

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 370

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the annual budgets and
7 audits of school districts; allowing the
8 commissioner of education to make certain
9 budget adjustments; amending Sec. 37-3-63,
10 ACLA 1949 as amended by Ch. 77, SLA 1951 and
11 Ch. 49, SLA 1955; and amending Sec. 6, Ch.
12 49, SLA 1955; and providing for an effective
13 date."

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

15 Section 1. Sec. 37-3-63, ACLA 1949 as amended by Ch. 77,
16 SLA 1951 and Ch. 49, SLA 1955 is amended to read as follows:

17 Sec. 37-3-63. ANNUAL BUDGET OR STATEMENT OF PROPOSED
18 EXPENDITURES. The school board of each incorporated city,
19 incorporated school district, or independent school district
20 shall annually before the first day of December [JULY] sub-
21 mit to the Commissioner of Education a budget or detailed
22 statement of proposed expenditures for the maintenance of
23 the schools of such incorporated city or incorporated school
24 district or independent school district during the following
25 complete school year. Said detailed statement shall be sub-
26 mitted in the manner and form prescribed by the Commissioner
27 of Education. The Commissioner of Education shall designate,
28 in accordance with applicable rules and regulations of the
29 State [TERRITORIAL] Board of Education, those expenditures

1 for which state [TERRITORIAL] payment will be allowed. All
2 budgets will show the total enrollment by grades and the
3 average daily membership for the elementary and the high
4 school levels separately for the preceding year and the
5 estimated total enrollment by grades and the estimated
6 average daily membership for the elementary and high school
7 levels separately for the year that the budget covers, and
8 such other information as may be requested. The Commissioner
9 of Education may disapprove or reduce any items in the budget
10 and shall approve for state [TERRITORIAL] payment only such
11 parts of the proposed expenditures as come within the purview
12 of this Act [ARTICLE], and are reasonable and necessary. The
13 decision of the Commissioner with respect to the budget shall
14 be final, provided, however, that any school board may appeal
15 from the decision of the Commissioner of Education to the
16 State [TERRITORIAL] Board of Education. Said appeal shall
17 be in writing and shall be signed by a majority of the members
18 of the school board. It shall be filed with the Commissioner
19 of Education who shall immediately contact the President of
20 the State [TERRITORIAL] Board of Education who shall either
21 call a special meeting of the State [TERRITORIAL] Board or
22 shall have the matter presented in writing to each member
23 for consideration and written or telegraphic decision. No
24 payment of state [TERRITORIAL] moneys shall be made to any
25 school board in excess of the budget approved by the Com-
26 missioner or Education; provided, that items may be added,
27 deleted, or changed and the total amount of the annual budget
28 may be revised upward or downward by the Commissioner of
29 Education at a later date, should change in enrollment or

1 other emergency factors make such a revision necessary. The
2 Commissioner of Education may, during each fiscal year, main-
3 tain an appropriation reserve not to exceed five per cent of
4 the total fiscal year appropriation made for support of
5 schools within districts pursuant to Sec. 37-3-62, ACLA 1949
6 as amended. Such reserve shall be expended only within the
7 fiscal year for which appropriated and shall be used by the
8 Commissioner of Education, in his discretion, to make adjust-
9 ment payments to school districts when changes in enrollment
10 or other emergency factors make such an adjustment necessary.

11 Sec. 2. Sec. 6, Ch. 49, SLA 1955 is amended to read as
12 follows:

13 Section 6. ANNUAL AUDIT REQUIRED. The school board in
14 each incorporated city, incorporated school district, and
15 independent school district shall each year on or before
16 the first day of October [JANUARY] have an audit made by a
17 competent accountant of the school accounts for the school
18 year ending the preceding June 30 and a certified copy of
19 the same shall be filed immediately with the Commissioner of
20 Education. The audit report as filed shall include audit
21 verification of the final report of expenditures submitted
22 in accordance with Section 5 of this Act. The Commissioner
23 of Education shall withhold all payments of state [TERRITOR-
24 IAL] funds after the first day of November [FEBRUARY] to any
25 school district failing to file with his office a certified
26 copy of such audit and no state [TERRITORIAL] funds shall be
27 paid to any school district after this date for any purpose
28 until such audit is filed with the Commissioner of Education;
29 provided, however, that the Commissioner of Education shall

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have the authority to conduct a re-audit or an audit check in any of the above school districts if in his judgment such action is necessary to fully substantiate the final report of expenditures of such district; and provided, further, that the Commissioner of Education shall have authority, in his discretion, on or before the 1st day of July of each year to notify the school board of any school district which was in the eighty-five per centum payment group as provided in Section 2 of this Act that his office will conduct the audit of the school accounts for the current school fiscal year ending June 30.

Sec. 3. This Act takes effect on the day after its passage and approval or upon its becoming law without such approval.