

SENATE BILL NO. 193

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TORGERSON

Introduced: 5/2/97

Referred: HES, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a limitation on administrative expenditures of school districts;
2 and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 14.17 is amended by adding a new section to read:

5 **Sec. 14.17.085. Maximum expenditure for administration.** (a) A district
6 may not budget for or spend more than \$950 per ADM multiplied by the area cost
7 differential under AS 14.17.051 in each fiscal year on the combined school
8 administration and district administration components of the district budget.

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

14 (c) The commissioner shall review the annual audit of each district for

1 compliance with the expenditure requirements of (a) of this section. If the
2 commissioner determines that a district does not meet those requirements, the
3 commissioner shall advise the district of the determination and calculate the percentage
4 of over expenditure and deduct that percentage from state aid paid to the district for
5 the current fiscal year, beginning with the payment for the second full month after the
6 determination, unless a waiver has been granted by the board under (d) of this section.

7 (d) A district that has been determined by the commissioner to be out of
8 compliance with the requirements of this section may, within 20 days of the
9 commissioner's determination, request a waiver by the board of the imposition by the
10 commissioner of any reduction in state aid payments under (b) or (c) of this section.
11 The request must be submitted to the Legislative Budget and Audit Committee and
12 must be in writing and include an analysis of the reasons and causes for the district's
13 inability to comply with the requirements of this section. The Legislative Budget and
14 Audit Committee shall review the district's request and forward it, along with the
15 committee's recommendations on it, to the board, which shall either grant or deny the
16 waiver.

17 (e) The commissioner shall submit an annual report on actions taken by the
18 commissioner or the board under this section to the Legislative Budget and Audit
19 Committee by April 15 of each year.

20 * **Sec. 2.** This Act takes effect July 1, 1997.