

AMENDMENT #8

OFFERED IN THE HOUSE  
TO: HB 139

BY REPRESENTATIVE MCKAY

1 Page 1, line 1:

2 Delete "funding for"

3

4 Page 1, following line 2:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 14.03.310(a) is amended to read:

7 (a) Except as provided in (e) of this section, the department or a district that  
8 provides a correspondence study program shall [MAY] provide an annual student  
9 allotment to a parent or guardian of a student enrolled in the correspondence study  
10 program for the purpose of meeting instructional expenses for the student enrolled in  
11 the program as provided in this section."

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13 Page 1, line 3:

14 Delete "Section 1"

15 Insert "Sec. 2"

16

17 Page 1, following line 9:

18 Insert a new bill section to read:

19 **\*\* Sec. 3.** AS 14.17 is amended by adding a new section to article 2 to read:

20 **Sec. 14.17.530. Minimum expenditure for instruction.** (a) A district that  
21 provides a district correspondence program, including a district that offers a statewide  
22 correspondence study program, shall budget for and spend on the correspondence  
23 program component of the district budget in each fiscal year an amount equal to at

1 least 95 percent of the funding allocated to the district for the correspondence program  
2 under AS 14.17.430. The district shall spend at least 60 percent of the amount  
3 calculated under this subsection on annual student allotments required under  
4 AS 14.03.310(a).

5 (b) The commissioner shall reject a district budget that does not comply with  
6 (a) of this section and, unless a waiver has been granted by the board under (d) of this  
7 section, shall withhold payments of state aid from that district, beginning with the  
8 payment for the second full month after rejection and continuing until the school board  
9 of the district revises the district budget to comply with (a) of this section.

10 (c) The commissioner shall review the annual audit of each district for  
11 compliance with the expenditure requirements of (a) of this section, and calculate the  
12 amount of the deficiency, if any. If the commissioner determines that a district does  
13 not meet those requirements, the commissioner shall advise the district of the  
14 determination and deduct that amount from state aid paid to the district for the current  
15 fiscal year. A deduction in state aid required under this subsection begins with the  
16 payment for the second full month after the determination, unless a waiver has been  
17 granted by the board under (d) of this section.

18 (d) A district that the commissioner determines to be out of compliance with  
19 the requirements of this section may, within 20 days after the commissioner's  
20 determination, request from the board a waiver from the imposition by the  
21 commissioner of a deduction in state aid payments under (b) or (c) of this section. The  
22 request must be in writing and must provide an explanation of the reasons for which  
23 the district is unable to comply with the requirements of this section. The district shall  
24 also submit the request to the Legislative Budget and Audit Committee. The  
25 Legislative Budget and Audit Committee shall review the district's request and  
26 forward its recommendations on the request to the board. The board may grant the  
27 waiver if the board determines that the district's failure to meet the expenditure  
28 requirements of this section is caused by circumstances beyond the control of the  
29 district.

30 (e) The commissioner shall submit an annual report on actions taken by the  
31 commissioner or the board under this section to the Legislative Budget and Audit

1 Committee by April 15 of each year.

2 (f) In this section, "correspondence program component" means expenditures  
3 for a district correspondence program."