88.84%	-0.29%	414.40	-	88.84%
Anchorage	Wendler Middle School	Secondary	Anchorage	-	434.35	114,461	-	687.31	63.20%	-0.29%	-	434.35	63.20%
Anchorage	West High School	Secondary	Anchorage	-	1,868.84	340,032	-	2,060.80	90.69%	-0.29%	-	1,868.84	90.69%
Anchorage	Williwaw Elementary	Elementary	Anchorage	369.00	-	56,500	489.46	-	75.39%	-0.29%	369.00	-	75.39%
Anchorage	Willow Crest Elementary	Elementary	Anchorage	398.65	-	54,304	469.25	-	84.96%	-0.29%	398.65	-	84.96%
Anchorage	Wonder Park Elementary	Elementary	Anchorage	401.46	-	52,638	453.82	-	88.46%	-0.29%	401.46	-	88.46%
Anchorage	Bayshore Elementary	Elementary	Anchorage	466.15	-	58,649	509.13	-	91.56%	-0.29%	466.15	-	91.56%
Anchorage	Ravenwood Elementary	Elementary	Anchorage	418.81	-	50,160	430.70	-	97.24%	-0.29%	418.81	-	97.24%
Anchorage	Bear Valley Elementary	Elementary	Anchorage	414.25	-	50,160	430.70	-	96.18%	-0.29%	414.25	-	96.18%
Anchorage	Hanshaw Middle School	Secondary	Anchorage	-	707.99	150,085	-	908.05	77.97%	-0.29%	-	707.99	77.97%
Anchorage	Fire Lake Elementary	Elementary	Anchorage	318.08	-	50,160	430.70	-	73.85%	-0.29%	318.08	-	73.85%
Anchorage	Spring Hill Elementary	Elementary	Anchorage	409.41	-	50,160	430.70	-	95.06%	-0.29%	409.41	-	95.06%
Anchorage	Mears Middle School	Secondary	Anchorage	-	795.50	150,506	-	910.63	87.36%	-0.29%	-	795.50	87.36%
Anchorage	Bowman Elementary	Elementary	Anchorage	528.85	-	66,367	578.98	-	91.34%	-0.29%	528.85	-	91.34%
Anchorage	Polaris K-12 School	K-12	Anchorage	259.00	218.80	75,264	255.05	215.46	101.55%	-0.29%	259.00	218.80	101.55%
Anchorage	Alpenglow Elementary	Elementary	Anchorage	516.41	-	60,219	523.43	-	98.66%	-0.29%	516.41	-	98.66%
Anchorage	Kasoon Elementary	Elementary	Anchorage	424.55	-	61,599	535.95	-	79.21%	-0.29%	424.55	-	79.21%
Anchorage	Kincaid Elementary	Elementary	Anchorage	557.35	-	61,599	535.95	-	103.99%	-0.29%	557.35	-	103.99%
Anchorage	Lake Hood Elementary	Elementary	Anchorage	357.33	-	61,599	535.95	-	66.67%	-0.29%	357.33	-	66.67%
Anchorage	William Tyson Elementary	Elementary	Anchorage	399.95	-	61,599	535.95	-	74.62%	-0.29%	399.95	-	74.62%
Anchorage	Goldenview Middle School	Secondary	Anchorage	-	719.55	159,209	-	963.83	74.66%	-0.29%	-	719.55	74.66%
Anchorage	Mirror Lake Middle School	Secondary+6	Anchorage	216.25	432.48	158,630	320.41	640.78	67.49%	-0.29%	216.25	432.48	67.49%
Anchorage	Trailside Elementary	Elementary	Anchorage	421.51	-	61,599	535.95	-	78.65%	-0.29%	421.51	-	78.65%
Anchorage	South Anchorage High School	Secondary	Anchorage	-	1,418.44	267,732	-	1,622.61	87.42%	-0.29%	-	1,418.44	87.42%

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Anchorage	Eagle River High School	Secondary	Anchorage	-	893.39	182,752	-	1,107.18	80.69%	-0.29%	-	893.39	80.69%
Anchorage	Nicholas J. Begich Middle School	Secondary+6	Anchorage	310.10	686.83	174,612	329.15	729.01	94.21%	-0.29%	310.10	686.83	94.21%
Anchorage	Benson Secondary/S.E.A.R.C.H.	Secondary	Anchorage	-	284.95	27,275	-	84.86	335.78%	-0.29%	-	284.95	335.78%
Anchorage	S.A.V.E. High School	Secondary	Anchorage	-	169.65	18,580	-	50.38	336.74%	-0.29%	-	169.65	336.74%
Anchorage	Whaley School	K-12	Anchorage	80.84	352.58	52,188	42.97	187.43	188.11%	-0.29%	80.84	352.58	188.11%
Anchorage	Aquarian Charter School	Elementary	Anchorage	376.95	-	31,327	245.64	-	153.46%	-0.29%	376.95	-	153.46%
Anchorage	Girdwood School	Mixed Grade	Girdwood	152.40	38.35	57,672	359.35	90.43	42.41%	1.97%	178.13	44.82	49.57%
Anchorage	Aurora Elementary	Elementary	JBER	219.50	-	55,317	478.59	-	45.86%	-1.27%	219.50	-	45.86%
Anchorage	Orion Elementary School	Elementary	JBER	313.25	-	82,488	722.52	-	43.36%	-1.27%	313.25	-	43.36%
Anchorage	Mt. Spurr Elementary	Elementary	JBER	300.50	-	42,223	354.98	-	84.65%	-1.27%	300.50	-	84.65%
Anchorage	Ursa Major Elementary	Elementary	JBER	390.39	-	61,811	537.87	-	72.58%	-1.27%	390.39	-	72.58%
Anchorage	Ursa Minor Elementary	Elementary	JBER	361.35	-	41,945	352.28	-	102.58%	-1.27%	361.35	-	102.58%
Annette Island	Charles R. Leask Sr. Middle School	Secondary+6	Metlakatla	22.00	33.00	11,000	12.48	18.72	176.28%	1.50%	24.79	37.19	198.66%
Annette Island	Richard Johnson Elementary	Elementary	Metlakatla	156.80	-	28,850	220.00	-	71.27%	1.50%	176.70	-	80.32%
Annette Island	Metlakatla High School	Secondary	Metlakatla	-	89.25	42,620	-	175.30	50.91%	1.50%	-	100.58	57.37%
Bering Strait	Brevig Mission School	K-12	Brevig Mission	79.00	53.50	29,033	66.69	45.16	118.46%	2.62%	97.18	65.81	145.72%
Bering Strait	Diomedes School	K-12	Diomedes	27.00	6.40	17,822	51.23	12.14	52.71%	7.96%	49.84	11.81	97.29%
Bering Strait	Aniguiin School	K-12	Elim	69.20	34.00	32,229	88.43	43.45	78.26%	4.34%	97.19	47.75	109.91%
Bering Strait	Gambell School	K-12	Gambell	100.00	79.90	44,734	115.11	91.97	86.87%	-0.35%	100.00	79.90	86.87%
Bering Strait	Martin L. Olson School	K-12	Golovin	27.20	18.00	25,202	55.95	37.03	48.61%	0.01%	27.22	18.02	48.65%
Bering Strait	Koyuk-Malimiut School	K-12	Koyuk	44.30	44.25	31,404	60.67	60.60	73.02%	-2.17%	44.30	44.25	73.02%
Bering Strait	Hogarth Kingeekuk Sr. Memorial School	K-12	Savoonga	137.25	92.50	53,826	169.65	114.33	80.90%	0.09%	138.30	93.21	81.52%
Bering Strait	Shaktoolik School	K-12	Shaktoolik	45.90	34.00	19,673	39.00	28.89	117.71%	6.46%	75.76	56.12	194.28%
Bering Strait	Shishmaref School	K-12	Shishmaref	98.55	78.00	26,551	54.94	43.48	179.38%	0.33%	101.21	80.11	184.22%
Bering Strait	Anthony A. Andrews School	K-12	St. Michael	94.70	73.15	42,453	108.02	83.44	87.67%	1.92%	110.29	85.20	102.10%
Bering Strait	Tukurngailnguq School	K-12	Stebbins	126.20	68.05	37,676	106.83	57.60	118.13%	0.52%	131.50	70.91	123.09%
Bering Strait	James C. Isabell School	K-12	Teller	38.70	29.00	23,962	49.48	37.08	78.21%	0.88%	41.51	31.11	83.89%
Bering Strait	Unalakleet School	K-12	Unalakleet	102.10	72.75	47,260	133.37	95.03	76.55%	1.07%	111.19	79.23	83.37%
Bering Strait	Wales School	K-12	Wales	24.00	17.00	18,800	37.71	26.71	63.64%	3.31%	31.15	22.07	82.61%
Bering Strait	White Mountain School	K-12	White Mountain	34.85	21.00	19,029	41.12	24.78	84.75%	1.89%	40.47	24.39	98.41%
Bristol Bay Borough	Bristol Bay School	K-12	Naknek	49.70	68.25	86,642	228.90	314.33	21.71%	-2.09%	49.70	68.25	21.71%
Chatham	Angoon School	K-12	Angoon	47.25	26.25	38,345	108.29	60.16	43.63%	-0.60%	47.25	26.25	43.63%
Chatham	Gustavus School	K-12	Gustavus	40.50	29.65	18,062	35.40	25.92	114.41%	6.94%	69.26	50.70	195.64%
Chatham	Klukwan School	K-12	Klukwan	7.00	6.00	16,500	29.45	25.25	23.77%	-0.95%	7.00	6.00	23.77%
Chugach	Chenega Bay School	K-12	Chenega Bay	4.00	7.00	7,892	8.52	14.90	46.96%	-3.25%	4.00	7.00	46.96%
Chugach	Tattletale Community School	K-12	Tattletale	9.00	7.00	14,972	27.63	21.49	32.58%	-1.47%	9.00	7.00	32.58%
Chugach	Whittier Community School	K-12	Whittier	19.00	18.00	22,793	41.20	39.03	46.12%	8.20%	35.68	33.80	86.61%
Copper River	Glennallen K-12 School	K-12	Glennallen	141.50	137.80	91,897	308.68	300.61	45.84%	-0.97%	141.50	137.80	45.84%
Copper River	Kenny Lake School	K-12	Kenny Lake	40.75	32.50	35,337	80.84	64.48	50.41%	-5.70%	40.75	32.50	50.41%
Copper River	Slana School	K-12	Slana	7.60	5.60	10,762	19.56	14.41	38.86%	2.48%	9.25	6.81	47.28%
Cordova City	Cordova Jr/Sr High School	Secondary	Cordova	-	145.60	51,221	-	241.68	60.25%	-1.84%	-	145.60	60.25%
Cordova City	Mt. Eccles Elementary	Elementary	Cordova	167.55	-	47,734	407.85	-	41.08%	-1.84%	167.55	-	41.08%

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Craig City	Craig High School	Secondary	Craig	-	80.00	94,013	-	555.57	14.40%	-1.41%	-	80.00	14.40%
Craig City	Craig Elementary	Elementary	Craig	139.23	-	21,793	147.98	-	94.08%	-1.41%	139.23	-	94.08%
Craig City	Craig Middle School	Secondary+6	Craig	21.00	44.00	22,929	26.10	54.69	80.45%	-1.41%	21.00	44.00	80.45%
Delta/Greely	Delta Junction Elementary	Elementary	Delta Junction	363.40	-	42,500	357.68	-	101.60%	-1.04%	363.40	-	101.60%
Delta/Greely	Delta Junior/Senior High School	Secondary+6	Delta Junction	52.10	291.20	91,943	83.78	468.27	62.19%	-1.04%	52.10	291.20	62.19%
Delta/Greely	New Horizons High School	Secondary	Delta Junction	-	11.05	8,786	-	20.89	52.89%	-1.04%	-	11.05	52.89%
Denali Borough	Anderson School	K-12	Anderson	19.25	12.00	44,407	128.98	80.40	14.92%	0.67%	20.31	12.66	15.75%
Denali Borough	Cantwell School	K-12	Cantwell	7.00	10.00	18,559	25.21	36.02	27.76%	-7.26%	7.00	10.00	27.76%
Denali Borough	Tri-Valley School	K-12	Healy	91.00	75.00	50,966	139.41	114.90	65.27%	0.95%	98.13	80.88	70.39%
Dillingham City	Dillingham Elementary	Elementary	Dillingham	235.70	-	30,083	232.78	-	101.26%	-0.52%	235.70	-	101.26%
Dillingham City	Dillingham Middle/High School	Secondary+6	Dillingham	32.00	204.75	77,324	61.97	396.48	51.64%	-0.52%	32.00	204.75	51.64%
Fairbanks North Star Borough	Anderson Elementary	Elementary	Eielson	243.65	-	48,182	412.09	-	59.13%	-2.74%	243.65	-	59.13%
Fairbanks North Star Borough	Ben Eielson Jr/Sr High School	Secondary	Eielson	-	335.15	103,200	-	615.52	54.45%	-2.74%	-	335.15	54.45%
Fairbanks North Star Borough	Crawford Elementary	Elementary	Eielson	297.70	-	63,532	553.44	-	53.79%	-2.74%	297.70	-	53.79%
Fairbanks North Star Borough	Pearl Creek Elementary	Elementary	Fairbanks	505.93	-	62,982	548.47	-	92.24%	-0.29%	505.93	-	92.24%
Fairbanks North Star Borough	Barnette Magnet School	Mixed Grade	Fairbanks	329.00	90.25	74,654	464.77	127.50	70.79%	-0.29%	329.00	90.25	70.79%
Fairbanks North Star Borough	Denali Elementary	Elementary	Fairbanks	369.64	-	49,210	421.78	-	87.64%	-0.29%	369.64	-	87.64%
Fairbanks North Star Borough	Lathrop High School	Secondary	Fairbanks	-	945.23	234,412	-	1,420.63	66.54%	-0.29%	-	945.23	66.54%
Fairbanks North Star Borough	Weller Elementary	Elementary	Fairbanks	451.65	-	65,259	569.01	-	79.37%	-0.29%	451.65	-	79.37%
Fairbanks North Star Borough	Hunter Elementary	Elementary	Fairbanks	358.06	-	59,812	519.72	-	68.89%	-0.29%	358.06	-	68.89%
Fairbanks North Star Borough	Joy Elementary	Elementary	Fairbanks	389.35	-	60,642	527.27	-	73.84%	-0.29%	389.35	-	73.84%
Fairbanks North Star Borough	West Valley High School	Secondary	Fairbanks	-	971.18	216,884	-	1,314.35	73.89%	-0.29%	-	971.18	73.89%
Fairbanks North Star Borough	Tanana Middle School	Secondary	Fairbanks	-	432.05	101,069	-	601.74	71.80%	-0.29%	-	432.05	71.80%
Fairbanks North Star Borough	Nordale Elementary	Elementary	Fairbanks	352.80	-	49,210	421.78	-	83.65%	-0.29%	352.80	-	83.65%
Fairbanks North Star Borough	Ryan Middle School	Secondary	Fairbanks	-	389.65	104,827	-	625.99	62.25%	-0.29%	-	389.65	62.25%
Fairbanks North Star Borough	University Park Elementary	Elementary	Fairbanks	503.00	-	64,699	563.97	-	89.19%	-0.29%	503.00	-	89.19%
Fairbanks North Star Borough	Woodriver Elementary	Elementary	Fairbanks	464.91	-	64,408	561.34	-	82.82%	-0.29%	464.91	-	82.82%
Fairbanks North Star Borough	Ladd Elementary	Elementary	Fairbanks	496.48	-	63,455	552.75	-	89.82%	-0.29%	496.48	-	89.82%
Fairbanks North Star Borough	Anne Wien Elementary	Elementary	Fairbanks	385.11	-	63,532	553.44	-	69.59%	-0.29%	385.11	-	69.59%
Fairbanks North Star Borough	Randy Smith Middle School	Secondary	Fairbanks	-	335.55	74,589	-	421.97	79.52%	-0.29%	-	335.55	79.52%
Fairbanks North Star Borough	Hutchison High School	Secondary	Fairbanks	-	408.65	137,524	-	830.91	49.18%	-0.29%	-	408.65	49.18%
Fairbanks North Star Borough	Arctic Light Elementary	Elementary	Ft. Wainwright	535.36	-	68,272	596.07	-	89.82%	0.41%	552.99	-	92.77%
Fairbanks North Star Borough	North Pole High School	Secondary	North Pole	-	735.75	156,362	-	946.44	77.74%	-0.73%	-	735.75	77.74%
Fairbanks North Star Borough	Badger Road Elementary	Elementary	North Pole	475.90	-	61,686	536.74	-	88.66%	-0.73%	475.90	-	88.66%
Fairbanks North Star Borough	North Pole Elementary	Elementary	North Pole	489.45	-	57,154	495.46	-	98.79%	-0.73%	489.45	-	98.79%
Fairbanks North Star Borough	North Pole Middle School	Secondary+6	North Pole	231.15	424.75	113,306	241.34	443.47	95.78%	-0.73%	231.15	424.75	95.78%
Fairbanks North Star Borough	Ticasuk Brown Elementary	Elementary	North Pole	496.30	-	63,761	555.51	-	89.34%	-0.73%	496.30	-	89.34%
Fairbanks North Star Borough	Salcha Elementary	Elementary	Salcha	73.25	-	14,408	82.40	-	88.90%	-3.13%	73.25	-	88.90%
Fairbanks North Star Borough	Two Rivers School	Mixed Grade	Two Rivers	82.40	12.55	22,200	87.96	13.40	93.68%	-0.25%	82.40	12.55	93.68%
Galena City	Sidney C. Huntington Elementary	Elementary	Galena	44.00	-	16,856	102.39	-	42.97%	4.56%	62.86	-	61.39%
Galena City	Sidney C. Huntington Jr/Sr High School	Secondary	Galena	-	46.20	42,694	-	175.84	26.27%	4.56%	-	66.00	37.54%
Galena City	Galena Interior Learning Academy (GILA)	Secondary	Galena	-	220.00	121,904	-	734.04	29.97%	4.56%	-	314.30	42.82%

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Haines Borough	Haines Elementary	Mixed Grade	Haines	132.55	33.50	40,374	225.73	57.05	58.72%	-1.45%	132.55	33.50	58.72%
Haines Borough	Haines High School	Secondary	Haines	-	74.50	40,182	-	158.11	47.12%	-1.45%	-	74.50	47.12%
Hoonah City	Hoonah Elementary	Elementary	Hoonah	67.45	-	11,984	64.51	-	104.55%	-1.26%	67.45	-	104.55%
Hoonah City	Hoonah Jr/Sr High School	Secondary	Hoonah	-	40.30	39,910	-	156.25	25.79%	-1.26%	-	40.30	25.79%
Hydaburg City	Hydaburg School	K-12	Hydaburg	44.20	23.45	45,362	143.61	76.19	30.78%	2.41%	53.50	28.38	37.25%
Iditarod Area	Blackwell School	K-12	Anvik	10.00	7.00	8,720	15.92	11.14	62.82%	3.06%	12.73	8.91	79.96%
Iditarod Area	David Louis Memorial School	K-12	Grayling	27.70	13.00	27,477	72.30	33.93	38.31%	1.06%	30.15	14.15	41.70%
Iditarod Area	Holy Cross School	K-12	Holy Cross	18.50	13.00	20,837	42.87	30.13	43.15%	-5.20%	18.50	13.00	43.15%
Iditarod Area	McGrath School	K-12	McGrath	35.50	14.00	35,545	110.56	43.60	32.11%	2.36%	42.80	16.88	38.71%
Iditarod Area	Top of the Kuskokwim School	K-12	Nikolai	9.00	5.00	9,819	19.98	11.10	45.04%	-2.18%	9.00	5.00	45.04%
Iditarod Area	Innoko River School	K-12	Shageluk	10.80	5.00	16,070	37.32	17.28	28.94%	5.06%	16.03	7.42	42.96%
Iditarod Area	Takotna Community School	K-12	Takotna	8.40	7.00	6,854	11.33	9.44	74.17%	6.32%	13.72	11.43	121.14%
Juneau Borough	Auke Bay Elementary	Elementary	Juneau	405.35	-	49,478	424.30	-	95.53%	-0.42%	405.35	-	95.53%
Juneau Borough	Dzantik'i Heeni Middle School	Secondary+6	Juneau	165.40	319.80	105,000	215.97	417.58	76.58%	-0.42%	165.40	319.80	76.58%
Juneau Borough	Floyd Dryden Middle School	Secondary+6	Juneau	139.80	302.10	75,486	141.23	305.18	98.99%	-0.42%	139.80	302.10	98.99%
Juneau Borough	Gastineau Elementary	Elementary	Juneau	278.95	-	45,433	385.95	-	72.28%	-0.42%	278.95	-	72.28%
Juneau Borough	Glacier Valley Elementary	Elementary	Juneau	376.40	-	52,500	452.54	-	83.18%	-0.42%	376.40	-	83.18%
Juneau Borough	Harborview Elementary	Elementary	Juneau	374.35	-	66,290	578.28	-	64.73%	-0.42%	374.35	-	64.73%
Juneau Borough	Juneau-Douglas High School	Secondary	Juneau	-	591.20	190,738	-	1,155.69	51.16%	-0.42%	-	591.20	51.16%
Juneau Borough	Riverbend Elementary	Elementary	Juneau	315.25	-	57,493	498.56	-	63.23%	-0.42%	315.25	-	63.23%
Juneau Borough	Mendenhall River Community School	Elementary	Juneau	345.79	-	58,000	503.20	-	68.72%	-0.42%	345.79	-	68.72%
Juneau Borough	Thunder Mountain High School	Secondary	Juneau	-	727.50	183,697	-	1,112.92	65.37%	-0.42%	-	727.50	65.37%
Juneau Borough	Yaakoosge Daakahidi Alt. H.S. & Montessori	Mixed Grade	Juneau	142.00	157.80	72,135	238.49	157.80	59.54%	-0.42%	238.49	157.80	59.54%
Kake City	Kake Elementary & High School	K-12	Kake	54.00	42.00	82,256	303.15	235.78	17.81%	0.63%	56.76	44.15	18.72%
Kashunamiut	Chevak School	K-12	Chevak	220.85	121.50	72,023	298.76	164.36	73.92%	1.19%	242.77	133.56	81.26%
Kenai Peninsula Borough	Cooper Landing School	K-12	Cooper Landing	17.00	1.00	8,324	25.88	1.52	65.68%	11.34%	40.15	2.36	155.11%
Kenai Peninsula Borough	Chapman School	Mixed Grade	Homer	97.95	16.05	25,348	109.93	18.01	89.11%	0.21%	99.60	16.32	90.61%
Kenai Peninsula Borough	McNeil Canyon Elementary	Elementary	Homer	124.75	-	32,750	260.28	-	47.93%	0.21%	126.86	-	48.74%
Kenai Peninsula Borough	Paul Banks Elementary	Elementary	Homer	197.68	-	33,414	267.08	-	74.01%	0.21%	201.01	-	75.26%
Kenai Peninsula Borough	Homer High School	Secondary	Homer	-	381.29	158,200	-	957.67	39.81%	0.21%	-	387.73	40.49%
Kenai Peninsula Borough	Homer Middle School	Secondary	Homer	-	194.91	65,556	-	354.99	54.91%	0.21%	-	198.20	55.83%
Kenai Peninsula Borough	West Homer Elementary	Elementary	Homer	253.36	-	52,500	452.54	-	55.99%	0.21%	257.64	-	56.93%
Kenai Peninsula Borough	Homer Flex School	Secondary	Homer	-	37.60	5,405	-	12.34	304.61%	0.21%	-	38.23	309.76%
Kenai Peninsula Borough	Hope School	K-12	Hope	11.00	6.00	13,500	28.70	15.65	38.33%	9.76%	23.17	12.64	80.75%
Kenai Peninsula Borough	Kenai Central High School	Secondary	Kenai	-	457.91	189,507	-	1,148.22	39.88%	-0.47%	-	457.91	39.88%
Kenai Peninsula Borough	Kenai Middle School	Secondary+6	Kenai	128.03	247.41	85,476	174.27	336.78	73.47%	-0.47%	128.03	247.41	73.47%
Kenai Peninsula Borough	Mt. View Elementary	Elementary	Kenai	418.58	-	50,000	429.20	-	97.52%	-0.47%	418.58	-	97.52%
Kenai Peninsula Borough	Kenai Alternative High School	Secondary	Kenai	3.50	67.25	17,315	2.40	46.10	145.88%	-0.47%	3.50	67.25	145.88%
Kenai Peninsula Borough	Aurora Borealis Charter School	Mixed Grade	Kenai	163.70	30.00	28,252	131.54	24.11	124.45%	-0.47%	163.70	30.00	124.45%
Kenai Peninsula Borough	Kaleidoscope School of Arts & Science	Elementary	Kenai	253.85	-	35,440	287.69	-	88.24%	-0.47%	253.85	-	88.24%
Kenai Peninsula Borough	Moose Pass School	Mixed Grade	Moose Pass	11.00	-	8,989	29.52	-	37.26%	-9.37%	11.00	-	37.26%
Kenai Peninsula Borough	Nanwalek School	K-12	Nanwalek	52.00	30.75	14,832	30.92	18.29	168.16%	2.23%	62.01	36.67	200.54%

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Kenai Peninsula Borough	Nikiski North Star Elementary	Elementary	Nikiski	361.25	-	50,000	429.20	-	84.17%	0.17%	366.26	-	85.34%
Kenai Peninsula Borough	Nikiski Middle/Senior High School	Secondary+6	Nikiski	45.65	327.99	117,504	86.82	623.78	52.58%	0.17%	46.28	332.54	53.31%
Kenai Peninsula Borough	Nikolaevsk School	K-12	Nikolaevsk	24.50	41.00	21,449	27.03	45.23	90.65%	-1.31%	24.50	41.00	90.65%
Kenai Peninsula Borough	Ninilchik School	K-12	Ninilchik	53.55	69.45	55,299	120.57	156.37	44.42%	-3.32%	53.55	69.45	44.42%
Kenai Peninsula Borough	Port Graham School	K-12	Port Graham	24.25	12.25	12,568	27.26	13.77	88.95%	10.01%	52.04	26.29	190.87%
Kenai Peninsula Borough	Susan B English School	K-12	Seldovia	16.00	16.00	59,208	158.88	158.88	10.07%	-6.38%	16.00	16.00	10.07%
Kenai Peninsula Borough	William H. Seward Elementary School	Elementary	Seward	282.81	-	52,199	449.74	-	62.88%	1.09%	308.46	-	68.59%
Kenai Peninsula Borough	Seward High School	Secondary	Seward	-	188.95	75,373	-	427.61	44.19%	1.09%	-	206.08	48.19%
Kenai Peninsula Borough	Seward Middle School	Secondary+6	Seward	34.00	91.65	37,500	47.14	127.08	72.12%	1.09%	37.08	99.96	78.66%
Kenai Peninsula Borough	Kalifornsky Beach Elementary	Elementary	Soldotna	407.88	-	46,935	400.27	-	101.90%	-0.68%	407.88	-	101.90%
Kenai Peninsula Borough	Soldotna Elementary	Elementary	Soldotna	301.89	-	35,215	285.42	-	105.77%	-0.68%	301.89	-	105.77%
Kenai Peninsula Borough	Skyview Middle School	Secondary	Soldotna	-	413.40	117,101	-	703.94	58.73%	-0.68%	-	413.40	58.73%
Kenai Peninsula Borough	Sterling Elementary	Elementary	Soldotna	217.94	-	35,507	288.37	-	75.58%	-0.68%	217.94	-	75.58%
Kenai Peninsula Borough	Tustumena Elementary	Elementary	Soldotna	170.90	-	46,679	397.84	-	42.96%	-0.68%	170.90	-	42.96%
Kenai Peninsula Borough	Soldotna High School	Secondary	Soldotna	-	554.23	154,637	-	935.90	59.22%	-0.68%	-	554.23	59.22%
Kenai Peninsula Borough	Redoubt Elementary	Elementary	Soldotna	349.40	-	46,639	397.46	-	87.91%	-0.68%	349.40	-	87.91%
Kenai Peninsula Borough	Soldotna Prep School	Secondary	Soldotna	-	198.60	60,176	-	313.26	63.40%	-0.68%	-	198.60	63.40%
Kenai Peninsula Borough	River City Academy	Secondary	Soldotna	-	80.85	24,579	-	73.12	110.58%	-0.68%	-	80.85	110.58%
Kenai Peninsula Borough	Soldotna Montessori Charter School	Elementary	Soldotna	164.83	-	18,962	121.06	-	136.15%	-0.68%	164.83	-	136.15%
Kenai Peninsula Borough	Tebughna School	K-12	Tyonek	20.00	9.00	25,976	68.17	30.68	29.34%	-1.43%	20.00	9.00	29.34%
Ketchikan Gateway Borough	Houghtaling Elementary	Elementary	Ketchikan	381.30	-	62,500	544.11	-	70.08%	0.99%	412.68	-	75.84%
Ketchikan Gateway Borough	Ketchikan High School	Secondary	Ketchikan	-	605.54	180,614	-	1,094.18	55.34%	0.99%	-	655.37	59.90%
Ketchikan Gateway Borough	Schoenbar Middle School	Secondary	Ketchikan	-	284.75	66,048	-	358.74	79.38%	0.99%	-	308.18	85.91%
Ketchikan Gateway Borough	Fawn Mountain Elementary	Elementary	Ketchikan	260.30	-	43,884	371.07	-	70.15%	0.99%	281.72	-	75.92%
Ketchikan Gateway Borough	Point Higgins School	Elementary	Ketchikan	255.90	-	55,040	476.04	-	53.76%	0.99%	276.96	-	58.18%
Ketchikan Gateway Borough	Revilla Jr/Sr High School	Secondary	Ketchikan	-	98.15	10,000	-	24.14	406.60%	0.99%	-	106.23	440.06%
Ketchikan Gateway Borough	Ketchikan Charter School & Tongass School	Mixed Grade	Ketchikan	291.30	51.00	41,262	203.86	35.69	142.89%	0.99%	315.27	55.20	154.65%
Klawock City	Klawock City School	K-12	Klawock	74.60	53.55	44,450	120.52	86.52	61.90%	0.55%	77.95	55.95	64.67%
Kodiak Island Borough	Akhiok School	K-12	Akhiok	17.00	10.00	8,240	16.14	9.50	105.31%	7.53%	30.40	17.88	188.29%
Kodiak Island Borough	Chiniak School	K-12	Chiniak	19.85	6.00	8,980	22.14	6.69	89.66%	0.00%	19.85	6.00	89.66%
Kodiak Island Borough	Karluk School	K-12	Karluk	2.00	8.00	8,240	4.78	19.11	41.85%	0.10%	2.02	8.07	42.20%
Kodiak Island Borough	East Elementary	Elementary	Kodiak	282.00	-	40,712	340.22	-	82.89%	-1.33%	282.00	-	82.89%
Kodiak Island Borough	Kodiak High School	Secondary	Kodiak	-	662.75	159,741	-	967.08	68.53%	-1.33%	-	662.75	68.53%
Kodiak Island Borough	Peterson Elementary	Elementary	Kodiak	260.13	-	40,287	336.05	-	77.41%	-1.33%	260.13	-	77.41%
Kodiak Island Borough	Kodiak Middle School	Secondary+6	Kodiak	165.00	294.45	65,494	136.28	243.20	121.07%	-1.33%	165.00	294.45	121.07%
Kodiak Island Borough	Main Elementary	Elementary	Kodiak	225.75	-	45,730	388.79	-	58.06%	-1.33%	225.75	-	58.06%
Kodiak Island Borough	North Star Elementary	Elementary	Kodiak	219.90	-	39,600	329.28	-	66.78%	-1.33%	219.90	-	66.78%
Kodiak Island Borough	Larsen Bay School	K-12	Larsen Bay	7.00	9.00	20,026	29.48	37.91	23.74%	4.97%	10.32	13.27	35.00%
Kodiak Island Borough	Old Harbor School	K-12	Old Harbor	23.25	7.00	21,031	59.12	17.80	39.33%	-4.55%	23.25	7.00	39.33%
Kodiak Island Borough	Ouzinkie School	K-12	Ouzinkie	12.00	7.00	14,604	30.55	17.82	39.28%	-5.14%	12.00	7.00	39.28%
Kodiak Island Borough	Port Lions School	K-12	Port Lions	7.00	5.00	20,327	41.28	29.48	16.96%	-10.36%	7.00	5.00	16.96%
Kuspuk	Auntie Mary Nicoli Elementary	Elementary	Aniak	81.05	-	18,159	113.79	-	71.23%	2.80%	101.07	-	88.82%

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Kuspuk	Aniak Jr/Sr High School	Secondary	Aniak	-	58.40	53,300	-	258.37	22.60%	2.80%	-	72.83	28.19%
Kuspuk	Crow Village Sam School	K-12	Chuathbaluk	13.00	6.00	11,524	25.57	11.80	50.84%	-3.48%	13.00	6.00	50.84%
Kuspuk	Johnnie John Sr. School	K-12	Crooked Creek	14.80	3.40	10,762	28.85	6.63	51.31%	-7.09%	14.80	3.40	51.31%
Kuspuk	Joseph S. & Olinga Gregory Elementary	Elementary	Lower Kalskag	42.05	-	13,034	72.03	-	58.38%	1.70%	48.12	-	66.81%
Kuspuk	Zackar Levi Elementary	Elementary	Lower Kalskag	42.00	-	9,828	50.17	-	83.72%	1.70%	48.06	-	95.80%
Kuspuk	George Morgan Sr. H.S.	Secondary	Lower Kalskag	-	53.75	19,823	-	54.75	98.18%	1.70%	-	61.51	112.35%
Kuspuk	Jack Egnaty Sr. School	K-12	Sleetmute	7.60	3.00	10,278	23.75	9.37	32.00%	0.42%	7.86	3.10	33.09%
Kuspuk	Gusty Michael School	K-12	Stony River	11.00	4.50	11,482	26.54	10.86	41.45%	5.59%	17.00	6.95	64.05%
Lake and Peninsula Borough	Chignik Bay School	K-12	Chignik Bay	12.00	3.00	21,937	65.37	16.34	18.36%	0.00%	12.00	3.00	18.36%
Lake and Peninsula Borough	Chignik Lagoon School	K-12	Chignik Lagoon	4.00	6.00	13,502	16.95	25.42	23.60%	-4.89%	4.00	6.00	23.60%
Lake and Peninsula Borough	Chignik Lake School	K-12	Chignik Lake	7.38	11.70	21,270	27.73	43.99	26.60%	1.04%	8.01	12.71	28.89%
Lake and Peninsula Borough	Igiugig School	K-12	Igiugig	11.00	7.00	9,329	17.86	11.37	61.57%	7.63%	19.81	12.61	110.91%
Lake and Peninsula Borough	Kokhanok School	K-12	Kokhanok	22.75	9.20	16,711	40.94	16.56	55.56%	-2.85%	22.75	9.20	55.56%
Lake and Peninsula Borough	Levelock School	K-12	Levelock	15.75	6.60	20,300	51.13	21.43	30.80%	0.89%	16.91	7.08	33.06%
Lake and Peninsula Borough	Newhalen School	K-12	Newhalen	35.65	23.00	29,598	70.00	45.16	50.93%	-3.00%	35.65	23.00	50.93%
Lake and Peninsula Borough	Nondalton School	K-12	Nondalton	18.50	8.00	19,382	47.80	20.67	38.70%	-1.94%	18.50	8.00	38.70%
Lake and Peninsula Borough	Perryville School	K-12	Perryville	8.00	8.00	17,704	29.48	29.48	27.14%	-4.56%	8.00	8.00	27.14%
Lake and Peninsula Borough	Pilot Point School	K-12	Pilot Point	9.00	3.00	11,465	28.21	9.40	31.90%	0.33%	9.24	3.08	32.75%
Lake and Peninsula Borough	Tanalian School	K-12	Port Alsworth	22.50	35.00	21,886	29.08	45.24	77.37%	8.39%	42.86	66.67	147.39%
Lake and Peninsula Borough	Meshik School	K-12	Port Heiden	12.00	3.25	13,895	37.06	10.04	32.38%	-3.25%	12.00	3.25	32.38%
Lower Kuskokwim	Joann A. Alexie Memorial School	K-12	Atmautluak	59.35	50.00	20,716	38.96	32.82	152.33%	2.20%	70.63	59.50	181.29%
Lower Kuskokwim	Mikelnguut Elitnaurviat	Elementary	Bethel	254.85	-	22,037	150.38	-	169.47%	-0.19%	254.85	-	169.47%
Lower Kuskokwim	Gladys Jung Elementary	Elementary	Bethel	337.05	-	51,036	438.90	-	76.79%	-0.19%	337.05	-	76.79%
Lower Kuskokwim	Bethel Regional High School	Secondary	Bethel	-	463.40	81,516	-	470.99	98.39%	-0.19%	-	463.40	98.39%
Lower Kuskokwim	Ayaprun Elitnaurvik	Elementary	Bethel	163.40	-	37,223	305.64	-	53.46%	-0.19%	163.40	-	53.46%
Lower Kuskokwim	Chaputnguak School	K-12	Chefornak	85.30	59.90	52,458	159.22	111.81	53.57%	-0.59%	85.30	59.90	53.57%
Lower Kuskokwim	Eek School	K-12	Eek	60.50	44.00	17,274	33.69	24.50	179.60%	2.41%	73.22	53.25	217.36%
Lower Kuskokwim	Rocky Mountain School	K-12	Goodnews Bay	40.75	12.35	16,810	44.95	13.62	90.65%	-1.63%	40.75	12.35	90.65%
Lower Kuskokwim	Akula Elitnaurvik School	K-12	Kasigluk	66.00	43.05	25,972	58.56	38.20	112.71%	0.96%	71.26	46.48	121.69%
Lower Kuskokwim	Akiuk Memorial School	K-12	Kasigluk	50.05	40.05	21,428	41.67	33.35	120.10%	0.96%	54.04	43.24	129.67%
Lower Kuskokwim	Chief Paul Memorial School	K-12	Kipnuk	122.20	88.25	48,890	139.89	101.03	87.35%	0.37%	125.82	90.86	89.94%
Lower Kuskokwim	Ayagina'ar Elitnaurvik	K-12	Kongiganak	103.50	70.60	31,752	75.11	51.24	137.79%	3.07%	131.83	89.92	175.51%
Lower Kuskokwim	Ket'acik/Aapalluk Memorial School	K-12	Kwethluk	165.15	99.60	35,696	93.91	56.64	175.85%	0.82%	176.29	106.32	187.72%
Lower Kuskokwim	Kwigillingok School	K-12	Kwigillingok	68.70	50.00	32,386	74.83	54.46	91.80%	0.56%	71.86	52.30	96.02%
Lower Kuskokwim	Nuniwarmiut School	K-12	Mekoryuk	30.75	15.70	16,880	38.13	19.47	80.65%	6.45%	50.70	25.88	132.97%
Lower Kuskokwim	William Miller Memorial School	K-12	Napakiak	45.00	34.75	24,987	51.43	39.71	87.50%	0.10%	45.36	35.03	88.20%
Lower Kuskokwim	Z. John Williams Memorial School	K-12	Napaskiak	88.50	70.35	24,314	48.96	38.92	180.77%	-0.22%	88.50	70.35	180.77%
Lower Kuskokwim	Ayaprun School	K-12	Newtok	69.05	57.85	27,798	56.67	47.48	121.84%	0.27%	70.53	59.09	124.45%
Lower Kuskokwim	Negtemiut Elitnaurviat School	K-12	Nightmute	40.30	30.95	16,209	30.47	23.40	132.27%	-2.96%	40.30	30.95	132.27%
Lower Kuskokwim	Anna Tobeluk Memorial School	K-12	Nunapitchuk	124.45	90.40	31,218	71.19	51.71	174.82%	3.96%	169.74	123.30	238.44%
Lower Kuskokwim	Qugcuun Memorial School	K-12	Oscarville	6.80	9.40	5,768	7.12	9.84	95.51%	-6.39%	6.80	9.40	95.51%
Lower Kuskokwim	Arviq School	K-12	Platinum	7.00	5.75	4,518	7.36	6.05	95.05%	0.25%	7.14	5.86	96.94%

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Lower Kuskokwim	Kuinerrarmiut Elitnaurviat	K-12	Quinhagak	136.30	97.30	53,152	161.31	115.15	84.50%	1.31%	151.20	107.94	93.73%
Lower Kuskokwim	Nelson Island Area School	K-12	Toksook Bay	87.30	99.75	30,555	54.05	61.76	161.51%	-1.68%	87.30	99.75	161.51%
Lower Kuskokwim	Lewis Angapak Memorial School	K-12	Tuntutuliak	76.00	73.90	21,622	38.05	37.00	199.71%	2.04%	89.32	86.85	234.71%
Lower Kuskokwim	Paul T. Albert Memorial School	K-12	Tununak	52.90	49.55	23,621	43.34	40.59	122.06%	-1.20%	52.90	49.55	122.06%
Lower Yukon	Alakanuk School	K-12	Alakanuk	128.55	95.10	54,784	171.07	126.56	75.14%	-0.58%	128.55	95.10	75.14%
Lower Yukon	Emmonak School	K-12	Emmonak	135.90	79.40	44,752	134.59	78.63	100.98%	-0.72%	135.90	79.40	100.98%
Lower Yukon	Hooper Bay School	K-12	Hooper Bay	271.65	179.10	73,864	283.87	187.16	95.70%	1.46%	305.10	201.15	107.48%
Lower Yukon	Kotlik School	K-12	Kotlik	114.60	59.50	42,199	129.20	67.08	88.70%	-0.66%	114.60	59.50	88.70%
Lower Yukon	Marshall School	K-12	Marshall	78.35	62.85	41,487	102.22	82.00	76.65%	0.35%	80.58	64.64	78.83%
Lower Yukon	Mountain Village School	K-12	Mountain Village	140.10	72.50	47,164	154.65	80.03	90.59%	-1.60%	140.10	72.50	90.59%
Lower Yukon	Pilot Station School	K-12	Pilot Station	112.75	62.10	48,855	159.36	87.77	70.75%	1.50%	127.06	69.98	79.73%
Lower Yukon	Russian Mission School	K-12	Russian Mission	81.65	43.80	31,844	83.91	45.01	97.31%	1.79%	94.13	50.50	112.19%
Lower Yukon	Scammon Bay School	K-12	Scammon Bay	116.35	99.85	44,210	108.70	93.29	107.03%	-0.60%	116.35	99.85	107.03%
Lower Yukon	Sheldon Point School	K-12	Sheldon Point	26.00	25.25	27,106	50.66	49.20	51.32%	-2.44%	26.00	25.25	51.32%
Matanuska-Susitna Borough	Colony Middle School	Secondary+6	Colony	221.85	521.05	120,000	216.77	509.13	102.34%	0.04%	222.62	522.87	102.70%
Matanuska-Susitna Borough	Colony High School	Secondary	Colony	-	1,134.80	194,000	-	1,175.50	96.54%	0.04%	-	1,138.76	96.87%
Matanuska-Susitna Borough	Cottonwood Creek Elementary	Elementary	Colony	492.60	-	49,550	424.98	-	115.91%	0.04%	494.32	-	116.32%
Matanuska-Susitna Borough	Finger Lake Elementary	Elementary	Colony	368.23	-	53,457	461.41	-	79.80%	0.04%	369.51	-	80.08%
Matanuska-Susitna Borough	Pioneer Peak Elementary	Elementary	Colony	431.40	-	49,550	424.98	-	101.51%	0.04%	432.90	-	101.87%
Matanuska-Susitna Borough	Glacier View School	K-12	Glacier View	18.25	14.00	20,343	39.93	30.63	45.70%	-2.25%	18.25	14.00	45.70%
Matanuska-Susitna Borough	Houston High School	Secondary	Houston	-	389.30	88,240	-	517.02	75.30%	-1.52%	-	389.30	75.30%
Matanuska-Susitna Borough	Willow Elementary	Elementary	Houston	131.00	-	33,797	271.00	-	48.34%	-1.52%	131.00	-	48.34%
Matanuska-Susitna Borough	Big Lake Elementary	Elementary	Houston	387.53	-	57,240	496.25	-	78.09%	-1.52%	387.53	-	78.09%
Matanuska-Susitna Borough	Meadow Lakes Elementary	Elementary	Houston	418.28	-	54,378	469.93	-	89.01%	-1.52%	418.28	-	89.01%
Matanuska-Susitna Borough	Houston Middle School	Secondary+6	Houston	137.25	201.35	93,152	226.86	332.81	60.50%	-1.52%	137.25	201.35	60.50%
Matanuska-Susitna Borough	Palmer Middle School	Secondary+6	Palmer	208.55	350.65	128,452	289.99	487.59	71.92%	0.52%	217.45	365.61	74.98%
Matanuska-Susitna Borough	Palmer High School	Secondary	Palmer	-	807.45	196,606	-	1,191.32	67.78%	0.52%	-	841.90	70.67%
Matanuska-Susitna Borough	Sherrod Elementary	Elementary	Palmer	428.15	-	54,378	469.93	-	91.11%	0.52%	446.42	-	95.00%
Matanuska-Susitna Borough	Swanson Elementary	Elementary	Palmer	446.55	-	50,135	430.47	-	103.74%	0.52%	465.60	-	108.16%
Matanuska-Susitna Borough	Butte Elementary	Elementary	Palmer	274.10	-	49,550	424.98	-	64.50%	0.52%	285.80	-	67.25%
Matanuska-Susitna Borough	Sutton Elementary	Elementary	Palmer	60.29	-	25,414	184.46	-	32.68%	0.52%	62.86	-	34.08%
Matanuska-Susitna Borough	Fred and Sara Machetanz Elementary School	Elementary	Palmer	472.20	-	52,556	453.06	-	104.23%	0.52%	492.35	-	108.67%
Matanuska-Susitna Borough	Academy Charter School	Mixed Grade	Palmer	195.00	49.25	44,314	258.26	65.23	75.51%	0.52%	203.32	51.35	78.73%
Matanuska-Susitna Borough	Susitna Valley High	Secondary+6	Susitna Valley	22.00	166.80	50,578	31.82	241.26	69.14%	1.42%	24.64	186.78	77.42%
Matanuska-Susitna Borough	Trapper Creek Elementary	Elementary	Susitna Valley	24.15	-	16,080	95.84	-	25.20%	1.42%	27.04	-	28.22%
Matanuska-Susitna Borough	Talkeetna Elementary	Elementary	Susitna Valley	111.95	-	28,595	217.35	-	51.51%	1.42%	125.36	-	57.68%
Matanuska-Susitna Borough	Iditarod Elementary	Elementary	Wasilla	381.90	-	50,974	438.32	-	87.13%	1.96%	445.89	-	101.73%
Matanuska-Susitna Borough	Wasilla High School	Secondary	Wasilla	-	1,028.95	200,686	-	1,216.08	84.61%	1.96%	-	1,201.37	98.79%
Matanuska-Susitna Borough	Wasilla Middle School	Secondary+6	Wasilla	211.45	371.80	128,838	282.76	497.18	74.78%	1.96%	246.88	434.10	87.31%
Matanuska-Susitna Borough	Tanaina Elementary	Elementary	Wasilla	423.50	-	53,457	461.41	-	91.78%	1.96%	494.46	-	107.16%
Matanuska-Susitna Borough	Snowshoe Elementary	Elementary	Wasilla	406.20	-	49,550	424.98	-	95.58%	1.96%	474.27	-	111.60%
Matanuska-Susitna Borough	Goose Bay Elementary	Elementary	Wasilla	319.10	-	53,457	461.41	-	69.16%	1.96%	372.57	-	80.75%

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Matanuska-Susitna Borough	Larson Elementary	Elementary	Wasilla	408.90	-	54,378	469.93	-	87.01%	1.96%	477.42	-	101.59%
Matanuska-Susitna Borough	Teeland Middle School	Secondary+6	Wasilla	257.20	488.90	134,539	280.85	533.86	91.58%	1.96%	300.30	570.82	106.92%
Matanuska-Susitna Borough	John Shaw Elementary	Elementary	Wasilla	407.45	-	54,378	469.93	-	86.70%	1.96%	475.73	-	101.23%
Matanuska-Susitna Borough	Knik Elementary School	Elementary	Wasilla	283.10	-	54,378	469.93	-	60.24%	1.96%	330.54	-	70.34%
Matanuska-Susitna Borough	Mat-Su Career & Tech Ed High School	Secondary	Wasilla	-	580.55	111,670	-	669.65	86.69%	1.96%	-	677.83	101.22%
Matanuska-Susitna Borough	Joe Redington Senior Jr/Sr High School	Secondary+6	Wasilla	120.20	401.00	95,318	132.21	441.05	90.92%	1.96%	140.34	468.19	106.15%
Matanuska-Susitna Borough	Dena'ina Elementary School	Elementary	Wasilla	400.75	-	44,129	373.43	-	107.31%	1.96%	467.90	-	125.30%
Matanuska-Susitna Borough	Burchell High School	Secondary	Wasilla	-	252.55	34,602	-	122.72	205.80%	1.96%	-	294.87	240.29%
Matanuska-Susitna Borough	Valley Pathways	Secondary	Wasilla	-	178.80	46,004	-	200.59	89.14%	1.96%	-	208.76	104.07%
Matanuska-Susitna Borough	Mat-Su Day School	K-12	Wasilla	18.60	65.93	21,982	15.87	56.25	117.20%	1.96%	21.72	76.97	136.84%
Mount Edgecumbe	Mt. Edgecumbe High School	Secondary	Mt. Edgecumbe	-	431.25	109,590	-	656.44	65.69%	0.17%	-	437.19	66.60%
Nenana City	Nenana City School	K-12	Nenana	52.00	119.75	68,668	111.59	256.97	46.60%	-1.91%	52.00	119.75	46.60%
Nome Public Schools	Nome Elementary	Elementary	Nome Elementary	384.45	-	61,605	536.01	-	71.72%	0.39%	396.68	-	74.01%
Nome Public Schools	Nome-Beltz Jr/Sr High	Secondary	Nome	-	227.05	124,669	-	751.29	30.22%	0.39%	-	234.27	31.18%
North Slope Borough	Nunamiut School	K-12	Anaktuvuk Pass	57.20	39.90	38,353	97.50	68.01	58.66%	3.33%	74.32	51.84	76.22%
North Slope Borough	Meade River School	K-12	Atkasuk	46.30	28.00	44,621	131.84	79.73	35.12%	0.83%	49.48	29.92	37.53%
North Slope Borough	Fred Ipalook Elementary	Elementary	Barrow	538.30	-	174,594	1,531.53	-	35.15%	2.19%	640.10	-	41.80%
North Slope Borough	Barrow High School	Secondary	Barrow	-	231.05	123,734	-	745.47	30.99%	2.19%	-	274.75	36.86%
North Slope Borough	Eben Hopson Middle School	Secondary+6	Barrow	98.30	157.05	89,543	206.68	330.21	47.56%	2.19%	116.89	186.75	56.56%
North Slope Borough	Kiita Learning Community	Secondary	Barrow	-	46.46	10,021	-	24.20	192.02%	2.19%	-	55.25	228.34%
North Slope Borough	Harold Kaveolook School	K-12	Kaktovik	31.00	20.30	42,501	117.58	77.00	26.36%	0.71%	32.80	21.48	27.90%
North Slope Borough	Nuiqsut Trapper School	K-12	Nuiqsut	90.50	34.05	53,454	216.49	81.45	41.80%	5.56%	139.48	52.48	64.43%
North Slope Borough	Tikigaq School	K-12	Point Hope	138.60	90.20	77,767	307.94	200.40	45.01%	2.46%	168.32	109.54	54.66%
North Slope Borough	Kali School	K-12	Point Lay	50.75	36.10	38,708	97.91	69.64	51.84%	4.49%	72.10	51.29	73.65%
North Slope Borough	Alak School	K-12	Wainwright	88.50	60.15	62,364	214.95	146.09	41.17%	0.90%	95.06	64.61	44.23%
Northwest Arctic Borough	Ambler School	K-12	Ambler	41.10	29.05	39,197	100.08	70.74	41.07%	2.67%	50.76	35.87	50.71%
Northwest Arctic Borough	Buckland School	K-12	Buckland	105.20	64.63	43,122	123.99	76.17	84.84%	1.04%	114.28	70.20	92.17%
Northwest Arctic Borough	Deering School	K-12	Deering	31.65	6.70	12,202	33.77	7.15	93.71%	4.55%	45.18	9.56	133.76%
Northwest Arctic Borough	Kiana School	K-12	Kiana	59.70	54.80	39,011	86.58	79.48	68.95%	1.52%	67.36	61.83	77.79%
Northwest Arctic Borough	McQueen School	K-12	Kivalina	87.05	42.70	21,104	50.68	24.86	171.76%	2.57%	106.65	52.32	210.44%
Northwest Arctic Borough	Kobuk School	K-12	Kobuk	32.75	13.15	17,364	42.95	17.24	76.26%	3.74%	43.93	17.64	102.28%
Northwest Arctic Borough	June Nelson Elementary	Elementary	Kotzebue	349.85	-	79,301	694.30	-	50.39%	-0.35%	349.85	-	50.39%
Northwest Arctic Borough	Kotzebue Middle/High School	Secondary+6	Kotzebue	55.45	279.05	80,680	79.61	400.63	69.65%	-0.35%	55.45	279.05	69.65%
Northwest Arctic Borough	Napaaqtugmiut School	K-12	Noatak	108.00	68.75	51,004	159.75	101.69	67.60%	2.38%	130.33	82.96	81.58%
Northwest Arctic Borough	Aqqaq High/Noorvik Elementary	K-12	Noorvik	116.13	65.65	64,340	247.64	140.00	46.89%	-0.64%	116.13	65.65	46.89%
Northwest Arctic Borough	Davis-Ramoth School	K-12	Selawik	146.55	102.35	54,412	169.56	118.42	86.43%	0.22%	149.13	104.15	87.95%
Northwest Arctic Borough	Shungnak School	K-12	Shungnak	48.85	34.00	23,444	49.85	34.70	97.98%	1.98%	57.14	39.77	114.61%
Pelican City	Pelican School	K-12	Pelican	7.00	3.00	17,444	42.25	18.11	16.57%	-2.36%	7.00	3.00	16.57%
Petersburg Borough	Rae C. Stedman Elementary	Elementary	Petersburg	225.61	-	33,158	264.46	-	85.31%	-0.95%	225.61	-	85.31%
Petersburg Borough	Petersburg High School	Secondary	Petersburg	-	155.25	55,705	-	277.69	55.91%	-0.95%	-	155.25	55.91%
Petersburg Borough	Mitkof Middle School	Secondary+6	Petersburg	29.00	62.50	32,535	43.93	94.67	66.02%	-0.95%	29.00	62.50	66.02%
Pribilof	St George School	Mixed Grade	St. George	6.00	-	14,352	53.93	-	11.13%	-10.49%	6.00	-	11.13%

District Name	School Name	Type of Space	Attendance Area	Current Elementary K-6 ADM	Current Secondary 7-12 ADM	Total Existing GSF	Current Elementary Capacity (in ADM)	Current Secondary Capacity (in ADM)	Current Percent Capacity	Avg Annual ADM Change	8 Year Projected K-6 ADM	8 Year Projected 7-12 ADM	Projected Percent Capacity
Pribilof	St Paul School	K-12	St. Paul	42.00	11.00	30,000	97.93	25.65	42.89%	-6.41%	42.00	11.00	42.89%
Saint Mary's	Saint Mary's School	K-12	St. Mary's	116.85	83.70	58,872	190.43	136.40	61.36%	1.74%	134.10	96.05	70.42%
Sitka	Baranof Elementary	Elementary	Sitka	190.66	-	51,152	439.98	-	43.33%	-0.32%	190.66	-	43.33%
Sitka	Blatchley Middle School	Secondary+6	Sitka	81.50	177.35	96,909	183.63	399.59	44.38%	-0.32%	81.50	177.35	44.38%
Sitka	Sitka High School	Secondary	Sitka	-	343.40	144,730	-	875.23	39.24%	-0.32%	-	343.40	39.24%
Sitka	Keet Gooshi Heen Elementary	Elementary	Sitka	415.90	-	71,973	629.16	-	66.10%	-0.32%	415.90	-	66.10%
Sitka	Pacific High School	Secondary	Sitka	-	35.30	5,500	-	12.57	280.73%	-0.32%	-	35.30	280.73%
Skagway	Skagway School	K-12	Skagway	73.05	40.00	39,950	115.99	63.51	62.98%	3.71%	97.77	53.54	84.29%
Southeast Island	Howard Valentine Coffman Cove School	K-12	Coffman Cove	11.40	6.00	9,723	20.19	10.63	56.46%	12.22%	28.68	15.09	142.02%
Southeast Island	Hollis School	K-12	Hollis	17.50	6.00	3,960	8.99	3.08	194.71%	12.64%	45.36	15.55	504.66%
Southeast Island	Barry Craig Stewart Kasaan School	K-12	Kasaan	5.00	7.00	4,312	5.22	7.30	95.85%	3.62%	6.65	9.31	127.41%
Southeast Island	Naukati School	K-12	Naukati	16.50	5.00	12,774	32.71	9.91	50.44%	13.81%	46.45	14.08	142.00%
Southeast Island	Port Alexander School	K-12	Port Alexander	8.00	3.00	4,485	9.96	3.74	80.31%	0.84%	8.56	3.21	85.89%
Southeast Island	Thorne Bay School	K-12	Thorne Bay	33.90	34.85	44,060	97.49	100.23	34.77%	-0.99%	33.90	34.85	34.77%
Southeast Island	Whale Pass School	K-12	Whale Pass	13.00	3.00	3,352	8.34	1.93	155.79%	0.00%	13.00	3.00	155.79%
Southwest Region	Aleknagik School	K-12	Aleknagik	12.30	13.00	14,276	22.29	23.56	55.18%	-3.00%	12.30	13.00	55.18%
Southwest Region	William "Sonny" Nelson School	K-12	Ekwok	16.25	-	10,364	35.24	-	46.11%	-0.33%	16.25	-	46.11%
Southwest Region	Koliganek School	K-12	Koliganek	32.00	17.55	17,914	39.77	21.81	80.45%	-0.14%	32.00	17.55	80.45%
Southwest Region	Manokotak School	K-12	Manokotak	68.45	53.80	39,592	96.26	75.66	71.11%	0.33%	70.27	55.23	73.01%
Southwest Region	Chief Ivan Blunka School	K-12	New Stuyahok	72.55	53.00	47,234	131.55	96.10	55.15%	-1.60%	72.55	53.00	55.15%
Southwest Region	Togiak School	K-12	Togiak	141.65	72.85	77,575	343.41	176.62	41.25%	-1.07%	141.65	72.85	41.25%
Southwest Region	Twin Hills School	K-12	Twin Hills	16.30	8.75	7,941	16.09	8.64	101.30%	8.19%	30.60	16.43	190.17%
Tanana City	Maudrey J. Sommer School	K-12	Tanana	21.00	15.00	27,615	60.83	43.45	34.52%	0.39%	21.67	15.48	35.62%
Unalaska City	Eagle's View Elementary School	K-12	Unalaska	197.70	-	28,141	120.22	-	164.45%	-0.39%	197.70	-	164.45%
Unalaska City	Unalaska Jr/Sr High School	Secondary	Unalaska	-	191.00	51,639	-	245.03	77.95%	-0.39%	-	191.00	77.95%
Valdez City	Valdez High School	Secondary	Valdez	-	181.25	99,755	-	593.21	30.55%	-1.65%	-	181.25	30.55%
Valdez City	George H. Gilson Middle School	Secondary+6	Valdez	49.00	83.50	56,759	117.70	200.58	41.63%	-1.65%	49.00	83.50	41.63%
Valdez City	Hermon Hutchens Elementary	Elementary	Valdez	289.65	-	96,667	847.56	-	34.17%	-1.65%	289.65	-	34.17%
Wrangell Public	Evergreen Elementary	Elementary	Wrangell	130.85	-	36,773	301.13	-	43.45%	-1.90%	130.85	-	43.45%
Wrangell Public	Wrangell High School	Secondary	Wrangell	-	89.65	58,096	-	296.79	30.21%	-1.90%	-	89.65	30.21%
Wrangell Public	Stikine Middle School	Secondary+6	Wrangell	17.25	34.90	20,967	23.52	47.59	73.34%	-1.90%	17.25	34.90	73.34%
Yakutat	Yakutat School	K-12	Yakutat	35.74	25.03	53,714	165.77	116.08	21.56%	-7.78%	35.74	25.03	21.56%
Yukon Flats	Arctic Village School	K-12	Arctic Village	25.00	14.00	16,540	35.89	20.10	69.66%	3.94%	34.06	19.07	94.89%
Yukon Flats	Cruikshank School	K-12	Beaver	8.00	6.00	12,210	22.31	16.74	35.85%	6.64%	13.38	10.04	59.97%
Yukon Flats	Tsuk Taih School	K-12	Chalkyitsik	14.00	3.00	16,687	48.40	10.37	28.93%	4.89%	20.52	4.40	42.40%
Yukon Flats	Circle School	K-12	Circle	12.00	11.00	9,206	14.80	13.57	81.06%	4.24%	16.73	15.34	113.03%
Yukon Flats	Fort Yukon School	K-12	Fort Yukon	62.00	35.15	53,451	183.81	104.21	33.73%	-1.85%	62.00	35.15	33.73%
Yukon Flats	John Fredson School	K-12	Venetie	33.40	25.25	27,107	57.75	43.66	57.84%	3.13%	42.72	32.30	73.98%
Yukon-Koyukuk	Allakaket School	K-12	Allakaket	18.00	8.75	14,247	31.89	15.50	56.44%	-4.50%	18.00	8.75	56.44%
Yukon-Koyukuk	Johnny Oldman School	K-12	Hughes	12.00	1.25	11,328	34.62	3.61	34.66%	5.00%	17.73	1.85	51.22%
Yukon-Koyukuk	Jimmy Huntington School	K-12	Huslia	54.00	28.70	18,819	42.72	22.71	126.40%	1.47%	60.67	32.25	142.02%
Yukon-Koyukuk	Kaltag School	K-12	Kaltag	12.00	2.00	18,820	58.66	9.78	20.46%	-6.25%	12.00	2.00	20.46%

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Yukon-Koyukuk	Ella B. Verneti School	Mixed Grade	Koyukuk	12.00	2.00	12,043	35.31	5.88	33.99%	3.28%	15.53	2.59	43.99%
Yukon-Koyukuk	Gladys Dart School	K-12	Manley Hot Springs	7.00	8.00	9,763	13.98	15.98	50.06%	5.50%	10.74	12.28	76.83%
Yukon-Koyukuk	Minto School	K-12	Minto	24.00	29.50	16,152	23.52	28.92	102.02%	4.13%	33.16	40.76	140.98%
Yukon-Koyukuk	Andrew K. Demoski School	K-12	Nulato	30.20	18.95	27,502	64.24	40.31	47.01%	2.19%	35.90	22.53	55.89%
Yukon-Koyukuk	Rampart School	K-12	Rampart	8.00	4.00	6,354	13.03	6.52	61.39%	0.00%	8.00	4.00	61.39%
Yukon-Koyukuk	Merrelaine A Kangas School	K-12	Ruby	24.25	4.00	16,209	49.10	8.10	49.39%	-0.51%	24.25	4.00	49.39%
Yupitit	Akiachak School	K-12	Akiachak	110.00	87.80	43,364	109.72	87.57	100.26%	-0.42%	110.00	87.80	100.26%
Yupitit	Akiak School	K-12	Akiak	76.45	53.05	29,979	68.85	47.78	111.04%	3.34%	99.40	68.97	144.37%
Yupitit	Tuluksak School	K-12	Tuluksak	83.55	59.90	43,348	115.94	83.12	72.06%	0.78%	88.90	63.74	76.68%



**GENERAL  
TEAMSTERS  
LOCAL 959  
STATE OF ALASKA**

*Affiliated with the International Brotherhood of Teamsters*  
Rick Boyles, Secretary-Treasurer  
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Phone (907) 452-2959 • Fax (907) 452-5051

March 29, 2017

Hello Madam Chair and members of the Senate Education Committee:

My name is Jeremy Holan and I am a Business Representative at Teamsters Local 959 and I am the Teamster Director of Student Transportation, assisting with school bus contracts in Anchorage, Wasilla, Kenai, Healy and Fairbanks; I am also a father of two children that ride the school bus in Fairbanks.

I appreciate the opportunity to speak with you today.

I would like to address a couple of concerns Teamsters Local 959 has with SB96:

1. Only requiring one state inspection a year, and,
2. Removing the double minimum wage for school bus drivers.

The first item I would like to address is found in Section 6(b)(2), page 3—only requiring one state inspection a year will increase the risk of the students, bus drivers and public and will potentially increase the amount of late buses due to break downs. The Department of Transportation (DOT) cannot inspect buses when the buses are transporting students or if the bus is working a fire charter. You can find the DOT restrictions in 49 CFR 390.3 (f) (1) and AS 19.10.399 (d) (1) (3). That said DOT can get involved under the following criteria (found in 49 CFR 390.5 Definitions) if there is an accident involving:

1. Fatality;
2. Bodily injury;
3. One or more motor vehicles incurring disabling damage.

Because of these limitations placed by the DOT, the only outside inspections the school buses receive are the two state inspections a year which are also scheduled up to a year in advance. The two inspections a year are all we have to ensure the school buses are operating in a safe manner to protect the children that ride in them 9 months out of the year, the employees that operate them and, the public that are on the roads with them.

Currently, the two state inspections are scheduled almost a year in advance, giving employers the opportunity to defer maintenance until just before the scheduled inspection.

Line charts provided by the Department of Education & Early Development show each of the districts percentage of buses passing inspections from the year 2004 to present. The charts reflect the changes from inspection to inspection sometimes for the better and

sometimes for the worse, why should we take a chance and wait a year to find out if the buses are being maintained at the highest level possible?

The second item I would like to address is found in section 23 on page 14 – removing the two times the minimum wage for school bus drivers could increase the amount of driver shortages we currently face in the state of Alaska. In August 2015, the starting bus driver wage was \$15.50 an hour; the Fairbanks Daily News Minor reported a shortage of 30 drivers. In March of 2016, the starting wage for bus drivers was \$19.50 and the Fairbanks Daily News Minor reported a shortage of 16 drivers in Fairbanks.

While I was researching the school bus driver shortages, I noticed there are many newspaper articles from around the country with the same driver shortage problem. There are many reasons for the driver shortages but here are a few using Alaska's bus driver information:

1. Pay—current double minimum wage for Alaska  $\$19.50 \times 6 \times 183 = 21,411$  a year.
2. Hours worked – average for Alaska is about 6 hours a day.
3. Split shift – average is 3 hours in am and 3 hours in the afternoon with about 4 hours of unpaid time in between shifts. A 10 hour day to get paid for 6 hours.
4. DOT regulations prohibit most of the drivers the opportunity to get a second job. Drivers are required 10 hours of down time between the end of their shift and start of the shift on the next working day. Drivers are also limited to 70 hours total for work each week, behind the wheel or not, and then they have to have a mandatory rest. This makes it extremely difficult for a bus driver to work a second job and remain DOT compliant.

Drivers can carry up to 84 very precious pieces of cargo and because of this they have to pass a background check, pass a CDL permit, a road test, and be able to work a very flexible schedule.

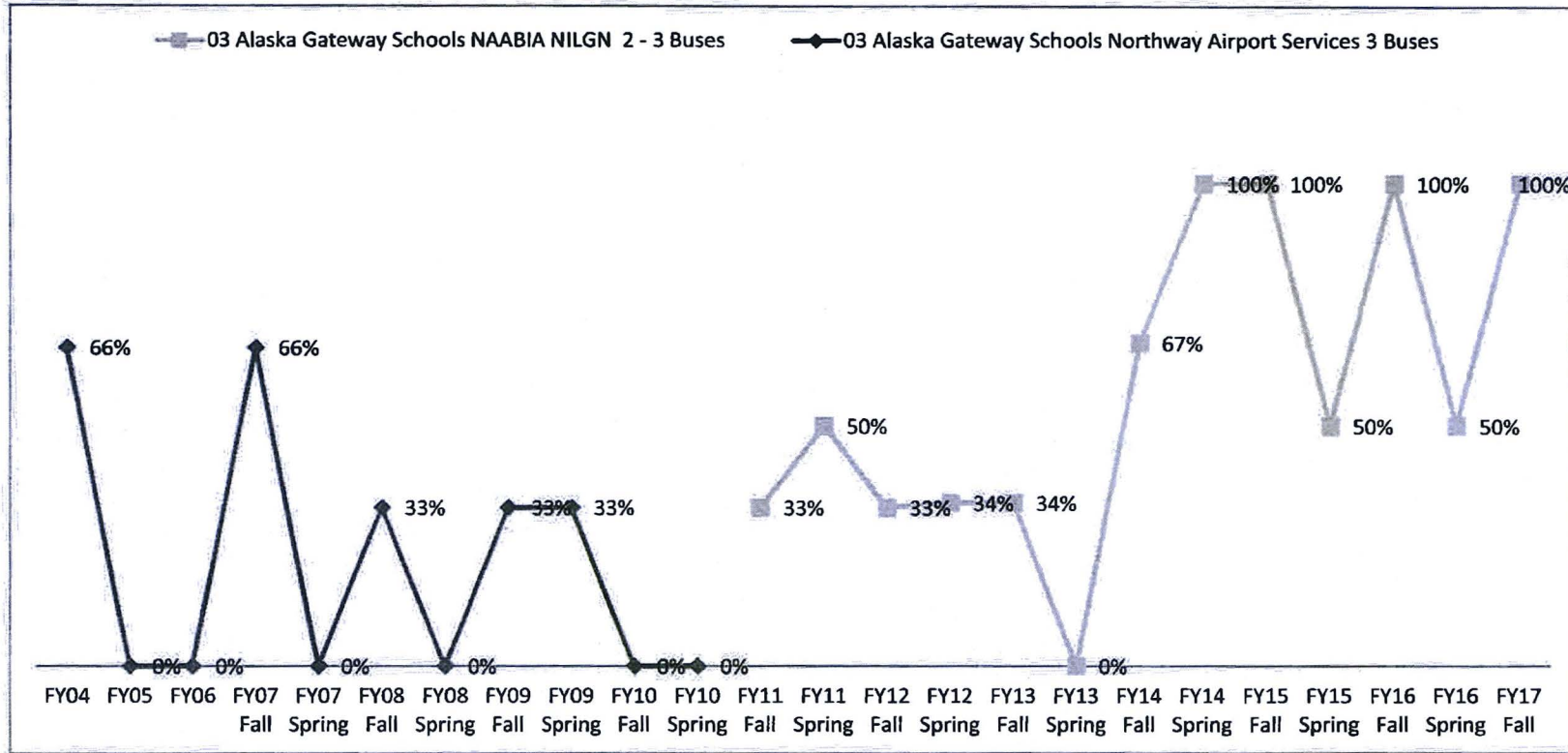
The stresses placed on these bus drivers are: safely driving a very large vehicle, while watching out for road hazards, while watching up to 84 kids to make sure they are acting in a safe manner, and make sure they don't miss a bus stop and to get them to and from school on time.

Again our concerns are by only requiring one state school bus inspection a year could put the kids, employees, and public at risk and removing the double minimum wage for school bus drivers could create a larger school bus shortage for the state of Alaska.

I ask that more time and discussion is spent regarding this bill before it moves forward.

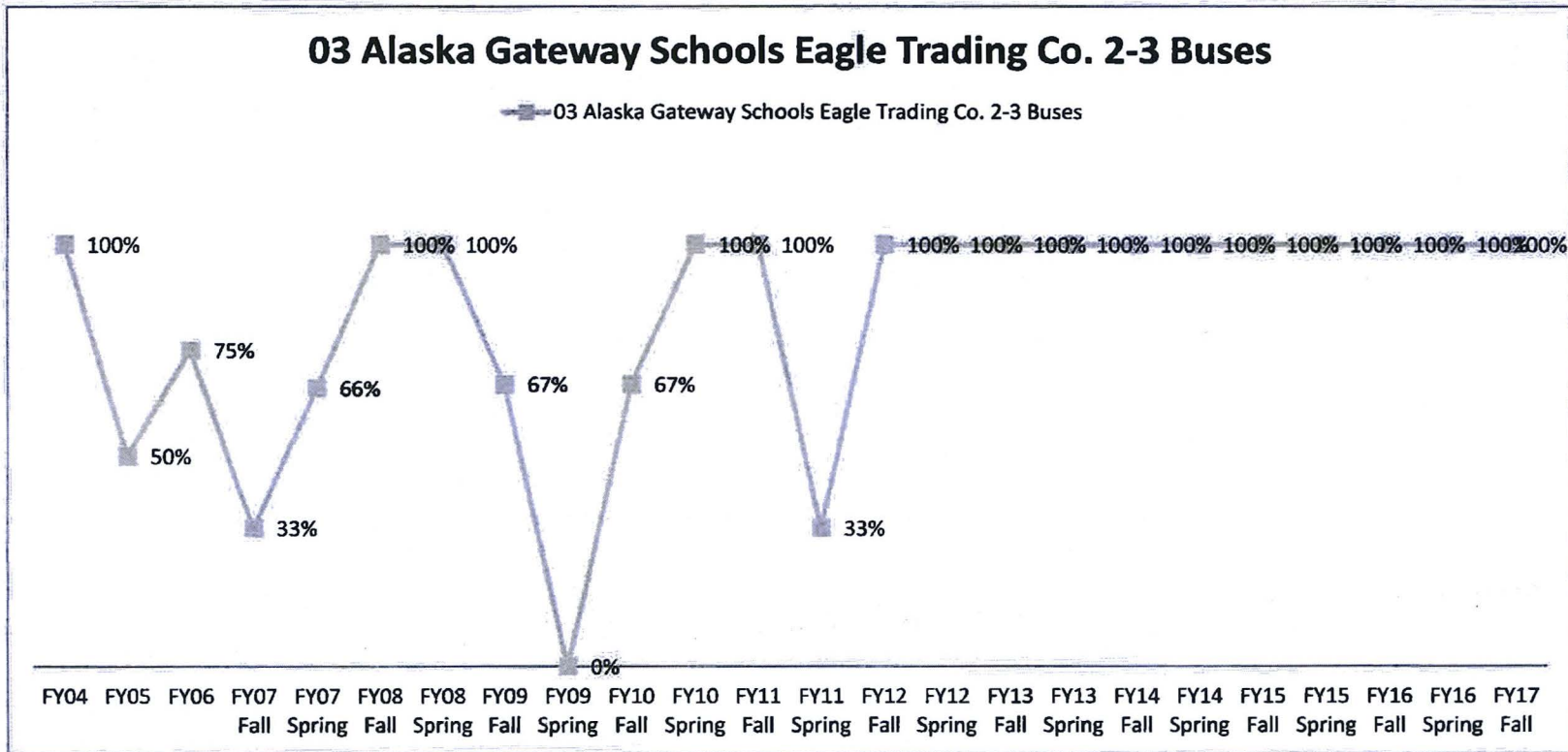
Thank you Madam Chair and members of the Senate Education Committee for allowing me to speak with you today

Percentage of buses passing inspection



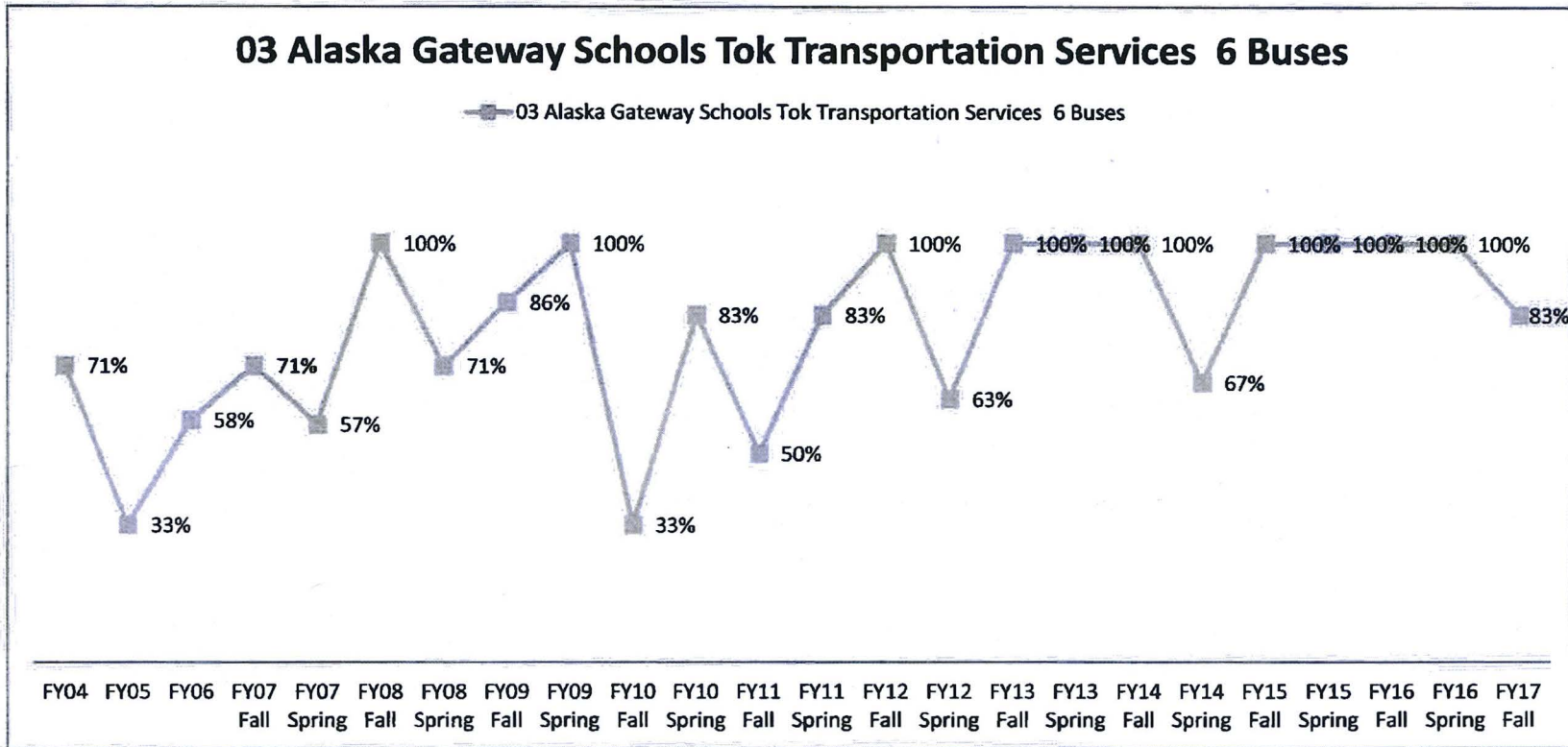
Percentage of buses passing inspection

Percentage of buses passing inspection



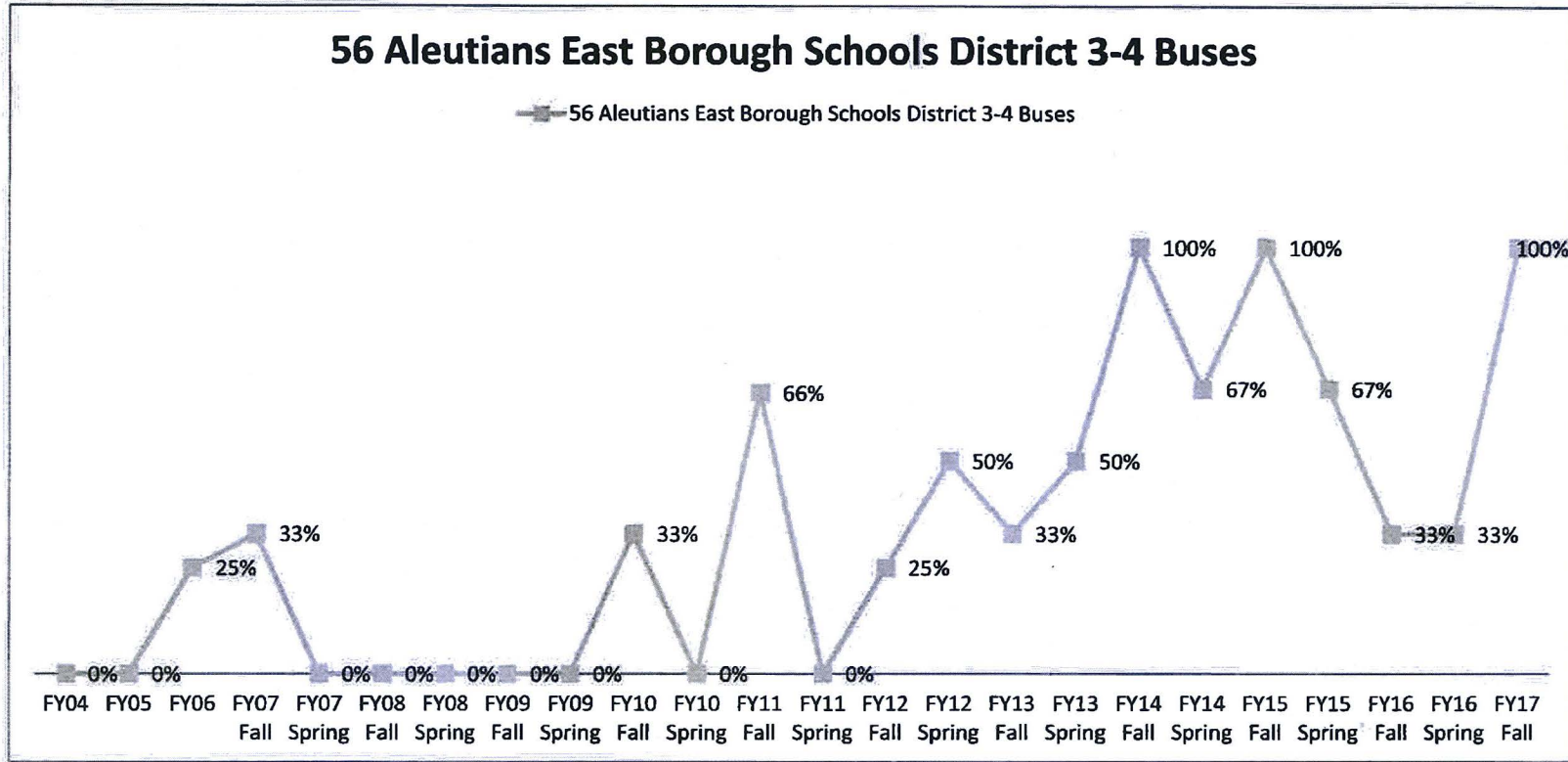
Percentage of buses passing inspection

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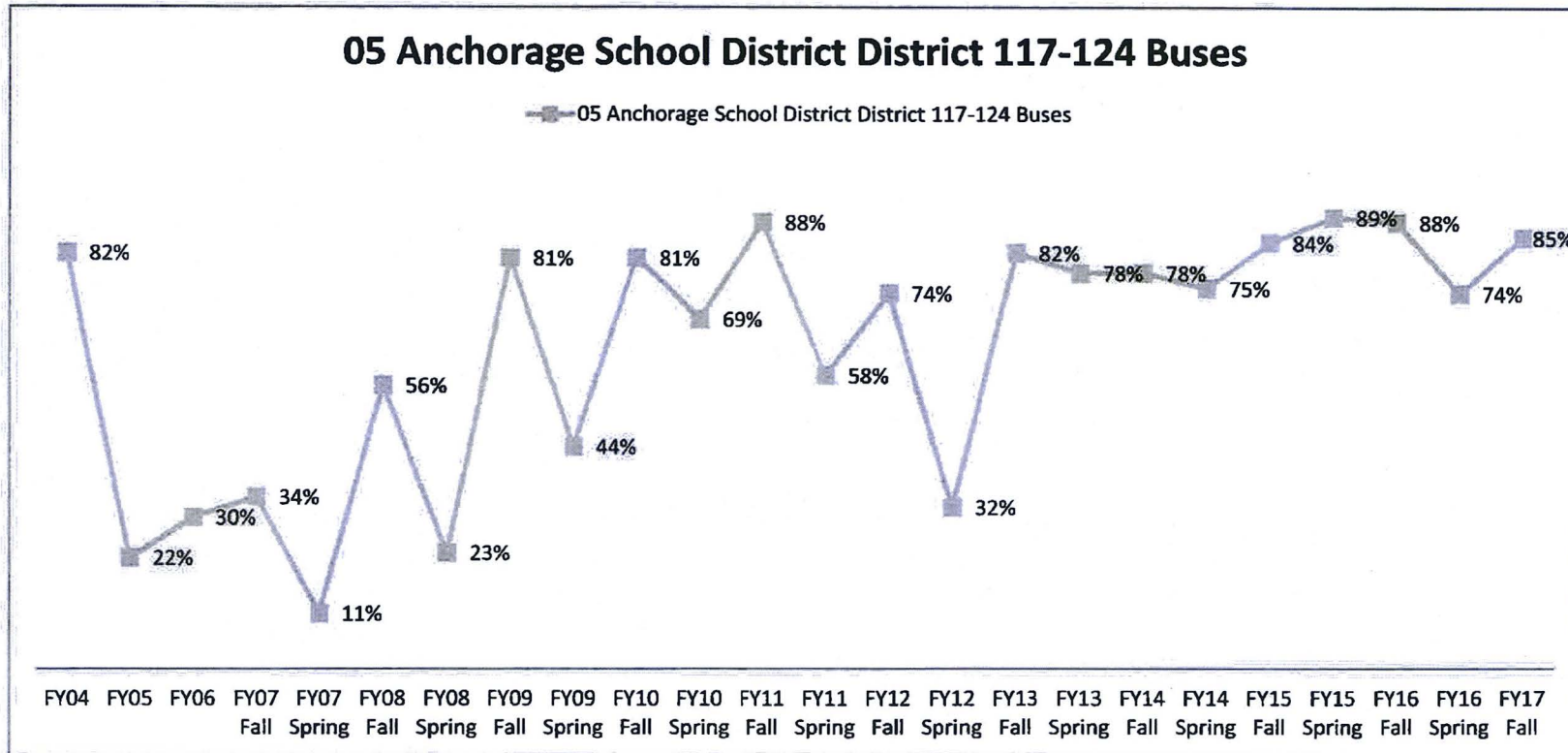
Percentage of buses passing inspection

Percentage of buses passing initial inspection



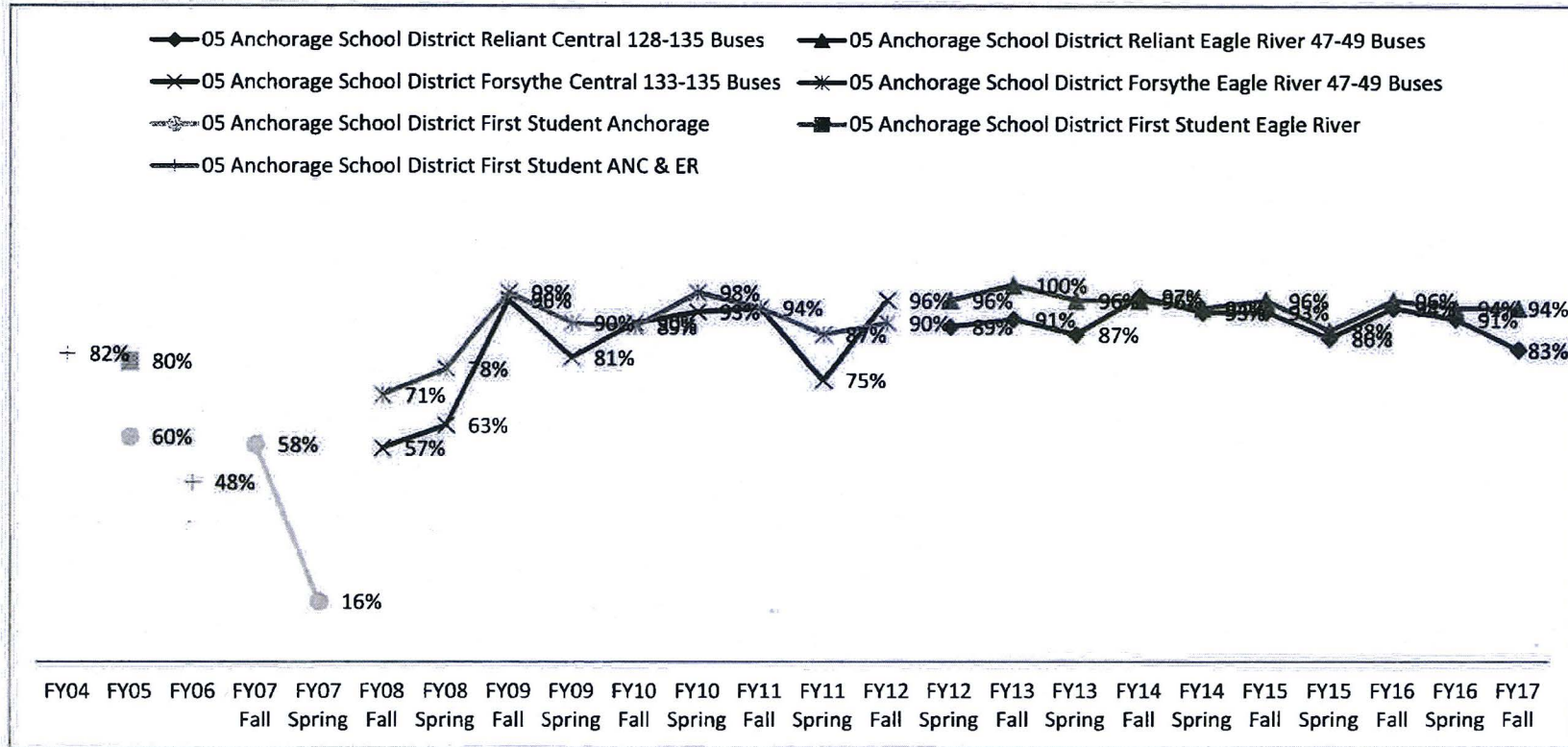
Percentage of buses passing initial inspection

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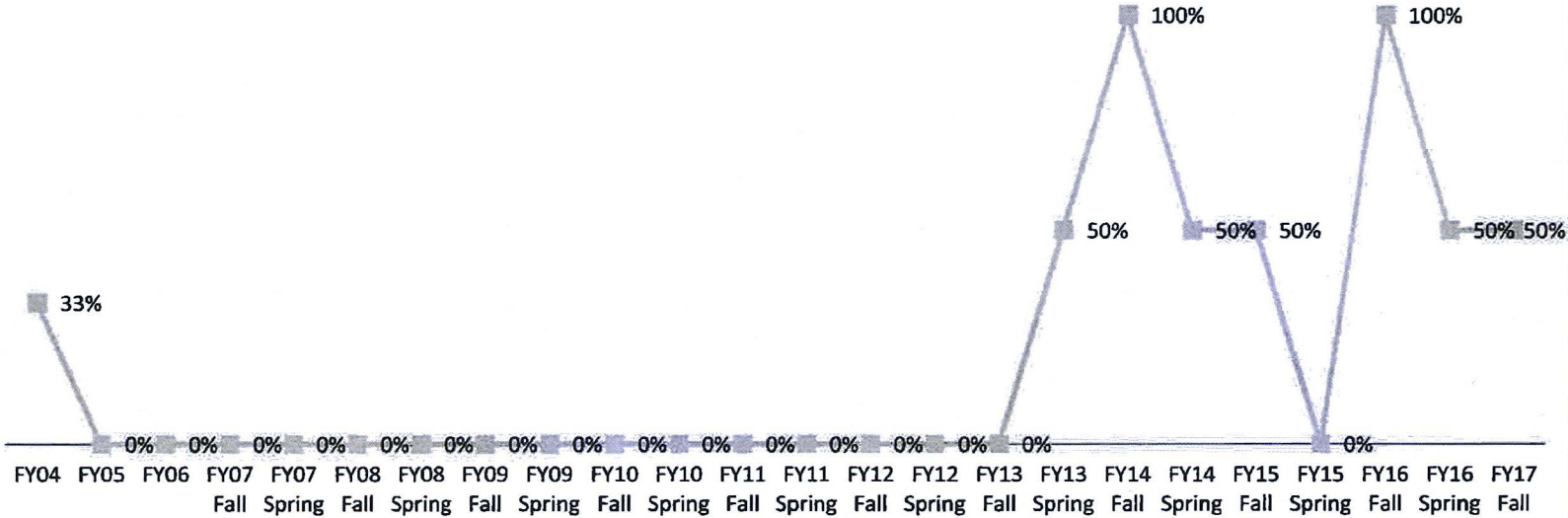


Percentage of buses passing initial inspection

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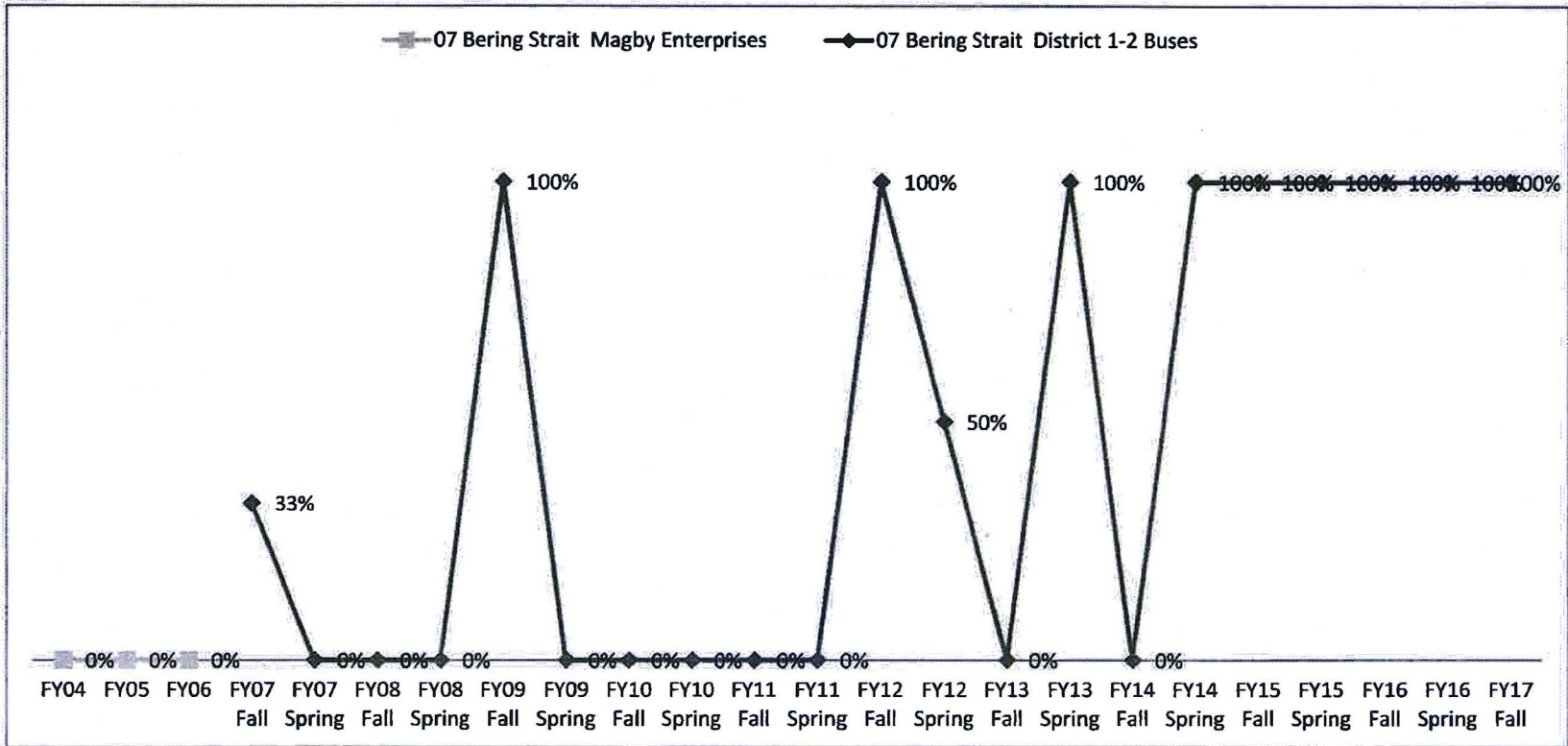
**06 Annette Island School District Metlakatla District 2 Buses**

—■— 06 Annette Island School District Metlakatla District 2 Buses



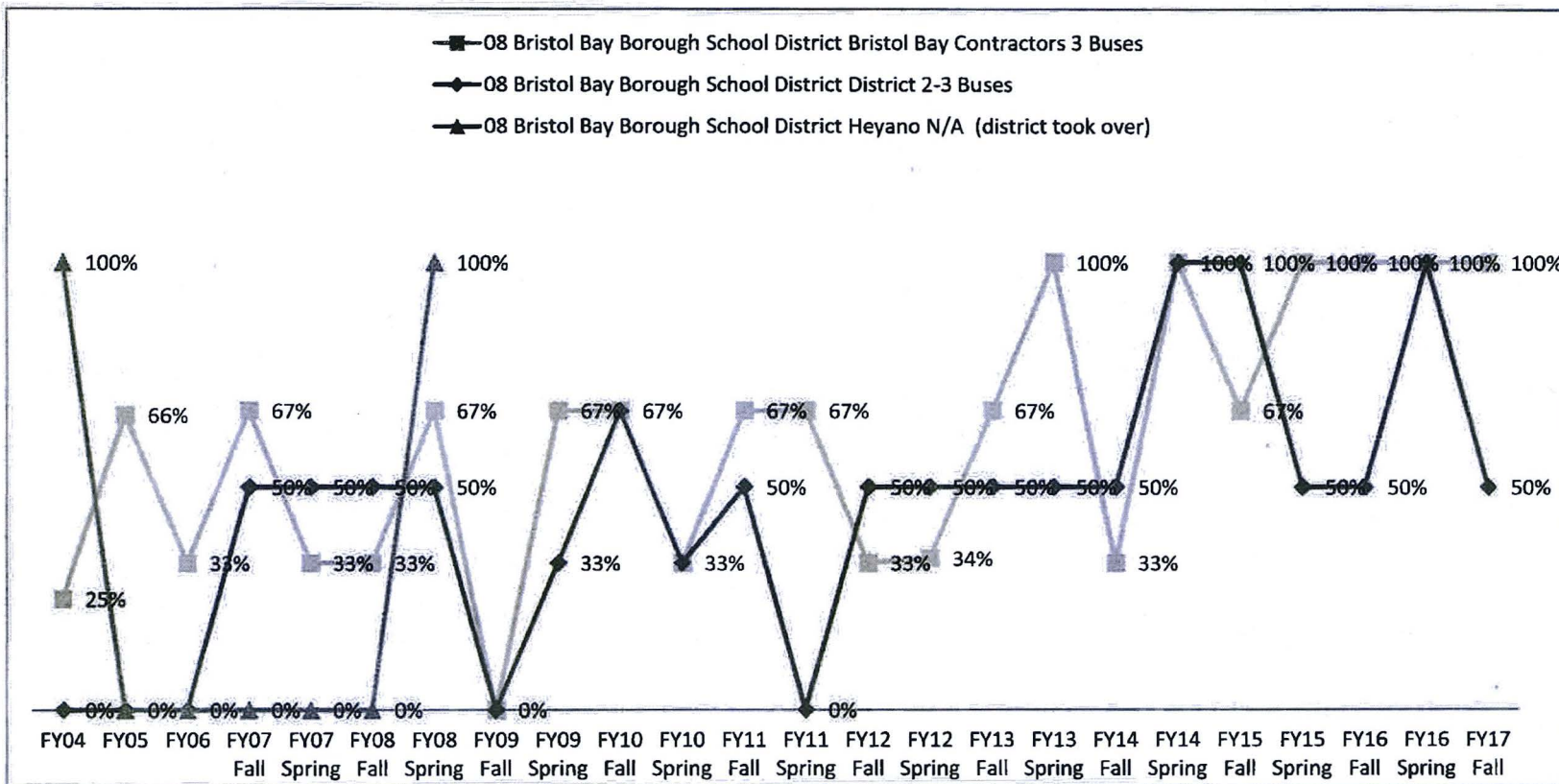
Percentage of buses passing initial inspection

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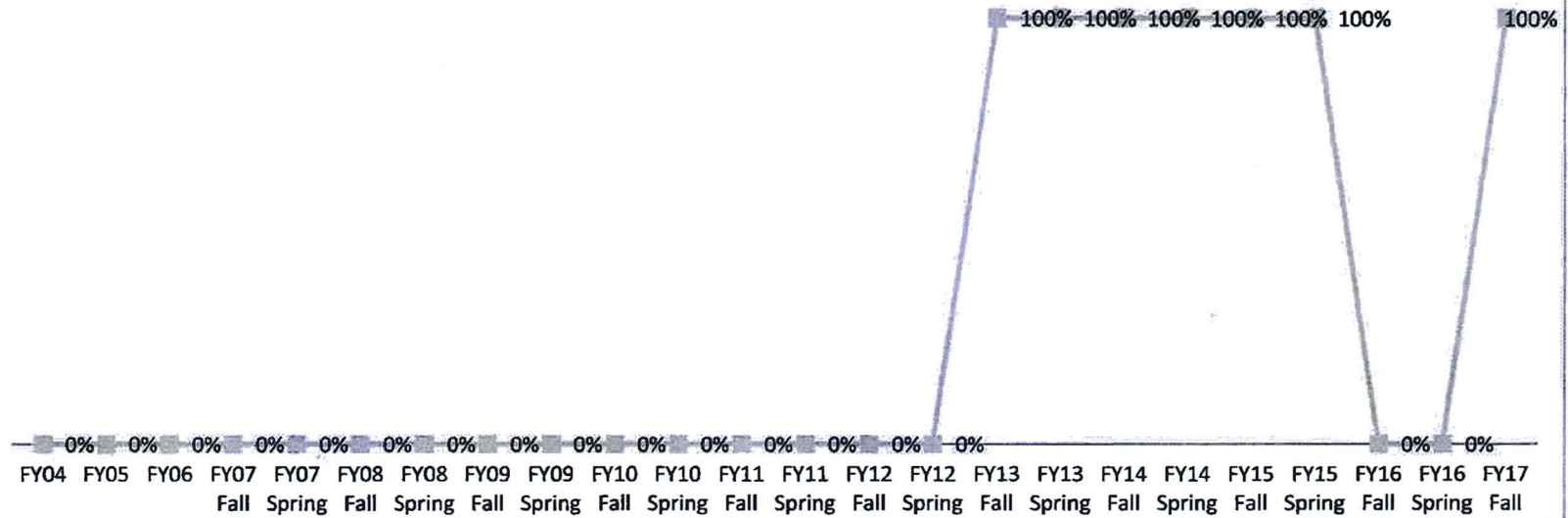


Percentage of buses passing initial inspection

Percentage of buses passing initial inspection

### 09 Chatham Schools Klukwan Village 1-2 Buses

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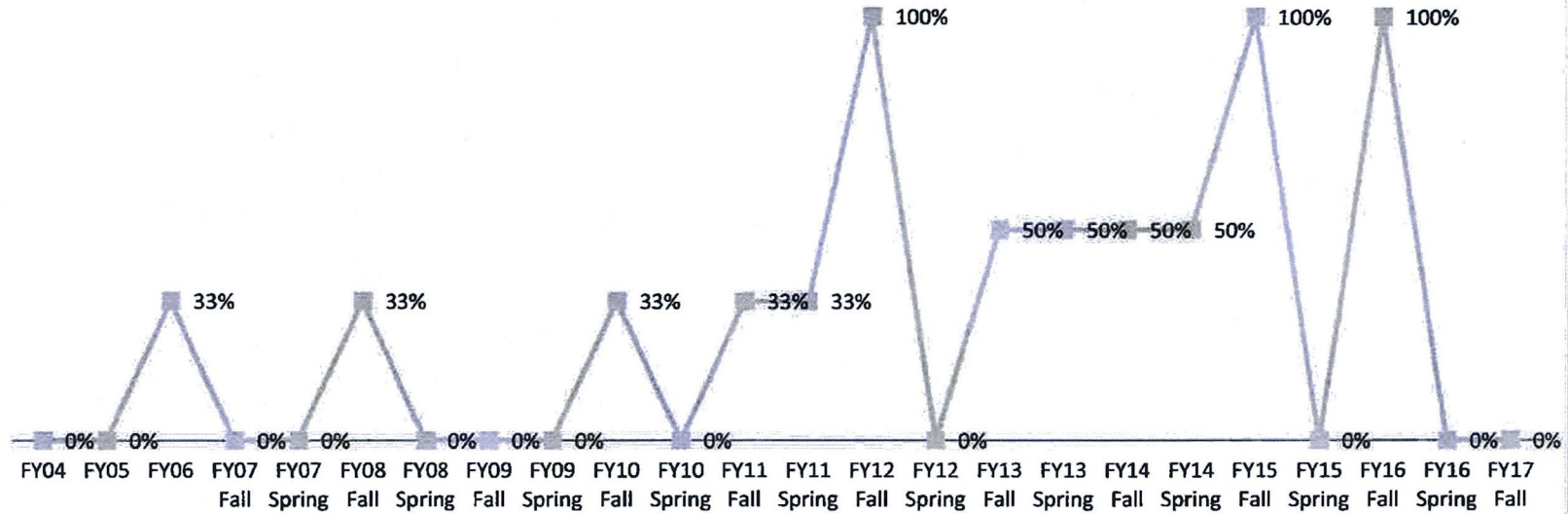


Percentage of buses passing initial inspection

Percentage of buses passing initial inspection

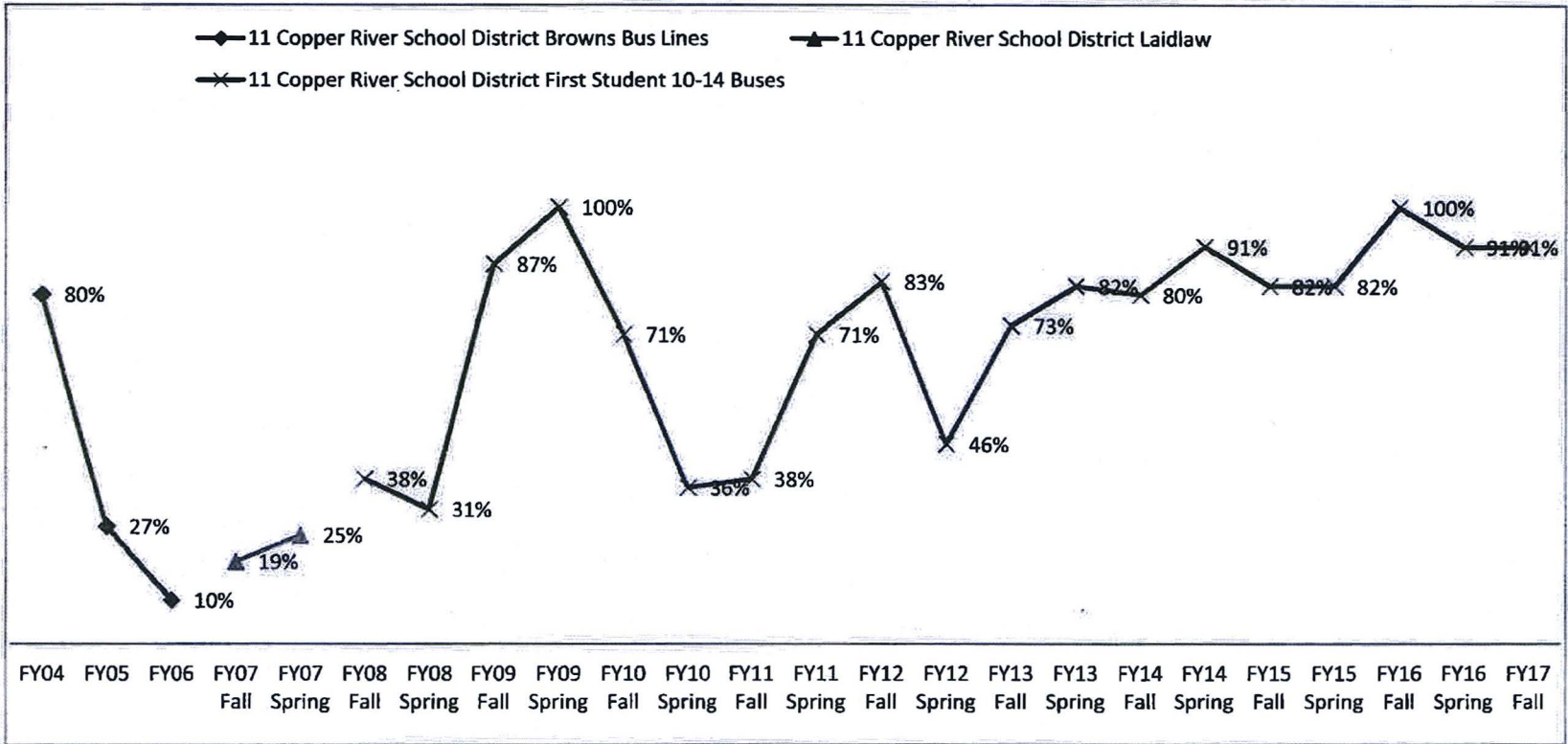
### 11 Copper River School District District 1-3 Buses

11 Copper River School District District 1-3 Buses



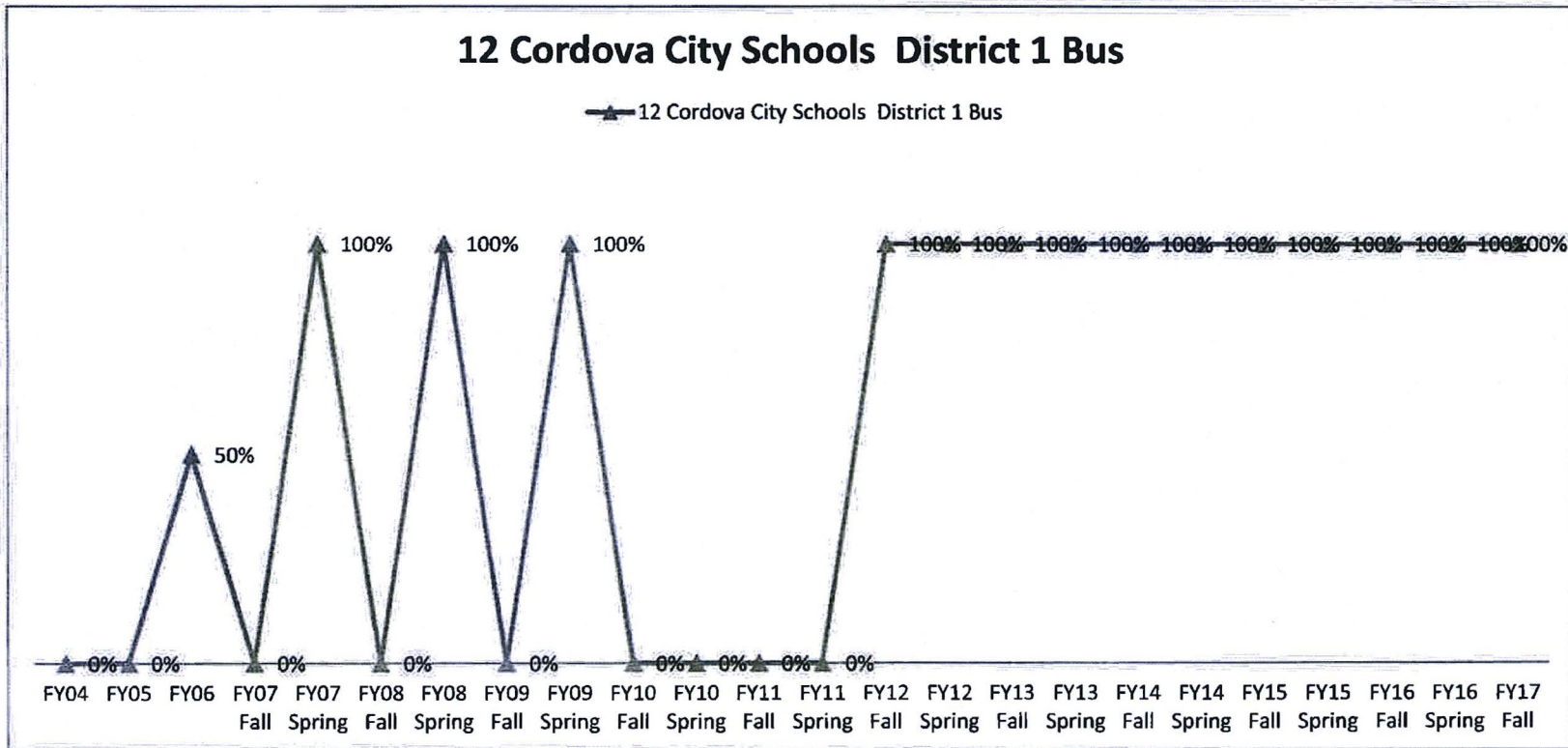
Percentage of buses passing initial inspection

Percentage of buses passing initial inspection



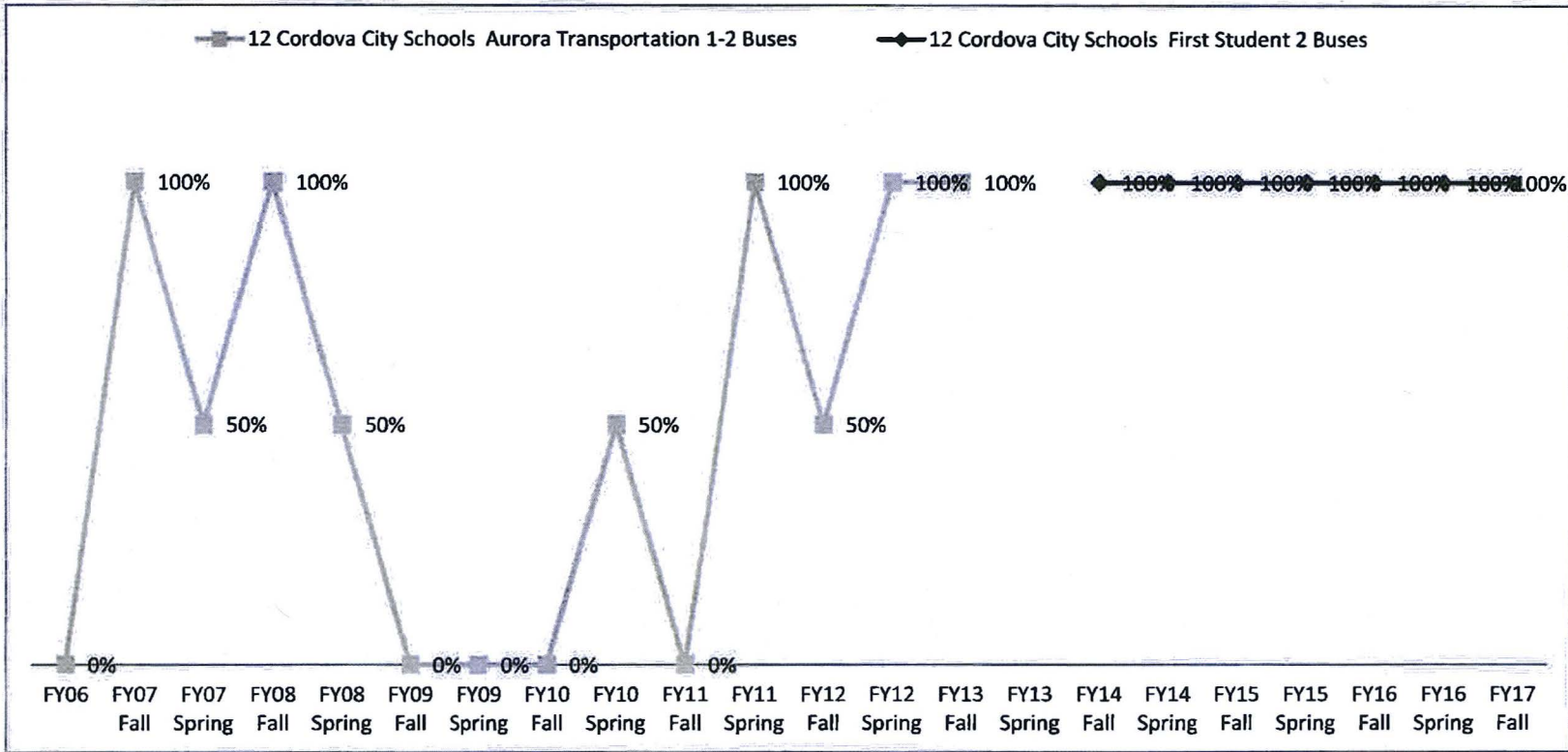
Percentage of buses passing initial inspection

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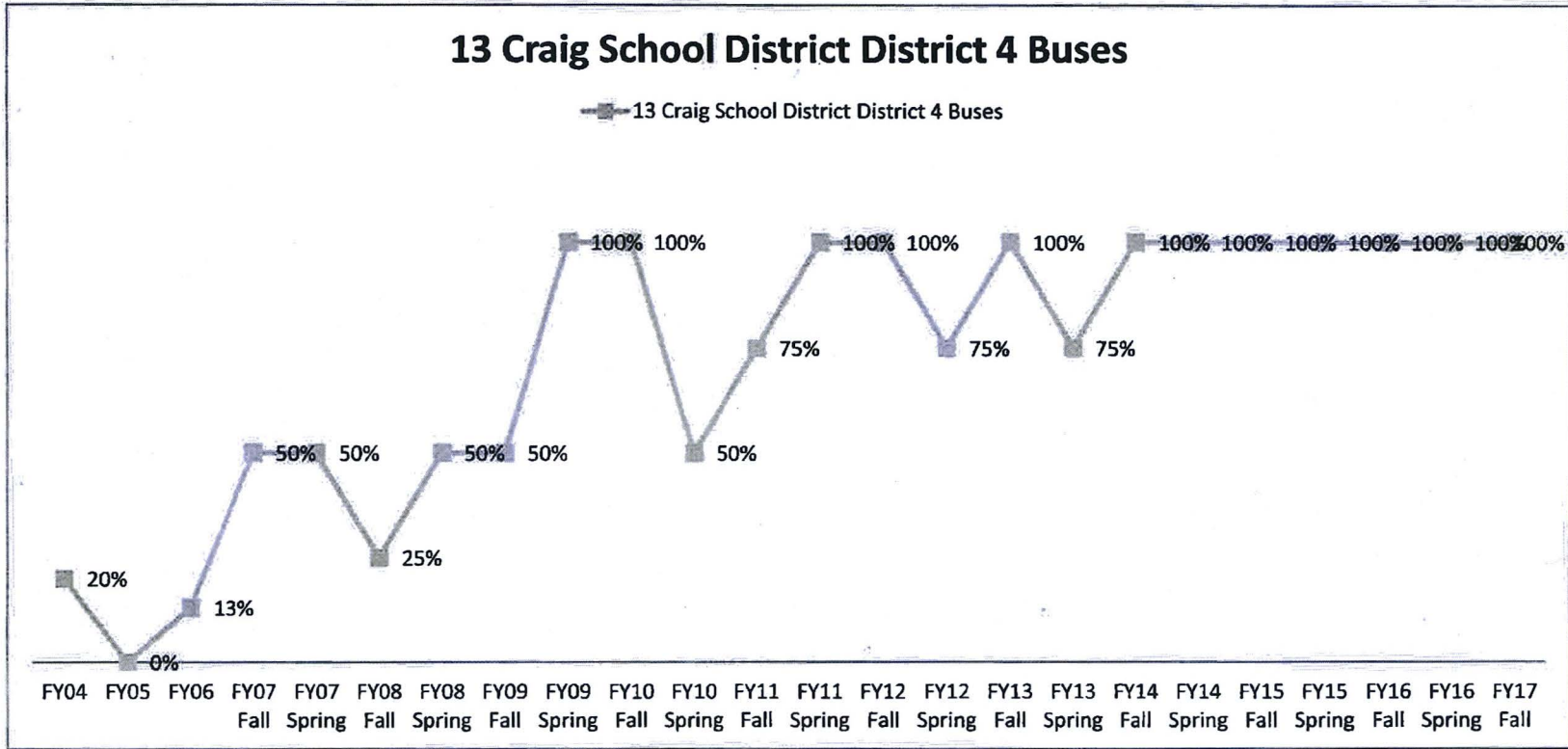
Percentage of buses passing initial inspection

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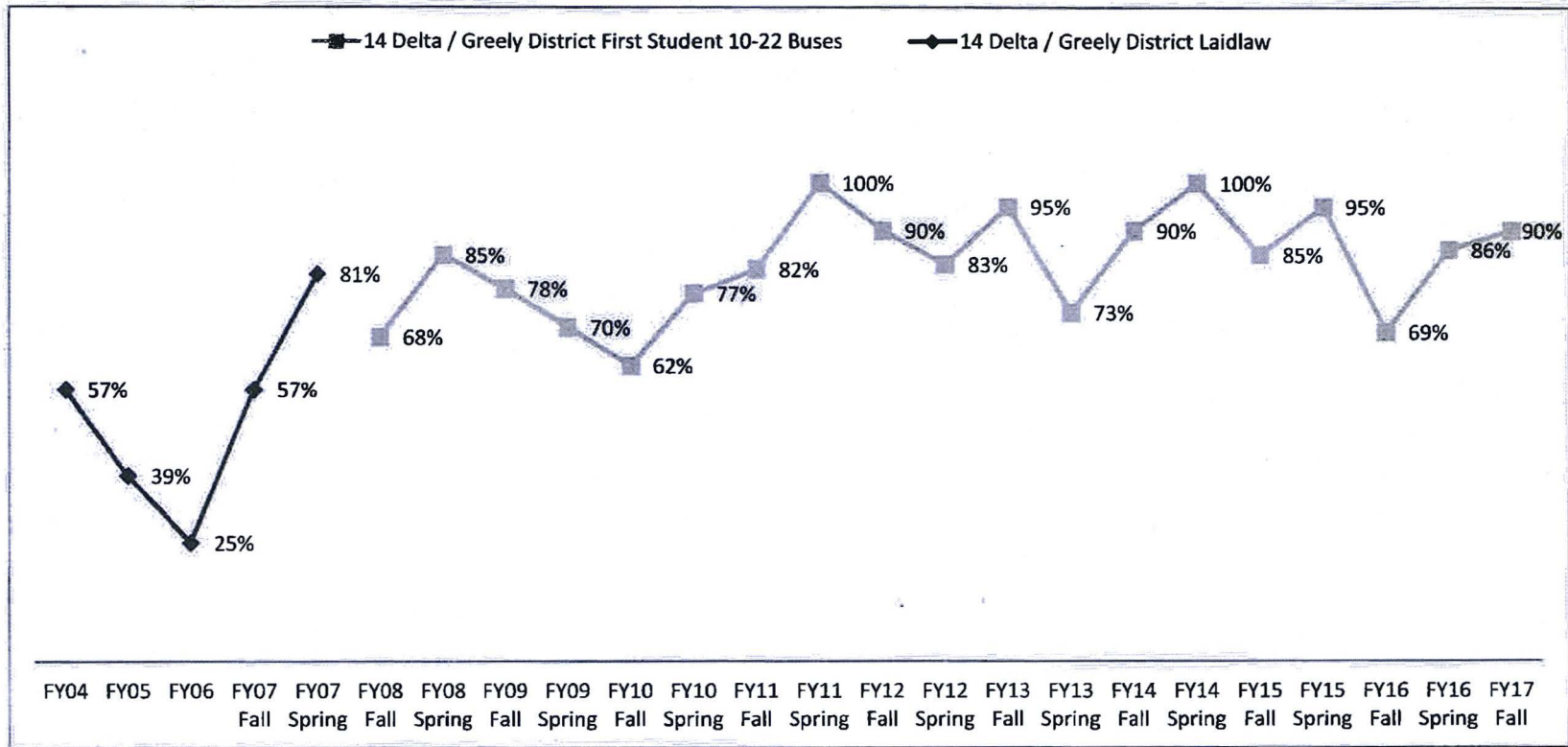
Percentage of buses passing initial inspection

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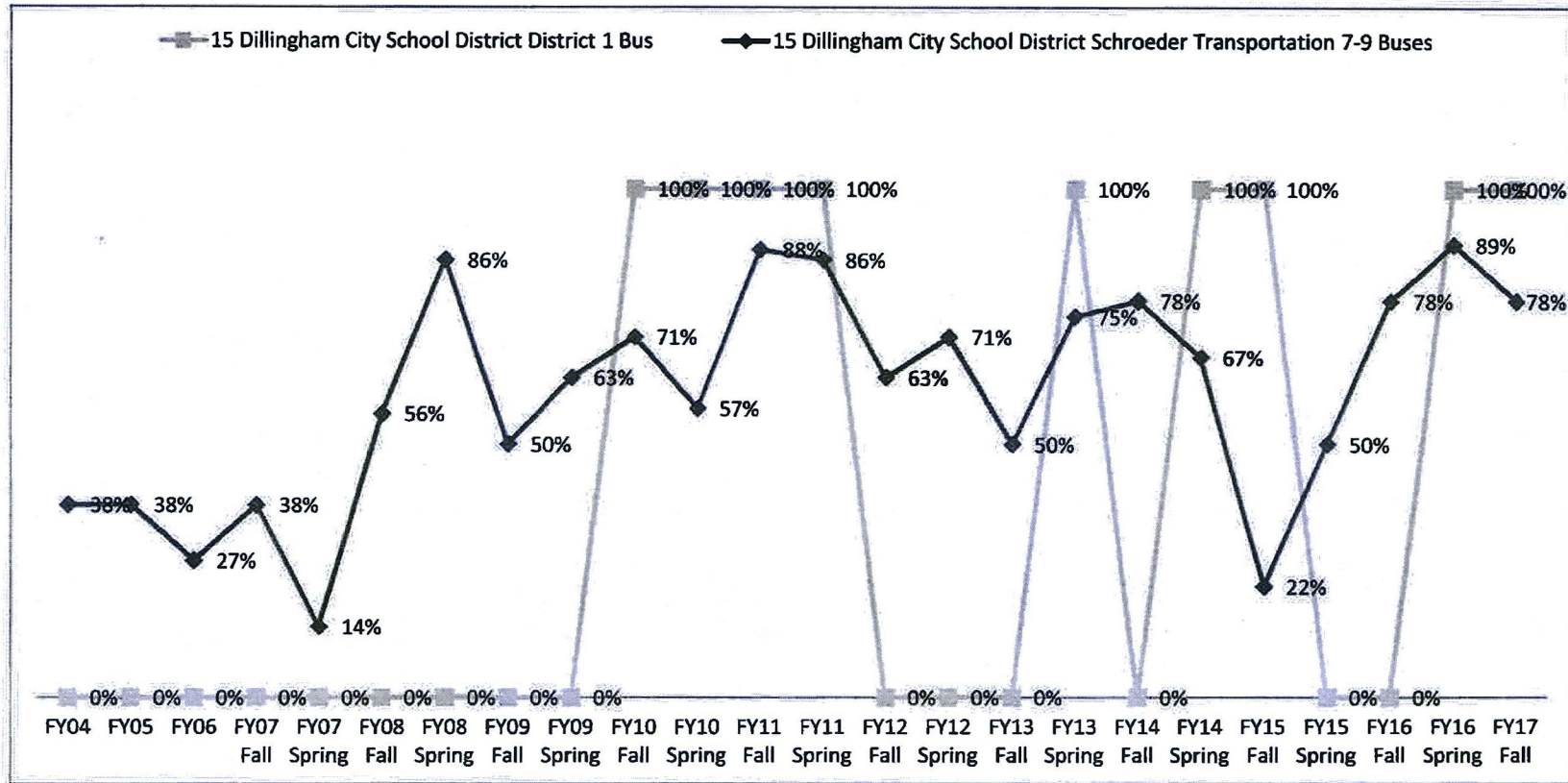
Percentage of buses passing initial inspection

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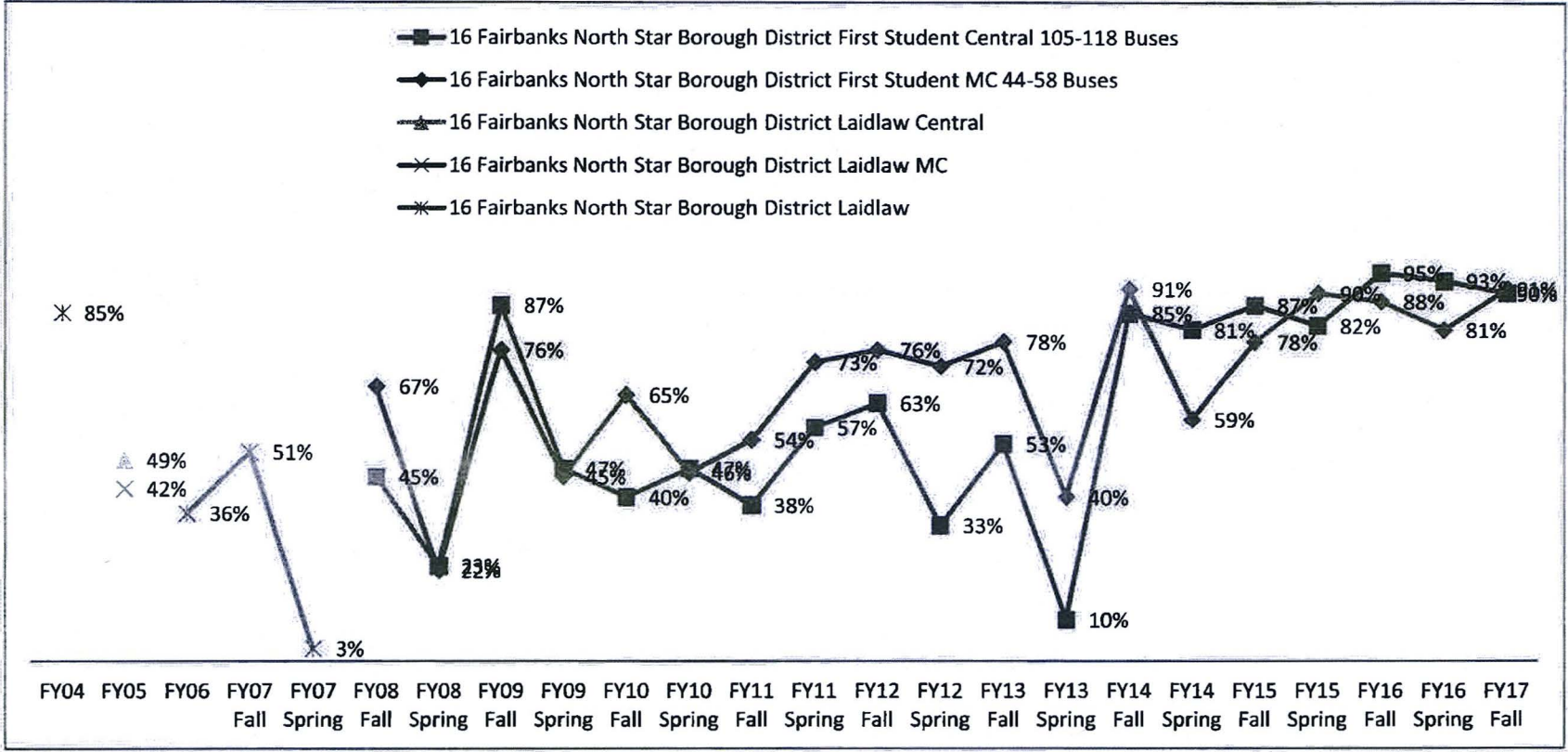


Percentage of buses passing initial inspection

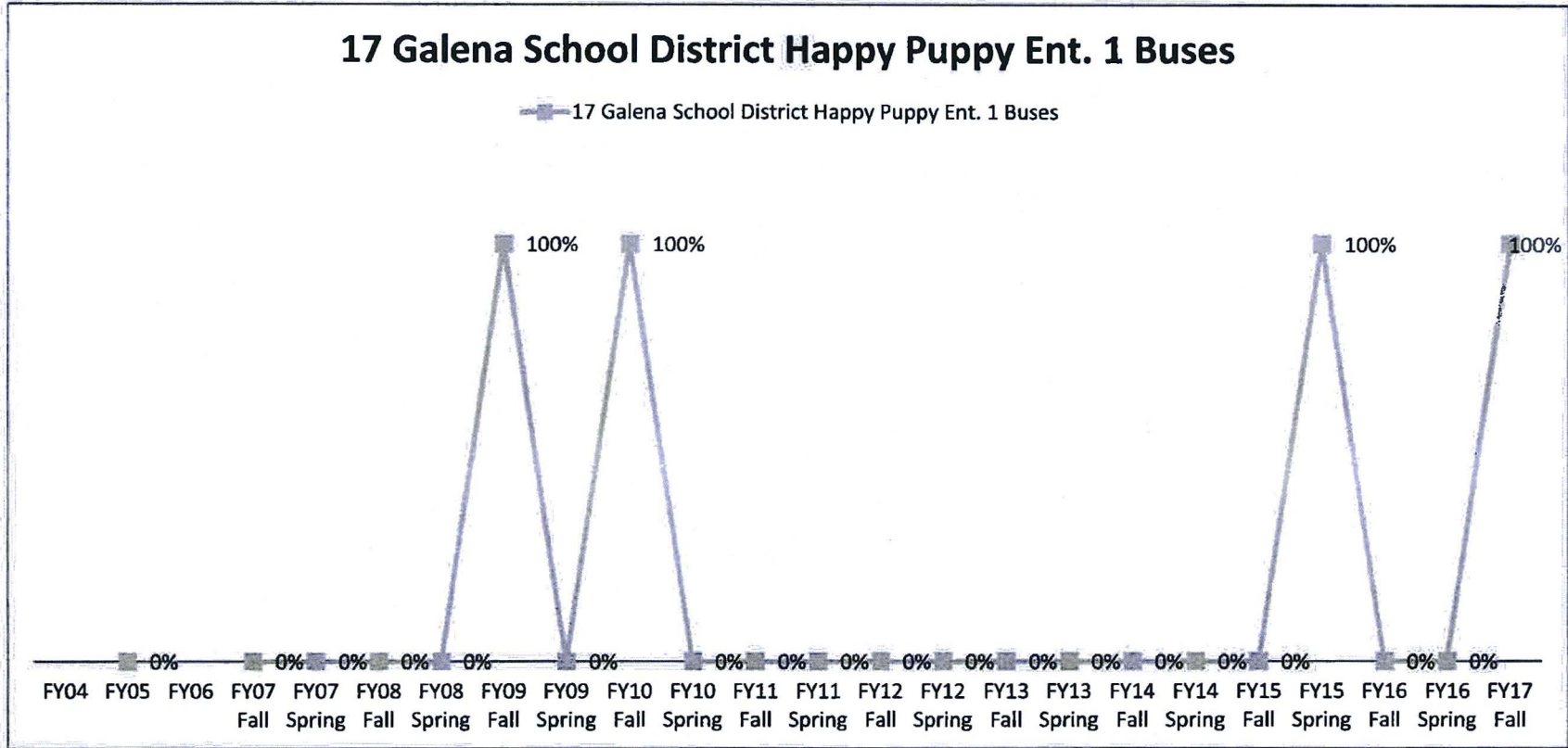
Percentage of buses passing initial inspection



Percentage of buses passing initial inspection

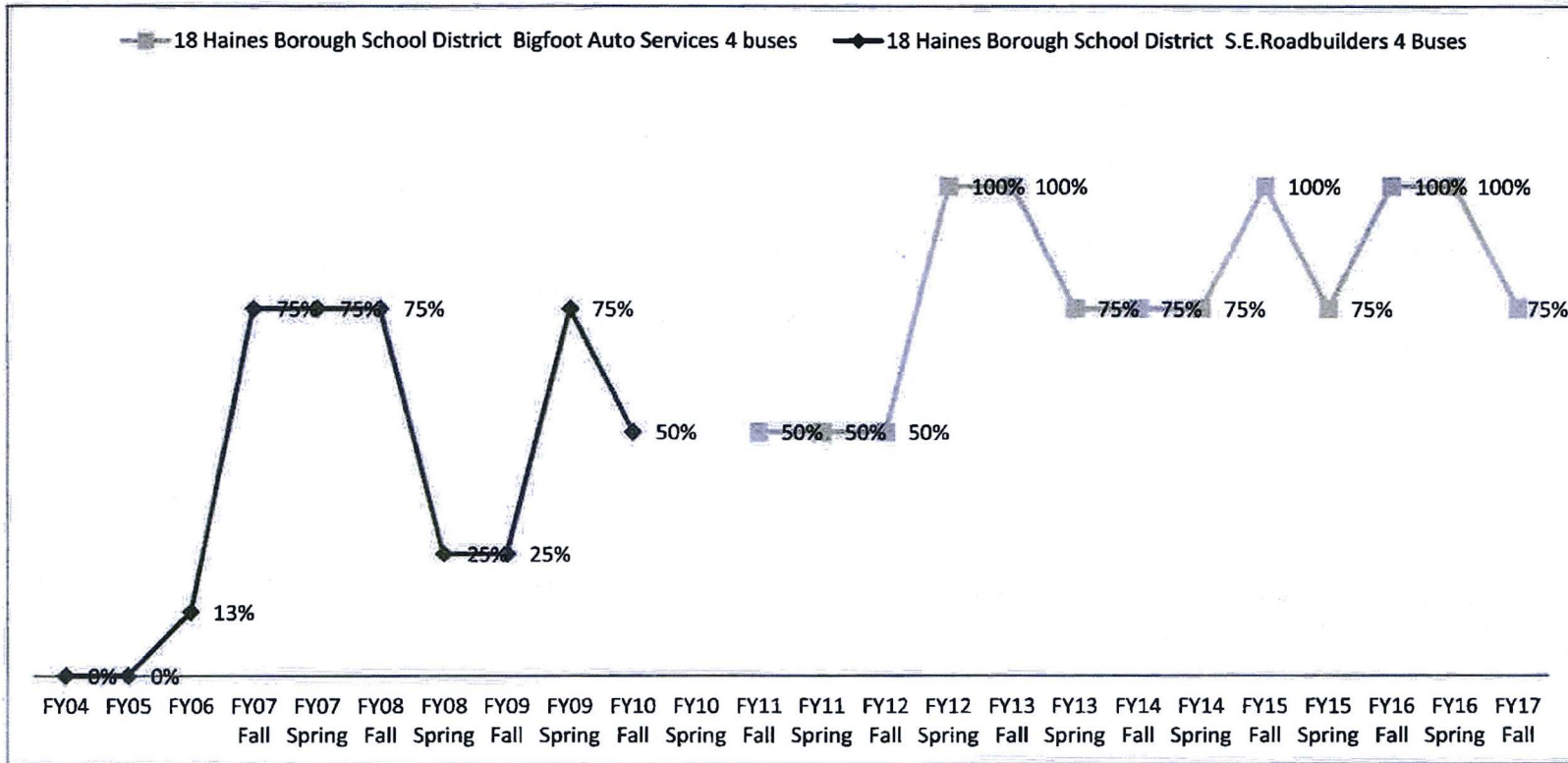


Percentage of buses passing initial inspection



11/4/2016

Percentage of buses passing initial inspection

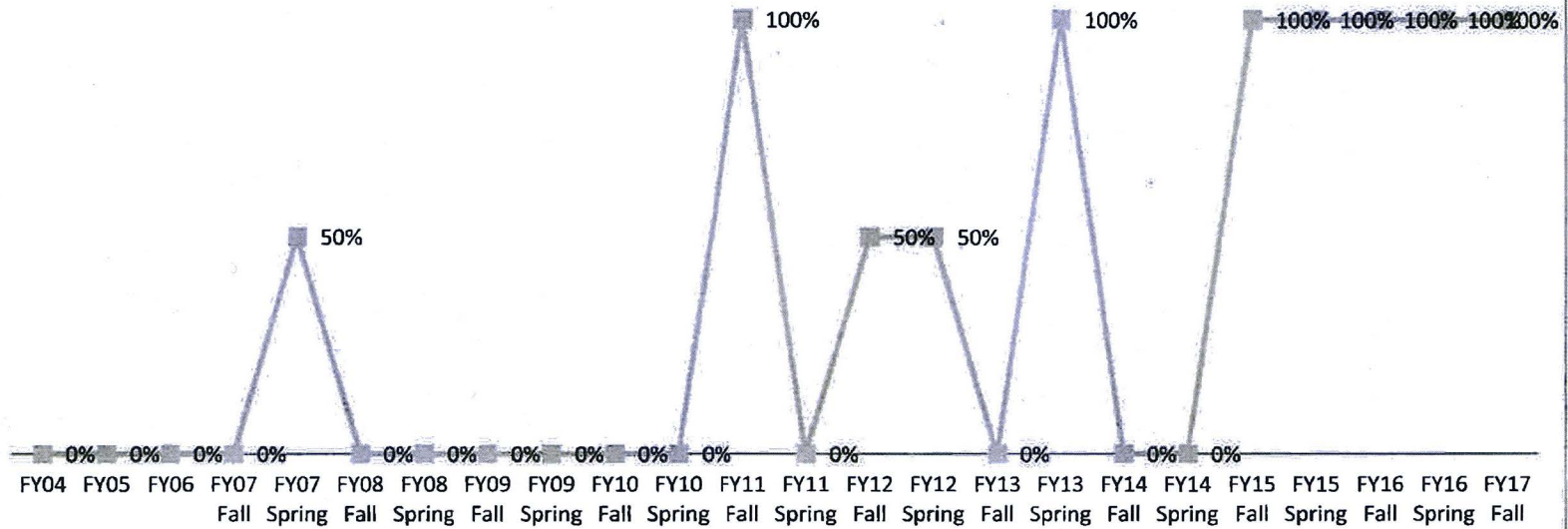


Percentage of buses passing initial inspection

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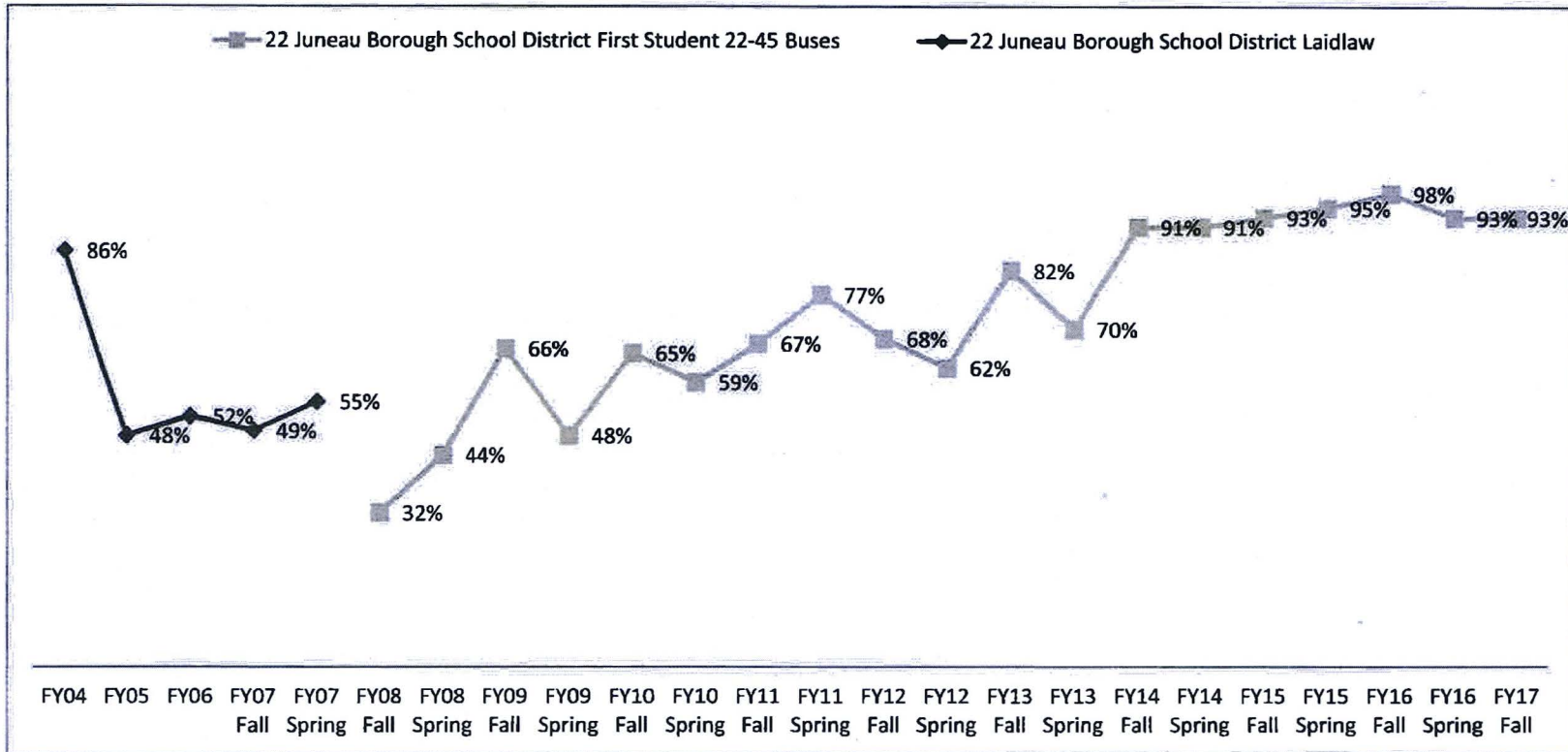
### 21 Iditarod Area School District District 1-2 Buses

21 Iditarod Area School District District 1-2 Buses



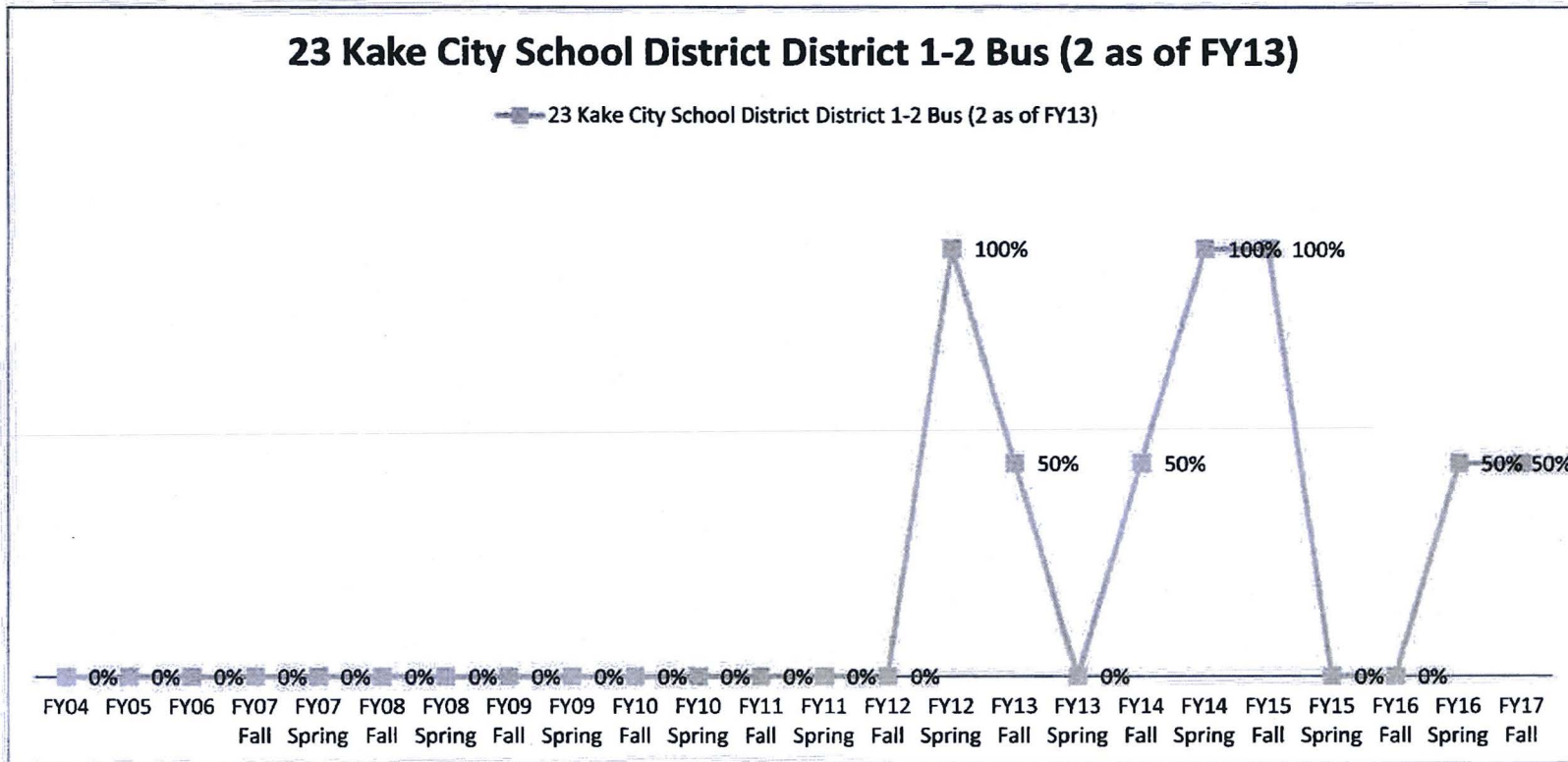
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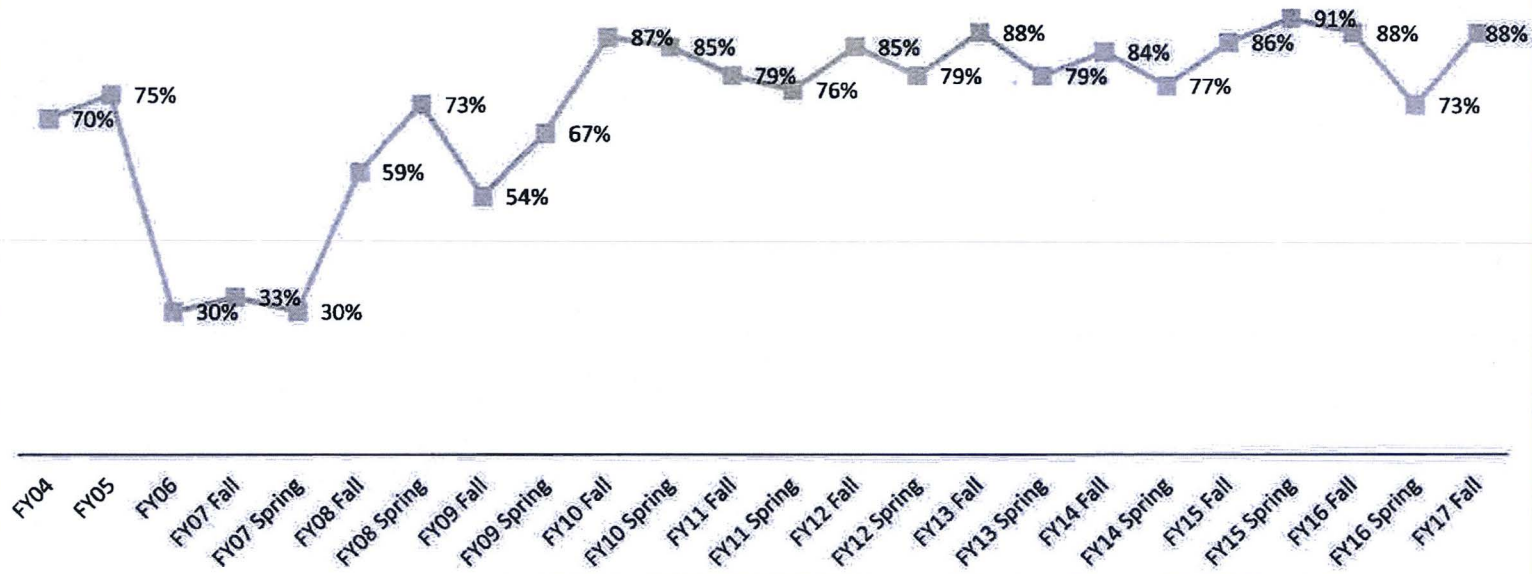


Percentage of buses passing initial inspection

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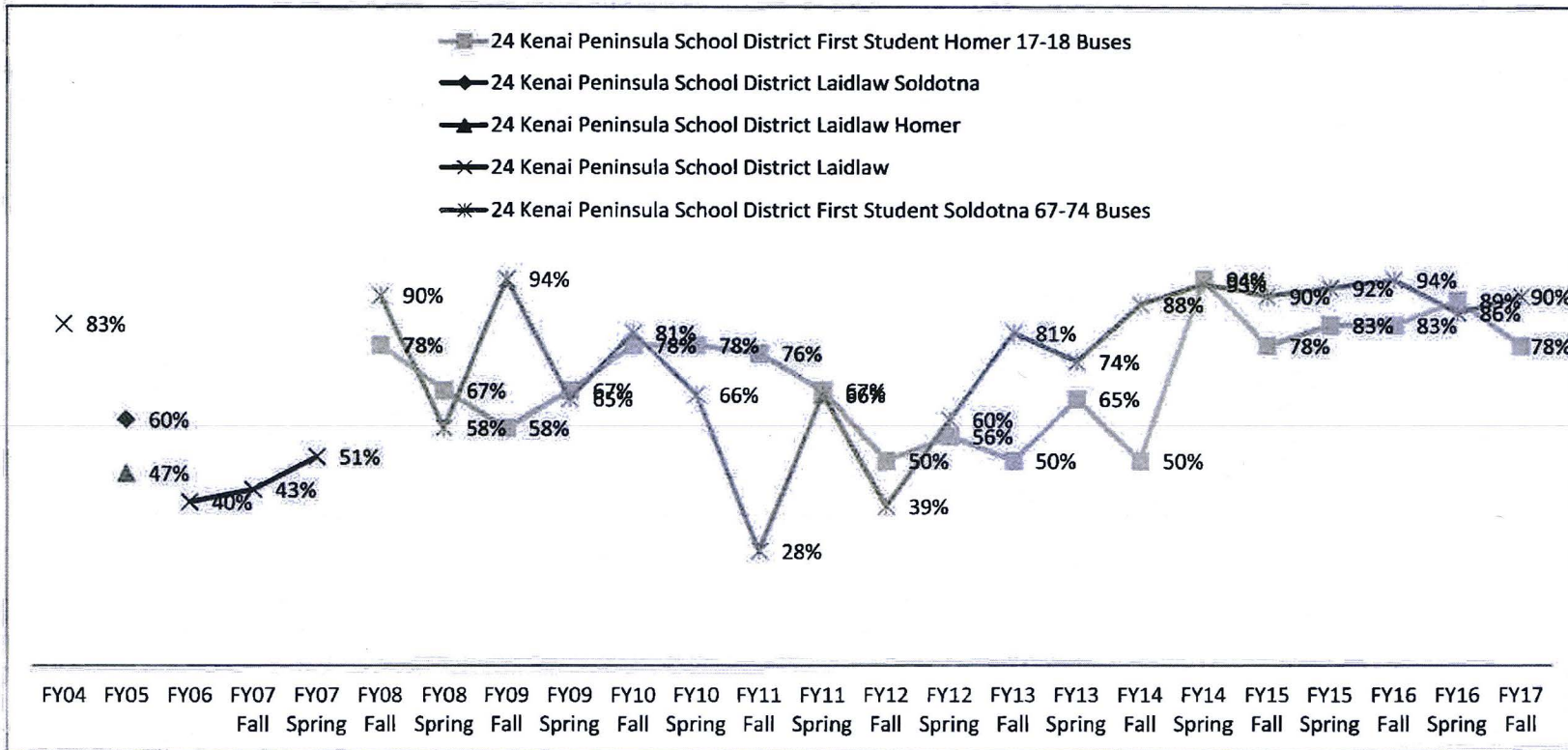
### 24 Kenai Peninsula School District District 31-35 Buses,

24 Kenai Peninsula School District District 31-35 Buses,



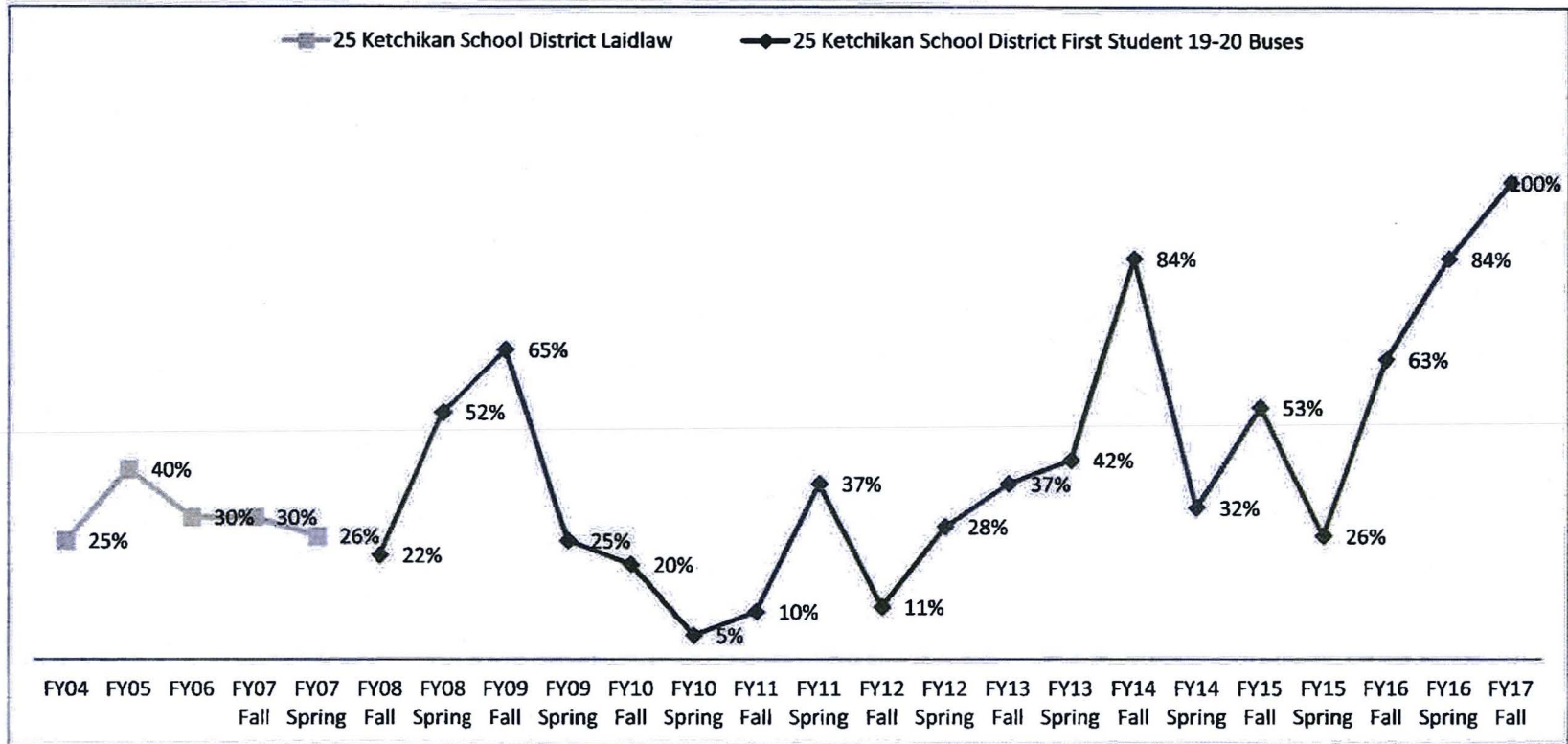
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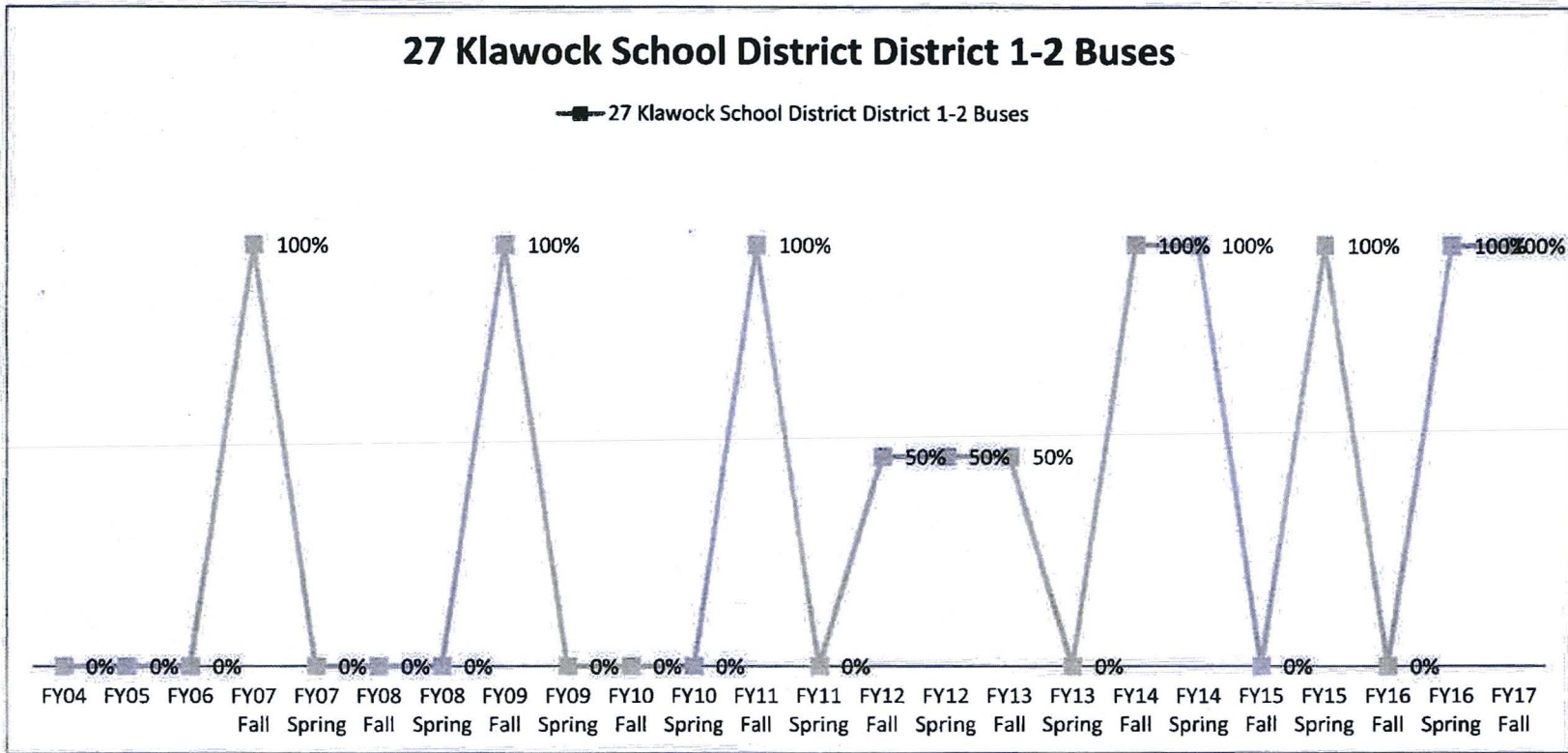
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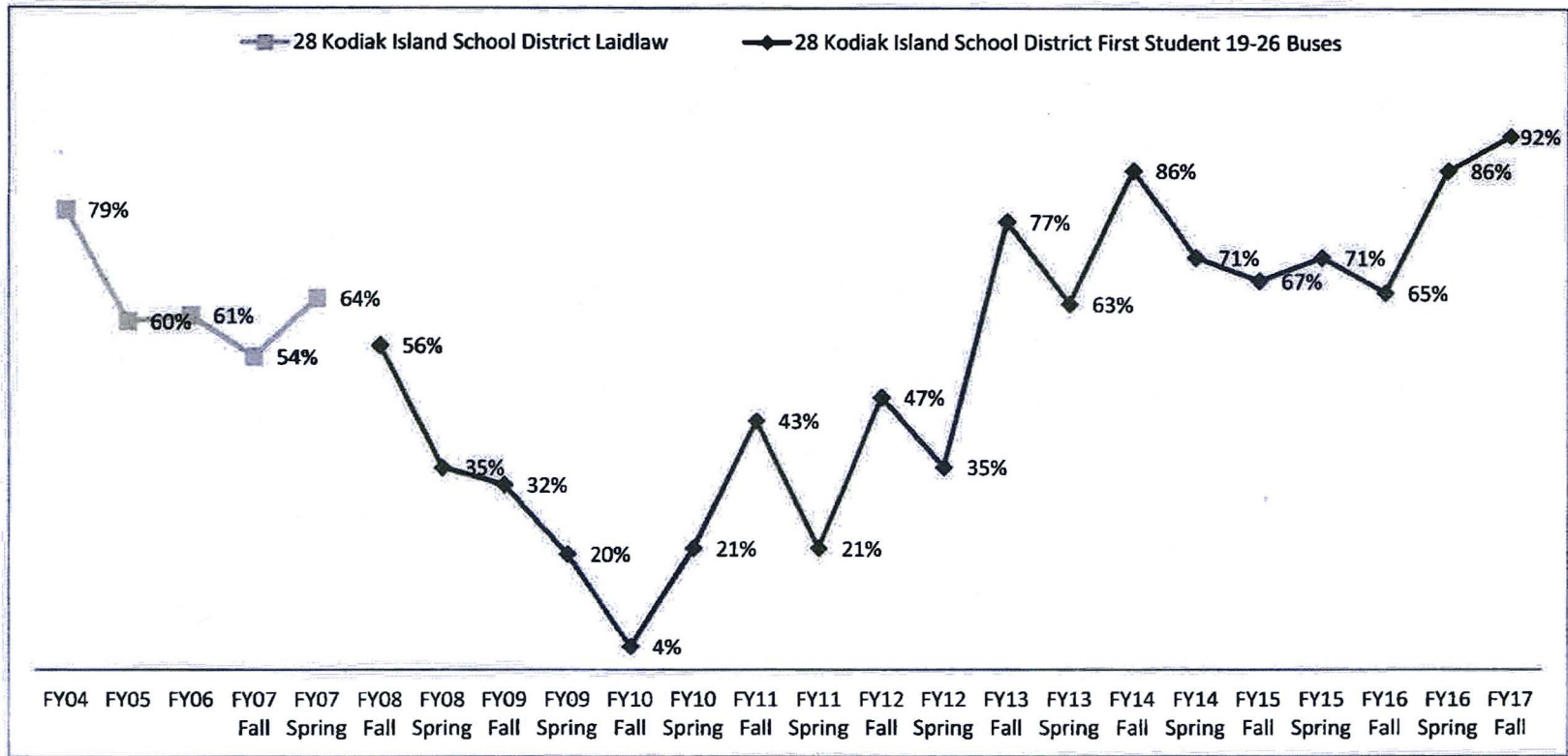
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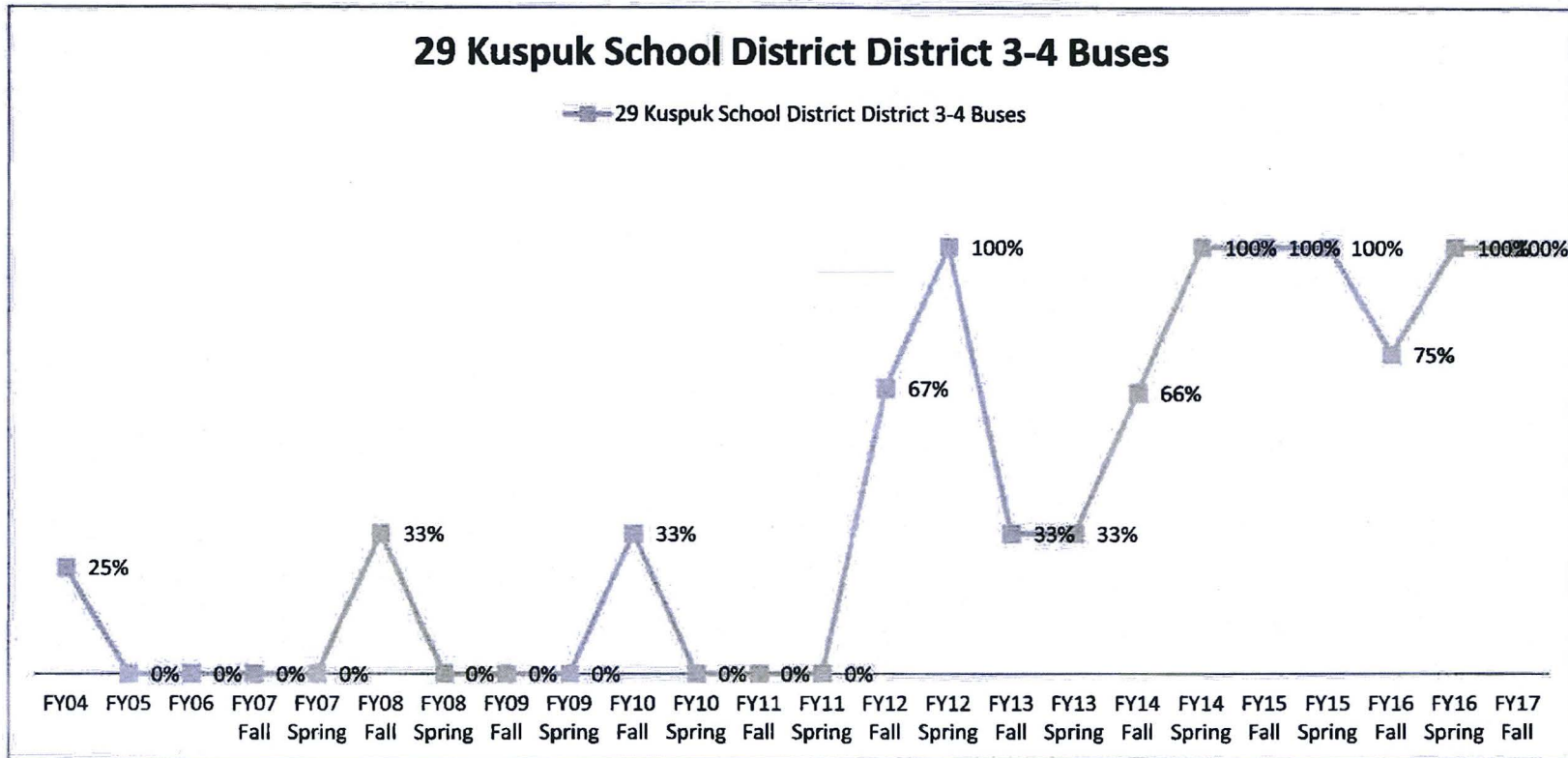
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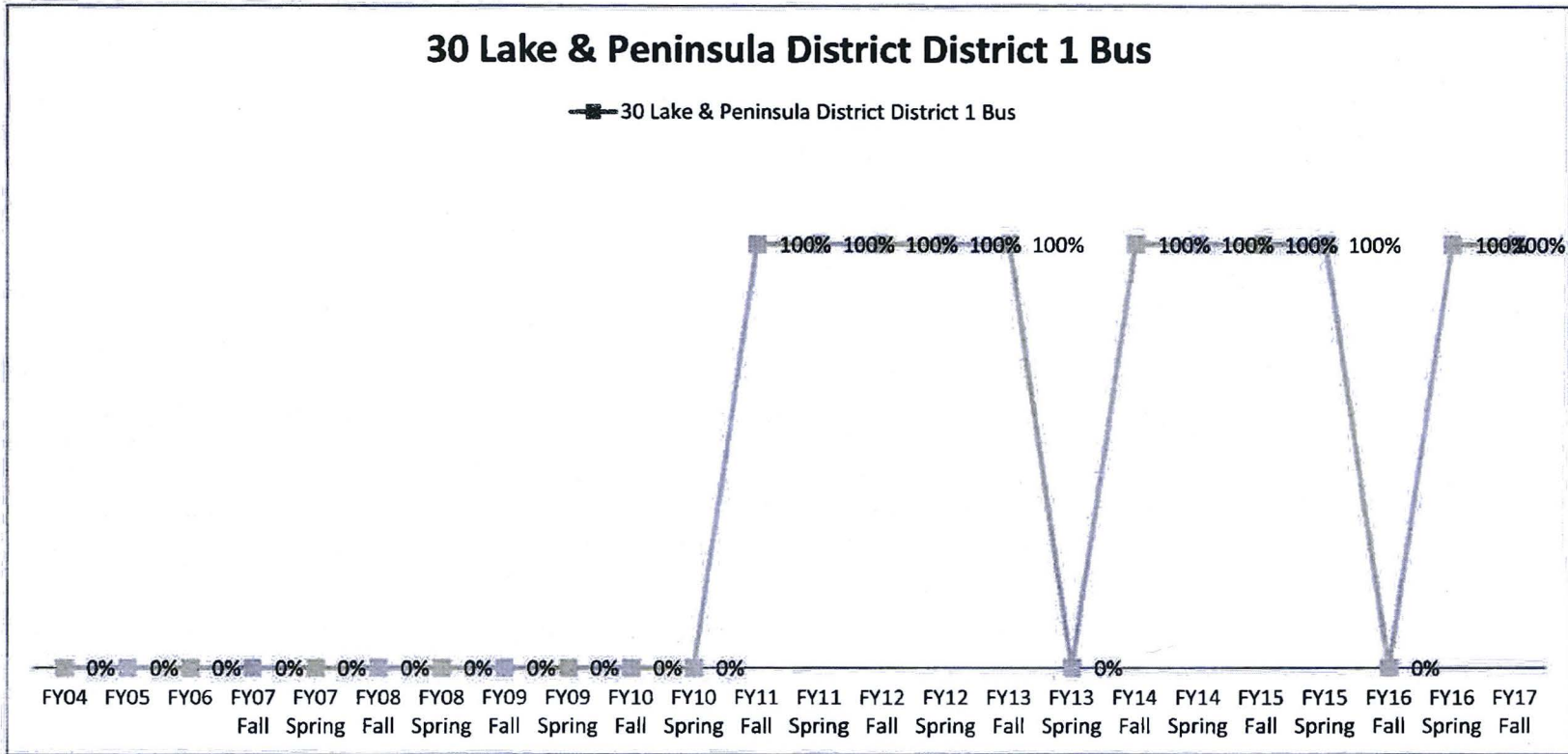
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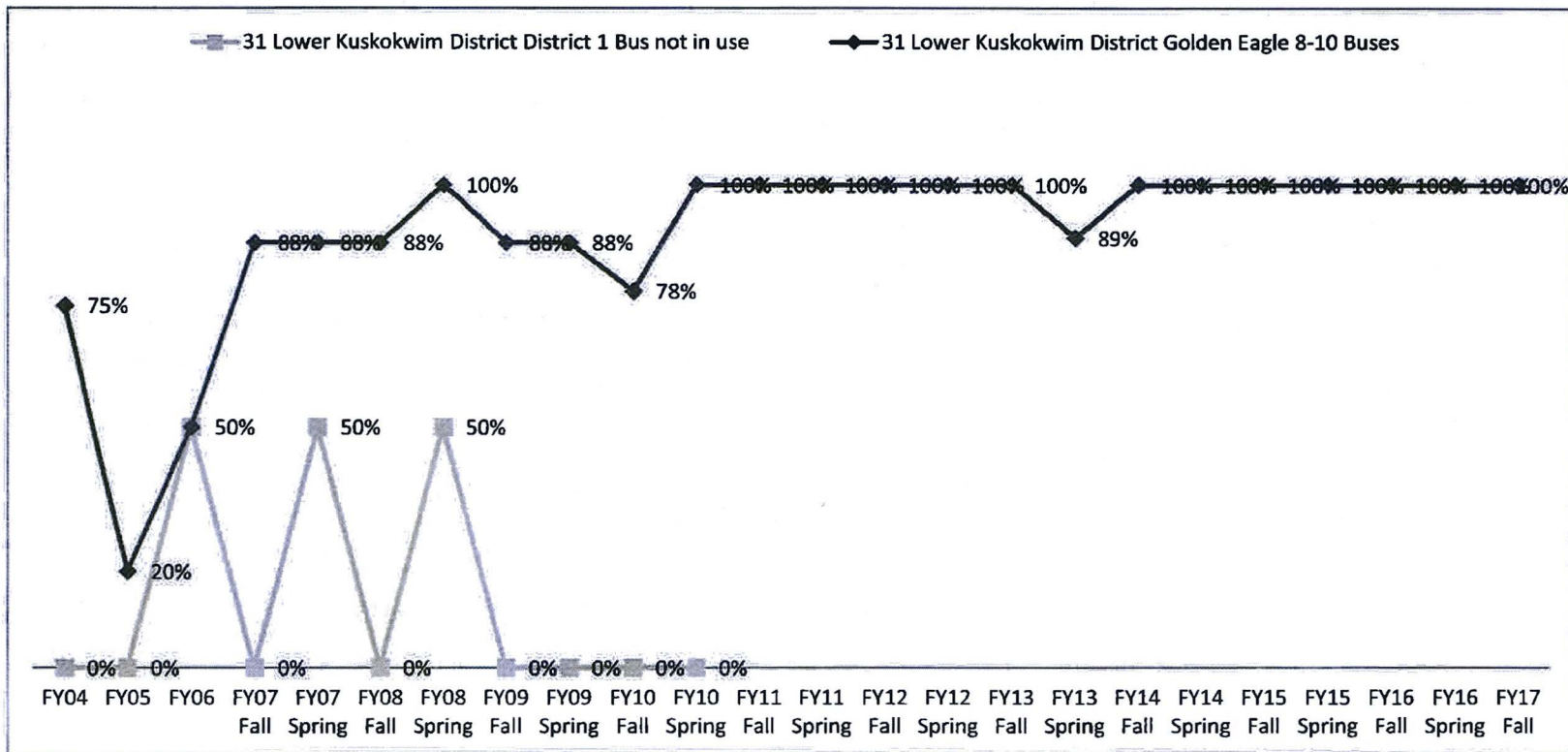
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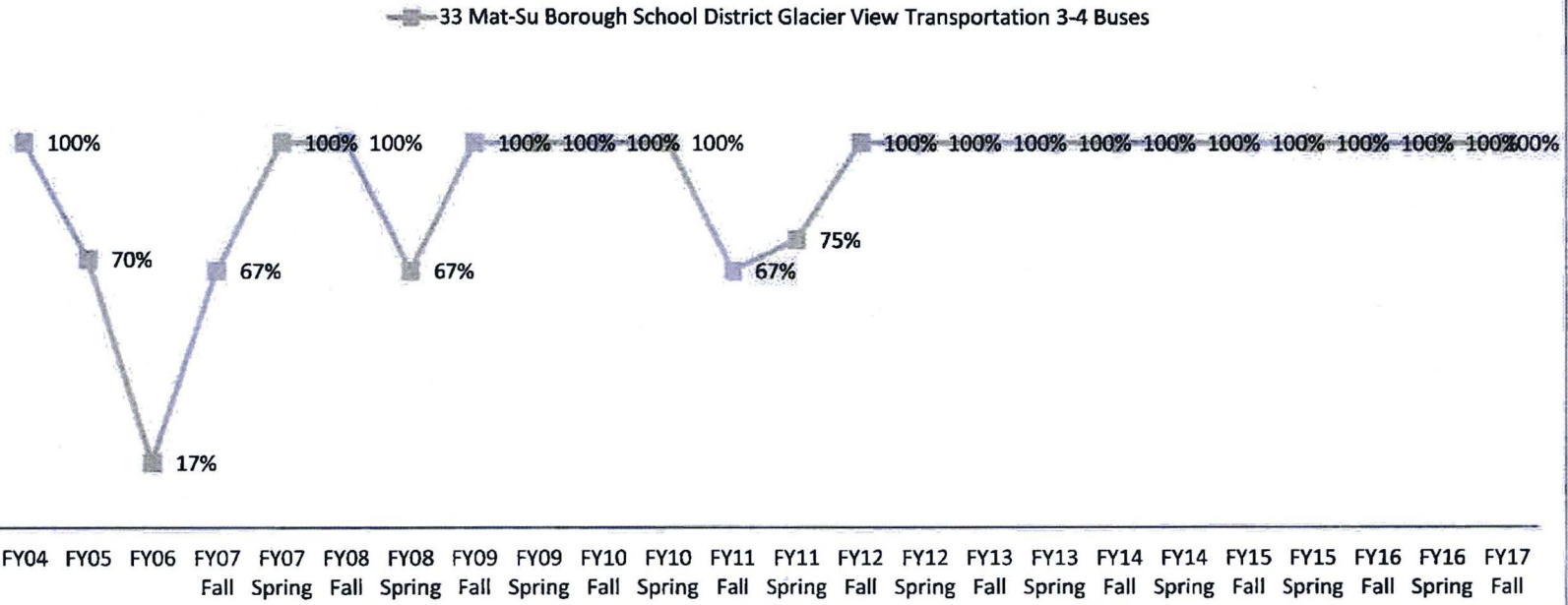
Percentage of buses passing initial inspection



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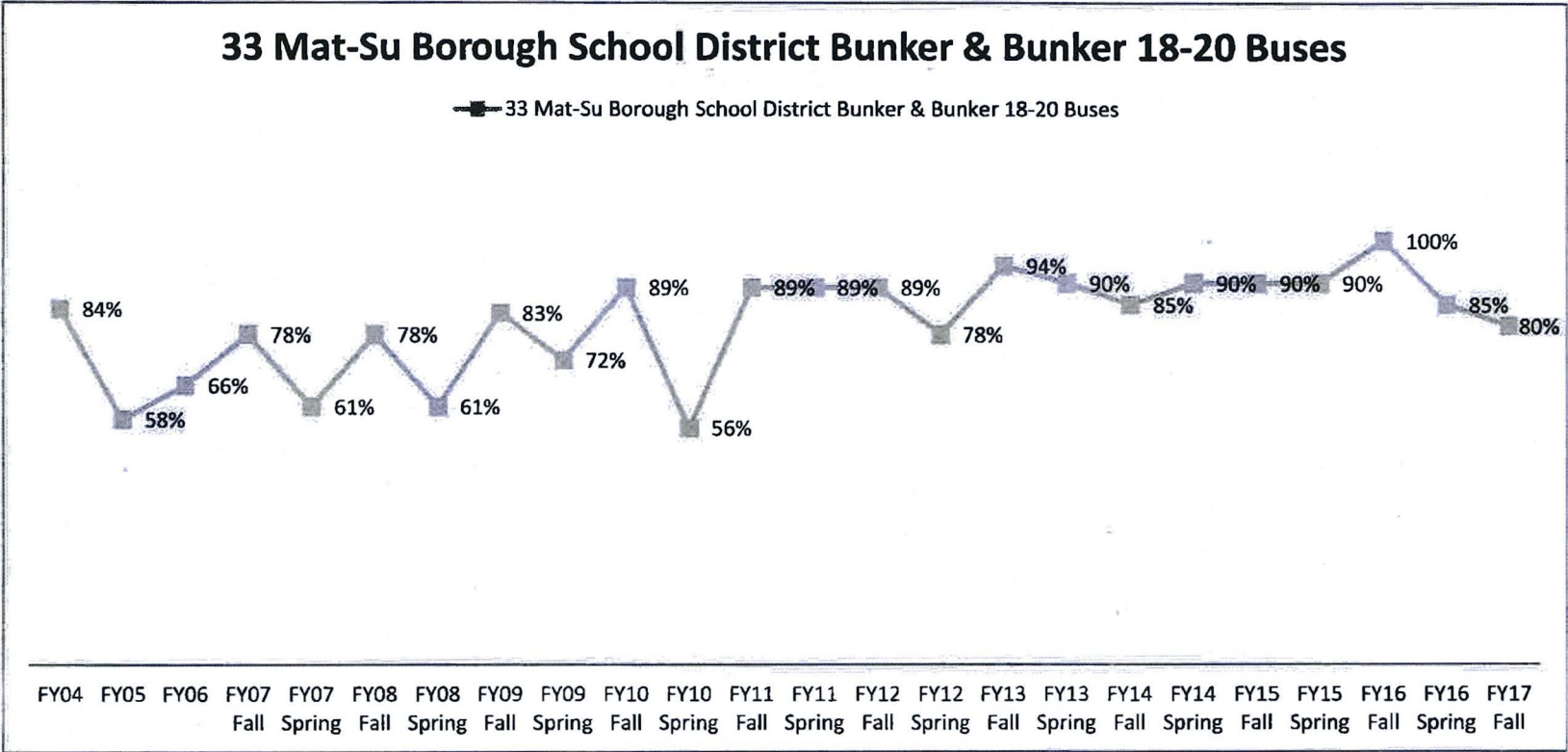
Percentage of buses passing initial inspection

### 33 Mat-Su Borough School District Glacier View Transportation 3-4 Buses



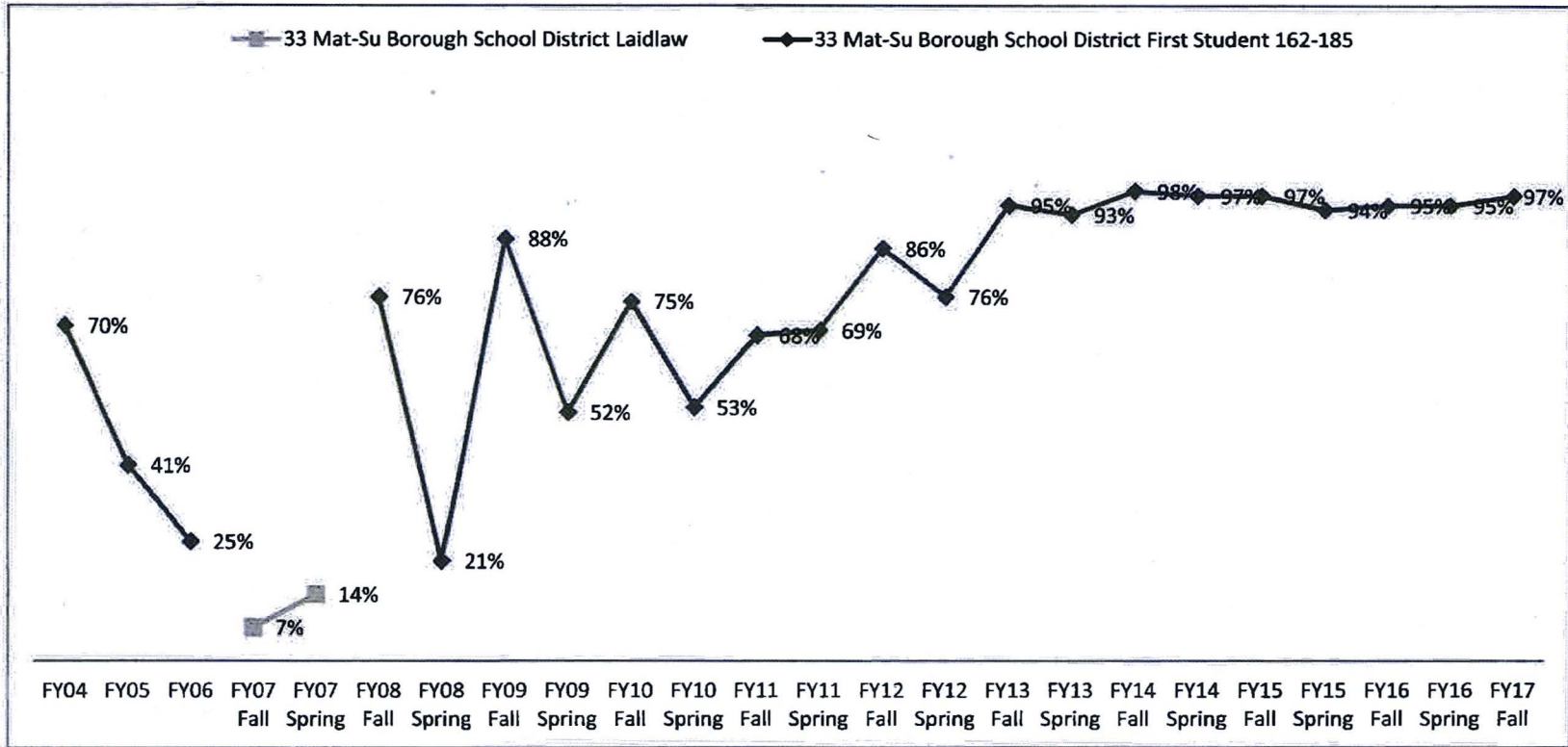
Percentage of buses passing initial inspection

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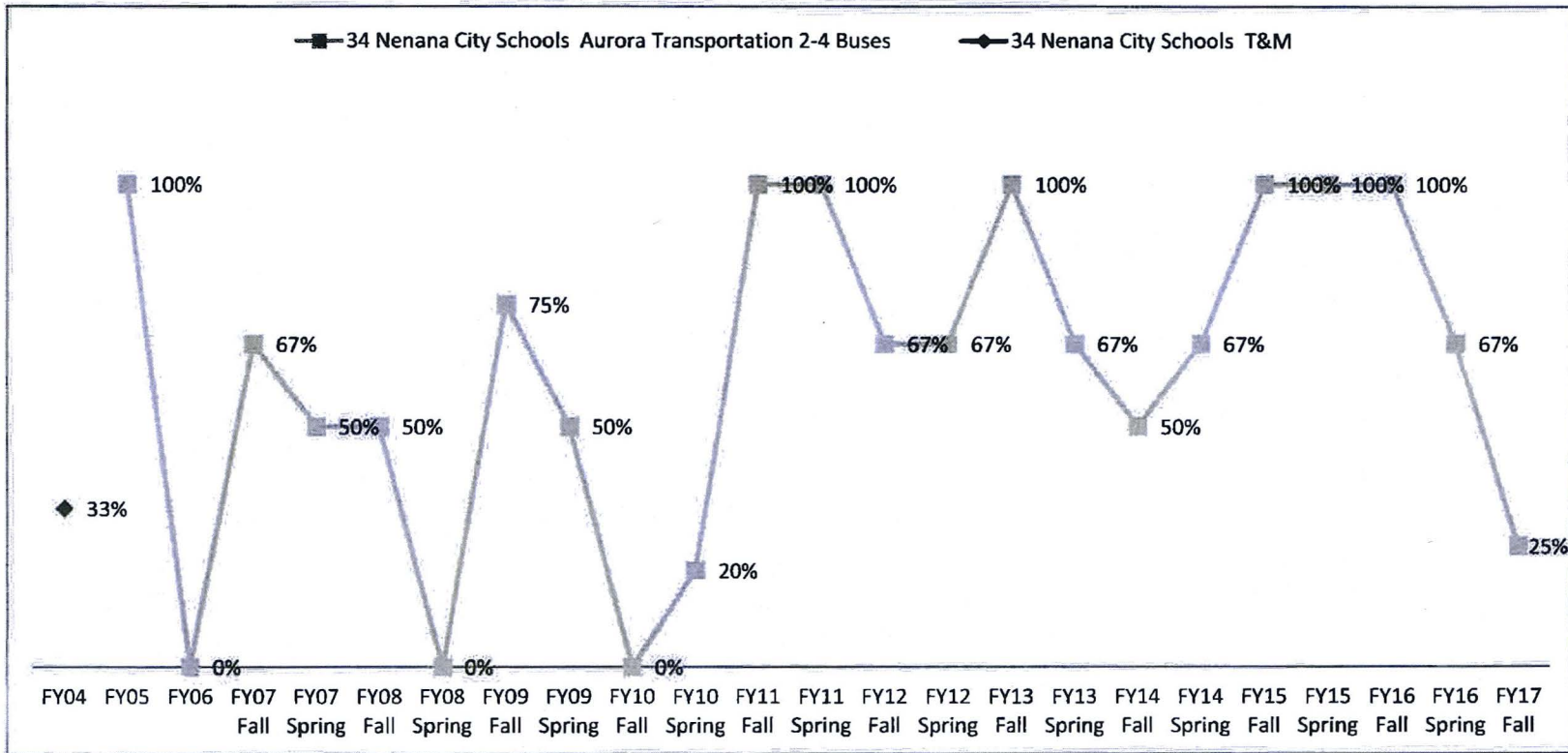
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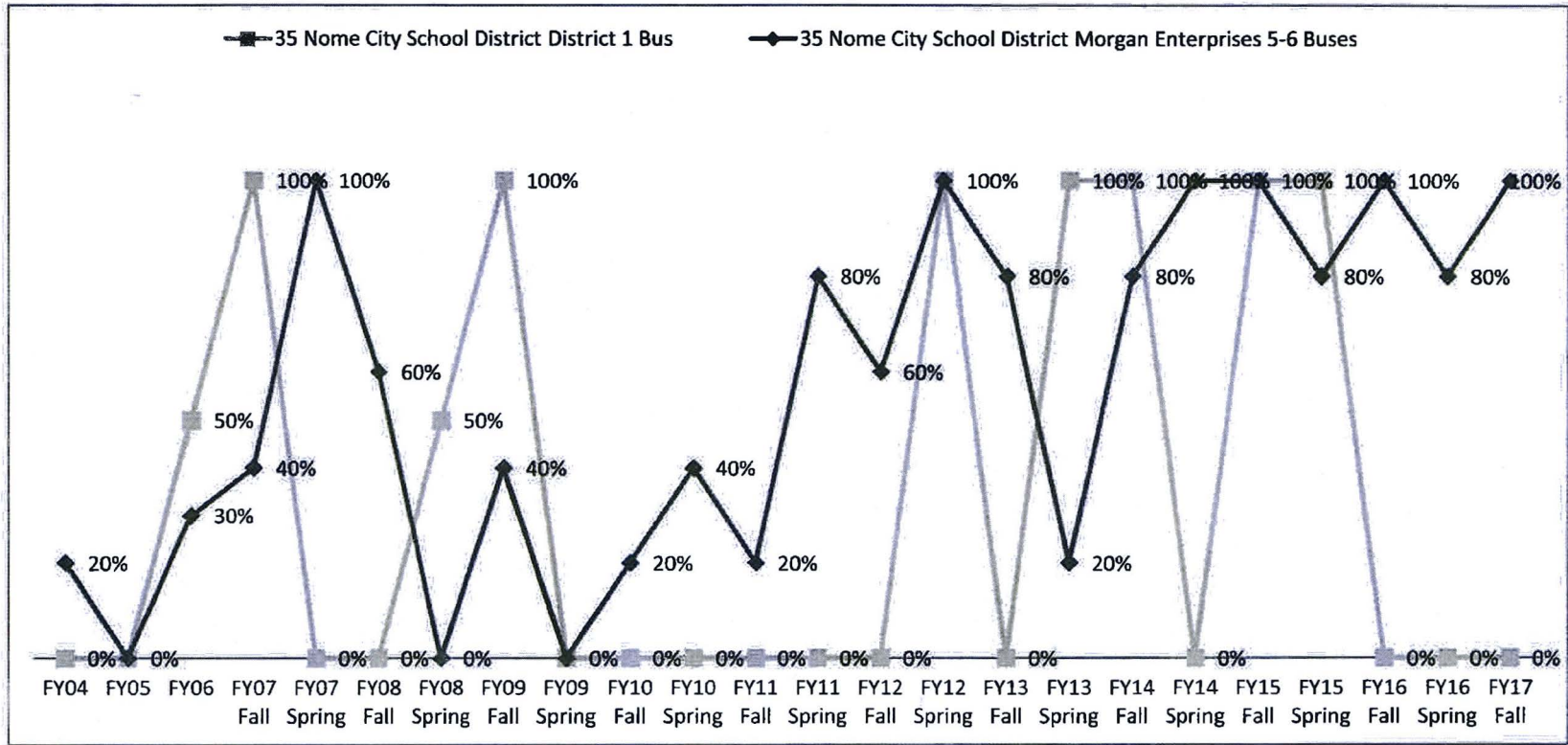
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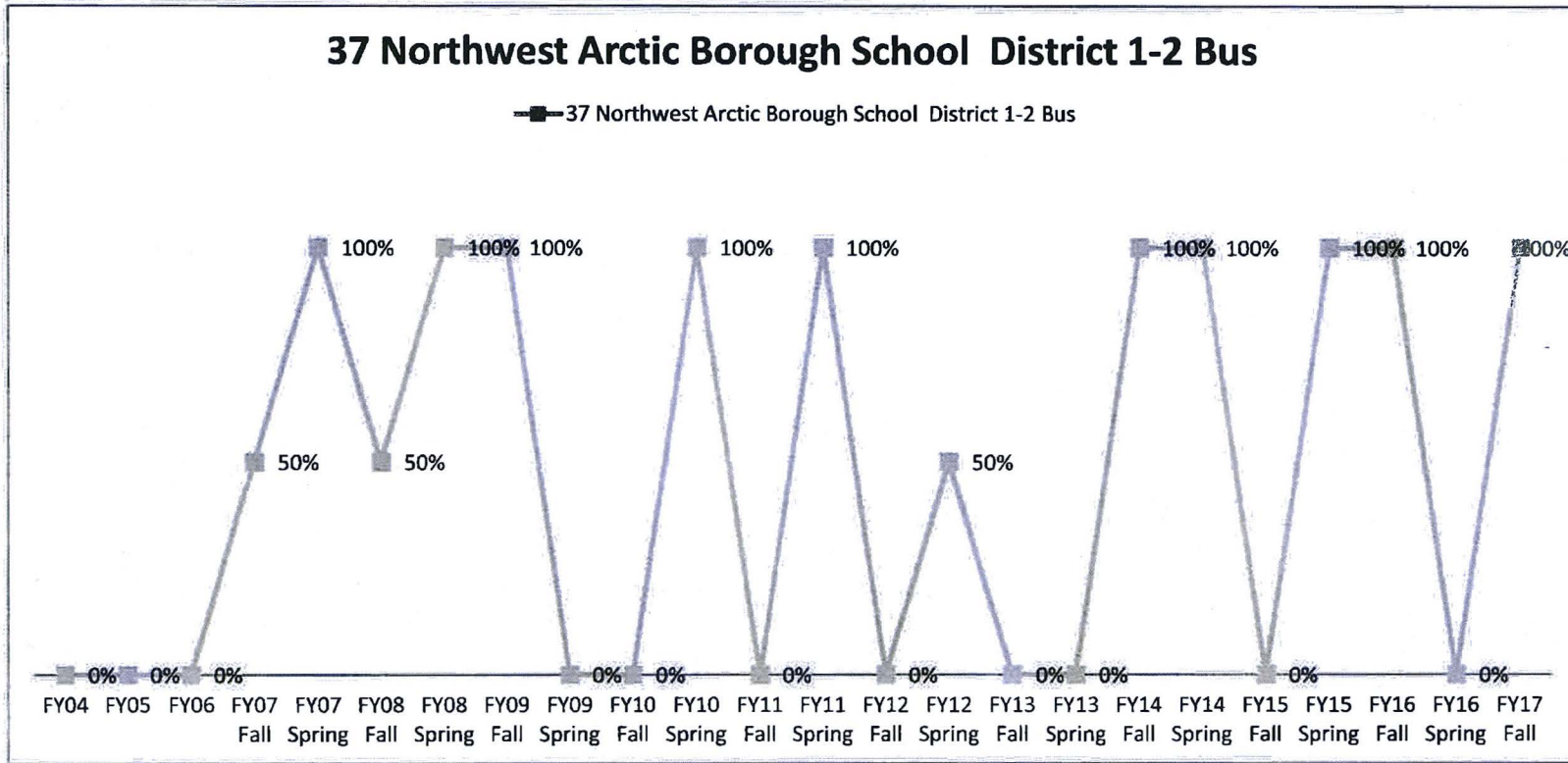
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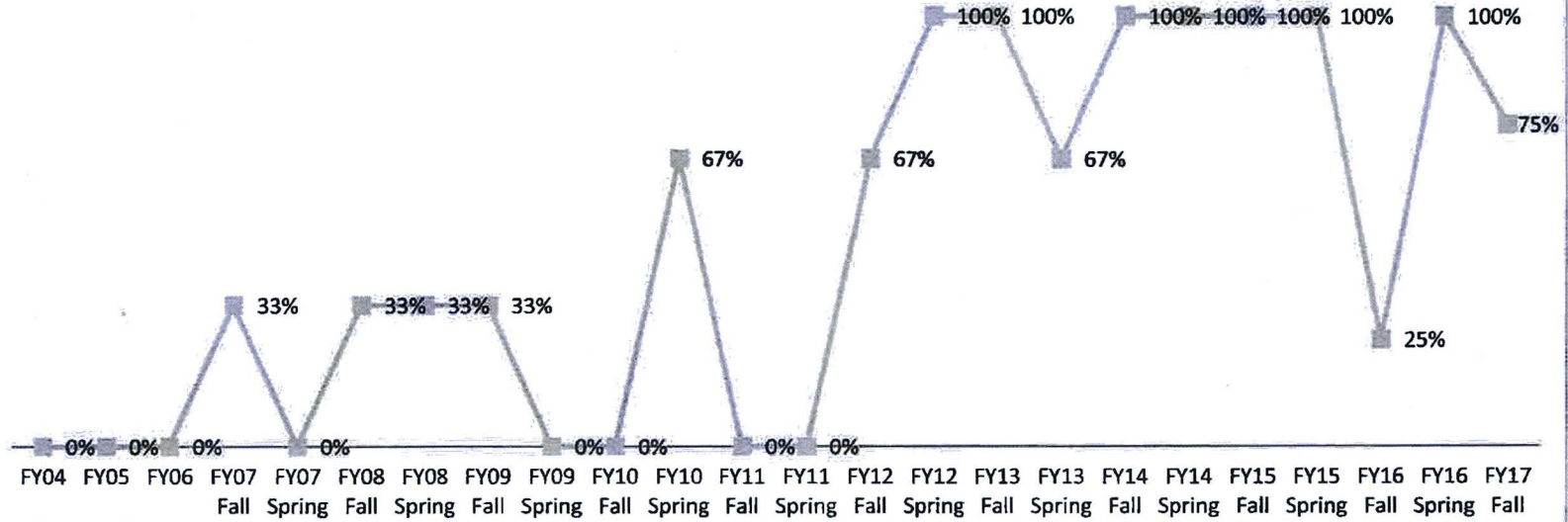


Percentage of buses passing initial inspection

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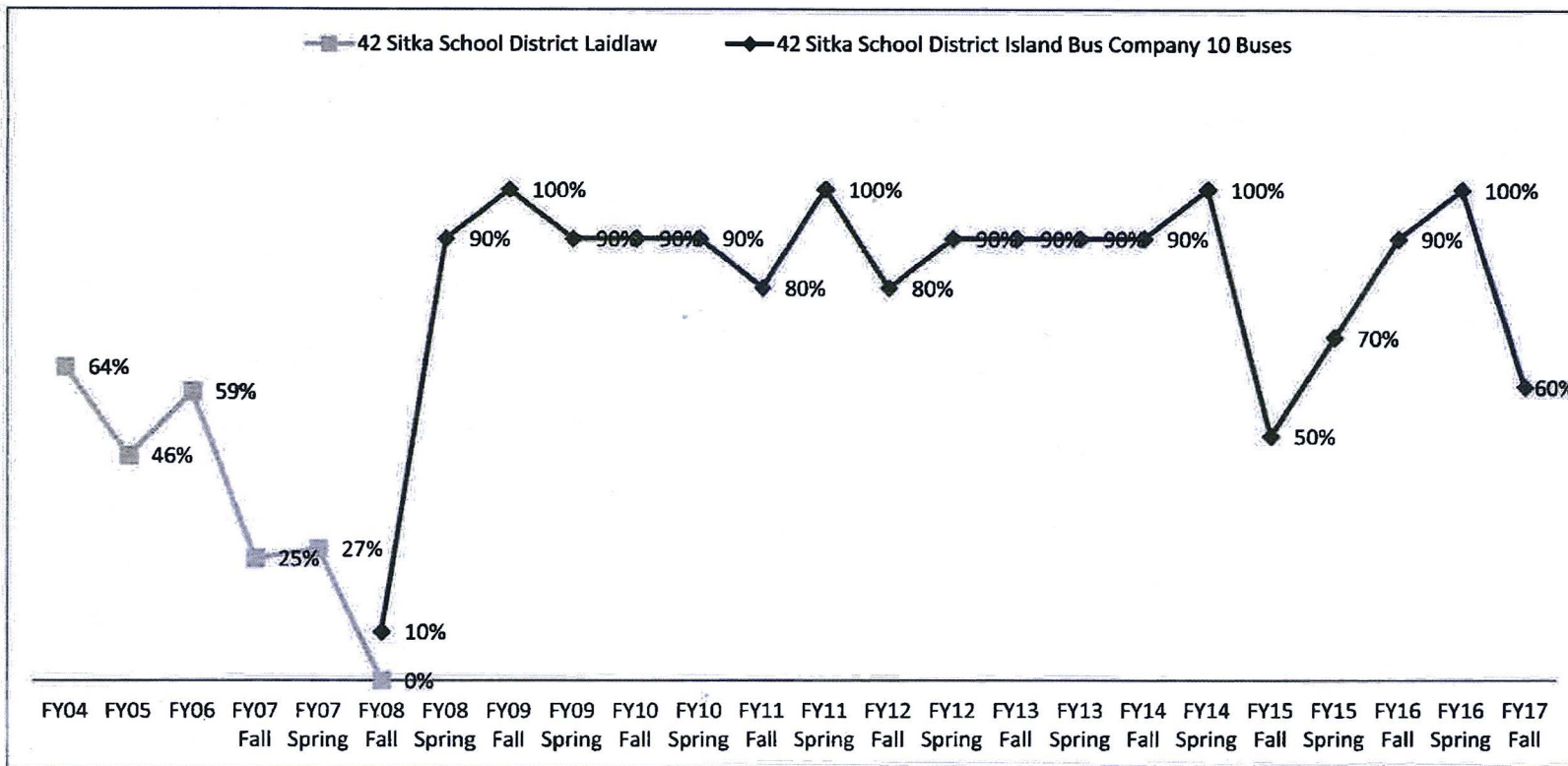
### 39 Petersburg School District Stikine 2-4 Buses

—■— 39 Petersburg School District Stikine 2-4 Buses



Percentage of buses passing initial inspection

Percentage of buses passing initial inspection

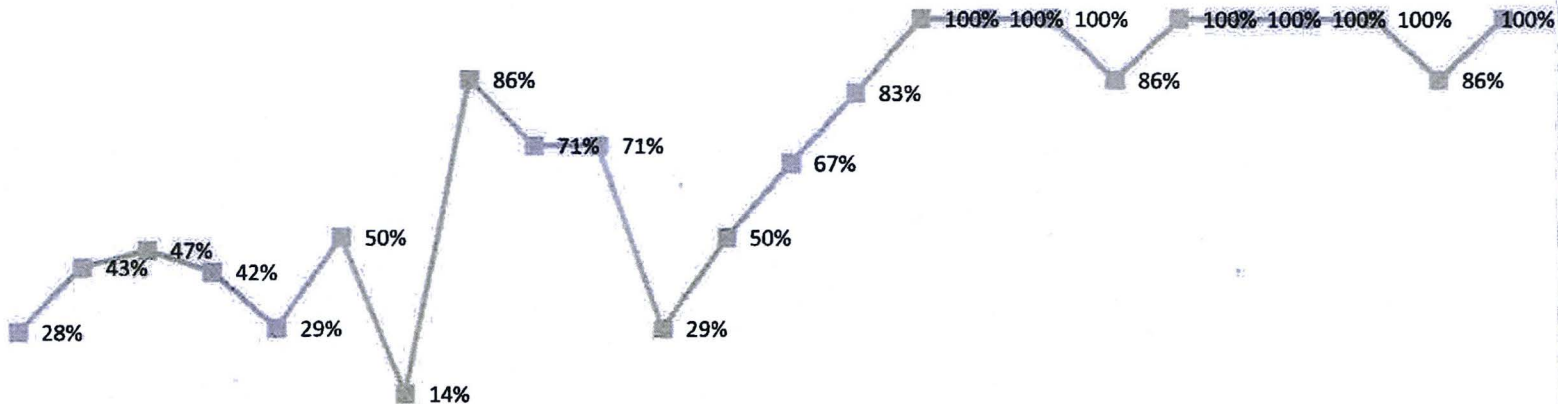


Percentage of buses passing initial inspection

Percentage of buses passing initial inspection

### 44 South East Island School District District 7-9 Buses

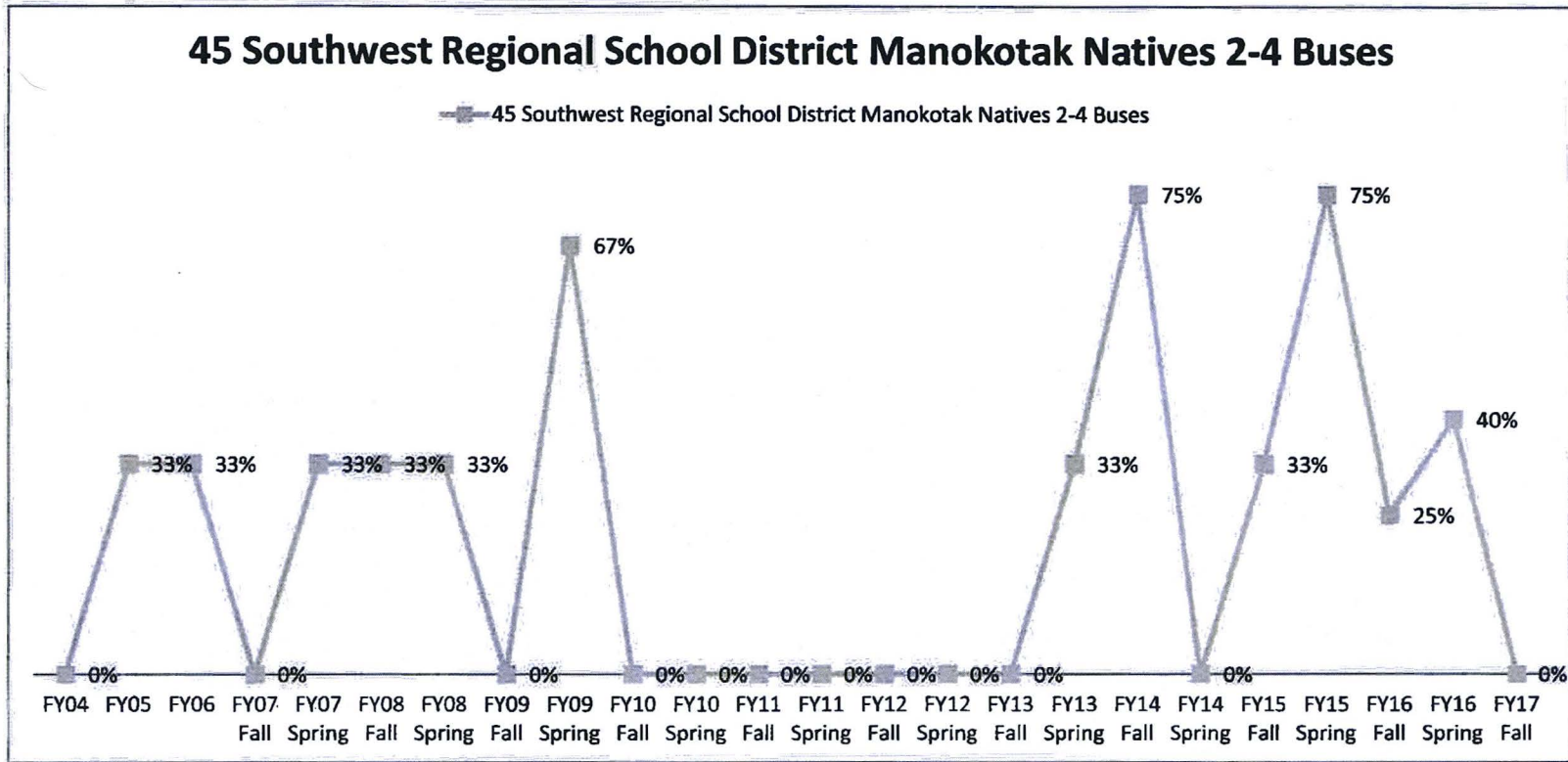
44 South East Island School District District 7-9 Buses



FY04 FY05 FY06 FY07 FY07 FY08 FY08 FY09 FY09 FY10 FY10 FY11 FY11 FY12 FY12 FY13 FY13 FY14 FY14 FY15 FY15 FY16 FY16 FY17  
Fall Spring Fall Spring Fall Spring Fall Spring Fall Spring Fall Spring Fall Spring Fall Spring Fall Spring Fall Spring Fall

Percentage of buses passing initial inspection

Percentage of buses passing initial inspection

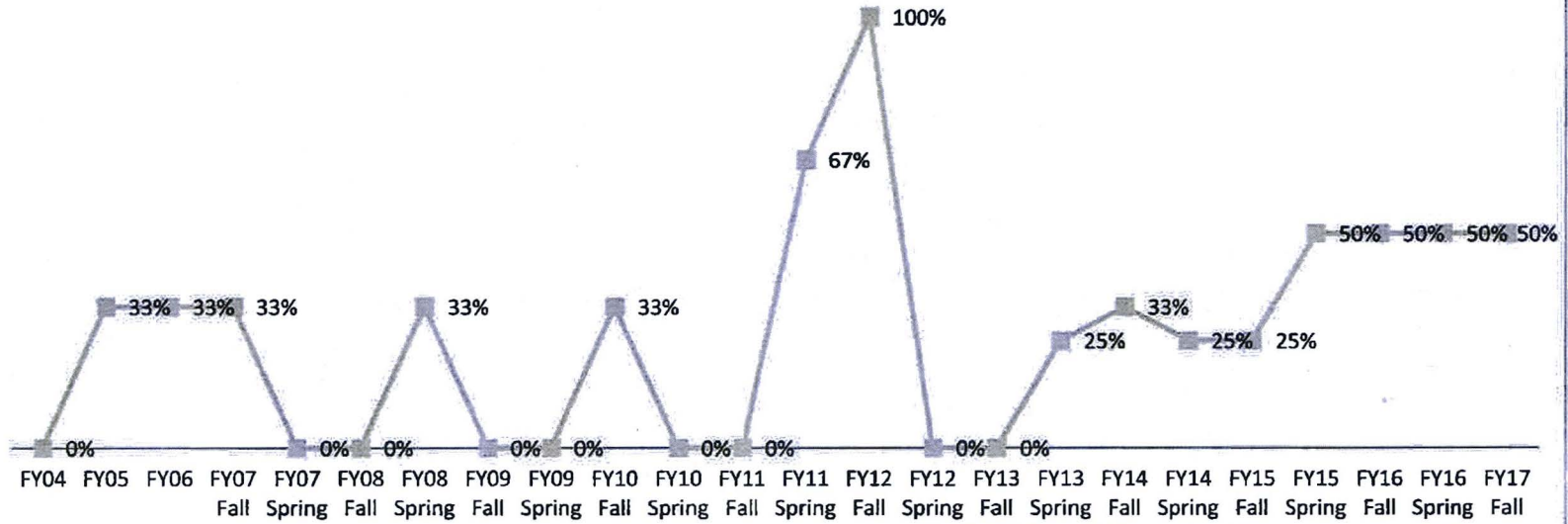


Percentage of buses passing initial inspection

Percentage of buses passing initial inspection

### 45 Southwest Regional School District Togiak Natives, LTD 3-4 Buses

45 Southwest Regional School District Togiak Natives, LTD 3-4 Buses

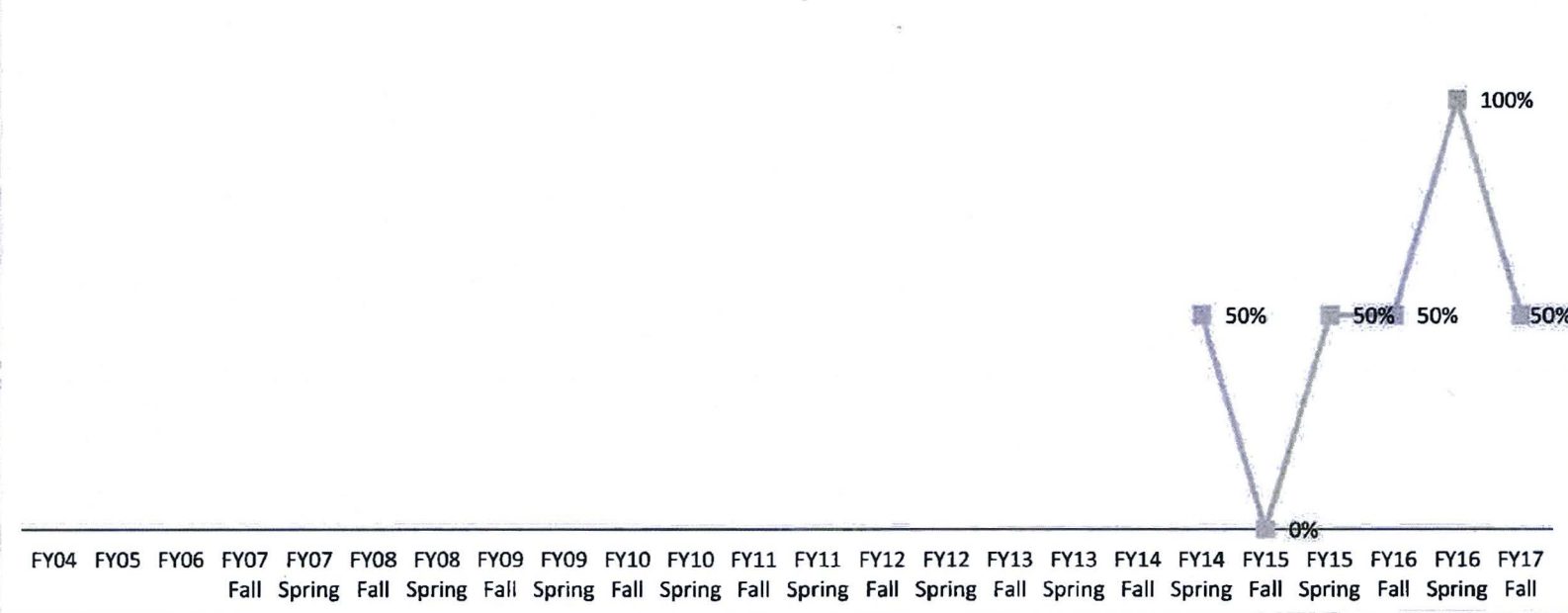


Percentage of buses passing initial inspection

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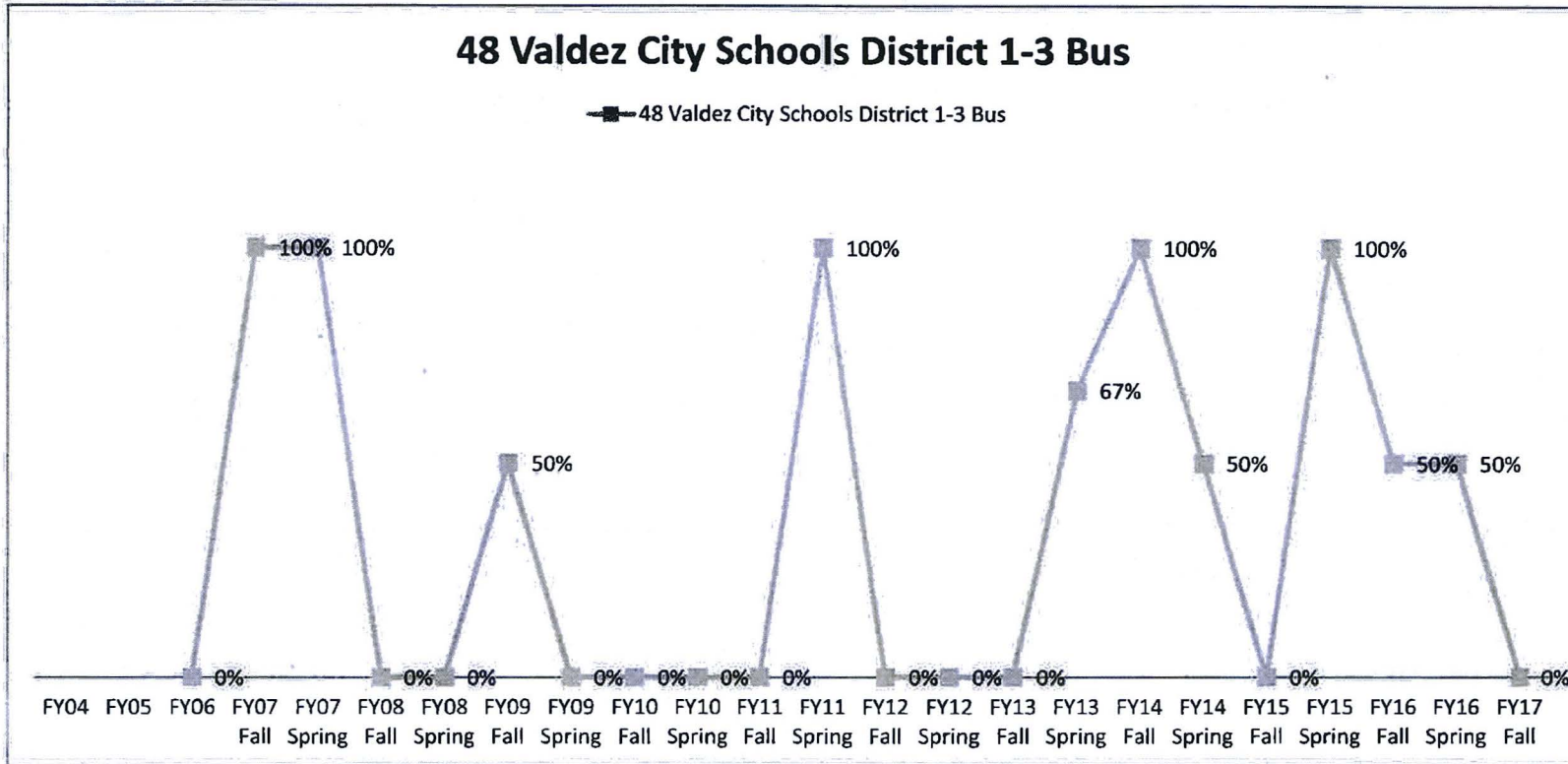
### 46 St Marys Schools District 1-2 buses

46 St Marys Schools District 1-2 buses



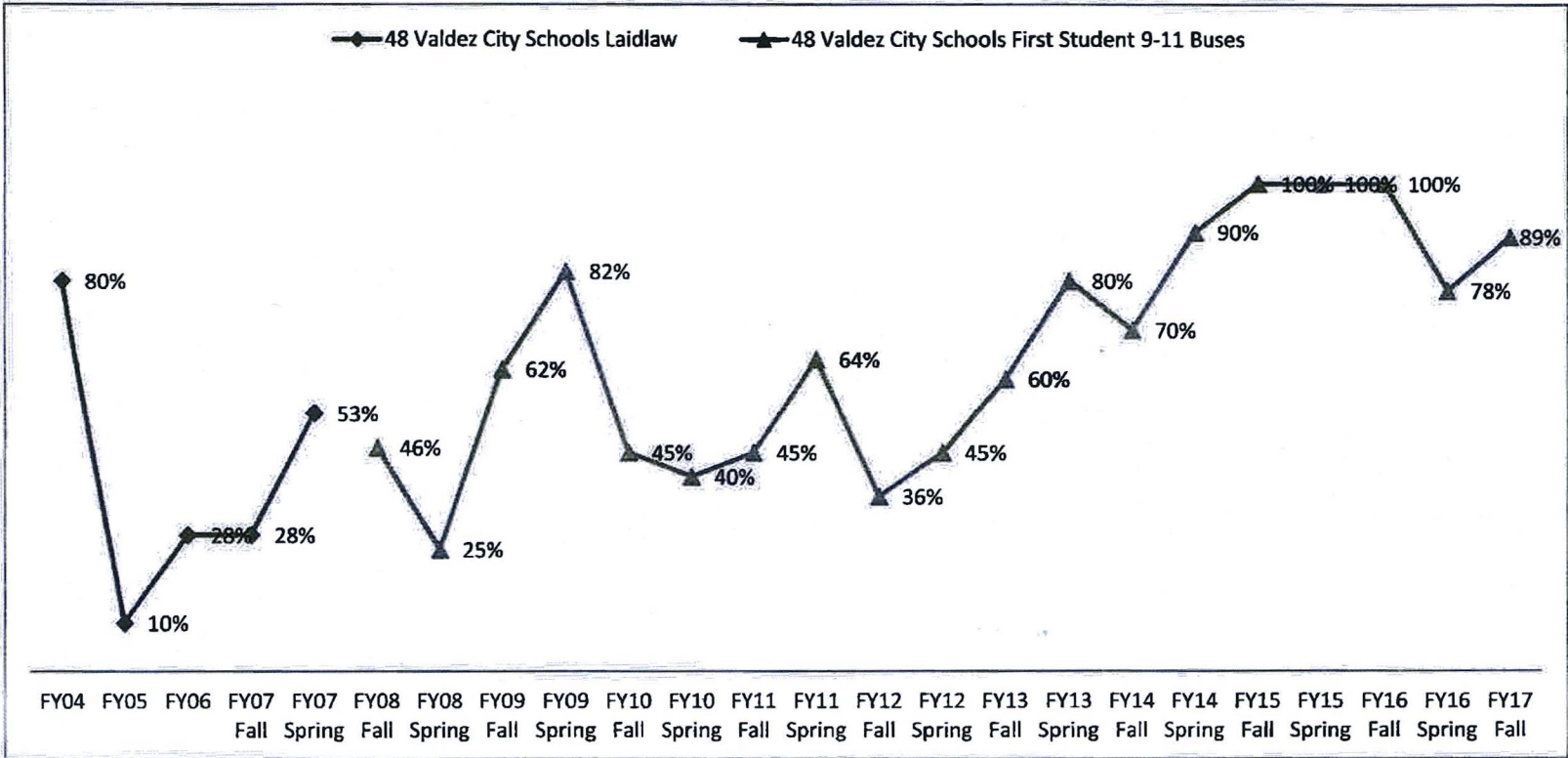
Percentage of buses passing initial inspection

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Percentage of buses passing initial inspection

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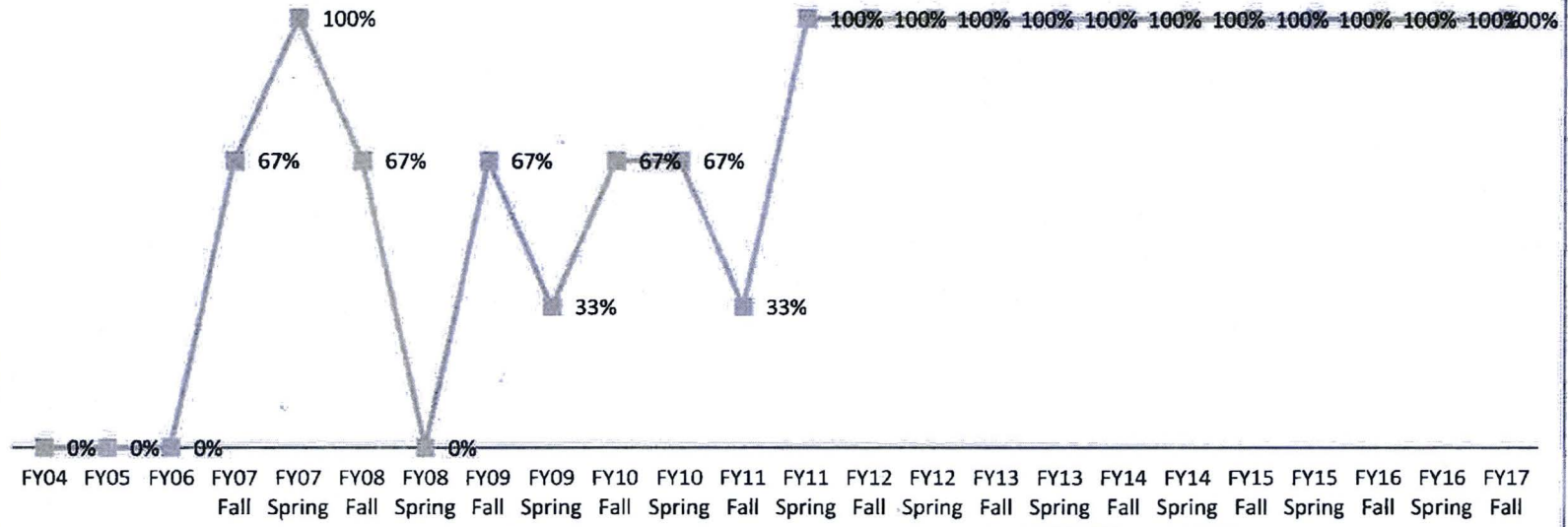


Percentage of buses passing initial inspection

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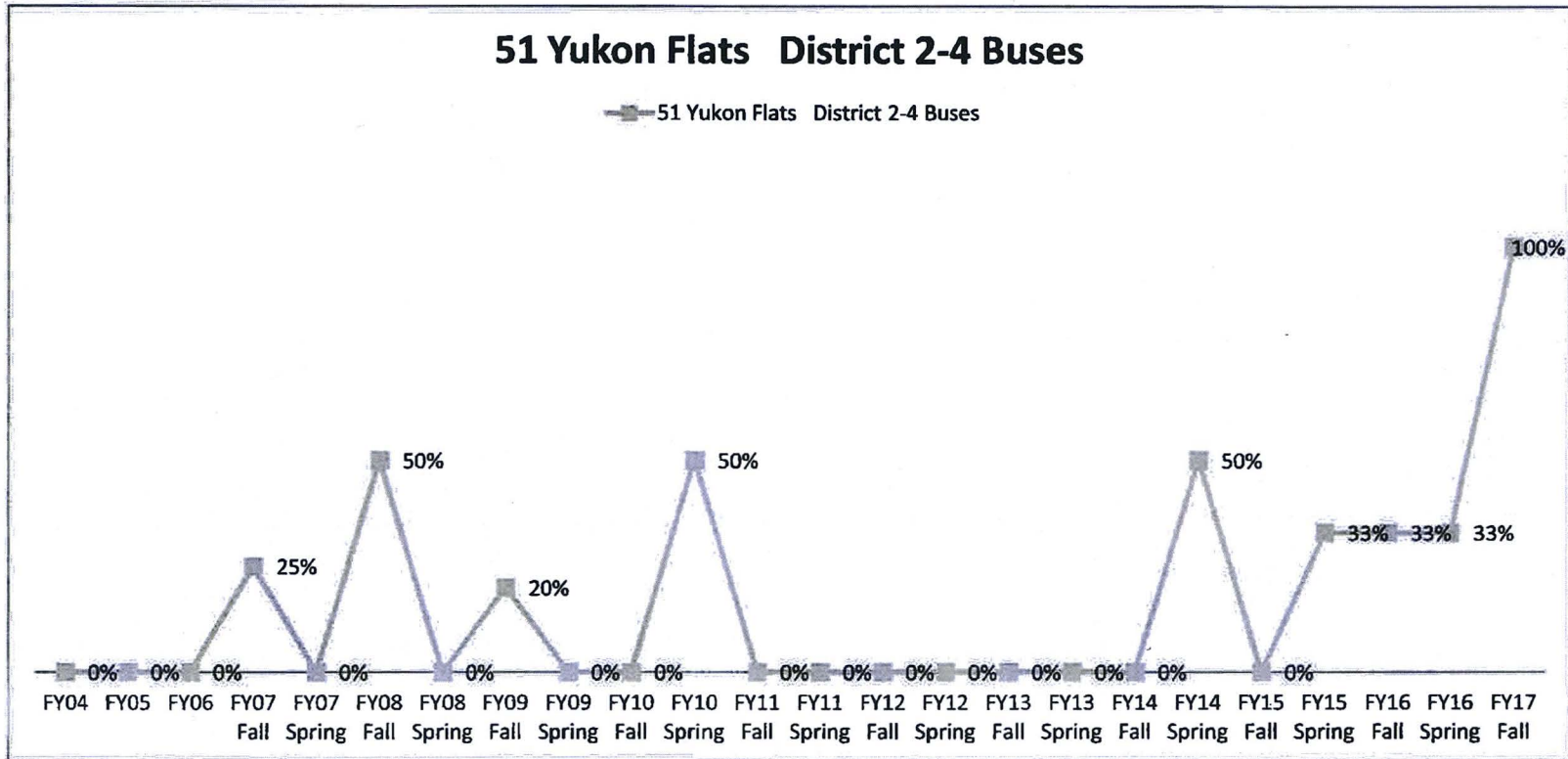
### 49 Wrangell School District Etolin Bus Co. 3-4 Buses

—■— 49 Wrangell School District Etolin Bus Co. 3-4 Buses



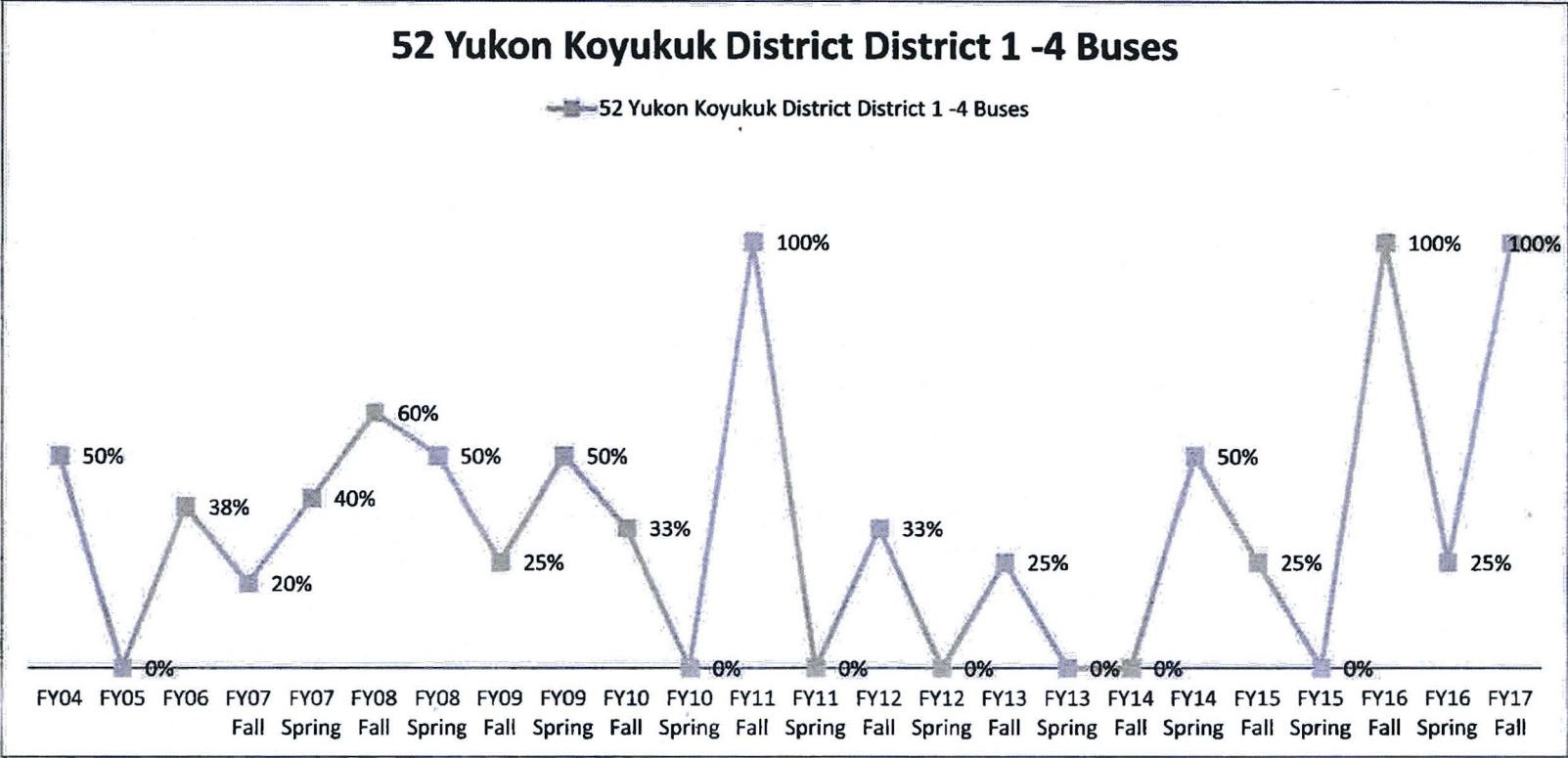
Percentage of buses passing initial inspection

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Percentage of buses passing initial inspection

Percentage of buses passing initial inspection



Percentage of buses passing initial inspection

**Senate Education Committee - SB 96**  
**March 30, 2017**

Thank you Chair Hughes and members of the Senate Education Committee.

I am Norm Wooten, Executive Director of the Association of Alaska School Boards.

In the interest of time I will not go through each section of the bill but rather touch on the sections having the most impact on school districts.

**Section 4** – This session expands the content areas that students may challenge out of to physical education, art and music. We support this as seat time is never an appropriate gauge but rather mastery of content. I might suggest that you add CTE courses as well to the list of content areas to give students more options.

**Section 5** – I suspect you are looking for accountability from school districts. However, this seems redundant as districts already report this data in other places. Additionally, this is yet one more requirement for one more report. Although it might seem to be a small requirement districts are already struggling to comply with state and federal reporting requirements.

**Section 6** – We appreciate the easing of requirements in any way possible and one school buss inspection per year seems reasonable.

**Section 7** – We support the idea of districts being free to share space in school facilities. However, it should always be voluntary and allow districts to make the choice for what is appropriate in their community. Sharing space with businesses might take a little more thought but as long as it was a local decision it could be good option.

**Section 8** – The opportunity to obtain a one time grant would allow districts to make necessary modifications in their facilities to create separations necessary for student safety.

**Section 9** – Among the items in this section it refers to districts join the state of Alaska health plans. The number one cost driver in districts is health insurance. Anything that would contain or lower these costs would be of help. There are many questions to be answered on how this could occur with those health benefits currently being contained in collective bargaining agreements. The first step is changing statute to allow it to happen. All the ensuing details would then need to be ironed out.

**Section 10** – This section is the most troubling in this bill. This in effect opens up the foundation formula by adding a building capacity element to the formula. Student populations fluctuate from year to year. This provision will be devastating

to many districts in Alaska. Changes to the foundation formula deserve to be carefully considered and vetted for any unintended consequences.

**Section 15 & Section 23** – the provisions concerning the PTPC are in alignment with the Legislative Audit recommendations and we are in support of those.

**Article 15** – AASB supports the use of and expansion of distance delivery of course material. Many districts are providing or purchasing these services for delivery in both inter and intra district. Costs for courses should always be driven by the market. Membership in the consortium should be voluntary allowing districts to determine the benefit for their students. This is not the solution to virtual education but it is a first step. We need to continue to pursue greater access to broadband for all districts.

Thank you for the opportunity to testify.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Law

CIVIL DIVISION

P.O. Box 110300  
Juneau, Alaska 99811  
Main: 907.465.3600  
Fax: 907.465.2520

March 29, 2017

Senator Shelley Hughes, Chair  
Senate Education Committee  
State Capitol Room 125  
Juneau AK, 99801  
[Senator.Shelley.Hughes@akleg.gov](mailto:Senator.Shelley.Hughes@akleg.gov)

Dear Senator Hughes,

Re: SB 96, Version T, Sections 10 and 11/*Molly Hootch* Decision

Under SB 96, Version T, sections 10 and 11, the school-size multiplier (above 1.0) in the ADM calculation under AS 14.17.450(a) would not be applied to the student count for a school if the school is below 80 percent capacity and is within 25 miles by road of another school in the same district that is also below 80 percent capacity. A district could decide that, in light of the reduced funding, it would be financially expedient or necessary to close a school not eligible for the school-size multiplier. The Senate Education Committee has asked whether this provision would run afoul of the requirements of law established in Alaska court cases.

By way of background, the Education Clause of the Alaska Constitution provides that "the legislature shall by general law establish and maintain a system of public schools open to all children of the State." Article VII, section 1, Alaska Constitution. To assess whether a local school is mandatory under the Education Clause, the most relevant case is *Molly Hootch v. Alaska State-Operated School System*, 536 P.2d 793 (Alaska 1975).

In that case, 27 students of secondary school age who resided in small rural communities sought to compel the state to provide secondary schools in their communities of residence. Although the Court found that the Education Clause confers upon Alaska school age children a right to education,<sup>1</sup> the Court held that the constitutional right to education does *not* include the right to attend a secondary school in one's community of residence.<sup>2</sup>

The Court found that the Education Clause does not require a uniform system, as it "appears to contemplate different types of educational opportunities including boarding,

<sup>1</sup> *Molly Hootch* at 799.

<sup>2</sup> *Id.* at 805.

correspondence, and other programs without requiring that all options be available to all students."<sup>3</sup> The Court concluded that "different approaches are appropriate to meet the educational needs in the diverse areas of the state."<sup>4</sup> The Court acknowledged that "differences in the manner of providing education sanctions (sic) some disadvantages. So long as they are not violative of equal protection, the nature and proper means of overcoming the disadvantages present questions for the legislature."<sup>5</sup> The Court went on to state, "The decision as to when it is feasible to establish local secondary schools is peculiarly legislative and executive in nature."<sup>6</sup>

As a potential further limitation on the *Molly Hootch* decision, the plaintiffs there sought to describe the plaintiff class as persons "living in communities where there are no public secondary schools or which lack daily transportation to such schools."<sup>7</sup> With the ADM revision proposed in SB 96, a school closure would apparently still leave students with a school within daily-transportation distance.

The Alaska Supreme Court in *Molly Hootch* declined to decide whether the lack of secondary schools in rural communities was racially discriminatory under the equal protection clauses of the Alaska or U.S. Constitutions and remanded the case to the trial court for an initial determination of this issue. Thereafter the parties entered into a settlement agreement whereby the state agreed to provide secondary schools in a long list of rural communities.

Because the *Molly Hootch* case involved a request for local secondary schools, the holding could be limited to those facts; i.e., a later court could possibly come to a different conclusion as to the constitutional requirement for local elementary schools. However, the court's analysis, based on the diversity of the state, the availability of various educational options, and the importance of the legislative and executive functions, applies equally to secondary and elementary schools.

The *Molly Hootch* decision leaves open the possibility that failing to provide local schools could be unconstitutional as a racially discriminatory practice. The proposed revisions to the school-size multiplier in SB 96 appear more likely to have a disproportionate impact on urban schools, since the reduced funding only occurs where two under-capacity schools are connected by a road. This makes it unlikely that the

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<sup>3</sup> *Id.* at 803.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 804-805.

<sup>6</sup> *Id.* at 804.

<sup>7</sup> *Id.* at 796, n.2.

Senator Shelley Hughes  
Re: SB 96, Version T, Sections 10 and 11/ *Molly Hootch* Decision


March 29, 2017  
Page 3 of 3

proposed change would lead to a claim of racial discrimination under the equal protection clauses of the state and U.S. constitutions.

As written, the changes to the school-size ADM multiplier in SB 96 do not appear to violate constitutional rights under Alaska case law.

Sincerely,

JAHNA LINDEMUTH  
ATTORNEY GENERAL

By:   
Luann E. B. Weyhrauch  
Assistant Attorney General

LBW/ckm

cc: Darwin Peterson, Director, Legislative Office

What would the payout of the Public School Trust look like if the last 10 years had a payout calculated under the 4.75% POMV method?

	<u>FYE Avg NAV*</u>	<u>3 year average</u>	<u>4.75% payout</u>	<u>Actual payout</u>	<u>Difference</u>
6/30/2005	307,769,985				
6/30/2006	325,983,659				
1 6/30/2007	358,051,167	330,601,604	15,703,576	12,073,231	3,630,344.86
2 6/30/2008	373,933,955	352,656,261	16,751,172	12,246,460	4,504,712.77
3 6/30/2009	328,904,790	353,629,971	16,797,424	14,437,913	2,359,510.57
4 6/30/2010	371,106,771	357,981,839	17,004,137	13,028,547	3,975,589.97
5 6/30/2011	418,134,545	372,715,369	17,703,980	9,117,243	8,586,736.94
6 6/30/2012	443,792,435	411,011,251	19,523,034	14,131,133	5,391,901.23
7 6/30/2013	496,427,377	452,784,786	21,507,277	13,635,747	7,871,529.83
8 6/30/2014	542,857,345	494,359,052	23,482,055	6,491,379	16,990,675.93
9 6/30/2015	572,353,993	537,212,905	25,517,613	12,115,425	13,402,187.96
10 6/30/2016**	574,033,853	563,081,730	26,746,382	13,161,387	13,584,995.19

\*FYE avg reduced by difference in estimated 4.75% and actual pay out to approximate new market values

\*\*6/30/16 actual payout includes \$13 million transferred in August 2016 (for FY2016).

30-LS0452\M  
Glover  
4/3/17

**CS FOR SENATE BILL NO. 96(EDC)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

**BY THE SENATE EDUCATION COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATE EDUCATION COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to course credit for students; relating to annual reports regarding  
2 school district performance and school district employees; relating to cooperation  
3 among school districts; providing for grants for school district health insurance and  
4 other cooperative arrangements between school districts and businesses, nonprofit  
5 organizations, and government agencies; relating to school operating fund reserves;  
6 relating to competency examinations for teacher certificates; relating to the Professional  
7 Teaching Practices Commission; relating to the duties and powers of the Department of  
8 Education and Early Development and the commissioner of education and early  
9 development; relating to a virtual education consortium; relating to school bus  
10 inspections and the minimum wage for bus drivers; relating to the investment,  
11 appropriation, and administration of the public school trust fund; relating to a  
12 feasibility analysis regarding the merger of schools that are below capacity; and

1 **providing for an effective date."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 LEGISLATIVE FINDINGS. The legislature finds that

6 (1) virtual education allows students to access courses that are not otherwise  
7 available in their local schools or school districts, including courses that are relevant to the  
8 interests and career paths of students;

9 (2) virtual education provides students with access to teachers who are experts  
10 in their fields, allowing for better instruction and better academic results;

11 (3) overall state spending on education does not correlate with improved  
12 academic results; however, spending on quality classroom instruction does correlate with  
13 improved academic results;

14 (4) access to quality classroom instruction, whether through virtual education  
15 or traditional delivery modes, is important for the success of every student in the state;

16 (5) despite the benefits of virtual education, virtual education has limitations  
17 and cannot replace high quality teachers and teaching aides in the classroom who inspire high  
18 quality student learning.

19 \* **Sec. 2.** AS 14.03.073(a) is amended to read:

20 (a) A school district shall provide the opportunity for students enrolled in  
21 grades nine through 12 in the district to challenge one or more courses provided by the  
22 district by demonstrating mastery in mathematics, language arts, science, social  
23 studies, and world languages at the level of the course challenged. A school district  
24 shall give full credit for a course to a student who successfully challenges that course  
25 as provided under **(b) of** this section.

26 \* **Sec. 3.** AS 14.03.073(b) is amended to read:

27 (b) A school district shall establish, within a reasonable time, an assessment  
28 tool and a standard for demonstrating mastery in courses provided for students in  
29 grades nine through 12 by the district under **(a) of** this section. This section does not  
30 require a school district to establish an assessment tool for every course in

1 mathematics, language arts, science, social studies, and world languages that is offered  
2 to students in grades nine through 12 by the district.

3 \* **Sec. 4.** AS 14.03.073 is amended by adding a new subsection to read:

4 (e) In addition to providing the opportunity for a student to challenge a course  
5 under (a) - (c) of this section, a school district shall allow a student enrolled in grades  
6 nine through 12 to receive course credit for a career and technical education, physical  
7 education, music, or art class, if the student participates in an activity, including a  
8 cultural activity, outside of school hours that the school district determines meets the  
9 educational or physical activity requirements of the course. A school district may  
10 adopt standards for awarding course credit for common activities.

11 \* **Sec. 5.** AS 14.03.078(a) is amended to read:

12 (a) The department shall provide to the legislature **and school districts** by  
13 February 15 of each year by electronic means an annual report regarding the progress  
14 of each school and school district toward high academic performance by all students.  
15 The report required under this section must include

16 (1) information described under AS 14.03.120(d);

17 (2) progress of the department

18 (A) toward implementing the school accountability provisions  
19 of AS 14.03.123; and

20 (B) in assisting high schools to become accredited;

21 (3) a description of the resources provided to each school and school  
22 district for coordinated school improvement activities and staff training in each school  
23 and school district;

24 (4) each school district's and each school's progress in aligning  
25 curriculum with state education performance standards;

26 (5) a description of the efforts by the department to assist a public  
27 school or district that receives a low performance designation under AS 14.03.123;

28 (6) a description of intervention efforts by each school district and  
29 school for students who are not meeting state performance standards; [AND]

30 (7) the number and percentage of turnover in certificated personnel and  
31 superintendents; **and**

1 (8) a summary of the categories of certificated administrative  
2 employees employed by each school district that includes the ratio of

3 (A) the number of certificated administrative employees in  
4 each category employed by each school district compared to the number  
5 of students enrolled in the school district on October 1 of the previous  
6 year;

7 (B) the total number of certificated administrative  
8 employees employed by each school district compared to the total number  
9 of teachers employed by the school district on October 1 of the previous  
10 year; and

11 (C) the total number of teachers employed by each school  
12 district compared to the total number of students enrolled in the school  
13 district on October 1 of the previous year.

14 \* **Sec. 6.** AS 14.03.078 is amended by adding new subsections to read:

15 (c) Each school district shall make available to the public the portion of the  
16 report that pertains to the school district under (a)(8) of this section by posting the  
17 information in a prominent location on the school district's or local community's  
18 Internet website or by another easily accessible method.

19 (d) In this section, "administrative employee" means a certificated employee  
20 who does not provide direct classroom instruction for students as a regular part of the  
21 employee's job.

22 \* **Sec. 7.** AS 14.09.030(b) is amended to read:

23 (b) The department shall

24 (1) establish equipment requirements for each type of school bus that  
25 is used to transport school children to or from a public school;

26 (2) at least **once** [TWICE] each calendar year, inspect each school bus  
27 for compliance with requirements adopted under this subsection; and

28 (3) maintain a record of each accident involving a school bus or other  
29 vehicle transporting school children that is owned by, leased by, or provided under  
30 contract to a municipal school district or regional educational attendance area; the  
31 record must include the date of the accident, a list of persons injured, whether the

1 person's injury occurred within the school bus, and each type of injury.

2 \* **Sec. 8.** AS 14.14.110(a) is amended to read:

3 (a) When necessary to provide more efficient or more economical educational  
4 services, a district may cooperate or the department may require a district to cooperate  
5 with other districts, state-operated schools, or the Bureau of Indian Affairs in  
6 providing educational or administrative services. However, if a cooperative  
7 arrangement requires pupils to live away from their usual homes, the school board  
8 shall provide classes within the attendance area when there are at least eight children  
9 eligible to attend elementary and secondary school in the attendance area. In this  
10 subsection,

11 (1) "administrative services" includes supervisory, maintenance,  
12 purchasing, **student nutrition, student transportation, shared facilities,** or other  
13 services that are required for unified administration;

14 (2) "educational services" includes boarding and tuition arrangements,  
15 pupil or teacher exchanges, special education services, [OR] curriculum development,  
16 **professional teacher development, or the use of technology to deliver classroom**  
17 **instruction.**

18 \* **Sec. 9.** AS 14.14.115(a) is amended to read:

19 (a) To encourage cooperative arrangements between school districts **and**  
20 **between school districts and businesses, nonprofit organizations, and state or**  
21 **local government agencies** to provide more efficient or economical administrative or  
22 educational services, a school district may receive a one-time cooperative arrangement  
23 grant from the department of up to **\$200,000 if the school district demonstrates that**  
24 **the arrangement will result in a cost savings to the district** [\$100,000].

25 \* **Sec. 10.** AS 14.14.115 is amended by adding new subsections to read:

26 (d) To be eligible for a cooperative arrangement grant between school districts  
27 under this section, other than a cooperative arrangement grant for assistance with the  
28 costs of transferring a health insurance policy under (e) of this section, a district must  
29 either be a rural school district or enter into a cooperative arrangement with a rural  
30 school district.

31 (e) The department may award a one-time cooperative arrangement grant

1 under this section to a school district to assist the school district in paying for the costs  
 2 of transferring school district employees from a health insurance policy provided by  
 3 the school district to a policy of group health insurance under AS 39.30.090. The  
 4 department may not award a cooperative arrangement grant to a school district to pay  
 5 the school district's contributions to the costs of the health insurance policy.

6 (f) During the first three fiscal years after a cooperative arrangement grant is  
 7 awarded under this section, a district awarded a grant may accumulate in its school  
 8 operating fund, in addition to the unreserved portion allowed under AS 14.17.505(a),  
 9 an amount equal to the savings resulting from the cooperative arrangement.

10 (g) In this section, "rural school district" means a regional educational  
 11 attendance area or a small municipal school district as that term is defined in  
 12 AS 14.11.025(c).

13 \* **Sec. 11.** AS 14.17.505(a) is amended to read:

14 (a) A district may not accumulate in a fiscal year an unreserved portion of its  
 15 year-end fund balance in its school operating fund, as defined by department  
 16 regulations, that is greater than 25 [10] percent of its expenditures for that fiscal year,  
 17 **except that, during the first three fiscal years after a cooperative arrangement**  
 18 **grant is awarded under AS 14.14.115, a district may accumulate an additional**  
 19 **unreserved portion that is equal to the amount of savings resulting from the**  
 20 **grant.**

21 \* **Sec. 12.** AS 14.20.020(i) is amended to read:

22 (i) Beginning on July 1, 1998, a person is not eligible for an initial regular  
 23 teacher certificate unless the person has taken and successfully completed a  
 24 competency examination or examinations designated, at the time the person took the  
 25 test, by the board. The board shall review nationally recognized examinations that are  
 26 designed to test the competency of new teachers and shall designate those  
 27 examinations that it finds adequately test the skills and abilities of new teachers. For  
 28 each examination designated under this subsection, the board shall establish the  
 29 minimum acceptable level of performance. **If the board designates a Praxis test as a**  
 30 **competency examination under this subsection, the board shall periodically**  
 31 **adjust the minimum acceptable level of performance established for the Praxis**

1 test so that the level is equal to or higher than the most stringent minimum  
2 acceptable level of performance for teacher certification established by another  
3 state. Regulations adopted under this subsection to increase the minimum  
4 acceptable level of performance on a competency examination may not take effect  
5 earlier than one year after the board adopts the regulation.

6 \* **Sec. 13.** AS 14.20.380 is amended by adding a new subsection to read:

7 (b) The department shall provide administrative support services to the  
8 commission.

9 \* **Sec. 14.** AS 14.20.460 is amended to read:

10 **Sec. 14.20.460. Duties of commission.** The commission shall

11 (1) establish procedures, and adopt regulations to implement the  
12 purposes of AS 14.20.370 - 14.20.510;

13 (2) conduct investigations and hearings on alleged violations of ethical  
14 or professional teaching performance, contractual obligations, and professional  
15 teaching misconduct;

16 (3) review the regulations of the department as they relate to teacher  
17 certification and recommend necessary changes;

18 (4) review the decisions of the department regarding the issuance or  
19 denial of certificates and in its discretion recommend reversal of decisions;

20 (5) reduce the commission's administrative costs by using  
21 administrative support services provided by the department.

22 \* **Sec. 15.** AS 14.30 is amended by adding a new section to read:

23 **Article 15. Virtual Education.**

24 **Sec. 14.30.760. Virtual education consortium.** (a) The department, in  
25 cooperation with school districts, shall establish a virtual education consortium for the  
26 purpose of making virtual education and professional development resources available  
27 to students and teachers in the state. The consortium shall create and maintain a  
28 database of virtual education courses for students in grades six through 12, training in  
29 virtual instruction for teachers of students in grades six through 12, and professional  
30 development courses for teachers of students in any grade. A school district or a third-  
31 party vendor may provide a course for students or teachers that is included in the

1 database. A virtual education course for students may only be included in the database  
2 if the course is approved by the department under (b) of this section.

3 (b) The department shall review the curriculum of a virtual education course  
4 for students before including the course in the database. The department may approve  
5 the course if the course is appropriate for students in grades six through 12 and aligned  
6 with state standards established by the department. The database must be accessible to  
7 all school districts and include the following information for each course:

8 (1) title, subject, and description;

9 (2) the name of the school district or third-party vendor that provides  
10 the course;

11 (3) a description of the method of instruction; the description must  
12 indicate whether the instruction is synchronous, asynchronous, or blended; and

13 (4) samples of the curriculum and instruction provided in the course,  
14 including an introductory video of the instructor, and, for a synchronous course, a  
15 video of the instructor teaching.

16 (c) The consortium shall provide training for teachers of students in grades six  
17 through 12 on virtual instruction methods and the differences between virtual  
18 instruction and instruction offered in a classroom. A teacher may not provide  
19 instruction through a course for students that is in the database unless

20 (1) the teacher has completed the training provided by the consortium;

21 or

22 (2) the consortium determines that the teacher's previous experience  
23 has prepared the teacher to provide virtual instruction and the teacher demonstrates the  
24 skills necessary to provide virtual instruction.

25 (d) In addition to providing training for teachers under (c) of this section, the  
26 consortium shall offer professional development courses for teachers of students in  
27 any grade through the database and shall include in the database professional  
28 development courses provided by third-party vendors. A school district with adequate  
29 broadband Internet access to participate in virtual professional development courses  
30 shall require teachers in that school district to complete professional development  
31 training through the consortium. The consortium may require, as a condition of

1 participation, that school districts participating in virtual professional development  
2 courses for teachers adopt the same in-service days.

3 (e) A school district that provides a course included in the database may  
4 charge a fee to the school district in which a student who takes the course is enrolled.  
5 The fee may approximate the estimated cost to the school district for providing the  
6 course but may not exceed the amount calculated by multiplying the base student  
7 allocation by a fraction, the numerator of which is the number of classes the student is  
8 taking during the school year that are provided by the school district, and the  
9 denominator of which is the total number of classes in which the student is enrolled  
10 for the school year in any school district.

11 (f) A school district that participates in the consortium shall pay a fee to the  
12 consortium. The department shall establish the fee in regulations based on a  
13 recommendation of the consortium and may adjust the fee annually as necessary. By  
14 June 30, 2020, the fees must approximately equal the consortium's administrative  
15 costs related to reviewing and approving courses and maintaining the database.

16 (g) The consortium may require, as a condition of participation, that school  
17 districts that provide courses or have students participating in courses included in the  
18 database under (b) of this section adopt the same school term and class schedule for all  
19 or part of a school day. The school term must meet the requirements of AS 14.03.030.

20 (h) In this section,

21 (1) "asynchronous" means instruction that does not require the  
22 simultaneous participation of a student and instructor;

23 (2) "base student allocation" means the amount set out in  
24 AS 14.17.470;

25 (3) "blended" means instruction that uses a combination of  
26 asynchronous and synchronous delivery;

27 (4) "synchronous" means instruction that requires the simultaneous  
28 participation of a student and instructor; synchronous instruction is delivered in real  
29 time through videoconferencing or other live means;

30 (5) "virtual education" or "virtual instruction" means instruction  
31 delivered through telecommunications or other digital or electronic methods.

1 \* **Sec. 16.** AS 23.10.055(a) is amended to read:

2 (a) The provisions of AS 23.10.050 - 23.10.150 do not apply to

3 (1) an individual employed in agriculture, which includes farming in  
4 all its branches and, among other things, includes the cultivation and tillage of the soil,  
5 dairying, the production, cultivation, growing, and harvesting of any agricultural or  
6 horticultural commodities, the raising of livestock, bees, fur-bearing animals, or  
7 poultry, and any practices, including forestry and lumbering operations, performed by  
8 a farmer or on a farm as an incident to or in conjunction with the farming operations,  
9 including preparation for market, or delivery to storage or to market or to carriers for  
10 transportation to market;

11 (2) an individual employed in the catching, trapping, cultivating or  
12 farming, netting, or taking of any kind of fish, shellfish, or other aquatic forms of  
13 animal and vegetable life;

14 (3) an individual employed in the hand picking of shrimp;

15 (4) an individual employed in domestic service, including a baby-  
16 sitter, in or about a private home;

17 (5) an individual employed by the United States or by the state or a  
18 political subdivision of the state, [EXCEPT AS PROVIDED IN AS 23.10.065(b),]  
19 including prisoners not on furlough detained or confined in prison facilities;

20 (6) an individual engaged in the nonprofit activities of a nonprofit  
21 religious, charitable, cemetery, or educational organization or other nonprofit  
22 organization where the employer-employee relationship does not, in fact, exist, and  
23 where services rendered to the organization are on a voluntary basis and are related  
24 only to the organization's nonprofit activities; for purposes of this paragraph,  
25 "nonprofit activities" means activities for which the nonprofit organization does not  
26 incur a liability for unrelated business income tax under 26 U.S.C. 513, as amended;

27 (7) an employee engaged in the delivery of newspapers to the  
28 consumer;

29 (8) an individual employed solely as a watchman or caretaker of a  
30 plant or property that is not in productive use for a period of four months or more;

31 (9) an individual employed

1 (A) in a bona fide executive, administrative, or professional  
2 capacity;

3 (B) in the capacity of an outside salesman or a salesman who is  
4 employed on a straight commission basis; or

5 (C) as a computer systems analyst, computer programmer,  
6 software engineer, or other similarly skilled worker;

7 (10) an individual employed in the search for placer or hard rock  
8 minerals;

9 (11) an individual under 18 years of age employed on a part-time basis  
10 not more than 30 hours in a week;

11 (12) employment by a nonprofit educational or child care facility to  
12 serve as a parent of children while the children are in residence at the facility if the  
13 employment requires residence at the facility and is compensated on a cash basis  
14 exclusive of room and board at an annual rate of not less than

15 (A) \$10,000 for an unmarried person; or

16 (B) \$15,000 for a married couple;

17 (13) an individual who drives a taxicab, is compensated for taxicab  
18 services exclusively by customers of the service, whose written contractual  
19 arrangements with owners of taxicab vehicles, taxicab permits, or radio dispatch  
20 services are based on [UPON] flat contractual rates and not based on a percentage  
21 share of the individual's receipts from customers, and whose written contract with  
22 owners of taxicab vehicles, taxicab permits, or radio dispatch services specifically  
23 provides that the contract places no restrictions on hours worked by the individual or  
24 on areas in which the individual may work except to comply with local ordinances;

25 (14) a person who holds a license under AS 08.54 and who is  
26 employed by a registered guide-outfitter or master guide-outfitter licensed under  
27 AS 08.54, for the first 60 workdays in which the person is employed by the registered  
28 guide-outfitter or master guide-outfitter during a calendar year;

29 (15) an individual engaged in activities for a nonprofit religious,  
30 charitable, civic, cemetery, recreational, or educational organization where the  
31 employer-employee relationship does not, in fact, exist, and where services are

1 rendered to the organization under a work activity requirement of AS 47.27 (Alaska  
2 temporary assistance program);

3 (16) an individual who

4 (A) provides emergency medical services only on a voluntary  
5 basis;

6 (B) serves with a full-time fire department only on a voluntary  
7 basis; or

8 (C) provides ski patrol services on a voluntary basis;

9 (17) a student participating in a University of Alaska practicum  
10 described under AS 14.40.065;

11 (18) an individual who is employed by a motor vehicle dealer and  
12 whose primary duty is to

13 (A) receive, analyze, or reference requests for service, repair,  
14 or analysis of motor vehicles;

15 (B) arrange financing for the sale of motor vehicles and related  
16 products and services that are added or included as part of the sale; or

17 (C) solicit, sell, lease, or exchange motor vehicles.

18 \* **Sec. 17.** AS 37.10.071(d) is amended to read:

19 (d) In exercising investment, custodial, or depository powers or duties under  
20 this section, the fiduciary or the fiduciary's designee is liable for a breach of a duty  
21 that is assigned or delegated under this section, or under AS 14.40.255, 14.40.280(c),  
22 14.40.400(b), AS 37.10.070, AS 37.14.160 [AS 37.14.110(c), 37.14.160], or  
23 37.14.170. However, the fiduciary or the designee is not liable for a breach of a duty  
24 that has been delegated to another person if the delegation is prudent under the  
25 applicable standard of prudence set out in statute or if the duty is assigned by law to  
26 another person, except to the extent that the fiduciary or designee

27 (1) knowingly participates in, or knowingly undertakes to conceal, an  
28 act or omission of another person knowing that the act or omission is a breach of that  
29 person's duties under this chapter;

30 (2) by failure to comply with this section in the administration of  
31 specific responsibilities, enables another person to commit a breach of duty; or

1 (3) has knowledge of a breach of duty by another person, unless the  
2 fiduciary or designee makes reasonable efforts under the circumstances to remedy the  
3 breach.

4 \* **Sec. 18.** AS 37.14.130 is amended to read:

5 **Sec. 37.14.130. Powers and duties of board.** The board created in  
6 AS 37.14.120 has the following powers and duties:

7 (1) to hold regular meetings and special meetings considered  
8 necessary; and

9 (2) to have prepared an annual accounting of the [PRINCIPAL AND  
10 INCOME OF THE] fund established in AS 37.14.110.

11 \* **Sec. 19.** AS 37.14.160 is amended to read:

12 **Sec. 37.14.160. Duties of the commissioner of revenue.** The commissioner of  
13 revenue is the treasurer of the trust fund created in AS 37.14.110 and shall

14 (1) in carrying out investment duties under this section, exercise the  
15 same powers and duties established for the Alaska Retirement Management Board in  
16 AS 37.10.220;

17 (2) deposit the principal and income from investments into [IN  
18 SEPARATE PRINCIPAL AND INCOME ACCOUNTS FOR] the fund;

19 (3) invest and maintain accounting records [THAT DISTINGUISH  
20 BETWEEN THE PRINCIPAL AND INCOME] of the fund;

21 (4) provide reports to the board established under AS 37.14.120 on the  
22 condition and investment performance of the fund;

23 **(5) determine, on July 1 of each year, the monthly average market**  
24 **value of the fund for the previous three fiscal years.**

25 \* **Sec. 20.** AS 37.14 is amended by adding a new section to read:

26 **Sec. 37.14.165. Use of the public school trust fund.** Each year, the legislature  
27 may appropriate 4.75 percent of the amount determined by the commissioner of  
28 revenue under AS 37.14.160(5) for the following purposes:

29 (1) funding support of the state public school program; and

30 (2) reimbursement of the costs of administration of the fund.

31 \* **Sec. 21.** AS 37.14.170 is amended to read:

1           **Sec. 37.14.170. Investments.** The commissioner of revenue is the fiduciary of  
2 the trust fund and shall invest the fund to provide increasing returns from capital  
3 appreciation and net income over long-term periods to the fund's current  
4 [INCOME] beneficiaries. The commissioner may invest the money in the fund on the  
5 basis of probable total rate of return to promote the long-term generation of capital  
6 appreciation and income. In managing the trust fund, the commissioner shall

7                   (1) consider the status of the fund's capital and the income generated  
8 on both a current and a probable future basis;

9                   (2) determine the appropriate investment objectives;

10                   (3) establish investment policies to achieve the objectives; and

11                   (4) act only in regard to the financial interests of the fund's  
12 beneficiaries.

13       \* **Sec. 22.** AS 14.20.470(a)(7); AS 23.10.065(b), 23.10.065(c); AS 37.14.110(c), and  
14 37.14.140 are repealed.

15       \* **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17           FEASIBILITY ANALYSIS OF MERGING SCHOOLS; REPORT TO  
18 LEGISLATURE. (a) The Department of Education and Early Development shall analyze the  
19 feasibility of merging schools that are below capacity. The department shall analyze every  
20 school in the state that

21                   (1) has a student count for the 2016-2017 school year that is less than 70  
22 percent of the total student capacity for the school; and

23                   (2) is located within 25 miles by road of one or more schools in the same  
24 district that also have student counts for the 2016-2017 school year that are less than 70  
25 percent of the total student capacity for the schools.

26           (b) On or before the first day of the Second Regular Session of the Thirtieth Alaska  
27 State Legislature, the department shall submit to the senate secretary and the chief clerk of the  
28 house of representatives a report that summarizes the department's conclusions regarding the  
29 feasibility of merging any of the analyzed schools. The report must include the following  
30 information regarding each set of schools considered for merger:

31                   (1) whether requiring the schools to merge would result in a school with a

1 student count that exceeds the school's student capacity;

2 (2) whether one of the school facilities in the set of schools considered for  
3 merger is designed to accommodate all of the grades offered at all of the schools considered  
4 for a merger and, if not, whether modifications to one of the school facilities could be made at  
5 a reasonable cost to accommodate all of the grades offered at the schools considered for a  
6 merger;

7 (3) the estimated savings to the school district in which the schools are located  
8 resulting from a merger of the schools;

9 (4) the estimated increases in cost to the school district in which the schools  
10 are located, including any increases in transportation expenses, resulting from a merger of the  
11 schools;

12 (5) legal and financial liabilities that the school district or the state could incur  
13 because of the closure of a school resulting from a merger.

14 (c) In this section, "department" means the Department of Education and Early  
15 Development.

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

18 APPLICABILITY. The repeals of AS 23.10.065(b) and (c) by sec. 22 of this Act  
19 apply to a contract entered into on or after the effective date of sec. 22 of this Act.

20 \* **Sec. 25.** This Act takes effect June 30, 2017.

# *Alaska State Legislature*

Senator Shelley Hughes, Chair  
Session: Capital Room 125  
Juneau, AK 99801  
(907) 465-3743



Senator John Coghill  
Senator Cathy Giessel  
Senator Gary Stevens  
Senator Tom Begich

## *Senate Education Committee*

### **Senate Bill 96 – Alaska Education Transformation Act**

#### **Explanation of Changes – Version T to M**

1. Page 1, Lines 1-12: Multiple changes were made to the title in order for the title to focus on the specific issues effected by the bill.
2. Page 3, Line 6: Adds language to allow a student to challenge out of a career and technical education course.
3. Page 3, Line 11 through Page 4, Line 21: Changes to the annual report filed by school districts in Section 5 of Version T are deleted. Language is added to the report required by the Department of Education and Early Development (DEED) in order for DEED to compile information reported on by school districts. The ratios to be reported on in Version T are also reported on in Version M:
  - Administrative employees to students
  - Administrative employees to teachers
  - Teachers to studentsDEED will send this report to school districts who will make available to the public the portion of the report relating to their district on their website or by another easily accessible method. “Administrative employee” is defined as a certificated employee that does not provide direct classroom instruction for students.
4. Page 5, Line 12: The pooling of health insurance is taken out of the definition of “administrative services” under AS 14.14.110 in order to avoid the possibility of the State requiring districts to pool health insurance.
5. Page 6, Line 3: The reference to a self-insurance policy under AS 39.30.091 is deleted as this type of health insurance is only offered to State employees. The cooperative grant can still be used for a district to participate in a group health insurance policy under AS 39.30.090.
6. Page 6, Line 13: Sections 10 and 11 of Version T are deleted.
7. Page 13, Line 11: Sections 20 and 21 in Version T is deleted relating to the utilization of income of the Public School Trust Fund.

8. Page 13, Lines 25-30: Adds a new section relating to the Public School Trust Fund allowing the Legislature to appropriate 4.75% of the Fund's market value. This section also requires that the appropriation be used only for supporting the state public school program and to cover the administrative costs of the fund.
9. Page 14, Line 14: AS 37.14.140 is repealed as the additional section added under point 8 directs how the Public School Trust Fund appropriations may be spent.
10. Page 14, Line 15 through Page 15, Line 15: Requires DEED to analyze schools that are under 70% capacity and within 25 miles by road of one or more schools within the same district. The report will be due by the beginning of the 2018 Legislative Session and will look at the feasibility of merging schools within a district with consideration given to the following variables:
  - If merging schools would result in overcrowding of schools.
  - If facility design for each school under consideration will be appropriate for all grade levels within the schools under consideration.
  - The estimated savings and costs associated with the merging of schools.
  - Any legal and financial liabilities that a school district and the state could incur due to the closure of a school.

Staff Contact: Joshua Banks, (907) 465-3743

Senate Education – Butrovich 205, 3/28/17

For the record, my name is Amy Lujan, Executive Director for the AK Association of School Business Officials, known as ALASBO.

In my testimony regarding SB96 today, I'd like to focus on Section 11 of the bill, which aims to drive districts toward using schools at greater capacity. Where schools operating below 80% capacity are located within 25 miles of each other, districts would lose foundation funding if they continue to operate these schools as they currently do. The reduction in funding would start next fiscal year, FY18. Please note that FY18 begins on July 1, 2017, four months from next weekend.

I'd like to know where the 80% and 25 mile figures came from. Also, I'd like to know if anyone thinks a decision to close and consolidate schools could be made in four months. In my experience, these public decision-making processes are quite painful.

Putting those issues aside, I took a look at how Section 11 of the bill would actually be implemented in the districts I'm most familiar with. In Nome, where I worked for seven years, there are two school facilities, both operating below the calculated 80% capacity. The two schools are about 4.5 miles apart.

If Nome School District were to move a group of students from one school building to the other, problem solved! As long as one of the two schools was no longer below the calculated 80% capacity, **the district would not lose foundation funding.**

But what would be achieved here?

- First, students would no longer be in the best environment to address their education needs
- Second, the facilities at the school receiving new students would probably have to be modified for the incoming students, at some expense to the district
- Finally, there would be **NO COST SAVINGS** at either the local or state level

So why would Nome School District even consider doing this? Well, they might do it to retain \$1.5 million per year in foundation funding by year 4 of implementation of this bill.

From a quick look at the fiscal note and school capacity listing, I believe that there are several school districts, in addition to Nome, where the above scenario would apply.

We can call this scenario a flaw in the bill, and such a flaw points to the need to take more time to more carefully review this bill. What are the objectives, and is the proposed mechanism the best way to achieve these objectives?

Thank you for your time.

## SEWARD LEGISLATIVE INFORMATION OFFICE

Email: [Seward.lio@akleg.gov](mailto:Seward.lio@akleg.gov)  
907-224-5066/ phone, 907-224-5067/fax

### WRITTEN TESTIMONY

NAME: Allen McCarty  
 REPRESENTING: Citizens Alliance Protecting School Lands (CAPSL) a 501(c)3 non-profit advocacy group working to restore the Alaska Public School Lands Trust established in the historic 1915 Congressional Act (attached) reserving federal Sections 16 and 36 in every township in Alaska for the financial support of Alaska public schools. This Act was repealed yet confirmed in Section 6(k) of the Alaska Statehood Act (attached). The Alaska Statehood Act required all public school trust lands, reserved as of the date of the Act (July 7, 1958) be granted for the purposes for which they were reserved upon admission of the State into the Union.  
 BILL#/ SUBJECT: COMMITTEE SUBSTITUTE SB 96 VERSION T  
EDUCATION:SCHOOLS/TEACHERS/FUNDING  
 COMMITTEE & HEARING DATE: Senate Education 3/28/17

Thank you for allowing the opportunity to testify on this proposed legislation.

CAPSL believes only an Act of Congress can modify the requirements of the 1915 Act establishing the Alaska Public School Lands Trust or the Alaska Statehood Act. SB 96 materially changes essential provisions of the 1915 Act confirmed in Section 6(k) of the Alaska Statehood Act.

Please accept this testimony relevant to specific sections of the *Committee Substitute SB 96 Version T* considering the Senate Education Committee *Sectional Analysis* filed with the bill and *Explanation of Changes – Version R to T*:

- *Section 19: Deletes language in AS 37.14.130 that requires the Public School Fund Advisory Board prepare accounting specifically for the principal and income of the Public School Trust Fund. This accounting is required by the 1915 Act confirmed at Statehood which mandates the entire proceeds or income derived from the Public School Trust lands be deposited in "separate and permanent funds...to be invested and the income from which shall be expended only for the exclusive use and benefit of the public schools of Alaska."*

- *Section 21: Creates a new section to allow the Legislature to appropriate not more than 4.75% of the market value established with the changes made in Section 22 of the Committee Substitute Version T. Although the statute as currently proposed would continue to identify the funds available for use to benefit Alaska public school students as income (interest), the proposed new subsection AS 37.14.160(b) clearly contradicts by identifying these funds as a monthly average over three years of market value. This action is contrary to the 1915 Act confirmed at Statehood allowing only income (interest) earned by the separate and permanent school fund established in 1915 may be spent to benefit Alaska public school students. Income, once earned and received, is easily quantifiable while market value almost constantly fluctuates and thus the requirement of averaging over time. Income and market value are not directly related. Market value is more directly related to invested principal. Use of the principal endangers the longevity of the fund, fails trustee duties to protect the interests of current and future beneficiaries and is not allowed by the 1915 Act.*
- *Section 22: Deletes language in AS 37.14.160 relating to separate accounts and records for the principal and income of the Public School Trust Fund. This section also includes the new subsection that requires the Department of Revenue (DOR) to determine annually the monthly average market value of the fund for the last three fiscal years. It cannot be overstated that this action is contrary to the 1915 Act confirmed at Statehood that established and defined the Alaska Public School Land Trust and Permanent Fund. Providing separate accounting of principal and income (interest) and the ability to spend the income (interest) while making the principal permanent was agreed upon by Congress and the State as a prudent method to benefit Alaska public school students into perpetuity. These restrictions were accepted by the Territory of Alaska and the State of Alaska and remain unchanged except by Acts of Congress.*
- *Section 23: 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." Requiring a specific investment strategy based on capital appreciation (market value) increases risk to the long-term viability of the trust and is contrary to long-standing trust law. Additionally injecting "current" beneficiaries into the statute is contradictory to AS 37.14.170(4) requiring the commissioner act only in regard to the financial interest of the fund's beneficiaries who include both "current" and future Alaska public school*

students. The commissioner as trustee and fiduciary of the trust must act for the beneficiaries not the state. It is not the commissioner's role to provide a larger income stream if it benefits "current" beneficiaries to the detriment of those next year, five years from now or sometime in the future.

- *Section 24: 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.* The statute proposed for repeal is essential to fulfill the obligation of the State of Alaska to current and future beneficiaries as required by the 1915 Act confirmed at Statehood and must be retained.

The Alaska Public School Land Trust Fund predates Statehood by 44 years. It is a dedicated funding source that was created specifically to benefit Alaska public school students into perpetuity. The State of Alaska holds restricted title to the Alaska Public School Trust lands as they are reserved and held in trust for Alaska public school students. The State of Alaska, like the Territory of Alaska before Statehood, is the trustee and is required by long-standing trust law to:

- follow the instructions in the trust documents (the 1915 Act, the Alaska Statehood Act & any additional Congressional Acts impacting the trust);
  - maintain all trust assets separately;
  - use trust assets for the benefit of the current and future beneficiaries (Alaska public school children)
  - treat all trust beneficiaries the same (current and future Alaska public school children); one cannot be favored over another;
  - invest assets in a prudent (conservative) manner, in a way that will result in reasonable growth with minimum risk
  - keep accurate records and report to the beneficiaries (Alaska public school students).
- *Section 26: Creates an effective date for the bill of June 30, 2017. In the original SB 96 prior to Committee Substitutes, the date was conditional on a final judgement being made regarding combining the income and principal of the Public School Trust Fund and that such action did not violate trust law. While this condition has been removed by the*

committee substitute because there are no pending lawsuits, it should be remembered that the judge in *Kasayulie v State of Alaska* found the State did indeed breach the trust. The parties agreed to leave the resolution of the Public School Land Trust breach unresolved in the settlement. However, the *Kasayulie* settlement may currently no longer be valid since the state may have failed to fulfill settlement obligations in a timely manner. Therefore *Kasayulie* plaintiffs could potentially reopen the case at any time adding the new trust breach created by SB 96 if passed.

Instead of potentially bleeding the trust dry to maximize income during this period of statewide fiscal difficulties, it is more important than ever to work with CAPSL and other stakeholders to rebuild the Alaska Public School Land Trust over time and as finances allow so that all Alaska public school children benefit into perpetuity from their lands held in state trust. Perhaps more importantly, Sections 16 and 36 and in lieu of lands remaining under federal control which should have been reserved and transferred to the trust after passage of the Statehood Act (July 7, 1958) could be recovered and put to work benefitting Alaska public school students.

Although only Congress can modify federal law including trust laws, the Legislature does have the ability to potentially create one of the largest public school land trusts in the country and truly impact Alaska education now and forever.

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Attachments:

- *1915 Act to reserve lands to the Territory of Alaska for educational uses, and other purposes*
- *Alaska Statehood Act Section 6(k)*
- *Why SB 146 (and HB 261) are bad for Alaska's School Children.* (This document was provided to members of the 29<sup>th</sup> Legislature during the 2016 session in response to bills introduced by the Governor which appear to have been incorporated into SB96.)

## SB 96 Talking Points

1. Statewide cuts to school districts are roughly \$21M in FY18, \$36.8M in FY19, and \$52.7M by FY20, culminating in a sustained loss to districts of \$68,280,115 in FY2021 and every year thereafter. These cuts, phased in over four years (due to hold harmless provision currently in the foundation formula) will result **If ASD does not consolidate schools operating below 80% capacity and located within 25 miles by road to another school.**
  - a. **The losses occur in only 20 of the 54 districts, meaning the impact of this provision impacts urban areas more than rural areas.**
  - b. **Information from state sources indicates that Anchorage will lose at least \$1.7M in FY18, \$6.6M in FY19, \$11.6M in FY20, and \$16.5M in FY2021.**
    - i. **The current “hold harmless” definition requires a 5% ADM reduction across the District to meet the criteria.**
    - ii. **If a waiver to the “hold harmless” provision is not applied, and this amendment passes, ASD would lose up to \$15 Million in FY18.**
  - c. **These cuts don’t account for inflation or annual salary increases. The actual impact will be more severe if annual salary and health care costs continue to increase.**
2. Section 1 (Pages 1-2): Legislative findings of the Alaska Education Transformation Act in regard to virtual education, education spending, and quality teachers and classroom instruction.
  - a. **ASD has invested in new digital technology plus K-2 curriculum for FY18. Systematic cuts across the board will limit the district’s ability to further update curriculum and digital learning technology.**
  - b. **This section of the bill is meant to expand virtual learning opportunities across the state.**
3. 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.
  - a. **This section adds section (e) to AS14.03.120(a). This new section would allow districts to review, approve and give credit for physical education, music or art classes taken outside of school hours in grade 9 through 12. They gave examples of native dancing in committee discussion.**
  - b. **A possible amendment may include CTE.**

4. 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.
  - a. **Section 5 adds a new section (4) to AS14.03.120(a). This new section would require districts to compare the ratio of administrative employees to students and administrative employees to teachers. It would also need to be posted on the District's website.**
  - b. **The information is already reported in OASIS, the CAFR, and the annual budget. This amendment merely adds an additional reporting layer to information already provided to the public through other means.**
  - c. **Section 7, AS 14.14.110(a) defines Student Nutrition and Transportation as administrative expenses. See bullet 6 below.**
5. 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.
  - a. **This reduction in inspections will not change ASD's ability to maintain their bus fleets.**
  - b. **Transportation is already underfunded by more than \$2 Million in ASD. The reduction in inspections won't impact our focus on safety, but we aren't funded to replace aging busses.**
6. 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.
  - a. **This amendment defines Student Nutrition and Transportation as administrative expenses. These functions should not be counted against ratios for Students and Teachers as they are separately funded organizations in the district. It makes no sense to take a federally funded Student Nutrition program and portray it as a negative impact on an acceptable Teacher or Pupil to Administration ratio.**
  - b. **Should be amended to read that DEED may "recommend" rather than "require" Districts to open facilities to local businesses, other Districts, or other government organizations. DEED provides no insurance coverage over ASD facilities and would have to create a new department in order to centrally manage facility usage across the state.**

7. 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).
  - a. **If there are two schools in the same district that are under 80% capacity and within 25 road miles of each other, then their school size adjustment is the average daily membership (ADM) submitted for each of those schools rather than going through the school size table. In effect, it changes the “size factor” to a “1” for all affected schools.**
  - b. **This would result in a loss of \$15 Million for ASD unless the criteria in the “hold harmless” provision eliminates the need to have a 5% reduction in ADM across the district.**
  - c. **Anchorage School District cannot change boundaries or close schools on short notice. These actions require a year of planning and will likely result in increased transportation costs.**
  - d. **More than half of our students (more than 24,000 per day) live in neighborhood school districts so they can walk or drive to the school. Closing schools will add additional transportation requirements as approximately 12,000 students walk, or are driven by parents/guardians, each year. Each new bus route costs ASD \$100,000 per year.**
8. 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.
  - a. **Will make it harder to recruit teachers at a time when Alaska is facing substantial teaching shortages**
9. 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.
  - a. **ASD applauds the elimination of the Bus Driver salary requirement (at least 2 x minimum wage), but it will not change existing contracts for bus services or current Collective Bargain Unit salaried employees. It will only reduce costs for new hires.**