

By: Representative Frierson

To: Appropriations

HOUSE BILL NO. 776
(As Passed the House)

1 AN ACT TO AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972,
2 TO LIMIT THE APPROPRIATION OF EDUCATION ENHANCEMENT FUNDS THAT ARE
3 DERIVED FROM THE UNENCUMBERED ENDING CASH BALANCE TO NONRECURRING
4 EXPENDITURES AND TO DIVERT, UNTIL JULY 1, 2002, EDUCATION
5 ENHANCEMENT FUNDS THAT ARE ALLOCATED FOR THE PURCHASE OF TEXTBOOKS
6 AND A PORTION OF SUCH FUNDS ALLOCATED FOR CLASSROOM SUPPLIES TO
7 THE SUPPORT OF EDUCATIONAL PROGRAMS AUTHORIZED BY LAW; TO DIRECT
8 THE DEPARTMENT OF FINANCE AND ADMINISTRATION AND THE STATE
9 TREASURER TO TRANSFER CERTAIN FUNDS OUT OF THE WORKERS'
10 COMPENSATION SELF-INSURANCE FUND INTO A SPECIAL FUND IN THE STATE
11 TREASURY TO BE KNOWN AS THE BUDGET CONTINGENCY FUND FOR
12 APPROPRIATION BY THE LEGISLATURE FOR THE SUPPORT OF WORKFORCE
13 TRAINING PROGRAMS UNDER THE COMMUNITY AND JUNIOR COLLEGES; AND FOR
14 RELATED PURPOSES.

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

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

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

19 37-61-33. (1) There is * * * created within the State
20 Treasury a special fund to be designated the "Education
21 Enhancement Fund" into which shall be deposited all the revenues
22 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
23 and (b) and 27-103-203(1).

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



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

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

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

46 (d) As a pledge to pay all or a portion of the debt
47 service on debt issued by the school district under Sections
48 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
49 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
50 and 37-41-81, or debt issued by boards of supervisors for
51 agricultural high schools pursuant to Section 37-27-65, if such
52 pledge is accomplished pursuant to a written contract or
53 resolution approved and spread upon the minutes of an official
54 meeting of the district's school board or board of supervisors.
55 The annual grant to such district in any subsequent year during
56 the term of the resolution or contract shall not be reduced below
57 an amount equal to the district's grant amount for the year in
58 which the contract or resolution was adopted. The intent of this
59 provision is to allow school districts to irrevocably pledge a
60 certain, constant stream of revenue as security for long-term
61 obligations issued under the code sections enumerated in this
62 paragraph or as otherwise allowed by law. It is the intent of the
63 Legislature that the provisions of this paragraph shall be
64 cumulative and supplemental to any existing funding programs or
65 other authority conferred upon school districts or school boards.



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

69 (3) The remainder of the money deposited into the Education
70 Enhancement Fund, excluding funds deposited pursuant to Section
71 27-103-203(1), shall be appropriated as follows:

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

73 (i) Eight and thirty-five one-hundredths percent
74 (8.35%) to be distributed to public school districts for the
75 support of educational programs authorized by law. The funds
76 distributed to the school districts under this item shall be in
77 the proportion that the average daily attendance of each school
78 district bears to the average daily attendance of all school
79 districts within the state * * *;

80 (ii) Seven and ninety-seven one-hundredths percent
81 (7.97%) to assist the funding of transportation operations and
82 maintenance pursuant to Section 37-19-23;

83 (iii) Eight and twenty-six one-hundredths percent
84 (8.26%) to assist the funding of the Uniform Millage Assistance
85 Grant Program pursuant to Section 37-22-1; and

86 (iv) Nine and sixty-one one-hundredths percent
87 (9.61%), of which Four Million Six Hundred Thousand Dollars
88 (\$4,600,000.00) shall be allocated for classroom supplies,
89 instructional materials and equipment, including computers and
90 computer software, to be distributed to all school districts in
91 the proportion that the average daily attendance of each school
92 district bears to the average daily attendance of all school
93 districts within the state. The classroom supply funds shall not
94 be expended for administrative purposes. Local school districts
95 shall allocate classroom supply funds equally among all classroom
96 teachers in the school district. For purposes of this
97 subparagraph, "teacher" shall mean any employee of the school
98 board of a school district who is required by law to obtain a



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

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

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



131 (4) The amount remaining in the Education Enhancement Fund
132 after funds are distributed as provided in subsections (2) and (3)
133 of this section, excluding funds deposited pursuant to Section
134 27-103-203(1), shall be disbursed as follows:

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

144 (b) The remainder shall be appropriated for other
145 educational needs.

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

150 (a) For subsection (3)(a)(i) of this section, Six
151 Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars
152 (\$6,330,920.00);

153 (b) For subsection (3)(a)(ii) of this section
154 Thirty-six Million Seven Hundred Thousand Dollars
155 (\$36,700,000.00);

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

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



163 (6) At the end of a fiscal year such amounts as required by
164 Section 27-103-203(1) to be transferred to the Education
165 Enhancement Fund shall be deposited into the Education Enhancement
166 Fund and shall be kept separate from other monies in the fund by
167 the State Treasurer. * * * The monies in the separate fund within
168 the Education Enhancement fund which are deposited pursuant
169 to * * * Section 27-103-203(1) shall be subject to appropriation
170 by the Legislature for nonrecurring expenditures only, as
171 determined by the Legislative Budget Office, in the following
172 manner: (a) fifty percent (50%) to support public education,
173 including but not limited to, Grades K through 12, Mississippi
174 Educational Television and/or the Mississippi Library Commission;
175 (b) twenty-five percent (25%) to support institutions of higher
176 learning; and (c) twenty-five percent (25%) to support the junior
177 or community colleges. Any amount of such monies transferred into
178 the separate fund pursuant to Section 27-103-203(1) which are not
179 appropriated by the Legislature shall not lapse but shall carry
180 over and be subject to appropriation by the Legislature in the
181 succeeding fiscal year in the same manner provided in this
182 subsection (6). The interest earned on the investment of such
183 monies transferred pursuant to Section 27-103-203(1) shall be paid
184 into the separate fund within the Education Enhancement Fund.

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

186 37-61-33. (1) There is * * * created within the State
187 Treasury a special fund to be designated the "Education
188 Enhancement Fund" into which shall be deposited all the revenues
189 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
190 and (b) and 27-103-203(1).

191 (2) Of the amount deposited into the Education Enhancement
192 Fund, excluding revenues deposited pursuant to Section
193 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
194 appropriated each fiscal year to the State Department of Education
195 to be distributed to all school districts. Such money shall be



196 distributed to all school districts in the proportion that the
197 average daily attendance of each school district bears to the
198 average daily attendance of all school districts within the state
199 for the following purposes:

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

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

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

213 (d) As a pledge to pay all or a portion of the debt
214 service on debt issued by the school district under Sections
215 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
216 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
217 and 37-41-81, or debt issued by boards of supervisors for
218 agricultural high schools pursuant to Section 37-27-65, if such
219 pledge is accomplished pursuant to a written contract or
220 resolution approved and spread upon the minutes of an official
221 meeting of the district's school board or board of supervisors.
222 The annual grant to such district in any subsequent year during
223 the term of the resolution or contract shall not be reduced below
224 an amount equal to the district's grant amount for the year in
225 which the contract or resolution was adopted. The intent of this
226 provision is to allow school districts to irrevocably pledge a
227 certain, constant stream of revenue as security for long-term
228 obligations issued under the code sections enumerated in this



229 paragraph or as otherwise allowed by law. It is the intent of the
230 Legislature that the provisions of this paragraph shall be
231 cumulative and supplemental to any existing funding programs or
232 other authority conferred upon school districts or school boards.
233 Debt of a district secured by a pledge of sales tax revenue
234 pursuant to this paragraph shall not be subject to any debt
235 limitation contained in the foregoing enumerated code sections.

236 (3) The remainder of the money deposited into the Education
237 Enhancement Fund, excluding funds deposited pursuant to Section
238 27-103-203(1), shall be appropriated as follows:

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

240 (i) Sixteen and sixty-one one-hundredths percent
241 (16.61%) to the cost of the adequate education program determined
242 under Section 37-151-7;

243 (ii) Seven and ninety-seven one-hundredths percent
244 (7.97%) to assist the funding of transportation operations and
245 maintenance pursuant to Section 37-19-23; and

246 (iii) Nine and sixty-one one-hundredths percent
247 (9.61%) for classroom supplies, instructional materials and
248 equipment, including computers and computer software, to be
249 distributed to all school districts in the proportion that the
250 average daily attendance of each school district bears to the
251 average daily attendance of all school districts within the state.

252 It is the intent of the Legislature that all classroom teachers
253 shall be involved in the development of a spending plan that
254 addresses individual classroom needs and supports the overall
255 goals of the school regarding supplies, instructional materials,
256 equipment, computers or computer software under the provisions of
257 this subparagraph, including the type, quantity and quality of
258 such supplies, materials and equipment. This plan shall be
259 submitted to the school principal for approval. School districts
260 need not fully expend the funds received under this subparagraph



261 in the year in which they are received, but such funds may be
262 carried forward for expenditure in any succeeding school year.

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

266 (c) Fourteen and forty-one one-hundredths percent
267 (14.41%) to the State Board for Community and Junior Colleges for
268 the purpose of providing support to community and junior colleges.

269 (4) The amount remaining in the Education Enhancement Fund
270 after funds are distributed as provided in subsections (2) and (3)
271 of this section, excluding funds deposited pursuant to Section
272 27-103-203(1), shall be disbursed as follows:

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

282 (b) The remainder shall be appropriated for other
283 educational needs.

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

288 (a) For subsection (3)(a)(ii) of this section
289 Thirty-six Million Seven Hundred Thousand Dollars
290 (\$36,700,000.00);

291 (b) For the aggregate of minimum program allotments in
292 the 1997 fiscal year, formerly provided for in Chapter 19, Title
293 37, Mississippi Code of 1972, as amended, excluding those funds



294 for transportation as provided for in subsection (5) (a) in this
295 section.

296 (6) At the end of a fiscal year such amounts as required by
297 Section 27-103-203(1) to be transferred to the Education
298 Enhancement Fund shall be deposited into the Education Enhancement
299 Fund and shall be kept separate from other monies in the fund by
300 the State Treasurer. * * * The monies in the separate fund within
301 the Education Enhancement Fund which are deposited pursuant
302 to * * * Section 27-103-203(1) shall be subject to appropriation
303 by the Legislature for nonrecurring expenditures only, as
304 determined by the Legislative Budget Office, in the following
305 manner: (a) fifty percent (50%) to support public education,
306 including but not limited to, Grades K through 12, Mississippi
307 Educational Television and/or the Mississippi Library Commission;
308 (b) twenty-five percent (25%) to support institutions of higher
309 learning; and (c) twenty-five percent (25%) to support the junior
310 or community colleges. Any amount of such monies transferred into
311 the separate fund pursuant to Section 27-103-203(1) which are not
312 appropriated by the Legislature shall not lapse but shall carry
313 over and be subject to appropriation by the Legislature in the
314 succeeding fiscal year in the same manner provided in this
315 subsection (6). The interest earned on the investment of such
316 monies transferred pursuant to Section 27-103-203(1) shall be paid
317 into the separate fund within the Education Enhancement Fund.

318 SECTION 2. (1) Subject to the provisions of subsection (4)
319 of this section, the Department of Finance and Administration
320 shall transfer the sum of Eight Million Dollars (\$8,000,000.00)
321 out of the funds to the credit of Special Fund 3642 (Workers'
322 Compensation Self-Insurance Fund) into the Budget Contingency Fund
323 created in this section.

324 (2) The Department of Finance and Administration shall
325 requisition the State Fiscal Officer for the sum specified in
326 subsection (1), and the State Fiscal Officer shall issue his



327 warrant to the State Treasurer, who shall immediately pay that sum
328 into the Budget Contingency Fund created in this section.

329 (3) There is created in the State Treasury a special fund to
330 be known as the "Budget Contingency Fund," into which the funds
331 described in subsection (1) of this section shall be deposited.
332 All funds deposited into the Budget Contingency Fund shall be
333 appropriated under this section by the Legislature for the support
334 of workforce training programs under the public community and
335 junior college system.

336 (4) The transfer of funds authorized under subsection (1) of
337 this section shall not occur unless the Sine Die General Fund
338 Revenue Estimate increase for fiscal year 2001 is not achieved.

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

