

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

August 28, 2007

Representative Mike Hawker, Chair
Joint Legislative Education Funding Task Force
716 W. 4th Avenue
Anchorage, AK 99501

Representative Hawker:

The Joint Legislative Education Funding Task Force has provided the Legislature with concrete recommendations that I believe will greatly improve the way our state funds K-12 education. I would like to commend you for the excellent job you've done spearheading this effort. While we all agree that educating Alaskans is one of our highest priorities, we share a variety of opinions on how best to accomplish that goal. Your leadership helped us to identify areas of common agreement and to move us quickly towards consensus.

I support the task force report and endorse the recommendations contained within. At your invitation however, I would like to include brief comments in two areas where my opinion differs slightly from that of the task force: **District Cost Factors** and **Required Local Contribution**.

District Cost Factors

I would prefer to see a more aggressive implementation of the final 50% of the ISER district cost factors (DCF). While members agreed to implement 50% of ISER in FY 2009, the final task force recommendation is to phase in the final 50% over the 4 subsequent fiscal years. Four years is simply too long and I would like to see 100% implementation as quickly as possible. Several members had concern over the conclusions reached in the 2005 ISER study and consequently, the task force has recommended a commission be established to reexamine district cost factors in greater detail. However, in order for the commission to properly evaluate whether changes to the district cost factors are having the desired affect, a full implementation of the ISER study is necessary. Phasing in over four years dilutes the true impact DCF changes have on total funding provided to each district and make year-to-year performance comparisons difficult. Only after the last 50% is factored into the formula, will we be able to test the validity of the methodology and realistically evaluate the results.

DISTRICT A

Ketchikan • Sitka • Petersburg • Wrangell

Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis

Require Local Contribution

After extensive discussion, the task force made no recommendations regarding the required local effort provision in the current funding formula. I was hoping the task force would take action to remedy the inequity of the current system. I feel very strongly that within organized communities, the required minimum local effort should be applied uniformly. It's simply unfair for the state to subsidize property owners in the fastest growing economies in the state, so that they pay a lower mill-rate than property owners in less fortunate areas of Alaska. Several possible remedies were discussed, but clearly, the 50% cap on growth since 1999 needs to be removed in favor of a more equitable approach.

I look forward to working with you in the coming year to implement the task force's recommendations and to continue improving the way we fund K-12 education in Alaska.

Best Regards,



Bert K Stedman