

**1-28-10
Education
Funding District
Cost Factor
Commission
Report**

<target><bill></bill><subject>1-28-10 Education Funding
District Cost Factor Commission
Report</subject><comm>EFF26</comm></target>

Alaska State Legislature
Education Funding District Cost Factor Commission

Representative Paul Seaton, Chairman

Senator Gary Stevens
Senator Kevin Meyer
Senator Bettye Davis
Senator Donald Olson
Senator Charlie Huggins



Representative Peggy Wilson
Representative Mike Hawker
Representative Scott Kawasaki
Representative Reggie Joule

Public Member: David Jones, Assistant Superintendent, Kenai Peninsula Borough School District

September 28, 2010

Senate President Gary Stevens
State Capitol Room 111
Juneau, AK 99801-1182

Speaker of the House Mike Chenault
State Capitol Room 208
Juneau, AK 99801-1182

Dear President Stevens and Speaker Chenault,

This report is submitted to the Legislature by the Education Funding District Cost Factor Commission established under HCR 13 in 2008 to review the methodology and appropriateness of the area cost differential.

In 2007, the Legislature incorporated the area cost differential recommendation by the Institute of Social and Economic Research (ISER) as an immediate 50% increase and phased in the remaining 50% in four annual 12.5% increments. There are two remaining statutory phases, 2011 and 2012.

To date, the Commission has not heard any official objection or dissatisfaction with that statutory scheme from any school district across the State.

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As the implementation of the ISER area cost differential will not be complete for an additional two years, we believe that it is important to allow the completion of the cost differential implementation prior to the issuance of a detailed Commission report and set of recommendations for the Legislature to act upon. Allowing the ISER recommended increases to be fully phased in will provide the Legislature with a more complete picture of how this program is working, and an accurate data set to investigate.

The Commission therefore recommends that the Legislature delay the consideration of funding a new cost differential study until after 2012.