

Governor's Select Panel

Alaska Schools' District Cost Factors

(Proposed by Gary Wilken)

Preface Statement: In the Moore, et. al. v. State of Alaska decision of June 21, 2007, Judge Sharon Gleason, Superior Court Judge, determined that the funding for Alaska's K-12 public education was adequate and that "the current formula was carefully considered and represents a rational approach to educational funding." (page 182, paragraph 26)

However, one aspect of the funding formula has been a constant source of aggravation, discourse, and contention within the legislature and the educational community: how to measure the relative geographic cost differences between school districts. If the proposed *Governor's Select Panel on Alaska Schools' District Cost Factors* can develop a cost factor model acceptable to the governor, legislature and the general public, the panel's finished work product will remove a perennial source of frustration for many. This Select Panel will remove the district cost factors (DCFs) from manipulation, negotiation, and aggravation for the next generation, a goal worthy of attainment.

The following proposal outlines a committee structure in which this important, yet divisive aspect of our funding formula, can be addressed and resolved:

Who: Governor's Select Panel on Alaska Schools' District Cost Factors

- Governor appoints panel members, based on recommendations submitted to the governor
- Governor selects the chair of the panel
- Governor informs the legislature by the 45th day of the 2008 session that the Select Panel has been appointed and has held its initial meeting
- Governor controls the panel's budget (dollars appropriated specifically for the panel's work)
- Make-up of the Select Panel shall be composed of the following:
 - One representative of Alaska Association of School Business Officials (ALASBO)
 - One representative of the Anchorage School District
 - One representative from the Governor's administration
 - One representative from the Alaska State Senate

- One representative from the Alaska House of Representatives
- One professionally trained statistician
- One certified public accountant
- One member of the general public with a statistical or numbers background
- One representative of Legislative Finance, serving as a non-voting member

What: Select Panel will develop a valid, durable model to calculate relative geographic district cost factors that are able to be accurately updated every four years

- Panel serves as a technical, specialized team to develop a model to measure actual geographic cost differences in providing a K-12 public education throughout Alaska
- Model includes a method to accurately measure and weight several components in a school district's budget, including, but not limited to,
 - Personal Services
 - Travel
 - Services (excluding utilities)
 - Commodities and Equipment (excluding utility and energy costs)
 - Energy and Utility Costs
 - Facility Maintenance
- Panel selects at least two vendors to draft a model to measure actual educational cost differences and submit the model without calculating individual factors
- Panel works closely with the selected vendors and frequently reviews the work products of the vendors and provides specific direction throughout the process
- Panel determines the best model or combination model that measures the actual relative geographic cost differences accurately and can be updated every four years
- Panel opens a public 60-day public comment period on the recommended model
- Panel considers all comments on the chosen model and modifies the model based on the submitted comments, if deemed appropriate
- Panel requests the vendor who developed the recommended model to collect, analyze, and compute the necessary data to calculate new district cost factors

- Panel recommends the chosen model and accompanied new district cost factors to the legislature for implementation
- Current district cost factors sunset the first day of the 2011 legislative session

Where: Select Panel serves under the Office of the Governor

- Panel is appointed by the governor and serves at her pleasure
- A different venue with a statewide view is necessary to foster statewide cooperation
- Support by the governor is necessary to achieve a final resolution
- Department of Education and Early Development provides the necessary administrative support

When: Select Panel exists from 2008 – 2010

- Panel holds its initial meeting prior to the 45th day of the 2008 legislative session
- Panel opens a 60-day public comment period on the suggested model no later than September 1, 2009
- Panel submits its final report to the governor and legislature by September 1, 2010
- Panel sunsets by December 31, 2010

Why: Select Panel's work will provide 53 school districts an assurance that the relative regional cost differences are measured correctly

- The current district cost factors were adopted by the legislature ten years ago
- Within the last 10 years the legislature has sponsored two DCF studies with disparate results
- Uncertainty regarding the validity of two proposals exists, fostering frustration and skepticism
- Since 1998, state law has required the Department of Education and Early Development to update the district cost factor, but the current district cost factor computations cannot be updated

Timeline for the Governor's Select Panel on DCFs

	2008	2009				2010				2011
Select Panel Tasks	Mar 1	Mar 1	June	Sep 1	Nov 1	Mar 1	June	Sep 1	Dec 31	Jan
Selects vendors & recommends model	12 - 18 months →									
Opens a 60-day public comment period on model		2 months (depends on public comment period)→								
DCFs decided, final report to gov & legis		10 - 16 months→								
Select Panel on District Cost Factors sunsets	2 years, 10 months →									
Repeal of the District Cost Factor statutes										★