

HCR

13

Representative Mike Hawker

Alaska State Legislature



HCR 13 Sponsor Statement

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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.



25th Alaska State Legislature Joint Legislative Education Funding Task Force

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MEMORANDUM

TO: Representative Peggy Wilson
Chair, House Health, Education & Social Services Committee

FROM: Representative Mike Hawker *ML*

SUBJECT: Joint Legislative Education Funding Task Force Report

DATE: 1/15/2008

I request that House Concurrent Resolution 13, which establishes an Education Funding District Cost Factor Commission, be scheduled for a hearing in the House Health, Education, & Social Services Committee at your earliest convenience. Enclosed you will find the current version of the bill and a sponsor statement.

Please feel free to contact me if you need any additional information. You may also contact my legislative aide, Juli Lucky.

-----Original Message-----

From: Friedman_Jeff [mailto:Friedman_Jeff@asdk12.org]
Sent: Thursday, February 07, 2008 6:30 AM
To: Rep. Peggy Wilson; Rep. Bob Roses; Rep. Anna Fairclough; Rep. Wes Keller; Rep. Paul Seaton; Rep. Sharon Cissna; Rep. Berta Gardner
Cc: Comeau_Carol; Steele_Tim
Subject: HCR 13

Dear Representative Wilson and Members of the Health, Education & Social Services Committee:

I am writing to you as the Chair of the Anchorage School Board Legislative Committee. Today you will be considering HCR 13. As you do so, I hope you will also look at SB 219 and consider incorporating some of the elements from that bill into HCR 13.

The Anchorage School Board fully supports the phased implementation of the existing District Cost Factors from the ISER study. In addition, we think it is important to review and update those factors as proposed in HCR 13. SB 219 also provides for that review and updating, but includes more details about the process to be followed. It also involves more public members, including some with specific, relevant skills to assist in the review.

The full Anchorage School Board has not yet had an opportunity to review this resolution, but our Legislative Committee, with four board members present, did review both HCR 13 and SB 219. We reached a general agreement that there were benefits to providing added protection from the political process by including more public members. We also liked the process of frequent feedback between consultants creating the cost factor model and the Commission. This would help avoid some of the problems that have been identified with the ISER model. Elements of SB 219 will help the Commission create an acceptable cost factor model that can be fully implemented at 100% so that all school districts in Alaska are treated fairly.

Thank you for your consideration of these suggestions.

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