

SENATE BILL NO. 57

IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR GUESS

Introduced: 1/14/05

Referred: Health, Education and Social Services, Finance

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to limits in a public school district budget on school and
 2 correspondence study program operating expenditures used for administrative
 3 expenses; and providing for an effective date."

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

5 * **Section 1.** AS 14.17.520(a) is repealed and reenacted to read:

6 (a) During each fiscal year, a district shall budget for and spend a maximum of

7 (1) the following percentages of its adjusted school operating
 8 expenditures on the administrative expenses of the district budget:

Average school ADM in district	Maximum expenditure
Less than 200	25 percent
At least 200 but not more than 300	20 percent
Over 300 but not more than 400	15 percent
Over 400	10 percent; and

14 (2) five percent of the amount received by the district under

1 AS 14.17.430 for the administrative expenses of the district's correspondence study
2 programs, regardless of size.

3 * **Sec. 2.** AS 14.17.520(c) is amended to read:

4 (c) The commissioner shall review the annual audit of each district for
5 compliance with the expenditure **limits** [REQUIREMENTS] of (a) of this section. If
6 the commissioner determines that a district **exceeds** [DOES NOT MEET] those **limits**
7 [REQUIREMENTS], the commissioner shall advise the district of the determination,
8 calculate the amount of the **excess** [DEFICIENCY], and deduct that amount from state
9 aid paid to the district for the current fiscal year. A deduction in state aid required
10 under this subsection begins with the payment for the second full month after the
11 determination, unless a waiver has been granted by the board under (d) of this section.

12 * **Sec. 3.** AS 14.17.520(d) is amended to read:

13 (d) A district that has been determined by the commissioner to be out of
14 compliance with the **expenditure limits** [REQUIREMENTS] of this section may,
15 within 20 days **after** [OF] the commissioner's determination, request a waiver by the
16 board of the imposition by the commissioner of any reduction in state aid payments
17 under (b) or (c) of this section. The request must be in writing and must include an
18 analysis of the reasons and causes for the district's inability to comply with the
19 **expenditure limits** [REQUIREMENTS] of this section. The board may grant the
20 waiver if the board determines that the district's failure to meet the expenditure **limits**
21 [REQUIREMENTS] of this section was due to circumstances beyond the control of
22 the district. The request must also be submitted to the Legislative Budget and Audit
23 Committee, which shall review the district's request and forward the committee's
24 recommendations on it to the board.

25 * **Sec. 4.** AS 14.17.520(f) is repealed and reenacted to read:

26 (f) In this section,

27 (1) "adjusted school operating expenditures" means the total school
28 operating expenditures for the district less school operating expenditures for district
29 correspondence schools;

30 (2) "ADM" has the meaning given in AS 14.17.990;

31 (3) "administrative expenses" includes indirect expenditures for

1 instructional services and excludes expenditures for teachers, pupil support, utilities,
2 and maintenance; the term may be further defined by the board by regulation as
3 necessary for implementation of this section; in this paragraph, "indirect expenditures"
4 means overhead costs not readily allocated to specific activities.

5 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 REVISOR'S INSTRUCTION. The revisor of statutes is requested to substitute
8 "Maximum expenditures for administration" for "Minimum expenditures for instruction" in
9 the catchline of AS 14.17.520.

10 * **Sec. 6.** This Act takes effect July 1, 2005.