

By: Harden, Tollison

To: Education; Fees,
Salaries and
AdministrationSENATE BILL NO. 3164
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 37-61-9, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE SCHOOL BOARDS TO FILE BUDGET REQUESTS WITH THE LEVYING
3 AUTHORITIES ON OR BEFORE AUGUST 15; TO AMEND SECTION 37-7-455,
4 MISSISSIPPI CODE OF 1972, TO AUTHORIZE SCHOOL DISTRICTS TO SELL
5 SURPLUS PROPERTY OTHER THAN REAL PROPERTY AND BUILDINGS AT PUBLIC
6 AUCTION WITHOUT HAVING ADVERTISED FOR AND RECEIVED COMPETITIVE
7 BIDS; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 37-61-9, Mississippi Code of 1972, is
10 amended as follows:[CRG1]

11 37-61-9. (1) On or before the fifteenth day of August of
12 each year, the local school board of each school district, with
13 the assistance of the superintendent of schools or administrative
14 superintendent, shall prepare and file with the levying authority
15 for the school district, as defined in Section 37-57-1,
16 Mississippi Code of 1972, at least two (2) copies of a budget of
17 estimated expenditures for the support, maintenance and operation
18 of the public schools of the school district for the fiscal year
19 commencing on July 1 of such year. Such budget shall be prepared
20 on forms prescribed and provided by the State Auditor and shall
21 contain such information as the State Auditor may require.

22 (2) In addition, on or before the fifteenth day of August of
23 each year, the local school board of each school district, with
24 the assistance of the superintendent of schools or administrative
25 superintendent, shall prepare and file with the State Department
26 of Education such budgetary information as the State Board of
27 Education may require. The State Board of Education shall
28 prescribe and provide forms to each school district for this

29 purpose.

30 (3) Prior to the adoption of a budget pursuant to this
31 section, the school board of each school district shall hold at
32 least one (1) public hearing to provide the general public with an
33 opportunity to comment on the taxing and spending plan
34 incorporated in the proposed budget. The public hearing shall be
35 held at least one (1) week prior to the adoption of the budget
36 with advance notice. After final adoption of the budget, a
37 synopsis of such budget in a form prescribed by the State
38 Department of Audit shall be published in a newspaper having
39 general circulation in the school district on a date different
40 from the date on which the county or any municipality therein may
41 publish its budget.

42 (4) Beginning with the fiscal year 1995-1996, there shall be
43 imposed limitations on budgeted expenditures for certain
44 administration costs, as defined hereinafter, in an amount not
45 greater than One Hundred Fifty Thousand Dollars (\$150,000.00) plus
46 four percent (4%) of the expenditures of all school districts each
47 year. For purposes of this subsection, "administration costs"
48 shall be defined as expenditures for salaries and fringe benefits
49 paid for central administration costs from all sources of revenue
50 in the following expenditure functions as defined in the
51 MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

- 52 2300 = Support Services - General Administration
- 53 2310 = Board of Education Services
- 54 2320 = Executive Administration Services
- 55 2330 = Special Area Administration Services
- 56 2500 = Business Services
- 57 2510 = Fiscal Services
- 58 2520 = Purchasing Services
- 59 2530 = Warehousing and Distributing Services
- 60 2540 = Printing, Publishing and Duplicating Services
- 61 2590 = Other Support Services - Business
- 62 2800 = Support Services - Central
- 63 2810 = Planning, Research, Development and Evaluation
- 64 2820 = Information Services
- 65 2830 = Staff Services

66 2840 = Data Processing Services

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

81 The State Auditor shall ensure that functions in all
82 expenditure categories to which this administrative limitation
83 applies shall be properly classified.

84 This section shall not apply to central administration with
85 five (5) or less full-time employees, or to those school districts
86 which can substantiate that comparable reductions have occurred in
87 administrative costs for the five-year period immediately prior to
88 school year 1993-1994. In the event the application of this
89 section may jeopardize the fiscal integrity or operations of the
90 school district, have an adverse impact on the ability of the
91 district to deliver educational services, or otherwise restrict
92 the district from achieving or maintaining a quality education
93 program, the State Board of Education shall be authorized to
94 exempt the application of this section to such school district
95 pursuant to rules and regulations of the State Board of Education
96 consistent with the intent of this section.

97 * * *

98 SECTION 2. Section 37-7-455, Mississippi Code of 1972, is

99 amended as follows:[CRG2]

100 37-7-455. (1) Except as otherwise provided in subsection
101 (2) of this section, all such land, buildings or other property
102 shall be sold only after the receipt of sealed bids therefor after
103 the time and place of making such sale has been duly advertised in
104 some newspaper having a general circulation in the county in which
105 the property is located once each week for three (3) consecutive
106 weeks with the first publication to be made not less than fifteen
107 (15) days prior to the date upon which such bids are to be
108 received and opened. The property shall be sold to the highest
109 and best bidder for cash, but the school board shall have the
110 right to reject any and all bids. If the property is not sold
111 pursuant to such advertisement, the school board * * *, by
112 resolution, may set a date for an open meeting of the school board
113 to be held within sixty (60) days after the date upon which the
114 bids were opened. At the meeting held pursuant to such
115 resolution, the school board may sell by auction the * * *
116 property for a consideration not less than the highest sealed bid
117 previously received pursuant to the advertisement. At the
118 meeting, * * * any interested party may bid for cash, and the
119 property shall be sold to the highest and best bidder for cash,
120 but the school board shall have the right to reject any and all
121 bids. The school board may require a written confirmation of bids
122 received at such called meeting before selling the property at
123 auction, but it shall not be necessary that sealed bids be
124 received before conducting the auction.

125 (2) As an alternative to the procedures established under
126 subsection (1) of this section, the school board of a school
127 district may elect, in its discretion, to sell by public auction
128 any property, other than real property or buildings of the school
129 district, which is not used for school or related school purposes
130 and not needed in the operation of the schools. Before such
131 auction, the school board shall adopt a resolution calling for the

132 auction and shall advertise the auction in some newspaper having a
133 general circulation in the county in which the property is located
134 once each week for two (2) consecutive weeks, with the first
135 publication to be made not less than fifteen (15) days before the
136 date upon which the auction shall be held. The advertisement
137 shall include a general description of the property to be sold at
138 the auction and the date, time and place that such auction shall
139 be held. At the auction, any interested party may bid for cash.
140 The property shall be sold to the highest and best bidder;
141 however, the school board may reject any and all bids. When
142 selling property under this subsection, a school board is not
143 required to advertise for or receive competitive bids in
144 connection with the sale of the property. Any items not sold at
145 such auctions or any other property, other than real property or
146 buildings of the district, not classified as fixed assets for
147 school purposes pursuant to regulations of the State Department of
148 Audit, which no longer have useful value to the school district,
149 in the discretion of the school board or its designated
150 representative, may be destroyed or disposed of in any manner
151 whatsoever, provided that no school official or employee derives
152 any personal economic benefit from such disposal.

153 (3) When the sale of such property is authorized and
154 approved by the school board, the president of the school board
155 shall be authorized and empowered to execute a conveyance of the
156 property upon the terms and for the consideration fixed by the
157 board. The school board shall reserve unto the district at least
158 an undivided one-half (1/2) nonparticipating royalty interest in
159 all oil, gas and minerals in, on or under the land, and all
160 proceeds derived from royalties upon the reserved mineral
161 interests shall be used as provided by Section 37-7-457; if the
162 mineral interests of the district are less than the full and
163 undivided ownership, the undivided royalty interest reserved by
164 the district shall be reduced proportionately.

165 SECTION 3. This act shall take effect and be in force from
166 and after its passage.