

By: Brown

To: Education

HOUSE BILL NO. 1427

1 AN ACT TO AMEND SECTION 37-61-9, MISSISSIPPI CODE OF 1972, TO
2 EXTEND THE DATE ON OR BEFORE WHICH A SCHOOL DISTRICT IS REQUIRED
3 TO FILE WITH THE LEVYING AUTHORITY COPIES OF ITS BUDGET OF
4 ESTIMATED EXPENDITURES FOR SUPPORT, MAINTENANCE AND OPERATION OF
5 THE PUBLIC SCHOOLS OF THE DISTRICT; TO EXTEND THE DATE ON OR
6 BEFORE WHICH A SCHOOL DISTRICT IS REQUIRED TO FILE CERTAIN
7 BUDGETARY INFORMATION WITH THE STATE DEPARTMENT OF EDUCATION; TO
8 AMEND SECTION 37-61-21, MISSISSIPPI CODE OF 1972, TO EXTEND THE
9 DATE ON OR BEFORE WHICH FINAL BUDGET REVISIONS OF A SCHOOL
10 DISTRICT MUST BE APPROVED; TO AMEND SECTION 37-7-455, MISSISSIPPI
11 CODE OF 1972, TO AUTHORIZE SCHOOL DISTRICTS TO SELL SURPLUS
12 PROPERTY OTHER THAN REAL PROPERTY AND BUILDINGS AT PUBLIC AUCTION
13 WITHOUT HAVING ADVERTISED FOR AND RECEIVED COMPETITIVE BIDS; TO
14 PROVIDE THAT ANY SUCH PROPERTY NOT CLASSIFIED AS FIXED ASSETS FOR
15 SCHOOL PURPOSES THAT NO LONGER HAS USEFUL VALUE TO THE SCHOOL
16 DISTRICT MAY BE DESTROYED OR DISPOSED OF UNDER CERTAIN
17 CIRCUMSTANCES; AND FOR RELATED PURPOSES.

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

19 SECTION 1. Section 37-61-9, Mississippi Code of 1972, is
20 amended as follows:[JWB1]

21 37-61-9. (1) On or before the first day of September of
22 each year, the local school board of each school district, with
23 the assistance of the superintendent of schools or administrative
24 superintendent, shall prepare and file with the levying authority
25 for the school district, as defined in Section 37-57-1,
26 Mississippi Code of 1972, at least two (2) copies of a budget of
27 estimated expenditures for the support, maintenance and operation
28 of the public schools of the school district for the fiscal year
29 commencing on July 1 of such year. Such budget shall be prepared
30 on forms prescribed and provided by the State Auditor and shall
31 contain such information as the State Auditor may require.

32 (2) In addition, on or before the first day of September of
33 each year, the local school board of each school district, with

34 the assistance of the superintendent of schools or administrative
35 superintendent, shall prepare and file with the State Department
36 of Education such budgetary information as the State Board of
37 Education may require. The State Board of Education shall
38 prescribe and provide forms to each school district for this
39 purpose.

40 (3) Prior to the adoption of a budget pursuant to this
41 section, the school board of each school district shall hold at
42 least one (1) public hearing to provide the general public with an
43 opportunity to comment on the taxing and spending plan
44 incorporated in the proposed budget. The public hearing shall be
45 held at least one (1) week prior to the adoption of the budget
46 with advance notice. After final adoption of the budget, a
47 synopsis of such budget in a form prescribed by the State
48 Department of Audit shall be published in a newspaper having
49 general circulation in the school district on a date different
50 from the date on which the county or any municipality therein may
51 publish its budget.

52 (4) Beginning with the fiscal year 1995-1996, there shall be
53 imposed limitations on budgeted expenditures for certain
54 administration costs, as defined hereinafter, in an amount not
55 greater than One Hundred Fifty Thousand Dollars (\$150,000.00) plus
56 four percent (4%) of the expenditures of all school districts each
57 year. For purposes of this subsection, "administration costs"
58 shall be defined as expenditures for salaries and fringe benefits
59 paid for central administration costs from all sources of revenue
60 in the following expenditure functions as defined in the
61 MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

62 2300 = Support Services - General Administration
63 2310 = Board of Education Services
64 2320 = Executive Administration Services
65 2330 = Special Area Administration Services
66 2500 = Business Services
67 2510 = Fiscal Services
68 2520 = Purchasing Services
69 2530 = Warehousing and Distributing Services
70 2540 = Printing, Publishing and Duplicating Services

71 2590 = Other Support Services - Business
72 2800 = Support Services - Central
73 2810 = Planning, Research, Development and Evaluation
74 2820 = Information Services
75 2830 = Staff Services
76 2840 = Data Processing Services

77 Any costs classified as "administration costs" for purposes of
78 this subsection which can be demonstrated by the local school
79 district to be an expenditure that results in a net cost savings
80 to the district that may otherwise require budget expenditures for
81 functions not covered under the definition of administration costs
82 herein may be excluded from the limitations imposed herein. The
83 local school board shall make a specific finding of such costs and
84 spread such finding upon its minutes, which shall be subject to
85 the approval of the Office of Educational Accountability of the
86 State Department of Education. Any school district required to
87 make expenditure cuts, as a result of application of this
88 subsection, shall not be required to reduce such expenditures more
89 than twenty-five percent (25%) in any year in order to comply with
90 this mandate.

91 The State Auditor shall ensure that functions in all
92 expenditure categories to which this administrative limitation
93 applies shall be properly classified.

94 This section shall not apply to central administration with
95 five (5) or less full-time employees, or to those school districts
96 which can substantiate that comparable reductions have occurred in
97 administrative costs for the five-year period immediately prior to
98 school year 1993-1994. In the event the application of this
99 section may jeopardize the fiscal integrity or operations of the
100 school district, have an adverse impact on the ability of the
101 district to deliver educational services, or otherwise restrict
102 the district from achieving or maintaining a quality education
103 program, the State Board of Education shall be authorized to

104 exempt the application of this section to such school district
105 pursuant to rules and regulations of the State Board of Education
106 consistent with the intent of this section.

107 * * *

108 SECTION 2. Section 37-61-21, Mississippi Code of 1972, is
109 amended as follows:[JWB2]

110 37-61-21. If it should appear to the superintendent of
111 schools or administrative superintendent or the school board of
112 any school district that the amounts to be received from state
113 appropriations, taxation or any other source will be more than the
114 amount estimated in the budget filed and approved, or if it should
115 appear that such amounts shall be less than the amount estimated,
116 the school board of the school district, with assistance from the
117 superintendent, shall revise the budget at any time during the
118 fiscal year by increasing or decreasing the fund budget, in
119 proportion to the increase or decrease in the estimated amounts.
120 If it should appear to the superintendent of schools, or
121 administrative superintendent or the school board of a school
122 district that some function of the budget as filed is in excess of
123 the requirement of that function and that the entire amount
124 budgeted for such function will not be needed for expenditures
125 therefor during the fiscal year, the school board of the school
126 district, with assistance from the superintendent, may transfer
127 resources to and from functions and funds within the budget when
128 and where needed; however, no such transfer shall be made from
129 fund to fund or from function to function which will result in the
130 expenditure of any money for any purpose different from that for
131 which the money was appropriated, allotted, collected or otherwise
132 made available or for a purpose which is not authorized by law.
133 No revision of any budget under the provisions hereof shall be
134 made which will permit a fund expenditure in excess of the amounts
135 available for such purpose. The revised portions of the budgets
136 shall be incorporated in the minutes of the school board by

137 spreading them on the minutes or by attaching them as an addendum.
138 Final budget revisions, pertinent to a fiscal year, shall be
139 approved on or before September 1 of the following fiscal year.

140 SECTION 3. Section 37-7-455, Mississippi Code of 1972, is
141 amended as follows:

142 37-7-455. (1) Except as otherwise provided in subsection
143 (2) of this section, all such land, buildings or other property
144 shall be sold only after the receipt of sealed bids therefor after
145 the time and place of making such sale has been duly advertised in
146 some newspaper having a general circulation in the county in which
147 the property is located once each week for three (3) consecutive
148 weeks, with the first publication to be made not less than fifteen
149 (15) days prior to the date upon which such bids are to be
150 received and opened. The property shall be sold to the highest
151 and best bidder for cash, but the school board shall have the
152 right to reject any and all bids. If the property is not sold
153 pursuant to such advertisement, the school board * * *, by
154 resolution, may set a date for an open meeting of the school board
155 to be held within sixty (60) days after the date upon which the
156 bids were opened. At the meeting held pursuant to such
157 resolution, the school board may sell by auction the * * *
158 property for a consideration not less than the highest sealed bid
159 previously received pursuant to the advertisement. At the
160 meeting, * * * any interested party may bid for cash, and the
161 property shall be sold to the highest and best bidder for cash,
162 but the school board shall have the right to reject any and all
163 bids. The school board may require a written confirmation of bids
164 received at such called meeting before selling the property at
165 auction, but it shall not be necessary that sealed bids be
166 received before conducting the auction.

167 (2) As an alternative method of selling property to the
168 procedures established under subsection (1) of this section, the
169 school board of a school district may elect, in its discretion, to

170 sell by public auction any property, other than real property or
171 buildings of the school district, which is not used for school or
172 related school purposes and not needed in the operation of the
173 schools. Before such auction, the school board shall adopt a
174 resolution calling for the auction and shall advertise the auction
175 in some newspaper having a general circulation in the county in
176 which the property is located once each week for three (3)
177 consecutive weeks, with the first publication to be made not less
178 than fifteen (15) days before the date upon which the auction
179 shall be held. The advertisement must include a description of
180 the property to be sold at the auction and the date, time and
181 place that such auction shall be held. At the auction, any
182 interested party may bid for cash. The property shall be sold to
183 the highest and best bidder; however, the school board may reject
184 any and all bids. When selling property under this subsection, a
185 school board is not required to advertise for or receive
186 competitive bids in connection with the sale of the property. Any
187 such property not sold at such auctions that is not classified as
188 fixed assets for school purposes pursuant to regulations of the
189 State Department of Audit, and that no longer has useful value to
190 the school district, in the discretion of the school board or its
191 designated representative, may be destroyed or disposed of in any
192 manner whatsoever provided that a school official or employee does
193 not derive any personal economic benefit from the destruction or
194 disposal.

195 (3) When the sale of such property is authorized and
196 approved by the school board, the president of the school board
197 shall be authorized and empowered to execute a conveyance of the
198 property upon the terms and for the consideration fixed by the
199 board. The school board shall reserve unto the district at least
200 an undivided one-half (1/2) nonparticipating royalty interest in
201 all oil, gas and minerals in, on or under the land, and all
202 proceeds derived from royalties upon the reserved mineral

203 interests shall be used as provided by Section 37-7-457; if the
204 mineral interests of the district are less than the full and
205 undivided ownership, the undivided royalty interest reserved by
206 the district shall be reduced proportionately.

207 SECTION 4. This act shall take effect and be in force from
208 and after July 1, 2000.