

By: Representative Guice

To: Education;
Appropriations

HOUSE BILL NO. 158

1 AN ACT TO AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972,
2 TO ALLOCATE FUNDS FROM THE EDUCATION ENHANCEMENT FUND TO THE BOARD
3 OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING FOR THE
4 PURPOSE OF FULLY FUNDING CERTAIN TUITION ASSISTANCE PROGRAMS; TO
5 AMEND SECTION 37-106-29, MISSISSIPPI CODE OF 1972, TO DELETE THE
6 AUTHORITY TO PRORATE AWARDS UNDER THE MISSISSIPPI RESIDENT TUITION
7 ASSISTANCE GRANT PROGRAM WHEN FUNDS ARE INSUFFICIENT TO FULLY FUND
8 AWARDS; AND FOR RELATED PURPOSE.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 SECTION 1. Section 37-61-33, Mississippi Code of 1972, is
11 amended as follows:

12 **[Until July 1, 2002, this section reads as follows:]**

13 37-61-33. (1) There is * * * created within the State
14 Treasury a special fund to be designated the "Education
15 Enhancement Fund" into which shall be deposited all the revenues
16 collected pursuant to Sections 27-65-75(8), 27-67-31(b) and
17 27-103-203(1).

18 (2) Of the amount deposited into the Education Enhancement
19 Fund, excluding revenues deposited pursuant to Section
20 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
21 appropriated each fiscal year to the State Department of Education
22 to be distributed to all school districts. Such money shall be
23 distributed to all school districts in the proportion that the
24 average daily attendance of each school district bears to the
25 average daily attendance of all school districts within the state
26 for the following purposes:

27 (a) Purchasing, erecting, repairing, equipping,
28 remodeling and enlarging school buildings and related facilities,
29 including gymnasiums, auditoriums, lunchrooms, vocational training
30 buildings, libraries, teachers' homes, school barns,

transportation vehicles (which shall include new and used transportation vehicles) and garages for transportation vehicles, and purchasing land therefor.

(b) Establishing and equipping school athletic fields and necessary facilities connected therewith, and purchasing land therefor.

(c) Providing necessary water, light, heating, air conditioning and sewerage facilities for school buildings, and purchasing land therefor.

(d) As a pledge to pay all or a portion of the debt service on debt issued by the school district under Sections 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302 and 37-41-81, or debt issued by boards of supervisors for agricultural high schools pursuant to Section 37-27-65, if such pledge is accomplished pursuant to a written contract or resolution approved and spread upon the minutes of an official meeting of the district's school board or board of supervisors. The annual grant to such district in any subsequent year during the term of the resolution or contract shall not be reduced below an amount equal to the district's grant amount for the year in which the contract or resolution was adopted. The intent of this provision is to allow school districts to irrevocably pledge a certain, constant stream of revenue as security for long-term obligations issued under the code sections enumerated in this paragraph or as otherwise allowed by law. It is the intent of the Legislature that the provisions of this paragraph shall be cumulative and supplemental to any existing funding programs or other authority conferred upon school districts or school boards. Debt of a district secured by a pledge of sales tax revenue pursuant to this paragraph shall not be subject to any debt limitation contained in the foregoing enumerated code sections.

(3) The remainder of the money deposited into the Education Enhancement Fund, excluding funds deposited pursuant to Section 27-103-203(1), shall be appropriated as follows:

(a) To the State Department of Education as follows:

(i) Eight and thirty-five one-hundredths percent (8.35%) to be distributed to public school districts for the

funding of textbooks and other educational materials and to be used by the State Department of Education for the purchase of textbooks to be loaned under Sections 37-43-1 through 37-43-59 to approved nonpublic schools, as described under Section 37-43-1. The amount of funds under this item to be used by the department for purchasing textbooks to loan to approved nonpublic schools shall be in the proportion that the average daily attendance of the nonpublic schools that are loaned textbooks by the state bears to the average daily attendance of all school districts in the state. The funds distributed to the school districts under this item shall be in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state and shall be used to assist in the funding of textbooks and other educational materials, to include not more than Two Million Dollars (\$2,000,000.00) each year for technology enhancement projects for elementary and secondary education programs;

(ii) Seven and ninety-seven one-hundredths percent (7.97%) to assist the funding of transportation operations and maintenance pursuant to Section 37-19-23;

(iii) Eight and twenty-six one-hundredths percent (8.26%) to assist the funding of the Uniform Millage Assistance Grant Program pursuant to Section 37-22-1; and

(iv) Nine and sixty-one one-hundredths percent (9.61%) for classroom supplies, instructional materials and equipment, including computers and computer software, to be distributed to all school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state. Such funds shall not be expended for administrative purposes.

Local school districts shall allocate classroom supply funds equally among all classroom teachers in the school district. For purposes of this subparagraph, "teacher" shall mean any employee of the school board of a school district who is required by law to

103 obtain a teacher's license from the State Board of Education and
104 who is assigned to an instructional area of work as defined by the
105 State Department of Education, but shall not include a federally
106 funded teacher. Two (2) or more teachers may agree to pool their
107 classroom supply funds for the benefit of a school within the
108 district pursuant to the development of a spending plan that
109 supports the overall goals of the school which includes the type,
110 quantity and quality of such supplies, instructional materials,
111 equipment, computers or computer software. This plan shall be
112 submitted, in writing, to the school principal for approval.
113 Classroom supply funds allocated under this subparagraph shall
114 supplement, not replace, other local and state funds available for
115 the same purposes. School districts need not fully expend the
116 funds received under this subparagraph in the year in which they
117 are received, but such funds may be carried forward for
118 expenditure in any succeeding school year. The State Board of
119 Education shall develop and promulgate rules and regulations for
120 the administration of this subparagraph consistent with the above
121 criteria, with particular emphasis on allowing the individual
122 teachers to expend funds as they deem appropriate, with minimum
123 input from school principals;

124 (b) Twenty-two and nine one-hundredths percent (22.09%)
125 to the Board of Trustees of State Institutions of Higher Learning
126 for the purpose of supporting institutions of higher learning; and

127 (c) Fourteen and forty-one one-hundredths percent
128 (14.41%) to the State Board for Community and Junior Colleges for
129 the purpose of providing support to community and junior colleges.

130 (4) The amount remaining in the Education Enhancement Fund
131 after funds are distributed as provided in subsections (2) and (3)
132 of this section, excluding funds deposited pursuant to Section
133 27-103-203(1), shall be disbursed as follows:

134 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
135 be deposited into the Working Cash-Stabilization Reserve Fund
136 created pursuant to Section 27-103-203(1), until the balance in

such fund reaches the maximum balance of seven and one-half percent (7-1/2%) of the General Fund appropriations in the appropriate fiscal year. After the maximum balance in the Working Cash-Stabilization Reserve Fund is reached, such money shall remain in the Education Enhancement Fund to be appropriated in the manner provided for in paragraphs (b) and (c) of this section.

(b) The amount that is necessary to fully fund financial awards for all eligible students under the Mississippi Resident Tuition Assistance Grant Program, the Mississippi Eminent Scholars Grant Program and the student tuition assistance grant program established under Section 37-157-1, when added to the appropriation from the State General Fund for such purposes, shall be appropriated to the Board of Trustees of State Institutions of Higher Learning.

(c) The remainder shall be appropriated for other educational needs.

(5) None of the funds appropriated pursuant to subsection (3)(a) of this section shall be used to reduce the state's general fund appropriation for the categories listed in an amount below the following amounts:

(a) For subsection (3)(a)(i) of this section, Six Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars (\$6,330,920.00);

(b) For subsection (3)(a)(ii) of this section Thirty-six Million Seven Hundred Thousand Dollars (\$36,700,000.00);

(c) For subsection (3)(a)(iii) of this section, Twenty-one Million Four Hundred Thousand Dollars (\$21,400,000.00); and

(d) For the aggregate of minimum program allotments provided for in Chapter 19, Title 37, Mississippi Code of 1972, as amended, excluding those funds for transportation as provided for in subsection (5)(b) herein.

(6) At the end of a fiscal year such amounts as required by

Section 27-103-203(1) to be transferred to the Education Enhancement Fund shall be deposited into said Education Enhancement Fund and shall be kept separate from other monies in the fund by the State Treasurer. Beginning with the 1994 fiscal year the monies in such special fund deposited pursuant to * * * Section 27-103-203(1) shall be subject to appropriation by the Legislature in the following manner: (a) fifty percent (50%) to support public education, including but not limited to, Grades K through 12, Mississippi Educational Television and/or the Mississippi Library Commission; (b) twenty-five percent (25%) to support institutions of higher learning; and (c) twenty-five percent (25%) to support the junior or community colleges. Any amount of such monies transferred into the separate fund pursuant to Section 27-103-203(1) which are not appropriated by the Legislature shall not lapse but shall carry over and be subject to appropriation by the Legislature in the succeeding fiscal year in the same manner as provided in this subsection * * * . The interest earned on the investment of such monies transferred pursuant to Section 27-103-203(1) shall be paid into the separate fund within the Education Enhancement Fund.

[From and after July 1, 2002, this section reads as follows:]

37-61-33. (1) There is * * * created within the State Treasury a special fund to be designated the "Education Enhancement Fund" into which shall be deposited all the revenues collected pursuant to Sections 27-65-75(8), 27-67-31(b) and 27-103-203(1).

(2) Of the amount deposited into the Education Enhancement Fund, excluding revenues deposited pursuant to Section 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be appropriated each fiscal year to the State Department of Education to be distributed to all school districts. Such money shall be distributed to all school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state

for the following purposes:

(a) Purchasing, erecting, repairing, equipping, remodeling and enlarging school buildings and related facilities, including gymnasiums, auditoriums, lunchrooms, vocational training buildings, libraries, teachers' homes, school barns, transportation vehicles (which shall include new and used transportation vehicles) and garages for transportation vehicles, and purchasing land therefor.

(b) Establishing and equipping school athletic fields and necessary facilities connected therewith, and purchasing land therefor.

(c) Providing necessary water, light, heating, air conditioning and sewerage facilities for school buildings, and purchasing land therefor.

(d) As a pledge to pay all or a portion of the debt service on debt issued by the school district under Sections 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302 and 37-41-81, or debt issued by boards of supervisors for agricultural high schools pursuant to Section 37-27-65, if such pledge is accomplished pursuant to a written contract or resolution approved and spread upon the minutes of an official meeting of the district's school board or board of supervisors. The annual grant to such district in any subsequent year during the term of the resolution or contract shall not be reduced below an amount equal to the district's grant amount for the year in which the contract or resolution was adopted. The intent of this provision is to allow school districts to irrevocably pledge a certain, constant stream of revenue as security for long-term obligations issued under the code sections enumerated in this paragraph or as otherwise allowed by law. It is the intent of the Legislature that the provisions of this paragraph shall be cumulative and supplemental to any existing funding programs or other authority conferred upon school districts or school boards.

Debt of a district secured by a pledge of sales tax revenue pursuant to this paragraph shall not be subject to any debt limitation contained in the foregoing enumerated code sections.

(3) The remainder of the money deposited into the Education Enhancement Fund, excluding funds deposited pursuant to Section 27-103-203(1), shall be appropriated as follows:

(a) To the State Department of Education as follows:

(i) Sixteen and sixty-one one-hundredths percent (16.61%) to the cost of the adequate education program determined under Section 37-151-7;

(ii) Seven and ninety-seven one-hundredths percent (7.97%) to assist the funding of transportation operations and maintenance pursuant to Section 37-19-23; and

(iii) Nine and sixty-one one-hundredths percent (9.61%) for classroom supplies, instructional materials and equipment, including computers and computer software, to be distributed to all school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state.

It is the intent of the Legislature that all classroom teachers shall be involved in the development of a spending plan that addresses individual classroom needs and supports the overall goals of the school regarding supplies, instructional materials, equipment, computers or computer software under the provisions of this subparagraph, including the type, quantity and quality of such supplies, materials and equipment. This plan shall be submitted to the school principal for approval. School districts need not fully expend the funds received under this subparagraph in the year in which they are received, but such funds may be carried forward for expenditure in any succeeding school year.

(b) Twenty-two and nine one-hundredths percent (22.09%) to the Board of Trustees of State Institutions of Higher Learning for the purpose of supporting institutions of higher learning; and

(c) Fourteen and forty-one one-hundredths percent

(14.41%) to the State Board for Community and Junior Colleges for the purpose of providing support to community and junior colleges.

(4) The amount remaining in the Education Enhancement Fund after funds are distributed as provided in subsections (2) and (3) of this section, excluding funds deposited pursuant to Section 27-103-203(1), shall be disbursed as follows:

(a) Twenty-five Million Dollars (\$25,000,000.00) shall be deposited into the Working Cash-Stabilization Reserve Fund created pursuant to Section 27-103-203(1), until the balance in such fund reaches the maximum balance of seven and one-half percent (7-1/2%) of the General Fund appropriations in the appropriate fiscal year. After the maximum balance in the Working Cash-Stabilization Reserve Fund is reached, such money shall remain in the Education Enhancement Fund to be appropriated in the manner provided for in paragraphs (b) and (c) of this section.

(b) The amount that is necessary to fully fund financial awards for all eligible students under the Mississippi Resident Tuition Assistance Grant Program, the Mississippi Eminent Scholars Grant Program and the student tuition assistance grant program established under Section 37-157-1, when added to the appropriation from the State General Fund for such purposes, shall be appropriated to the Board of Trustees of State Institutions of Higher Learning.

(c) The remainder shall be appropriated for other educational needs.

(5) None of the funds appropriated pursuant to subsection (3)(a) of this section shall be used to reduce the state's general fund appropriation for the categories listed in an amount below the following amounts:

(a) For subsection (3)(a)(ii) of this section
Thirty-six Million Seven Hundred Thousand Dollars
(\$36,700,000.00);

(b) For the aggregate of minimum program allotments in the 1997 fiscal year, formerly provided for in Chapter 19, Title

37, Mississippi Code of 1972, as amended, excluding those funds for transportation as provided for in subsection (5)(a) herein.

(6) At the end of a fiscal year such amounts as required by Section 27-103-203(1) to be transferred to the Education Enhancement Fund shall be deposited into said Education Enhancement Fund and shall be kept separate from other monies in the fund by the State Treasurer. Beginning with the 1994 fiscal year the monies in such special fund deposited pursuant to * * * Section 27-103-203(1) shall be subject to appropriation by the Legislature in the following manner: (a) fifty percent (50%) to support public education, including but not limited to, Grades K through 12, Mississippi Educational Television and/or the Mississippi Library Commission; (b) twenty-five percent (25%) to support institutions of higher learning; and (c) twenty-five percent (25%) to support the junior or community colleges. Any amount of such monies transferred into the separate fund pursuant to Section 27-103-203(1) which are not appropriated by the Legislature shall not lapse but shall carry over and be subject to appropriation by the Legislature in the succeeding fiscal year in the same manner as provided in this subsection * * *. The interest earned on the investment of such monies transferred pursuant to Section 27-103-203(1) shall be paid into the separate fund within the Education Enhancement Fund.

SECTION 2. Section 37-106-29, Mississippi Code of 1972, is amended as follows:

37-106-29. (1) There is established the Mississippi Resident Tuition Assistance Grant Program for college or university freshmen, sophomores, juniors and seniors to be administered by the Mississippi Postsecondary Education Financial Assistance Board established under Section 37-106-9, which shall set the dates and deadlines for applying for an award under this section. The board shall establish such rules and regulations as it deems necessary and proper to carry out the purposes and intent of this section.

(2) The college or university shall approve grants to full-time freshmen, sophomore, junior and senior Mississippi residents who meet the general requirements for student eligibility as provided in subsection (4) of this section.

(3) Mississippi Resident Tuition Assistance Grants shall be for Mississippi students from any Mississippi family whose prior year adjusted gross income (AGI) exceeds the maximum allowed to qualify for full Pell Grant eligibility and campus-based federal aid. Those Mississippi students receiving less than the full Pell Grant award, as determined by the institution, shall receive a Mississippi Resident Tuition Assistance Grant in an amount not to exceed the maximum Pell Grant allowable for that individual student. The award shall be applied to tuition, rooms and meals, books, materials and fees not to exceed One Thousand Dollars (\$1,000.00) annually for junior and senior students attending state institutions of higher learning in Mississippi or four-year regionally accredited, state-approved, nonprofit colleges and universities in Mississippi, and Five Hundred Dollars (\$500.00) annually for freshmen and sophomores attending state institutions of higher learning or public community or junior colleges in Mississippi, or regionally accredited, state-approved, nonprofit two-year or four-year colleges in Mississippi, which will be prorated per term, semester or quarter of the academic year for costs of attendance, calculated according to the formula specified in subsection (8) of this section.

(4) The general requirements for initial eligibility of students for Mississippi Resident Tuition Assistance Grants consist of the following:

(a) Member of a Mississippi family whose prior year adjusted gross income (AGI) exceeds the maximum allowed to qualify for Pell Grant eligibility and campus-based federal aid.

(b) Acceptance for enrollment at any state institution of higher learning or public community or junior college located in Mississippi, or any regionally accredited, state-approved,

nonprofit four- or two-year college or university located in Mississippi as listed in subsection (d) of this Section 37-106-29(4) and: (i) a minimum grade point average of 2.5 calculated on a 4.0 scale after seven (7) semesters certified by the high school counselor or other authorized school official on the application and graduation from high school verified by the institution before disbursement of award and has scored fifteen (15) on the American College Test Program (ACT); or (ii) has attended a home education program during grade levels 9 through 12, and has scored fifteen (15) on the American College Testing Program; or (iii) satisfactory completion of the General Educational Development Test (GED) or have successfully completed the International Baccalaureate Program and has scored fifteen (15) on the American College Testing Program. However, * * * any student entering a vocational or technical program of study, or who has satisfactorily completed the General Education Development Test and attends a community or junior college will not be required to have a test score under the American College Testing Program except those students enrolled in courses of academic study. Any student currently enrolled in any qualified institution shall have to only meet the same requirements as students who are applying for a renewal award.

(c) * * * Resident status for purposes of receiving grants under this act shall be determined in the same manner as resident status for tuition purposes as set forth in Sections 37-103-1 through 37-103-29, with the exception of 37-103-17.

(d) Must attend one (1) of the following institutions of higher learning: Alcorn State University, Delta State University, Jackson State University, Mississippi State University, Mississippi University for Women, Mississippi Valley State University, University of Mississippi, University of Southern Mississippi, Coahoma Community College, Copiah-Lincoln Community College, East Central Community College, East Mississippi Community College, Hinds Community College, Holmes

Community College, Itawamba Community College, Jones County Junior College, Meridian Community College, Mississippi Delta Community College, Mississippi Gulf Coast Community College, Northeast Mississippi Community College, Northwest Mississippi Community College, Pearl River Community College, Southwest Mississippi Community College, Belhaven College, Blue Mountain College, Millsaps College, Mississippi College, Rust College, Tougaloo College, William Carey College, Mary Holmes College, Magnolia Bible College and Wood College.

(5) By accepting a Mississippi Resident Tuition Assistance Grant, the student is attesting to the accuracy, completeness and correctness of information provided to demonstrate the student's eligibility. Falsification of such information shall result in the denial of any pending grant and revocation of any award currently held to the extent that no further payments shall be made. Any student knowingly making false statements in order to receive a grant shall be guilty of a misdemeanor punishable, upon conviction thereof, by a fine of up to Ten Thousand Dollars (\$10,000.00), a prison sentence of up to one (1) year in the county jail, or both, and shall be required to return all Mississippi Resident Tuition Assistance Grants wrongfully obtained.

(6) Eligibility for renewal of Mississippi Resident Tuition Assistance Grants shall be evaluated at the end of each semester, or term, of each academic year. As a condition for renewal, a student shall:

(a) Make steady academic progress toward a certificate or degree, as outlined in the school Satisfactory Academic Progress Standards and certified by the institution's registrar.

(b) Maintain continuous enrollment for not less than two (2) semesters or three (3) quarters in each successive academic year, unless granted an exception for cause by the administering agency; examples of cause may include student participation in a cooperative program, internship program or

foreign study program. If a student fails to maintain continuous enrollment, and is not granted an exception for cause by the administering agency, the student is ineligible to receive the Mississippi Resident Tuition Assistance Grant during the following semester or trimester or term of the regular academic year.

(c) Have a cumulative grade point average of at least 2.50 calculated on a 4.0 scale at the end of each semester or trimester or term.

(7) Each student, each year, must complete a Free Application for Federal Student Aid form or a Statement of Certification as designed by the administering board to determine his/her eligibility for a Mississippi Resident Tuition Assistance Grant.

(8) (a) The amount of the Mississippi Resident Tuition Assistance Grant awarded to any one (1) student, up to the maximum amount provided in subsection (3) of this section, shall be the difference of the student's cost of attendance at his accredited college of choice and the amount of federal aid such student may receive, not to supplant but to supplement the amount of any federal aid awarded to the student. Cost of attendance is the tuition and fees of the applicable institution plus an allowance for room and meals and books and materials.

(b) Payment of the Mississippi Resident Tuition Assistance Grant shall be made payable to the recipient and the educational institution and mailed directly to the institution, to be applied first to tuition.

(9) In order for an institution to remain eligible for its students to participate in the Mississippi Resident Tuition Assistance Grant Program, the institution shall comply with the following requirements:

(a) A complete and accurate roster of the eligibility status of each awarded student shall be made to the board for each term, semester or quarter of the academic year the student receives a Mississippi Resident Tuition Assistance Grant.

477 (b) The institution is required to make refunds to the
478 Mississippi Resident Tuition Assistance Grant Fund for any funds
479 which have not been disbursed to the recipient, in the case of
480 students who have received a grant but who terminate enrollment
481 during the academic term, semester or quarter of the academic year
482 if an institution's refund policies permit a student to receive a
483 refund in such instance. The recipient shall be responsible for
484 the refund of any funds which have been disbursed by the
485 institution in such instance.

486 (c) If a student drops below full-time status but does
487 not terminate all enrollment during the term, semester or quarter
488 of the academic year no refund will be required for that term.
489 However, that student is ineligible to receive the Mississippi
490 Resident Tuition Assistance Grant during the following term,
491 semester or quarter of the regular academic year.

492 (d) The board may conduct its own annual audits of any
493 institution participating in the Mississippi Resident Tuition
494 Assistance Grant Program. The board may suspend or revoke an
495 institution's eligibility to receive future monies under the
496 program if it finds that the institution has not complied with the
497 provisions of this act. In determining a student's initial
498 eligibility, the number of prior semesters enrolled will not be
499 counted against the student.

500 (10) No student may receive a Mississippi Resident Tuition
501 Assistance Grant for more than the equivalent semesters or
502 quarters required to complete one (1) baccalaureate degree or one
503 (1) certificate or associate degree program per institution.

504 (11) * * * It is the intent of the Legislature to fully fund
505 grant awards to eligible students. * * * No student shall receive
506 any combination of student financial aid in excess of the cost of
507 attendance as defined in subsection (8)(a).

508 (12) No student receiving a Mississippi Eminent Scholars
509 Grant as provided in Section 37-106-31 shall be eligible to
510 receive the Mississippi Resident Tuition Assistance Grant pursuant

511 to this section * * * unless he is eligible for such award after
512 the Mississippi Eminent Scholars Grant has been considered by the
513 board when conducting an assessment of the financial resources
514 available to the student. In no case shall any student receive
515 any combination of student financial aid that would exceed the
516 cost of attendance, as defined in subsection (8)(a).

517 For purposes of this section, certificated shall mean but not
518 be limited to all postsecondary vocational programs in eligible
519 institutions as identified in subsection (4)(d) of this section.

520 SECTION 3. This act shall take effect and be in force from
521 and after July 1, 1999.