

ALASKA STATE LEGISLATURE
JOINT COMMITTEE ON LEGISLATIVE BUDGET AND AUDIT

February 3, 2004

11:00 a.m.

MEMBERS PRESENT

Representative Ralph Samuels, Chair
Representative Mike Chenault
Representative Mike Hawker
Representative Vic Kohring
Representative Beth Kerttula
Representative Reggie Joule, alternate

Senator Gene Therriault, Vice Chair
Senator Ben Stevens
Senator Con Bunde
Senator Gary Wilken
Senator Lyda Green, alternate

MEMBERS ABSENT

Senator Lyman Hoffman

OTHER LEGISLATORS PRESENT

Representative Carl Gatto
Representative Paul Seaton
Representative Peggy Wilson
Representative Mary Kapsner

COMMITTEE CALENDAR

PRESENTATION: ISER'S PEER REVIEW OF THE SCHOOL DISTRICT COST STUDY

TAPES

04-2, SIDE(S) A & B

CHAIR RALPH SAMUELS convened the meeting of the Joint Committee on Legislative Budget and Audit at 11:00 a.m. Representatives Samuels, Chenault, Hawker, Kohring, and Joule, and Senators Therriault, Ben Stevens, Bunde, Wilken, and Green were present at the call to order. Representative Kerttula arrived as the

meeting was in progress. Representatives Gatto, Seaton, Wilson, and Kapsner were also present.

SUMMARY OF INFORMATION

BRADFORD H. TUCK, Ph.D., Professor Emeritus of Economics, Institute of Social and Economic Research (ISER), University of Alaska Anchorage, explained that the Joint Committee on Legislative Budget and Audit asked the ISER to review the Alaska School District Cost Study, and the American Institutes for Research (AIR) prepared the study. He said the study was done to provide a "geographic cost of education index" the state could use to help equalize the purchasing power of educational dollars it allocates to school districts in Alaska. The committee asked ISER to focus specifically on the methodology AIR used, and to address four questions.

DR. TUCK stated that the first question asked if the methodology was generally acceptable. The choice of index-number type was found to be appropriate and the methodology sound, but ISER raised a number of issues regarding measurement of components of the index. The second question asked if there was anything unique to Alaska that made the use of this methodology inappropriate in Alaska. The findings suggest the methodology is appropriate in Alaska, but there are problems in the measurement of index components, he said.

DR. TUCK explained question three, which asked, if the methodology used by AIR is generally acceptable for use in Alaska, but is deficient in some respects, can it be adapted so that it is appropriate. Here, the problem areas regarding measurement of index components were addressed: the estimation of teacher compensation needs to be modified, the energy costs based on the prototype model are prone to significant error when compared with actual energy costs, travel costs should be reviewed, the cost-of-goods component needs more work, and the definition and measurement of budget categories may or may not be adequate. In answer to question four, ISER concluded that an alternative general methodology was not necessary.

DR. TUCK, in addition to addressing the four original questions, added several other observations. He pointed out the poor quality of editing, documentation, and accuracy of the report, but stated that the validity of the methodology was not at stake. He also believed the "ACCESS Model" to be of limited usefulness, and suggested changes to certain components and better documentation. He stated that one area not addressed in

the study was that of variations in specific elements of the index when making comparisons between districts or schools.

DR. TUCK concluded his presentation by answering questions about the report. He stated that the general framework was correct, but some of the components needed to be fixed.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the Joint Committee on Legislative Budget and Audit meeting was adjourned at 12:15 p.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.