

HCR

13

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS HCR 13 (FIN)
() Publish Date: _____

Identifier (file name): _____ Dept. Affected: Legislature
Title Establishing and relating to the Education Funding District Cost RDU Legislative Budget and Audit Committee
Factor Commission. Component Committee Expenses
Sponsor Rep. Hawker by Request of the JLEFTF
Requester House Finance Committee Component Number 775

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel		0.0	0.0					
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		0.0	0.0					
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

HCR 13 establishes an Education Funding District Cost Factor Commission made up of ten members of the Legislature appointed by the Presiding Officers and one public member appointed by the Governor to examine school district cost differentials. The commission will be staffed by legislative staff to the legislators who are appointed to the commission. It is estimated that the commission will meet several times by teleconference and three times requiring travel. For purposes of this fiscal note, it is assumed the eleven members of the commission will be appointed from various regions of the state and will travel three times each year to meet in Anchorage, Fairbanks, and Juneau. The commission will also meet several times via teleconference. The commission will submit a report to the Legislature and the Governor by 9/30/09 and terminate on 4/1/2011.

Prepared by: House Finance Committee
Division: _____
Approved by: Representative Kevin Moyer, Co-Chairman
Representative Mike Chonault, Co-Chairman

Phone 465-4945
Date/Time 02/18/08 4:32 p.m.
Date 2/18/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CS HCR 13 (FIN)

ANALYSIS CONTINUATION

The intent of the House Finance Committee is that all costs associated with the operations of the commission be absorbed in the budget of the Legislative Budget and Audit Committee. Further, any contractual work that the commission requires will be under the authority and oversight of the Legislative Budget and Audit Committee.

AMENDMENT

conceptual

2/18/08

scv

adopted

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CS ~~HB 13~~ (HES) HCR 13

- 1 Page 2, line 1, following "differentials"
- 2 Delete "and"
- 3 Insert ","
- 4
- 5 Page 2, line 2, following "providing education"
- 6 Insert ", and contracting for research, consultants and experts, as the commission considers
- 7 necessary, to create the model"

Representative Mike Hawker

Alaska State Legislature



HCR 13

Sponsor Statement

Session:

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Anchorage, AK 99501
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Member:

*House Finance Committee
Legislative Budget
& Audit Committee*

House District 32:

*Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope*

Short Title: Education Funding/Cost Factor Commission

HCR 13 creates the Education Funding District Cost Factor Commission, which is tasked with examining school district cost differentials and determining a formula to adequately and equitably fund education throughout Alaska.

The school funding formula recognizes that school districts across the state face differing costs for similar goods and services including energy, supplies and labor. These geographic cost-of-living differences are accommodated in the formula by a factor that is applied to the school size adjusted ADM. Anchorage is presumed to be the base for this calculation and receives a factor of one (1.0). Other districts are individually assigned factors in excess of one to recognize their individual cost differential in relation to Anchorage.

The numerical value of the cost differential factors has been a policy issue with the formula since it was adopted in 1998. The legislature has undertaken various efforts utilizing professional economic consultants to accurately and fairly determine these factors. A controversial economic analysis was completed in 2003 by the American Institute of Research (AIR). This work was reviewed and modified in 2005 by the University of Alaska's Institute of Social and Economic Research (ISER). Certain aspects of the ISER differential calculation continue to generate questions and controversy within the legislature.

HCR 13 recognizes that legitimate concerns exist with the ISER study and would establish a dedicated commission to address the district cost factor issue in detail. The commission would be charged with developing a durable and dynamic (updateable) economic model that can be used to update district cost factors on a regular and recurring basis.

amended
2/18/08

25-LS1076C

CS FOR HOUSE CONCURRENT RESOLUTION NO. 13(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered: 2/11/08
Referred: Finance**

**Sponsor(s): REPRESENTATIVES HAWKER BY REQUEST OF THE JOINT LEGISLATIVE EDUCATION
FUNDING TASK FORCE, Chenault**

A RESOLUTION

1 **Establishing and relating to the Education Funding District Cost Factor Commission.**

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

3 **WHEREAS**, under art. VII, sec. 1, Constitution of the State of Alaska, a system of
4 public schools is required to be established and maintained; and

5 **WHEREAS** the cost of providing adequate public education for children living in the
6 state varies significantly among geographic areas of the state; and

7 **WHEREAS** accurately measuring relative cost differences is integral to equitable
8 funding for education across geographic areas; and

9 **WHEREAS** the cost differentials have been a recurring policy issue since the current
10 funding formula was adopted in 1998; and

11 **WHEREAS** the findings of economic analyses conducted in 2002 and 2004 have
12 raised questions and controversy within the Alaska State Legislature; and

13 **WHEREAS** previous determinations of cost differentials have been static and,
14 consequently, have become outdated;

15 **BE IT RESOLVED** by the Alaska State Legislature that the Education Funding
16 District Cost Factor Commission is established for the purpose of examining school district

1 cost differentials and creating a valid and durable model that can be updated to accurately
2 reflect the costs of providing education; and be it

3 **FURTHER RESOLVED** that the commission consists of 11 members as follows:

4 (1) five shall be from the senate appointed by the president of the senate;

5 (2) five shall be from the house of representatives appointed by the speaker of
6 the house of representatives; and

7 (3) one shall be appointed by the governor; and be it

8 **FURTHER RESOLVED** that the president of the senate and the speaker of the house
9 of representatives shall jointly appoint the chair and vice-chair of the commission; and be it

10 **FURTHER RESOLVED** that a commission member is subject to reappointment or
11 replacement if either the president of the senate or speaker of the house of representatives is
12 replaced and the member was appointed by the former president or speaker; a member may
13 continue to serve even if the member is no longer a state legislator; and be it

14 **FURTHER RESOLVED** that the commission shall submit a report of its findings
15 and proposed legislative changes to the governor and the legislature by September 30, 2009,
16 and may make any additional reports it considers advisable; and be it

17 **FURTHER RESOLVED** that the Education Funding District Cost Factor
18 Commission is terminated on April 1, 2011.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHCR 13(HES)
(H) Publish Date: 2/11/08

Identifier (file name): HCR13-LEG-COU-02-04-08 Dept. Affected: Legislature
Title: Establishing and relating to the Education Funding District Cost RDU: Legislative Council
District Cost Factor Commission Component: Council and Subcommittees
Sponsor: Representative Hawker by Request
Requester: House HES Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel	30.0		30.0				
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	30.0	0.0	30.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	30.0		30.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	30.0	0.0	30.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HCR13 establishes an Education Funding District Cost Factor Commission made up of ten members of the Legislature appointed by the Presiding Officers and one public member appointed by the Governor to examine school district cost differentials. The Commission will be staffed by Legislative staff to the Legislators who are appointed to the Commission. It is estimated that the Commission will meet several times by teleconference, three times requiring travel. For purposes of this fiscal note it is assumed the eleven members of the Commission will be appointed from various regions of the State and will meet several times by teleconference and travel three times each year to meet in Anchorage, Fairbanks, and Juneau. The Commission will submit a report to the Legislature and the Governor by 9/30/09 and terminate 12/31/10. Costs for teleconferencing and to print the report will be absorbed by the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Division: Legislative Affairs Agency
Approved by: Pamela Varni, Executive Director
Legislative Affairs Agency

Phone: 465-6626
Date/Time: 2/4/08 9:05 AM
Date: 2/4/2008



25th Alaska State Legislature Joint Legislative Education Funding Task Force

Chair:

Rep. Mike Hawker
District 32, Anchorage

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Representative
Mike Kelly

Representative
Bob Roses

Carl Rose
Assoc. of Alaska
School Boards

Representative
Paul Seaton

Senator
Gary Stevens

Senator
Gary Wilken

Committee Aides:

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CHANGES TO HOUSE CONCURRENT RESOLUTION 13

House Health, Education and Social Services Committee

Adopted an amendment to extend the termination date of the Commission to April 1, 2011.