

H B

384

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/2/84

Date March 2, 1984

Mr. President

The Committee on HESS considered CSHB 354 (115)

expenditures by local school districts; aid.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for Public Schools
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Richard H. Land

James M. ...

Chairman

Chairman recommendation

Offered: 2/22/84
Referred: Rules

Original Sponsors: Tischler, Adams and
Abood by request

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 384 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to expenditures by local school
7 districts; and providing for an effective date."

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

9 * Section 1. AS 14.14.050 is amended by adding a new subsection to
10 read:

11 (e) The audit shall identify those expenditures that comply with
12 AS 14.14.100(c) and those that do not.

13 * Sec. 2. AS 14.14.100 is amended by adding new subsections to read:

14 (c) The expenditures of a school district shall conform to the
15 bylaws adopted under (a) of this section.

16 (d) The department shall adopt regulations setting out proce-
17 dures to implement this section.

18 * Sec. 3. AS 14.14 is amended by adding a new section, to read:

19 Sec. 14.14.103. RESTRICTION ON COMPENSATION. A school board may
20 not compensate an employee of any school district, in excess of the
21 employee's established salary, for lobbying activities that are regu-
22 lated under the Regulation of Lobbying Act (AS 24.45).

23 * Sec. 4. AS 14.14.130 is amended by adding new subsections to read:

24 (d) A school district shall keep the records of the terms of
25 employment of a chief school administrator open to the public at the
26 principal administrative office of the district during reasonable
27 business hours and shall submit these records to the department
28 annually.

29 (e) Before a school board executes a settlement agreement for

*added to reimbursement
part of public expenses
reported pursuant to
such Act.*

*DO YOU WANT
A HESS BILL RE:
HANSON?
VICTIM'S RIGHTS IN
FIN. Finance Monday
Could be amended.*

*JCF
I MADE THESE
NOTE - DURING THE
MEETING YESTERDAY
FROM YOUR COMMENT
NANCY*

not less than a

The school board shall make the agreement public for a 10 day period and receive public comment.

1 the termination of the contract of a chief school administrator, the
2 school board shall submit a copy of the agreement to the commissioner.

3 The commissioner shall submit an advisory opinion and recommendations
4 to the school board regarding the settlement agreement within 10 days
5 of receiving a copy of the settlement agreement from the school board.

6 A settlement agreement may not be entered into by a school board until
7 30 days after the commissioner submits the advisory opinion and
8 recommendations to the school board.

9 * Sec. 5. AS 14.17.180 is amended to read:

10 Sec. 14.17.180. PAYMENT UNDER FINAL COMPUTATION. Before June 16
11 each district shall transmit to the commissioner a final computation
12 of the district's state aid. The commissioner shall process each
13 district's computation in the manner provided by AS 14.17.150(a).
14 However, in no event may the entitlement of a school district to state
15 aid under AS 14.17.021 be less than that computed under this section
16 for the preceding year, except as otherwise provided in AS 14.17.031,
17 or under AS 14.17.170, whichever is greater. Additional state aid
18 shall be obligated by the commissioner before June 30. If the dis-
19 trict received more state aid money than it was entitled to under this
20 chapter, or if it made an expenditure in the previous fiscal year in
21 violation of a policy adopted under AS 14.14.100, it shall immedi-
22 ately, after notice from the commissioner of the overpayment or ex-
23 penditure, remit the amount of overpayment or expenditure to the
24 commissioner to be returned to the public school foundation account.

25 * Sec. 6. Sections 1 and 5 of this Act take effect July 1, 1985.

26 * Sec. 7. Section 3 of this Act takes effect July 1, 1984.

27 * Sec. 8. Sections 2 and 4 of this Act take effect immediately in
28 accordance with AS 01.10.070(c).

Handwritten notes and scribbles on the left margin.

The commissioner shall maintain a file of all proposed settlement agreements. If requested by the board, or on the commissioner's own motion, the

MEMORANDUM

TO: SENATE HESS COMMITTEE
FROM: NANCY DEITRICK
RE: HESS CS FOR CSHB 384 - EXPENDITURES BY LOCAL SCHOOL DISTRICTS.

SECTION 3

Provides that out of pocket expenses reported under the Lobbying Act by employees of school districts who lobby may be reimbursed.

SECTION 4 (e)

Requires:

1. That a settlement agreement be made available for public review and comment for at least 10 days.
2. That a copy of all settlement agreements be submitted to the commissioner of the Department of Education and be kept on file.
3. That a school district may request, or the commissioner may on his own motion provide an advisory opinion and recommendations on a settlement agreement.
4. That a settlement agreement may not be entered into until 40 days after submission to the commissioner.

Joe, Paul

May 9

CSHB 384 - School District Expenditures

Amendment from Ferguson -
relates to dis

York - Kayukuk School District letter
question opening contracts for
public scrutiny.

As Council of Sch. Admin - supports bill.

Terry Martin -

had bill in House Finance subcommittee.
did a review mtg in 1983 and worked
out CS with DOE, Admin etc.
Recommend passage

Joe symbolic encroachment of local control.

DOE has no ~~control~~ control over districts'
expenditures

Bob Mannus NEA

financial pralty - with holding
funds may not address problems
agreed that a district should be able
to go along with their own bylaws.

Steve Hale - DOE

Joe - Boards have authority to advise on
termination contracts. Maybe HE should
give advice.

spoke at great length at this room
would prefer Commissioner's response
to be permissive rather than mandatory

Joe The Commissioner would need more info than apparent in paper.

Steve - DOE does not want to get involved.

Concerned in:

- Do not buy off contract to their detriment

- 30 day cool off - prevent rash judgments.

however Kuckukwin Draves brought out paper for too much. Having too big a weapon for approval.

Puppy moving backwards

Steve - concerned about DOE liability

Martin - recommendation from school board association.

Joe → proposed agreement made public; (10 day) public comment - copy to DOE permit board to request advice from Commissioner

Steve - Ferguson Amend

Policy in F-6.

Other solution - only take money from kids/programs.

State board approves concept of bill.

Joe will not consider Fergie amendments.

SECTIONAL ANALYSIS FOR CSHB 384 - AN ACT RELATING TO EXPENDITURES BY LOCAL SCHOOL DISTRICTS; EFD.

- SECTION 1 ADDS A NEW SUBSECTION TO THE ANNUAL AUDIT STATUTE REQUIRING THE AUDIT TO IDENTIFY EXPENDITURES AS ALLOWABLE OR OUT OF COMPLIANCE WITH THE WRITTEN SCHOOL POLICIES.
- SECTION 2 ADDS TWO NEW SUBSECTIONS TO BYLAWS AND ADMINISTRATIVE RULES REQUIRING THAT THE EXPENDITURES OF A DISTRICT SHALL CONFORM TO BYLAWS, AND THAT THE DEPARTMENT SHALL ADOPT REGULATIONS ON IMPLEMENTATION OF THIS SECTION.
- SECTION 3 ADDS A NEW SECTION TO THE STATUTE DISALLOWING SCHOOL EMPLOYEES FROM EARNING MONEY IN ADDITION TO THEIR SALARIES FOR LOBBYING ACTIVITIES.
- SECTION 4 ADDS TWO NEW SUBSECTIONS TO CHIEF SCHOOL ADMINISTRATOR STATUTE REQUIRING THE DISTRICT TO KEEP RECORDS OF THE TERMS OF EMPLOYMENT OF THE ADMINISTRATOR OPEN TO THE PUBLIC, AND TO SUBMIT THE RECORDS TO THE DEPARTMENT. SUBSECTION (e) REQUIRES A SCHOOL BOARD TO SUBMIT A SETTLEMENT AGREEMENT FOR THE TERMINATION OF A CHIEF SCHOOL ADMINISTRATOR TO THE COMMISSIONER OF EDUCATION FOR AN ADVISORY OPINION AND RECOMMENDATIONS. THE COMMISSIONER MUST RESPOND WITHIN 10 DAYS, AND THE SCHOOL BOARD MAY NOT ENTER INTO THE SETTLEMENT AGREEMENT UNTIL 30 DAYS AFTER THE COMMISSIONER'S SUBMISSION.
- SECTION 5 REQUIRES THAT STATE FUNDS SPENT OUT OF COMPLIANCE WITH THE DISTRICT'S WRITTEN POLICIES MUST BE RETURNED TO DOE FOLLOWING NOTIFICATION FROM THE COMMISSIONER.
- SECTION 6 JULY 1, 1985 EFFECTIVE DATE FOR SECTIONS 1 AND 5.
- SECTION 7 JULY 1, 1984 EFFECTIVE DATE FOR SECTION 3.
- SECTION 8 IMMEDIATE EFFECTIVE DATE FOR SECTIONS 2 AND 4.

Intent Foundation Formula

It is the intent of the legislature that public funds may not be used to fund cost-of-living allowances for chief school administrators, if the administrator does not reside within the school district in which employed more than 80% of the total number of contract days.

↓
and executive personnel

Ferguson put this in today! (FY85 Budget)

SENATE AMENDMENT

By Ferguson

To: _____ SENATE BILL No. _____

To: _____ CS _____ HOUSE BILL No. 384 (FIN)

PAGE: 2 LINE: 9

Add new subsections to read as follows:

"(f) A chief school administrator for a school district shall not be absent from that school district for more than 25 percent of the school year.

(g) For the purposes of this section, "school district" is defined as the geographical boundaries of a school district as well as the community in which the district office of a school district is located if that community is surrounded by or immediately contiguous to the school district.

SENATE AMENDMENT

By Ferguson

To: _____ SENATE BILL No. _____
To: _____ CS HOUSE BILL No. 384 (Finance)

PAGE: LINE:

Page 2, line 9

Add two new subsections to read as follows:

"(f) A school board may not compensate a chief school administrator for expenses or the cost relating to travel and per diem, salary or other form of emolument, compensation or reimbursement for time the administrator is not physically present in the district which exceeds twenty five percent of the working days in the fiscal year.

(g) A school board may not compensate a chief school administrator through the use of cost of living allowances, housing allowances, salary adjustments for consideration of area differentials or deferred compensation and may not compensate the chief school administrator more than the prevailing wage for comparable service in other school districts of the state if the school district central office is not located in a municipality within the school district boundaries or in a municipality which is surrounded by or immediately contiguous to the school district."

Page 1, line 13

Add a new section to read as follows, renumber sections accordingly

"* Sec. 2. AS 14.14 is amended by adding a new section to read:

Sec. 14.14.052. RESTRICTION ON STATE SUPPORT. Chapter 82, SLA 1983 notwithstanding, the state aid which may be paid to a school district whose central office is not located within the boundaries of the district nor in a municipality that is contiguous to or surrounded by the school district shall be reduced in the current fiscal year by the amount spent in general support services expenditures category during the prior fiscal year for the staffing and operation of a central office, in a ratio established by the difference between the area differential of the district and the area differential of the location of the central office as established in statute prior to the passage of Chapter 82, SLA 1983.



• ALASKA COUNCIL OF SCHOOL ADMINISTRATORS •
9115 Minor Ct. Juneau, Alaska 99801

an organization of Alaskan School Administrators

May 8, 1984

The Honorable Joe Josephson, Chairman
Senate Health, Education and Social Services Committee
State Capitol, Pouch V
Juneau, AK 99811

Dear Senator Josephson:

The Alaska Council of School Administrators would like to go on record as supporting Committee Substitute for House Bill 384 (Finance). It is our belief that this bill provides many good features relating to school expenditures without adversely affecting the districts' local control.


The Section 14.14.100 requirement that school districts adopt fiscal policies and auditors attest to their following them is a good section and for most districts should require little or no change, as they follow this as a standard practice anyway. It should not significantly impact the cost of the audit as most auditors presently review the district minutes and policies, and would only have to attest to the fact that they were in compliance.

Section 14.14.103, the restriction of compensation of district employees for lobbying above their regular salary is reasonable and we urge its adoption.

Section 14.14.130 which provides for a process in dealing with crisis situations when a school board considers the termination of the superintendent's contract. This would provide a cooling off period, and some semblance of reason, possibly avoiding an extremely costly settlement.

In conclusion, the Council would urge favorable action on this bill.

Sincerely,


Donald L. MacKinnon
Executive Director

DLM/sam



From The

**SENATE
FINANCE COMMITTEE**

Sen. Josephson
Ms. Nancy D.

Attached is copy of letter to John S.
from Joe Cooper, Sup. for the YKSD,
regarding HB-384 (attached).

John thinks he brings up some valid
points of criticism. Can anything
be done while bill is in your
committee?

Thanks, Max