

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 776

By Representative(s) Warren

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

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

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

18 37-61-33. (1) There is * * * created within the State
19 Treasury a special fund to be designated the "Education
20 Enhancement Fund" into which shall be deposited all the revenues
21 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
22 and (b) and 27-103-203(1).

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

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

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

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

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

62 Legislature that the provisions of this paragraph shall be
63 cumulative and supplemental to any existing funding programs or
64 other authority conferred upon school districts or school boards.

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

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

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

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

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

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

85 (iv) Nine and sixty-one one-hundredths percent
86 (9.61%), of which Four Million Six Hundred Thousand Dollars
87 (\$4,600,000.00) shall be allocated for classroom supplies,
88 instructional materials and equipment, including computers and
89 computer software, to be distributed to all school districts in
90 the proportion that the average daily attendance of each school
91 district bears to the average daily attendance of all school

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

122 the average daily attendance of all school districts in the state
123 for the support of educational programs authorized by law;

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

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

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

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

152 (b) For subsection (3)(a)(ii) of this section

153 Thirty-six Million Seven Hundred Thousand Dollars

154 (\$36,700,000.00);

155 (c) For subsection (3)(a)(iii) of this section,

156 Twenty-one Million Four Hundred Thousand Dollars (\$21,400,000.00);

157 and

158 (d) For the aggregate of minimum program allotments

159 provided for in Chapter 19, Title 37, Mississippi Code of 1972, as

160 amended, excluding those funds for transportation as provided for

161 in subsection (5)(b) of this section.

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

163 Section 27-103-203(1) to be transferred to the Education

164 Enhancement Fund shall be deposited into the Education Enhancement

165 Fund and shall be kept separate from other monies in the fund by

166 the State Treasurer. * * * The monies in the separate fund within

167 the Education Enhancement fund which are deposited pursuant to

168 * * * Section 27-103-203(1) shall be subject to appropriation by

169 the Legislature for nonrecurring expenditures only, as determined

170 by the Legislative Budget Office, in the following manner: (a)

171 fifty percent (50%) to support public education, including but not

172 limited to, Grades K through 12, Mississippi Educational

173 Television and/or the Mississippi Library Commission; (b)

174 twenty-five percent (25%) to support institutions of higher

175 learning; and (c) twenty-five percent (25%) to support the junior

176 or community colleges. Any amount of such monies transferred into

177 the separate fund pursuant to Section 27-103-203(1) which are not

178 appropriated by the Legislature shall not lapse but shall carry

179 over and be subject to appropriation by the Legislature in the

180 succeeding fiscal year in the same manner provided in this

181 subsection (6). The interest earned on the investment of such

182 monies transferred pursuant to Section 27-103-203(1) shall be paid
183 into the separate fund within the Education Enhancement Fund.

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

185 37-61-33. (1) There is * * * created within the State
186 Treasury a special fund to be designated the "Education
187 Enhancement Fund" into which shall be deposited all the revenues
188 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
189 and (b) and 27-103-203(1).

190 (2) Of the amount deposited into the Education Enhancement
191 Fund, excluding revenues deposited pursuant to Section
192 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
193 appropriated each fiscal year to the State Department of Education
194 to be distributed to all school districts. Such money shall be
195 distributed to all school districts in the proportion that the
196 average daily attendance of each school district bears to the
197 average daily attendance of all school districts within the state
198 for the following purposes:

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

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

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

212 (d) As a pledge to pay all or a portion of the debt
213 service on debt issued by the school district under Sections
214 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
215 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
216 and 37-41-81, or debt issued by boards of supervisors for
217 agricultural high schools pursuant to Section 37-27-65, if such
218 pledge is accomplished pursuant to a written contract or
219 resolution approved and spread upon the minutes of an official
220 meeting of the district's school board or board of supervisors.
221 The annual grant to such district in any subsequent year during
222 the term of the resolution or contract shall not be reduced below
223 an amount equal to the district's grant amount for the year in
224 which the contract or resolution was adopted. The intent of this
225 provision is to allow school districts to irrevocably pledge a
226 certain, constant stream of revenue as security for long-term
227 obligations issued under the code sections enumerated in this
228 paragraph or as otherwise allowed by law. It is the intent of the
229 Legislature that the provisions of this paragraph shall be
230 cumulative and supplemental to any existing funding programs or
231 other authority conferred upon school districts or school boards.
232 Debt of a district secured by a pledge of sales tax revenue
233 pursuant to this paragraph shall not be subject to any debt
234 limitation contained in the foregoing enumerated code sections.

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

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

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

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

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

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

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

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

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

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

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

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

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

290 (b) For the aggregate of minimum program allotments in
291 the 1997 fiscal year, formerly provided for in Chapter 19, Title
292 37, Mississippi Code of 1972, as amended, excluding those funds
293 for transportation as provided for in subsection (5)(a) in this
294 section.

295 (6) At the end of a fiscal year such amounts as required by
296 Section 27-103-203(1) to be transferred to the Education
297 Enhancement Fund shall be deposited into the Education Enhancement
298 Fund and shall be kept separate from other monies in the fund by
299 the State Treasurer. * * * The monies in the separate fund within
300 the Education Enhancement Fund which are deposited pursuant to
301 * * * Section 27-103-203(1) shall be subject to appropriation by

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

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

322 (2) The Department of Finance and Administration shall
323 requisition the State Fiscal Officer for the sum specified in
324 subsection (1), and the State Fiscal Officer shall issue his
325 warrant to the State Treasurer, who shall immediately pay that sum
326 into the Budget Contingency Fund created in this section.

327 (3) There is created in the State Treasury a special fund to
328 be known as the "Budget Contingency Fund," into which the funds
329 described in subsection (1) of this section shall be deposited.
330 All funds deposited into the Budget Contingency Fund shall be
331 appropriated under this section by the Legislature for the support

332 of workforce training programs under the public community and
333 junior college system.

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

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

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.