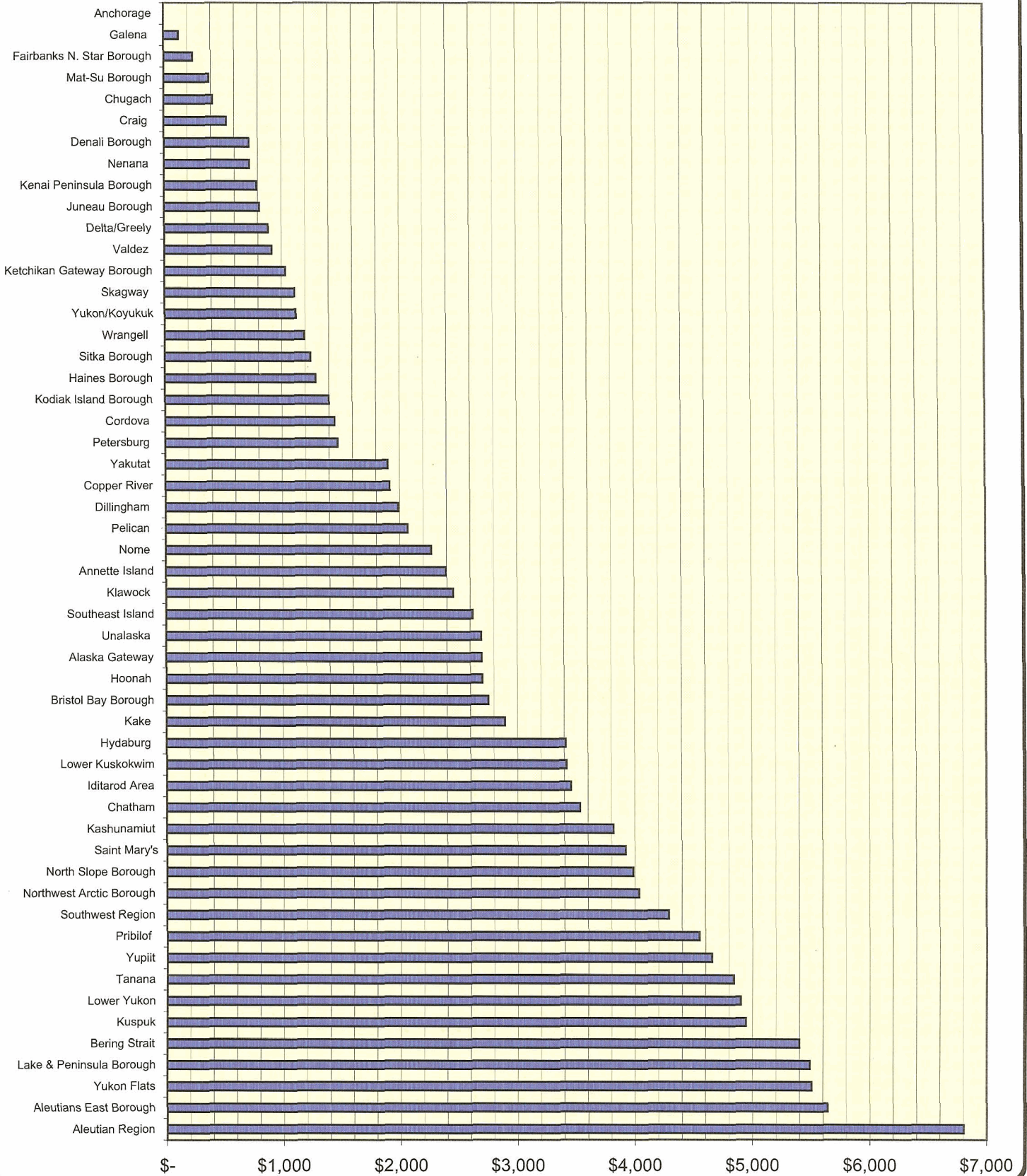


ISER's DCF Teacher Compensation Component

Additional Dollars per Student

(Based on DEED FY08 Projected Data)



Joint Legislative Education Funding Task Force

Recommendation Proposed by Gary Wilken

August 16, 2007

District Cost Factor – Teacher Compensation Component

Issue Summary: The teacher compensation component of the *Alaska School District Cost Study Update*, prepared by the Institute of Social and Economic Research (ISER), January 31, 2005 reflects “how much each school district would need to pay to recruit and keep teachers and administrators with equivalent qualifications.” (ISER Research Summary, March 2005) In other words, the teacher component of the proposed district cost factor is to provide sufficient funds so that districts could increase teacher salaries, if needed to attract and retain quality teachers.

ISER has acknowledged that the upward adjustment of the proposed district cost factor is based largely on the teacher cost component.

Recommendation: The Joint Legislative Education Funding Task Force recognizes that the district cost factor proposed by ISER includes a teacher compensation component that provides school districts with additional dollars to increase teacher salaries to help attract and retain highly qualified teachers.

The Task Force proposes a statutory change that requires the Department of Education and Early Development to account separately, by each individual school district, the dollars generated as a result of the “teacher compensation component” of the district cost factor as identified by Ms. Lexi Hill, Institute of Social and Economic Research. The statutory change would further state that the funds in this separate account shall only be awarded as grants to the corresponding school district for the purpose of attracting and retaining qualified school teachers and administrators.

Discussion: At the request of the Task Force, Ms. Lexi Hill re-calculated the district cost factor proposed by ISER without the teacher compensation component. The difference between the original proposed district cost factor and the re-calculated factor highlights the dramatic impact the teacher compensation component has on ISER’s district cost factor. The effect of the salary component

Teacher Cost Compensation Recommendation

Proposed by Gary Wilken

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on each cost factor varies remarkably among the 53 school districts. This component comprises between 29 percent to 84 percent of ISER's district cost factors.

The teacher compensation component is one of eleven components of the cost factor and is intended to provide the necessary funds to attract and retain highly qualified teachers. The dollars generated by this component should be spent only for its intended purpose. By requiring the Department of Education and Early Development to account for these funds separately and award the dollars as grants to attract and retain qualified teachers and administrators will provide a mechanism to ensure that the funds are appropriated for its designated use.