

By: Senator(s) Chaney, Harden, Jackson, King

To: Education;  
Appropriations

SENATE BILL NO. 2508

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE LEGISLATURE SHALL CONTINUE TO FUND 80% OF THE  
3 STATE COST OF THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM FORMULA  
4 IN FISCAL YEAR 2003 AND SHALL FUND 100% OF THE STATE COST OF THE  
5 MISSISSIPPI ADEQUATE EDUCATION PROGRAM IN FISCAL YEAR 2004; TO  
6 AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972, TO CONTINUE TO  
7 DIVERT, UNTIL JULY 1, 2003, EDUCATION ENHANCEMENT FUNDS THAT ARE  
8 ALLOCATED FOR THE PURCHASE OF TEXTBOOKS AND A PORTION OF SUCH  
9 FUNDS ALLOCATED FOR CLASSROOM SUPPLIES TO THE SUPPORT OF  
10 EDUCATIONAL PROGRAMS AUTHORIZED BY LAW; TO AMEND SECTION 37-47-33,  
11 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT STATE GENERAL OBLIGATION  
12 BONDS MAY BE ISSUED FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY  
13 TO PAY DEBT SERVICE ON EXISTING STATE AID CAPITAL IMPROVEMENT  
14 BONDS SECURED IN WHOLE BY A CONTINUING ANNUAL PLEDGE OF ADEQUATE  
15 EDUCATION PROGRAM FUNDS; TO REENACT AND AMEND SECTIONS 37-19-1,  
16 37-19-3, 39-19-5, 39-19-9, 37-19-11, 37-19-15, 37-19-17, 37-19-19,  
17 37-19-20, 37-19-21, 37-19-22, 37-19-23, 37-19-25, 37-19-27,  
18 37-19-29, 37-19-31, 37-19-33, 37-19-34, 37-19-35, 37-19-37,  
19 37-19-39, 37-19-41, 37-19-43, 37-19-45, 37-19-47, 37-19-49,  
20 37-19-51 AND 37-19-53, MISSISSIPPI CODE OF 1972, TO EXTEND THE  
21 DATE OF THE AUTOMATIC REPEALER ON THOSE STATUTES WHICH PROVIDE FOR  
22 A MINIMUM PROGRAM OF EDUCATION WITH ALLOCATIONS TO EACH PUBLIC  
23 SCHOOL DISTRICT IN THE STATE BASED UPON GENERATED TEACHER UNITS  
24 AND FINANCED THROUGH STATE AND LOCAL REVENUE REQUIREMENTS, AND TO  
25 AMEND SECTIONS 37-22-1 AND 37-22-3, MISSISSIPPI CODE OF 1972, TO  
26 EXTEND THE DATE OF THE AUTOMATIC REPEALER ON THOSE STATUTES WHICH  
27 PROVIDE FOR A MISSISSIPPI SCHOOL DISTRICT UNIFORM MILLAGE  
28 ASSISTANCE GRANT AND SECOND LEVEL FUNDING PROGRAM AND TO CLARIFY  
29 THE DEFINITION OF LOCAL REVENUE SOURCES; TO AMEND SECTIONS  
30 37-151-77 THROUGH 37-51-107, MISSISSIPPI CODE OF 1972 TO EXTEND  
31 THE EFFECTIVE DATE OF THOSE STATUTES PROVIDING FOR FULL  
32 IMPLEMENTATION OF THE MISSISSIPPI ADEQUATE EDUCATION FORMULA; TO  
33 AMEND SECTIONS 37-57-1, 37-57-105 AND 37-57-107, MISSISSIPPI CODE  
34 OF 1972, TO EXTEND THE EFFECTIVE DATE OF AND TO CLARIFY THE  
35 DELETION OF PROVISIONS RELATING TO THE REQUIRED MINIMUM PROGRAM  
36 AND EQUITY FUNDING AD VALOREM TAX LEVY; TO AMEND SECTION  
37 27-25-506, MISSISSIPPI CODE OF 1972, TO CLARIFY THE MANNER IN  
38 WHICH THE STATE'S SHARE OF OIL AND GAS SEVERANCE TAXES ARE  
39 DEPOSITED; TO AMEND SECTIONS 27-25-505 AND 27-25-705, MISSISSIPPI  
40 CODE OF 1972, IN CONFORMITY THERETO; TO REPEAL SECTION 30 OF  
41 CHAPTER 612, LAWS OF 1997, WHICH REPEALED STATUTES PROVIDING FOR  
42 THE MINIMUM EDUCATION PROGRAM FORMULA AND THE EQUITY FUNDING  
43 PROGRAM FORMULA ON JULY 1, 2002; TO AMEND SECTION 52 OF CHAPTER  
44 612, LAWS OF 1997, IN CONFORMITY THERETO; AND FOR RELATED  
45 PURPOSES.

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

47 **SECTION 1.** Section 37-151-7, Mississippi Code of 1972, is  
48 amended as follows:



49           37-151-7. The annual allocation to each school district for  
50 the operation of the adequate education program shall be  
51 determined as follows:

52           (1) Computation of the basic amount to be included for  
53 current operation in the adequate education program. The  
54 following procedure shall be followed in determining the annual  
55 allocation to each school district:

56           (a) **Determination of average daily attendance.** During  
57 months two (2) and three (3) of the current school year, the  
58 average daily attendance of a school district shall be computed,  
59 or the average daily attendance for the prior school year shall be  
60 used, whichever is greater. The district's average daily  
61 attendance shall be computed and currently maintained in  
62 accordance with regulations promulgated by the State Board of  
63 Education.

64           (b) **Determination of base student cost.** The State  
65 Board of Education, on or before August 1, with adjusted estimate  
66 no later than January 2, shall annually submit to the Legislative  
67 Budget Office and the Governor a proposed base student cost  
68 adequate to provide the following cost components of educating a  
69 pupil in an average school district meeting Level III  
70 accreditation standards required by the Commission on School  
71 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;  
72 (iii) Operation and Maintenance of Plant; and (iv) Ancillary  
73 Support Cost. The department shall utilize a statistical  
74 methodology which considers such factors as, but not limited to,  
75 (i) school size; (ii) assessed valuation per pupil; (iii) the  
76 percentage of students receiving free lunch; (iv) the local  
77 district maintenance tax levy; (v) other local school district  
78 revenues; and (vi) the district's accreditation level, in the  
79 selection of the representative Mississippi school districts for  
80 which cost information shall be obtained for each of the above  
81 listed cost areas.



82 For the instructional cost component, the department shall  
83 determine the instructional cost of each of the representative  
84 school districts selected above, excluding instructional cost of  
85 self-contained special education programs and vocational education  
86 programs, and the average daily attendance in the selected school  
87 districts. The instructional cost is then totaled and divided by  
88 the total average daily attendance for the selected school  
89 districts to yield the instructional cost component. For the  
90 administrative cost component, the department shall determine the  
91 administrative cost of each of the representative school districts  
92 selected above, excluding administrative cost of self-contained  
93 special education programs and vocational education programs, and  
94 the average daily attendance in the selected school districts.  
95 The administrative cost is then totaled and divided by the total  
96 average daily attendance for the selected school districts to  
97 yield the administrative cost component. For the plant and  
98 maintenance cost component, the department shall determine the  
99 plant and maintenance cost of each of the representative school  
100 districts selected above, excluding plant and maintenance cost of  
101 self-contained special education programs and vocational education  
102 programs, and the average daily attendance in the selected school  
103 districts. The plant and maintenance cost is then totaled and  
104 divided by the total average daily attendance for the selected  
105 school districts to yield the plant and maintenance cost  
106 component. For the ancillary support cost component, the  
107 department shall determine the ancillary support cost of each of  
108 the representative school districts selected above, excluding  
109 ancillary support cost of self-contained special education  
110 programs and vocational education programs, and the average daily  
111 attendance in the selected school districts. The ancillary  
112 support cost is then totaled and divided by the total average  
113 daily attendance for the selected school districts to yield the  
114 ancillary support cost component. The total base cost for each



115 year shall be the sum of the instructional cost component,  
116 administrative cost component, plant and maintenance cost  
117 component and ancillary support cost component, and any estimated  
118 adjustments for additional state requirements as determined by the  
119 State Board of Education. Provided, however, that the base  
120 student cost in fiscal year 1998 shall be Two Thousand Six Hundred  
121 Sixty-four Dollars (\$2,664.00); provided further that the base  
122 student cost in fiscal year 2003 shall be Three Thousand Dollars  
123 (\$3,000.00).

124 (c) **Determination of the basic adequate education**  
125 **program cost.** The basic amount for current operation to be  
126 included in the Mississippi Adequate Education Program for each  
127 school district shall be computed as follows:

128 Multiply the average daily attendance of the district by the  
129 base student cost as established by the Legislature, which yields  
130 the total base program cost for each school district.

131 (d) **Adjustment to the base student cost for at-risk**  
132 **pupils.** The amount to be included for at-risk pupil programs for  
133 each school district shall be computed as follows: Multiply the  
134 base student cost for the appropriate fiscal year as determined  
135 under paragraph (b) by five percent (5%), and multiply that  
136 product by the number of pupils participating in the federal free  
137 school lunch program in such school district, which yields the  
138 total adjustment for at-risk pupil programs for such school  
139 district.

140 (e) **Add-on program cost.** The amount to be allocated to  
141 school districts in addition to the adequate education program  
142 cost for add-on programs for each school district shall be  
143 computed as follows:

144 (i) Transportation cost shall be the amount  
145 allocated to such school district for the operational support of  
146 the district transportation system from state funds.



147 (ii) Vocational or technical education program  
148 cost shall be the amount allocated to such school district from  
149 state funds for the operational support of such programs.

150 (iii) Special education program cost shall be the  
151 amount allocated to such school district from state funds for the  
152 operational support of such programs.

153 (iv) Gifted education program cost shall be the  
154 amount allocated to such school district from state funds for the  
155 operational support of such programs.

156 (v) Alternative school program cost shall be the  
157 amount allocated to such school district from state funds for the  
158 operational support of such programs.

159 (vi) Extended school year programs shall be the  
160 amount allocated to school districts for those programs authorized  
161 by law which extend beyond the normal school year.

162 (vii) University-based programs shall be the  
163 amount allocated to school districts for those university-based  
164 programs for handicapped children as defined and provided for in  
165 Section 37-23-131 et seq., Mississippi Code of 1972.

166 (viii) Bus driver training programs shall be the  
167 amount provided for those driver training programs as provided for  
168 in Section 37-41-1, Mississippi Code of 1972.

169 The sum of the items listed above (i) transportation, (ii)  
170 vocational or technical education, (iii) special education, (iv)  
171 gifted education, (v) alternative school, (vi) extended school  
172 year, \* \* \* (vii) university-based and (viii) bus driver training  
173 shall yield the add-on cost for each school district.

174 (f) **Total projected adequate education program cost.**

175 The total Mississippi Adequate Education Program Cost shall be the  
176 sum of the total basic adequate education program cost (paragraph  
177 (c)), and the adjustment to the base student cost for at-risk  
178 pupils (paragraph (d)) for each school district.



179           (g) **Supplemental grant to school districts.** In  
180 addition to the adequate education program grant, the State  
181 Department of Education shall annually distribute an additional  
182 amount as follows: Multiply the base student cost for the  
183 appropriate fiscal year as determined under paragraph (b) by .13%  
184 and multiply that product by the average daily attendance of each  
185 school district. Such grant shall not be subject to the local  
186 revenue requirement provided in subsection (2).

187           (2) Computation of the required local revenue in support of  
188 the adequate education program. The amount that each district  
189 shall provide toward the cost of the adequate education program  
190 shall be calculated as follows:

191           (a) The State Board of Education shall certify to each  
192 school district that twenty-eight (28) mills, less the estimated  
193 amount of the yield of the School Ad Valorem Tax Reduction Fund  
194 grants as determined by the State Department of Education, is the  
195 millage rate required to provide the district required local  
196 effort for that year, or twenty-seven percent (27%) of the basic  
197 adequate education program cost for such school district as  
198 determined under subsection (c), whichever is a lesser amount. In  
199 the case of an agricultural high school the millage requirement  
200 shall be set at a level which generates an equitable amount per  
201 pupil to be determined by the State Board of Education.

202           (b) The State Board of Education shall determine (i)  
203 the total assessed valuation of nonexempt property and the  
204 assessed value of new property for school purposes in each school  
205 district; (ii) assessed value of exempt property owned by  
206 homeowners aged sixty-five (65) or older or disabled as defined in  
207 Section 27-33-67(2), Mississippi Code of 1972; (iii) the school  
208 district's tax loss from exemptions provided to applicants under  
209 the age of sixty-five (65) and not disabled as defined in Section  
210 27-33-67(1), Mississippi Code of 1972; and (iv) the school  
211 district's homestead reimbursement revenues.



212 (c) The amount of the total adequate education program  
213 funding which shall be contributed by each school district shall  
214 be the sum of the ad valorem receipts generated by the millage  
215 required under this subsection plus the following local revenue  
216 sources for the appropriate fiscal year which are or may be  
217 available for current expenditure by the school district:

218 One hundred percent (100%) of Grand Gulf income as prescribed  
219 in Section 27-35-309.

220 (3) Computation of the required state effort in support of  
221 the adequate education program.

222 The required state effort in support of the adequate  
223 education program shall be determined by subtracting the sum of  
224 the required local tax effort as set forth in subsection (2)(a) of  
225 this section and the other local revenue sources as set forth in  
226 subsection (2)(c) of this section in an amount not to exceed  
227 twenty-seven percent (27%) of the total projected adequate  
228 education program cost as set forth in subsection (1)(f) of this  
229 section from the total projected adequate education program cost  
230 as set forth in subsection (1)(f) of this section.

231 Provided, however, that in fiscal year 1998 and in the fiscal  
232 year in which the adequate education program is fully funded by  
233 the Legislature, any increase in the said state contribution,  
234 including the supplemental grant to school districts provided  
235 under subsection (1)(g), to any district calculated under this  
236 section shall be not less than eight percent (8%) in excess of the  
237 amount received by said district from state funds for the fiscal  
238 year immediately preceding. For purposes of this section, state  
239 funds shall include minimum program funds less the add-on  
240 programs, state Uniform Millage Assistance Grant funds,  
241 Education Enhancement Funds appropriated for Uniform Millage  
242 Assistance Grants and state textbook allocations, and State  
243 General Funds allocated for textbooks.



244 (4) The State Adequate Education Program Fund is hereby  
245 established in the State Treasury which shall be used to  
246 distribute any funds specifically appropriated by the Legislature  
247 to such fund, to school districts entitled to increased  
248 allocations of state funds under the adequate education program  
249 funding formula prescribed in Sections 37-151-3, 37-151-5 and  
250 37-151-7 of this article. If the Legislature provides less funds  
251 than the total state funds needed for support of such increased  
252 allocations under the adequate education program, the State  
253 Department of Education shall reduce all elements of the cost of  
254 the adequate education program proportionately. Any such adequate  
255 education program funds shall be transferred to the school  
256 district maintenance fund of such district in the manner  
257 prescribed in Section 37-19-47, Mississippi Code of 1972, and  
258 shall be expended in the manner provided by law.

259 (5) The Interim School District Capital Expenditure Fund is  
260 hereby established in the State Treasury which shall be used to  
261 distribute any funds specifically appropriated by the Legislature  
262 to such fund to school districts entitled to increased allocations  
263 of state funds under the adequate education program funding  
264 formula prescribed in Sections 37-151-3 through 37-151-7,  
265 Mississippi Code of 1972, until such time as the said adequate  
266 education program is fully funded by the Legislature. The  
267 following percentages of the total state cost of increased  
268 allocations of funds under the adequate education program funding  
269 formula shall be appropriated by the Legislature into the Interim  
270 School District Capital Expenditure Fund to be distributed to all  
271 school districts under the formula: Nine and two-tenths percent  
272 (9.2%) shall be appropriated in fiscal year 1998, twenty percent  
273 (20%) shall be appropriated in fiscal year 1999, forty percent  
274 (40%) shall be appropriated in fiscal year 2000, sixty percent  
275 (60%) shall be appropriated in fiscal year 2001, eighty percent  
276 (80%) shall be appropriated in fiscal year 2002, \* \* \* eighty





277 percent (80%) shall be appropriated in fiscal year 2003, and one  
278 hundred percent (100%) shall be appropriated in fiscal year 2004  
279 into the State Adequate Education Program Fund created in  
280 subsection (4). Until such time as the adequate education program  
281 is fully funded by the Legislature, such money shall be used by  
282 school districts for the following purposes:

283           (a) Purchasing, erecting, repairing, equipping,  
284 remodeling and enlarging school buildings and related facilities,  
285 including gymnasiums, auditoriums, lunchrooms, vocational training  
286 buildings, libraries, school barns and garages for transportation  
287 vehicles, school athletic fields and necessary facilities  
288 connected therewith, and purchasing land therefor. Any such  
289 capital improvement project by a school district shall be approved  
290 by the State Board of Education, and based on an approved  
291 long-range plan. The State Board of Education shall promulgate  
292 minimum requirements for the approval of school district capital  
293 expenditure plans.

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

297           (c) Paying debt service on existing capital improvement  
298 debt of the district or refinancing outstanding debt of a district  
299 if such refinancing will result in an interest cost savings to the  
300 district.

301           (d) From and after October 1, 1997, through June 30,  
302 1998, pursuant to a school district capital expenditure plan  
303 approved by the State Department of Education, a school district  
304 may pledge such funds until July 1, 2002, plus funds provided for  
305 in paragraph (e) of this subsection (5) that are not otherwise  
306 permanently pledged under such paragraph (e) to pay all or a  
307 portion of the debt service on debt issued by the school district  
308 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
309 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,



310 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
311 issued by boards of supervisors for agricultural high schools  
312 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
313 lease-purchase contracts entered into pursuant to Section 31-7-13,  
314 Mississippi Code of 1972, or to retire or refinance outstanding  
315 debt of a district, if such pledge is accomplished pursuant to a  
316 written contract or resolution approved and spread upon the  
317 minutes of an official meeting of the district's school board or  
318 board of supervisors. It is the intent of this provision to allow  
319 school districts to irrevocably pledge their Interim School  
320 District Capital Expenditure Fund allotments as a constant stream  
321 of revenue to secure a debt issued under the foregoing code  
322 sections. To allow school districts to make such an irrevocable  
323 pledge, the state shall take all action necessary to ensure that  
324 the amount of a district's Interim School District Capital  
325 Expenditure Fund allotments shall not be reduced below the amount  
326 certified by the department or the district's total allotment  
327 under the Interim Capital Expenditure Fund if fully funded, so  
328 long as such debt remains outstanding.

329 (e) From and after October 1, 1997, through June 30,  
330 1998, in addition to any other authority a school district may  
331 have, any school district may issue State Aid Capital Improvement  
332 Bonds secured in whole by a continuing annual pledge of any  
333 Mississippi Adequate Education Program funds available to the  
334 district, in an amount not to exceed One Hundred Sixty (\$160.00)  
335 per pupil based on the latest completed average daily attendance  
336 count certified by the department prior to the issuance of the  
337 bonds. Such State Aid Capital Improvement Bonds may be issued for  
338 the purposes enumerated in subsections (a), (b), (c) and (g) of  
339 this section. Prior to issuing such bonds, the school board of  
340 the district shall adopt a resolution declaring the necessity for  
341 and its intention of issuing such bonds and borrowing such money,  
342 specifying the approximate amount to be so borrowed, how such



343 money is to be used and how such indebtedness is to be evidenced.  
344 Any capital improvement project financed with State Aid Capital  
345 Improvement Bonds shall be approved by the department, and based  
346 on an approved long-range plan. The State Board of Education  
347 shall promulgate minimum requirements for the approval of such  
348 school district capital expenditure plans. The State Board of  
349 Education shall not approve any capital expenditure plan for a  
350 pledge of funds under this paragraph unless it determines (i) that  
351 the quality of instruction in such district will not be reduced as  
352 a result of this pledge, and (ii) the district has other revenue  
353 available to attain and maintain at least Level III accreditation.

354 A district issuing State Aid Capital Improvement Bonds may  
355 pledge for the repayment of such bonds all funds received by the  
356 district from the state, in an amount not to exceed One Hundred  
357 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
358 the school district as set forth above, and not otherwise  
359 permanently pledged under paragraph (d) of this subsection or  
360 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
361 district's school board shall specify by resolution the amount of  
362 state funds, which are being pledged by the district for the  
363 repayment of the State Aid Capital Improvement Bonds. Once such a  
364 pledge is made to secure the bonds, the district shall notify the  
365 department of such pledge. Upon making such a pledge, the school  
366 district may request the department which may agree to irrevocably  
367 transfer a specified amount or percentage of the district's state  
368 revenue pledged to repay the district's State Aid Capital  
369 Improvement Bonds directly to a state or federally chartered bank  
370 serving as a trustee or paying agent on such bonds for the payment  
371 of all or portion of such State Aid Capital Improvement Bonds.  
372 Such instructions shall be incorporated into a resolution by the  
373 school board for the benefit of holders of the bonds and may  
374 provide that such withholding and transfer of such other available  
375 funds shall be made only upon notification by a trustee or paying



376 agent on such bonds that the amounts available to pay such bonds  
377 on any payment date will not be sufficient. It is the intent of  
378 this provision to allow school districts to irrevocably pledge a  
379 certain, constant stream of revenue as security for State Aid  
380 Capital Improvement Bonds issued hereunder. To allow school  
381 districts to make such an irrevocable pledge, the state shall take  
382 all action necessary to ensure that the amount of a district's  
383 state revenues up to an amount equal to One Hundred Sixty Dollars  
384 (\$160.00) per pupil as set forth above which have been pledged to  
385 repay debt as set forth herein shall not be reduced so long as any  
386 State Aid Capital Improvement Bonds are outstanding.

387 Any such State Aid Capital Improvement bonds shall mature as  
388 determined by the district's school bond over a period not to  
389 exceed twenty (20) years. Such bonds shall not bear a greater  
390 overall maximum interest rate to maturity than that allowed in  
391 Section 75-17-101, Mississippi Code of 1972. The further details  
392 and terms of such bonds shall be as determined by the school board  
393 of the district.

394 The provisions of this subsection shall be cumulative and  
395 supplemental to any existing funding programs or other authority  
396 conferred upon school districts or school boards. Debt of a  
397 school district secured in whole by a pledge of revenue pursuant  
398 to this section shall not be subject to any debt limitation.

399 For purposes of this paragraph (e), "State Aid Capital  
400 Improvement Bond" shall mean any bond, note, or other certificate  
401 of indebtedness issued by a school district under the provisions  
402 hereof.

403 This paragraph (e) shall stand repealed from and after June  
404 30, 1998.

405 (f) As an alternative to the authority granted under  
406 paragraph (e), a school district, in its discretion, may authorize  
407 the State Board of Education to withhold an amount of the  
408 district's adequate education program allotment equal to up to One



409 Hundred Sixty Dollars (\$160.00) per student in average daily  
410 attendance in the district to be allocated to the State Public  
411 School Building Fund to the credit of such school district. A  
412 school district may choose the option provided under this  
413 paragraph (e) or paragraph (f), but not both. In addition to the  
414 grants made by the state pursuant to Section 37-47-9, a school  
415 district shall be entitled to grants based on the allotments to  
416 the State Public School Building Fund credited to such school  
417 district under this paragraph. This paragraph (f) shall stand  
418 repealed from and after June 30, 1998.

419 (g) The State Board of Education may authorize the  
420 school district to expend \* \* \* its annual allotment of such  
421 funds \* \* \* for technology needs of the school district, including  
422 computers, software, telecommunications, cable television,  
423 interactive video, film low-power television, satellite  
424 communications, microwave communications, technology-based  
425 equipment installation and maintenance, and the training of staff  
426 in the use of such technology-based instruction. Any such  
427 technology expenditure shall be reflected in the local district  
428 technology plan approved by the State Board of Education under  
429 Section 37-151-17, Mississippi Code of 1972.

430 (h) To the extent a school district has not  
431 utilized \* \* \* its annual allotment for technology purposes under  
432 paragraph (g), a school district may expend \* \* \* its annual  
433 allotment \* \* \* for instructional purposes. \* \* \*

434 (i) The State Department of Education or the State  
435 Board of Education may require that any project commenced pursuant  
436 to this act with an estimated project cost of not less than Five  
437 Million Dollars (\$5,000,000.00) shall be done only pursuant to  
438 program management of the process with respect to design and  
439 construction. Any individuals, partnerships, companies or other  
440 entities acting as a program manager on behalf of a local school  
441 district and performing program management services for projects



442 covered under this subsection shall be approved by the State  
443 Department of Education.

444 Any interest accruing on any unexpended balance in the  
445 Interim School District Capital Expenditure Fund shall be invested  
446 by the State Treasurer and placed to the credit of each school  
447 district participating in such fund in its proportionate share.

448 The provisions of this subsection shall be cumulative and  
449 supplemental to any existing funding programs or other authority  
450 conferred upon school districts or school boards.

451 **SECTION 2.** Section 37-61-33, Mississippi Code of 1972, is  
452 amended as follows:

453 **[Until July 1, 2003, this section reads as follows:]**

454 37-61-33. (1) There is created within the State Treasury a  
455 special fund to be designated the "Education Enhancement Fund"  
456 into which shall be deposited all the revenues collected pursuant  
457 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

458 (2) Of the amount deposited into the Education Enhancement  
459 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be  
460 appropriated each fiscal year to the State Department of Education  
461 to be distributed to all school districts. Such money shall be  
462 distributed to all school districts in the proportion that the  
463 average daily attendance of each school district bears to the  
464 average daily attendance of all school districts within the state  
465 for the following purposes:

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



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

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

479           (d) As a pledge to pay all or a portion of the debt  
480 service on debt issued by the school district under Sections  
481 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
482 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
483 and 37-41-81, or debt issued by boards of supervisors for  
484 agricultural high schools pursuant to Section 37-27-65, if such  
485 pledge is accomplished pursuant to a written contract or  
486 resolution approved and spread upon the minutes of an official  
487 meeting of the district's school board or board of supervisors.  
488 The annual grant to such district in any subsequent year during  
489 the term of the resolution or contract shall not be reduced below  
490 an amount equal to the district's grant amount for the year in  
491 which the contract or resolution was adopted. The intent of this  
492 provision is to allow school districts to irrevocably pledge a  
493 certain, constant stream of revenue as security for long-term  
494 obligations issued under the code sections enumerated in this  
495 paragraph or as otherwise allowed by law. It is the intent of the  
496 Legislature that the provisions of this paragraph shall be  
497 cumulative and supplemental to any existing funding programs or  
498 other authority conferred upon school districts or school boards.  
499 Debt of a district secured by a pledge of sales tax revenue  
500 pursuant to this paragraph shall not be subject to any debt  
501 limitation contained in the foregoing enumerated code sections.

502           (3) The remainder of the money deposited into the Education  
503 Enhancement Fund shall be appropriated as follows:

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



505 (i) Eight and thirty-five one-hundredths percent  
506 (8.35%) to be distributed to public school districts for the  
507 support of educational programs authorized by law. The funds  
508 distributed to the school districts under this item shall be in  
509 the proportion that the average daily attendance of each school  
510 district bears to the average daily attendance of all school  
511 districts within the state;

512 (ii) Seven and ninety-seven one-hundredths percent  
513 (7.97%) to assist the funding of transportation operations and  
514 maintenance pursuant to Section 37-19-23;

515 (iii) Eight and twenty-six one-hundredths percent  
516 (8.26%) to assist the funding of the Uniform Millage Assistance  
517 Grant Program pursuant to Section 37-22-1; and

518 (iv) Nine and sixty-one one-hundredths percent  
519 (9.61%), of which Four Million Six Hundred Thousand Dollars  
520 (\$4,600,000.00) shall be allocated for classroom supplies,  
521 instructional materials and equipment, including computers and  
522 computer software, to be distributed to all school districts in  
523 the proportion that the average daily attendance of each school  
524 district bears to the average daily attendance of all school  
525 districts within the state. Classroom supply funds shall not be  
526 expended for administrative purposes. Local school districts  
527 shall allocate classroom supply funds equally among all classroom  
528 teachers in the school district. For purposes of this  
529 subparagraph, "teacher" shall mean any employee of the school  
530 board of a school district who is required by law to obtain a  
531 teacher's license from the State Board of Education and who is  
532 assigned to an instructional area of work as defined by the State  
533 Department of Education, but shall not include a federally funded  
534 teacher. Two (2) or more teachers may agree to pool their  
535 classroom supply funds for the benefit of a school within the  
536 district pursuant to the development of a spending plan that  
537 supports the overall goals of the school which includes the type,





538 quantity and quality of such supplies, instructional materials,  
539 equipment, computers or computer software. This plan shall be  
540 submitted, in writing, to the school principal for approval.  
541 Classroom supply funds allocated under this subparagraph shall  
542 supplement, not replace, other local and state funds available for  
543 the same purposes. School districts need not fully expend the  
544 funds received under this subparagraph in the year in which they  
545 are received, but such funds may be carried forward for  
546 expenditure in any succeeding school year. The State Board of  
547 Education shall develop and promulgate rules and regulations for  
548 the administration of this subparagraph consistent with the above  
549 criteria, with particular emphasis on allowing the individual  
550 teachers to expend funds as they deem appropriate, with minimum  
551 input from school principals. The remainder of the funds  
552 appropriated to the State Department of Education under this item  
553 shall be distributed to public school districts in the proportion  
554 that the average daily attendance of each school district bears to  
555 the average daily attendance of all school districts in the state  
556 for the support of educational programs authorized by law;

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

560 (c) Fourteen and forty-one one-hundredths percent  
561 (14.41%) to the State Board for Community and Junior Colleges for  
562 the purpose of providing support to community and junior colleges.

563 (4) The amount remaining in the Education Enhancement Fund  
564 after funds are distributed as provided in subsections (2) and (3)  
565 of this section shall be disbursed as follows:

566 (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
567 be deposited into the Working Cash-Stabilization Reserve Fund  
568 created pursuant to Section 27-103-203(1), until the balance in  
569 such fund reaches the maximum balance of seven and one-half  
570 percent (7-1/2%) of the General Fund appropriations in the



571 appropriate fiscal year. After the maximum balance in the Working  
572 Cash-Stabilization Reserve Fund is reached, such money shall  
573 remain in the Education Enhancement Fund to be appropriated in the  
574 manner provided for in paragraph (b) of this subsection.

575 (b) The remainder shall be appropriated for other  
576 educational needs.

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

581 (a) For subsection (3) (a) (i) of this section, Six  
582 Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars  
583 (\$6,330,920.00);

584 (b) For subsection (3) (a) (ii) of this section  
585 Thirty-six Million Seven Hundred Thousand Dollars  
586 (\$36,700,000.00);

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

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

594 **[From and after July 1, 2003, this section reads as follows:]**

595 37-61-33. (1) There is created within the State Treasury a  
596 special fund to be designated the "Education Enhancement Fund"  
597 into which shall be deposited all the revenues collected pursuant  
598 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

599 (2) Of the amount deposited into the Education Enhancement  
600 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be  
601 appropriated each fiscal year to the State Department of Education  
602 to be distributed to all school districts. Such money shall be  
603 distributed to all school districts in the proportion that the



604 average daily attendance of each school district bears to the  
605 average daily attendance of all school districts within the state  
606 for the following purposes:

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

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

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

620           (d) As a pledge to pay all or a portion of the debt  
621 service on debt issued by the school district under Sections  
622 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
623 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
624 and 37-41-81, or debt issued by boards of supervisors for  
625 agricultural high schools pursuant to Section 37-27-65, if such  
626 pledge is accomplished pursuant to a written contract or  
627 resolution approved and spread upon the minutes of an official  
628 meeting of the district's school board or board of supervisors.  
629 The annual grant to such district in any subsequent year during  
630 the term of the resolution or contract shall not be reduced below  
631 an amount equal to the district's grant amount for the year in  
632 which the contract or resolution was adopted. The intent of this  
633 provision is to allow school districts to irrevocably pledge a  
634 certain, constant stream of revenue as security for long-term  
635 obligations issued under the code sections enumerated in this  
636 paragraph or as otherwise allowed by law. It is the intent of the



637 Legislature that the provisions of this paragraph shall be  
638 cumulative and supplemental to any existing funding programs or  
639 other authority conferred upon school districts or school boards.  
640 Debt of a district secured by a pledge of sales tax revenue  
641 pursuant to this paragraph shall not be subject to any debt  
642 limitation contained in the foregoing enumerated code sections.

643 (3) The remainder of the money deposited into the Education  
644 Enhancement Fund shall be appropriated as follows:

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

646 (i) Sixteen and sixty-one one-hundredths percent  
647 (16.61%) to the cost of the adequate education program determined  
648 under Section 37-151-7;

649 (ii) Seven and ninety-seven one-hundredths percent  
650 (7.97%) to assist the funding of transportation operations and  
651 maintenance pursuant to Section 37-19-23; and

652 (iii) Nine and sixty-one one-hundredths percent  
653 (9.61%) for classroom supplies, instructional materials and  
654 equipment, including computers and computer software, to be  
655 distributed to all school districts in the proportion that the  
656 average daily attendance of each school district bears to the  
657 average daily attendance of all school districts within the state.

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



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

672           (c) Fourteen and forty-one one-hundredths percent  
673 (14.41%) to the State Board for Community and Junior Colleges for  
674 the purpose of providing support to community and junior colleges.

675           (4) The amount remaining in the Education Enhancement Fund  
676 after funds are distributed as provided in subsections (2) and (3)  
677 of this section shall be disbursed as follows:

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

687           (b) The remainder shall be appropriated for other  
688 educational needs.

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

693           (a) For subsection (3)(a)(ii) of this section  
694 Thirty-six Million Seven Hundred Thousand Dollars  
695 (\$36,700,000.00);

696           (b) For the aggregate of minimum program allotments in  
697 the 1997 fiscal year, formerly provided for in Chapter 19, Title  
698 37, Mississippi Code of 1972, as amended, excluding those funds  
699 for transportation as provided for in subsection (5)(a) in this  
700 section.



701           **SECTION 3.** Section 37-47-33, Mississippi Code of 1972, is  
702 amended as follows:

703           37-47-33. For the purpose of (a) providing funds to enable  
704 the State Board of Education to make loans or advances to school  
705 districts as provided by Section 37-47-25, and for the purpose of  
706 (b) providing funds for the payment and redemption of certificates  
707 of credit issued to school districts under Section 37-47-23, when  
708 such funds are not otherwise available, or for the purpose of (c)  
709 providing funds in an amount not exceeding Twenty Million Dollars  
710 (\$20,000,000.00) for the payment of allocations of Mississippi  
711 Adequate Education Program funds to school districts for capital  
712 expenditures approved by the State Board of Education which have  
713 not been pledged for debt by the school district, when such funds  
714 are not otherwise available, or for the purpose of (d) providing  
715 funds necessary to pay debt service on existing State Aid Capital  
716 Improvement Bonds secured in whole by a continuing annual pledge  
717 of Mississippi Adequate Education Program funds, or for any of  
718 such purposes, the State Bond Commission is authorized and  
719 empowered to issue state school bonds under the conditions  
720 prescribed in this chapter. The aggregate principal amount of  
721 such bonds outstanding at any one time, after deducting the amount  
722 of the sinking fund provided for the retirement of bonds issued  
723 for such purposes, shall never exceed the sum of One Hundred  
724 Million Dollars (\$100,000,000.00). Within such limits, however,  
725 state school bonds may be issued from time to time under the  
726 conditions prescribed in this chapter. None of such bonds so  
727 issued shall have a maturity date later than July 1, 2021.

728           **SECTION 4.** Section 37-19-1, Mississippi Code of 1972, is  
729 reenacted and amended as follows:

730           37-19-1. As used in this chapter:

731           (a) The term "minimum education program" shall mean the  
732 program of education made possible by the financing plan provided  
733 for in this chapter;



734           (b) The term "teacher" shall include any employee of a  
735 school board of a school district who is required by law to obtain  
736 a teacher's license from the State Board of Education and who is  
737 assigned to an instructional area of work as defined by the State  
738 Department of Education the equivalent of a minimum of three (3)  
739 normal periods per school day;

740           (c) The term "principal" shall mean the head of an  
741 attendance center or division thereof;

742           (d) The term "superintendent" shall mean the head of a  
743 school district;

744           (e) The term "teacher unit" means one (1) teacher unit  
745 for each twenty-four (24) pupils in average daily attendance in  
746 kindergarten and in Grades 1, 2, 3 and 4 and one (1) teacher unit  
747 for each twenty-seven (27) pupils in average daily attendance in  
748 all other grades;

749           (f) The term "cost of the minimum program" shall mean  
750 the calculated allowance as fixed by law or by regulations of the  
751 State Board of Education for teachers' salaries, administrative  
752 expense, transportation, the employer's part of the public  
753 employees' retirement and social security, and "supportive  
754 services" as defined elsewhere in this chapter;

755           (g) The term "school district" shall, for purposes of  
756 this chapter, be construed to include any type of school district  
757 in the State of Mississippi;

758           (h) "Minimum school term" shall mean a term of at least  
759 one hundred eighty (180) days of school in which both teachers and  
760 pupils are in regular attendance for scheduled classroom  
761 instruction for not less than sixty percent (60%) of the normal  
762 school day. It is the intent of the Legislature that any tax  
763 levies generated to produce additional local funds required by any  
764 school district to operate school terms in excess of one hundred  
765 seventy-five (175) days shall not be construed to constitute a new  
766 program for the purposes of exemption from the limitation on tax



767 revenues as allowed under Sections 27-39-321 and 37-57-107 for new  
768 programs mandated by the Legislature;

769 (i) The term "transportation density" shall mean the  
770 number of transported children in average daily attendance per  
771 square mile of area served in a county or a separate school  
772 district, as determined by the State Department of Education;

773 (j) The term "transported children" shall mean children  
774 being transported to school who live within legal limits for  
775 transportation and who are otherwise qualified for being  
776 transported to school at public expense as fixed by Mississippi  
777 state law;

778 (k) The term "year of teaching experience" shall mean  
779 nine (9) months of actual teaching in the public or private  
780 schools of this or some other state. In no case shall more than  
781 one (1) year of teaching experience be given for all services in  
782 one (1) calendar or school year. In determining a teacher's  
783 experience, no deduction shall be made because of the temporary  
784 absence of the teacher because of illness or other good cause, and  
785 the teacher shall be given credit therefor. The State Board of  
786 Education shall fix a number of days, not to exceed twenty-five  
787 (25) consecutive school days, during which a teacher may not be  
788 under contract of employment during any school year and still be  
789 considered to have been in full-time employment for a regular  
790 scholastic term. In determining the experience of school  
791 librarians, each complete year of continuous, full-time employment  
792 as a professional librarian in a public library in this or some  
793 other state shall be considered a year of teaching experience. If  
794 a full-time school administrator returns to actual teaching in the  
795 public schools, the term "year of teaching experience" shall  
796 include the period of time he or she served as a school  
797 administrator;

798 (l) The term "average daily attendance" shall be the  
799 figure which results when the total aggregate attendance during





800 the period or months counted is divided by the number of days  
801 during the period or months counted upon which both teachers and  
802 pupils are in regular attendance for scheduled classroom  
803 instruction;

804 (m) The term "local supplement" shall mean the amount  
805 paid to an individual teacher over and above the minimum  
806 foundation program salary schedule for regular teaching duties;

807 (n) The term "aggregate amount of support from ad  
808 valorem taxation" shall mean the amounts produced by the  
809 district's total tax levies for operations;

810 (o) The term "minimum program funds" shall mean all  
811 funds, both state and local, constituting the requirements for  
812 meeting the cost of the minimum program as provided for in this  
813 chapter.

814 This section shall stand repealed on June 30, 2003.

815 **SECTION 5.** Section 37-19-3, Mississippi Code of 1972, is  
816 reenacted and amended as follows:

817 37-19-3. The total cost of the minimum education program  
818 shall be the sum of the amounts provided for in Sections 37-19-5  
819 through 37-19-33.

820 This section shall stand repealed on June 30, 2003.

821 **SECTION 6.** Section 37-19-5, Mississippi Code of 1972, is  
822 reenacted and amended as follows:

823 37-19-5. (1) The total number of teachers included in the  
824 program for each school district shall not be in excess of the  
825 number of teachers employed or the number of teacher units  
826 allowed, whichever number is smaller. The number of teacher units  
827 shall be determined by the State Department of Education for each  
828 school district for the current year as follows: For Kindergarten  
829 and Grades 1, 2, 3 and 4, one (1) teacher unit shall be allotted  
830 for each twenty-four (24) pupils in average daily attendance for  
831 the prior school year or for months two and three of the current  
832 year, whichever is greater, and for all other grades, one (1)



833 teacher unit shall be allotted for each twenty-seven (27) pupils  
834 in average daily attendance for the prior school year or for  
835 months two and three of the current year, whichever is greater. A  
836 remaining major fraction of a unit shall be counted as a whole  
837 unit. It shall be the duty of the State Department of Education  
838 to determine that each school district actually has employed in  
839 Kindergarten and Grades 1, 2, 3 and 4, a number of teachers which  
840 shall not be fewer than the earned units calculated in accordance  
841 with this subsection and, to that end, the State Department of  
842 Education is empowered to make regulations not inconsistent with  
843 this chapter which are reasonably necessary to implement and  
844 assure its compliance. No teacher may be included in such number  
845 of teachers unless he spends not less than seventy-five percent  
846 (75%) of his working time in actual classroom instruction in  
847 Kindergarten and Grades 1, 2, 3 and 4, and the State Department of  
848 Education shall require the school district to certify, under oath  
849 of a person informed of such matters, and authorized by the school  
850 district governing authority to do so, that only such teachers  
851 have been so included in that number. If a school district  
852 employs more teachers than the teacher units allotted, the State  
853 Department of Education shall use the teachers of highest training  
854 and number of years experience in determining the allotment for  
855 salaries. It is the intent of the Legislature that the additional  
856 teachers provided herein for Kindergarten and Grades 1, 2, 3 and 4  
857 shall be utilized exclusively in Kindergarten and in those grades,  
858 and that such classes shall not exceed a maximum number of  
859 twenty-seven (27) students in enrollment at any time during the  
860 school term unless exempted under rules and regulations  
861 promulgated by the State Board of Education providing for  
862 hardship, emergency or other special situations. In addition, the  
863 total number of students that may be taught by an individual  
864 teacher in core subjects at any time during the school year shall  
865 not exceed one hundred fifty (150) unless exempted under the rules



866 and regulations promulgated by the State Board of Education. Any  
867 such exemption regarding the maximum number of students per class  
868 or per individual teacher shall be certified by the local board of  
869 education to the State Department of Education with each monthly  
870 average daily attendance report. In the event any school district  
871 meets Level 4 or 5 accreditation standards, the State Board of  
872 Education may, in its discretion, exempt such school district from  
873 the maximum pupil-teacher ratio in Grades 1, 2, 3 and 4 prescribed  
874 herein.

875 (2) One-half (1/2) of a teacher unit shall be added to the  
876 teacher unit allotment for each school district for each  
877 vocational teacher employed full time during the regular school  
878 term in a vocational education program approved by the State  
879 Department of Education. For each teacher employed in a  
880 vocational program less than full time, the additional one-half  
881 (1/2) teacher unit shall be prorated by the percentage of time  
882 spent in the vocational program. Minimum program funds will be  
883 allotted based on the type of certificate and number of years  
884 teaching experience held by each approved vocational teacher.

885 (3) One (1) additional teacher unit shall be added to the  
886 teacher unit allotment for each school district for each teacher  
887 employed in a State Department of Education approved program for  
888 exceptional children as defined in Section 37-23-3, except that  
889 only seventy percent (70%) of a teacher unit will be approved for  
890 the program for three- and four-year-old exceptional children.  
891 Exceptional children as defined in Section 37-23-3 who are under  
892 the age of three (3) years shall receive teacher units for each  
893 teacher employed in an approved program for those children.  
894 However, notwithstanding the calculation of teacher units as  
895 defined in subsection (1) above, exceptional children enrolled in  
896 a self-contained class, as defined by the State Department of  
897 Education, shall not be counted in average daily attendance when  
898 determining the regular teacher unit allocation. Minimum program



899 funds will be allotted based on the type of certificate and the  
900 number of years teaching experience held by each approved  
901 exceptional education teacher.

902 (4) In addition to the allowances provided above, for each  
903 handicapped child who is being educated by a public school  
904 district or is placed in accord with Section 37-23-77 and whose  
905 individualized educational program (IEP) requires an extended  
906 school year in accord with the State Department of Education  
907 criteria, a sufficient amount of minimum program funds shall be  
908 allocated for the purpose of providing the educational services  
909 the student requires. The State Board of Education shall  
910 promulgate such regulations as are required to insure the  
911 equitable distribution of these funds. All costs for the extended  
912 school year for a particular summer shall be reimbursed from  
913 minimum program funds appropriated for the fiscal year beginning  
914 July 1 of that summer. If sufficient funds are not made available  
915 to finance all of the required educational services, the State  
916 Department of Education shall expend available funds in such a  
917 manner that it does not limit the availability of appropriate  
918 education to handicapped students more severely than it does to  
919 nonhandicapped students.

920 (5) The State Department of Education is hereby authorized  
921 to match minimum program funds allocated for provision of services  
922 to handicapped children with Division of Medicaid funds to provide  
923 language-speech services, physical therapy and occupational  
924 therapy to handicapped students who meet State Department of  
925 Education or Division of Medicaid standards and who are Medicaid  
926 eligible. Provided further, that the State Department of  
927 Education is authorized to pay such minimum program funds as may  
928 be required as a match directly to the Division of Medicaid  
929 pursuant to an agreement to be developed between the State  
930 Department of Education and the Division of Medicaid.



931           (6) In the event of an inordinately large number of  
932 absentees in any school district as a result of epidemic, natural  
933 disaster, or any concerted activity discouraging school  
934 attendance, then in such event school attendance for the purposes  
935 of determining teacher units shall be based upon the average daily  
936 attendance for the three (3) preceding school years for such  
937 school district.

938           (7) In addition to the allotments provided above, a school  
939 district may provide a program of education and instruction to  
940 children ages five (5) years through twenty-one (21) years, who  
941 are resident citizens of the State of Mississippi, who cannot have  
942 their educational needs met in a regular public school program and  
943 who have not finished or graduated from high school, if those  
944 children are determined by competent medical authorities and  
945 psychologists to need placement in a state licensed facility for  
946 inpatient treatment, day treatment or residential treatment or a  
947 therapeutic group home. Such program shall operate under rules,  
948 regulations, policies and standards of school districts as  
949 determined by the State Board of Education. If a private school  
950 approved by the State Board of Education is operated as an  
951 integral part of the state licensed facility that provides for the  
952 treatment of such children, the private school within the facility  
953 may provide a program of education, instruction and training to  
954 such children by requesting the State Department of Education to  
955 allocate one (1) teacher unit or a portion of a teacher unit for  
956 each approved class. The facility shall be responsible for  
957 providing for any additional costs of the program.

958           Minimum program funds will be allotted based on the type of  
959 certificate and number of years' teaching experience held by each  
960 approved teacher. Such children shall not be counted in average  
961 daily attendance when determining the regular teacher unit  
962 allocation.

963           This section shall stand repealed on June 30, 2003.



964           **SECTION 7.** Section 37-19-9, Mississippi Code of 1972, is  
965 reenacted and amended as follows:

966           37-19-9. Any special license-nonrenewable issued in  
967 accordance with Section 37-3-2(6)(d) will be considered equivalent  
968 to a Class A certification and license for the purpose of the  
969 scale as set forth in Section 37-19-7, and for the purpose of the  
970 experience increases provided for in Section 37-19-7.

971           This section shall stand repealed on June 30, 2003.

972           **SECTION 8.** Section 37-19-11, Mississippi Code of 1972, is  
973 reenacted and amended as follows:

974           37-19-11. No school district shall pay any teacher on the  
975 minimum foundation program less than the state minimum salary  
976 provided for in Section 37-19-7. No school district shall receive  
977 any funds under the provisions of this chapter for any school year  
978 during which the aggregate amount of local supplement as defined  
979 in Section 37-19-1 shall have been reduced below such amount for  
980 the previous year; however, where there has been a reduction in  
981 the number of teacher units in such district in such year, where  
982 there has been a reduction in the amount of federal funds to such  
983 district below the previous year, or where there has been a  
984 reduction in ad valorem taxes to such school district for the  
985 1986-1987 school year below the amount for the previous year due  
986 to the exemption of nuclear generating plants from ad valorem  
987 taxation, pursuant to Section 27-35-309, the aggregate amount of  
988 local supplement in such district may be reduced proportionately  
989 without loss of funds under this chapter. No school district may  
990 receive any funds under the provisions of this chapter for any  
991 school year if the aggregate amount of support from ad valorem  
992 taxation shall be reduced during such school year below such  
993 amount for the previous year; however, where there is a loss in  
994 teacher units, or where there is or heretofore has been a decrease  
995 in the total assessed value of taxable property within a school  
996 district, the aggregate amount of such support may be reduced



997 proportionately. Nothing herein contained shall prohibit any  
998 school district from adopting or continuing a program or plan  
999 whereby teachers are paid varying salaries according to the  
1000 teaching ability, classroom performance and other similar  
1001 standards.

1002 This section shall stand repealed on June 30, 2003.

1003 **SECTION 9.** Section 37-19-15, Mississippi Code of 1972, is  
1004 reenacted and amended as follows:

1005 37-19-15. The minimum base pay for all classroom teachers as  
1006 fixed in this chapter may be increased by the district from any  
1007 funds available to it other than minimum program funds; and those  
1008 districts which have not prior to July 1, 1978, so increased said  
1009 base pay, shall increase the minimum base pay for classroom  
1010 teachers as fixed by this chapter and as authorized by any of the  
1011 provisions of or standards set forth in this chapter.

1012 This section shall stand repealed on June 30, 2003.

1013 **SECTION 10.** Section 37-19-17, Mississippi Code of 1972, is  
1014 reenacted and amended as follows:

1015 37-19-17. The total allowance made by the State Board of  
1016 Education in the minimum education program for teachers' salaries  
1017 for each type of certificate in any school district shall not be  
1018 in excess of the total amount determined by the scale for teachers  
1019 holding each type of certificate as provided in this chapter or  
1020 the amount actually paid to such teachers with such type of  
1021 certificates, whichever amount is smaller. However, the school  
1022 boards of all school districts may establish salary schedules  
1023 based on training, experience, and other such factors as may be  
1024 incorporated therein, including student progress and performance  
1025 as developed by the State Board of Education, paying teachers  
1026 greater amounts than the scale provided herein, but no teacher may  
1027 be paid less than the amount allotted for such teacher based upon  
1028 the scale of pay provided in this chapter, and all supplements  
1029 paid from local funds shall be based upon the salary schedules so



1030 established. The school boards may call upon the State Department  
1031 of Education for aid and assistance in formulating and  
1032 establishing such salary schedules, and it shall be the duty of  
1033 the State Department of Education, when so called upon, to render  
1034 such aid and assistance.

1035 The amount allotted for teachers' salaries by the State Board  
1036 of Education and the amount actually paid to each teacher shall be  
1037 based upon and determined by the type of certificate held by such  
1038 teacher.

1039 This section shall stand repealed on June 30, 2003.

1040 **SECTION 11.** Section 37-19-19, Mississippi Code of 1972, is  
1041 reenacted and amended as follows:

1042 37-19-19. Each county and separate school district shall be  
1043 allotted Seventy-five Dollars (\$75.00) per teacher unit for paying  
1044 or supplementing superintendents' and principals' salaries.

1045 This section shall stand repealed on June 30, 2003.

1046 **SECTION 12.** Section 37-19-20, Mississippi Code of 1972, is  
1047 amended as follows:

1048 37-19-20. Each school district in a geographical area of the  
1049 state in which there exists a critical shortage of teachers, as  
1050 designated by the State Board of Education, shall be allotted a  
1051 sufficient amount of funds for the salaries and fringe benefits of  
1052 each substitute teacher employed by the district for more than a  
1053 one-month period of time, to be referred to as a "long-term  
1054 substitute teacher." Funding for such long-term substitute  
1055 teachers shall be limited to minimum program funds that would  
1056 otherwise be available to the school district for licensed teacher  
1057 unit positions allotted under Section 37-19-5(1) which cannot be  
1058 utilized by the district. Funding for such long-term substitute  
1059 teachers shall be only for those individuals employed as long-term  
1060 substitute teachers who possess a bachelor's degree and shall be  
1061 based on the beginning salary scale for a teacher with a type A  
1062 license. The State Board of Education shall prescribe the





1063 documentation required from a school district on the necessity of  
1064 employing such long-term substitute teachers, and the State  
1065 Superintendent of Public Education must approve each long-term  
1066 substitute teacher employed by the district.

1067 This section shall stand repealed on June 30, 2003.

1068 **SECTION 13.** Section 37-19-21, Mississippi Code of 1972, is  
1069 reenacted and amended as follows:

1070 37-19-21. For fiscal year 2002, each school district shall  
1071 be allotted Five Thousand Ninety-seven Dollars (\$5,097.00) per  
1072 teacher unit for use in supportive services.

1073 This section shall be repealed on July 1, 2003.

1074 **SECTION 14.** Section 37-19-22, Mississippi Code of 1972, is  
1075 amended as follows:

1076 37-19-22. (1) In addition to other funds allowed under the  
1077 Minimum Education Program, each school district shall receive a  
1078 grant for the support of alternative school programs established  
1079 under Section 37-13-92, in accordance with the following:  
1080 Three-fourths of one percent (3/4 of 1%) of the school district's  
1081 average daily attendance or twelve (12) pupils, whichever is  
1082 greater, multiplied by the average expenditure of public monies  
1083 per pupil in the State of Mississippi, as determined by the State  
1084 Board of Education. The number of students generated by the above  
1085 formula shall not also be counted in determining the teacher unit  
1086 allotment but shall be counted in determining the average daily  
1087 attendance of the school districts in which those students are  
1088 enrolled.

1089 (2) An alternative school advisory board may be created  
1090 within each school district maintaining a freestanding alternative  
1091 school or two (2) or more adjacent school districts operating a  
1092 freestanding alternative school pursuant to a contract approved by  
1093 the State Board of Education. The advisory board shall meet no  
1094 less than two (2) times during each school year to study the  
1095 alternative school program and to make recommendations for



1096 improvements to the superintendent of the local school board or  
1097 boards, as the case may be, and the State Superintendent of  
1098 Education. The alternative school advisory board shall consist of  
1099 the following members: one (1) school administrator to be  
1100 appointed by each local school board of the school district or  
1101 districts operating the alternative school; one (1) school board  
1102 member and one (1) parent to be appointed by each superintendent  
1103 of the school district or districts operating the alternative  
1104 school; one (1) classroom teacher to be appointed by the classroom  
1105 teachers in each school district operating the alternative school;  
1106 one (1) individual to be appointed by the local youth court judge,  
1107 or if there is no such court the chancery court judge; and one (1)  
1108 law enforcement officer to be appointed by the local sheriff. The  
1109 initial members of the advisory board shall serve as follows:  
1110 One-third (1/3) of the members shall serve two (2) years;  
1111 one-third (1/3) of the members shall serve three (3) years; and  
1112 one-third (1/3) of the members shall serve four (4) years, to be  
1113 designated by the appointing authority at the time of appointment.  
1114 Thereafter, the term of each member shall be for a period of four  
1115 (4) years.

1116 An alternative school advisory board shall have no governing  
1117 authority over the alternative school program, and not in any  
1118 manner shall an advisory board's authority supersede the authority  
1119 of the school district or lead district in those alternative  
1120 school programs operated jointly by two (2) or more districts.

1121 This section shall stand repealed on June 30, 2003.

1122 **SECTION 15.** Section 37-19-23, Mississippi Code of 1972, is  
1123 reenacted and amended as follows:

1124 37-19-23. The amount to be included in the minimum education  
1125 program by the State Board of Education for transportation shall  
1126 be determined as follows:

1127 (1) The State Department of Education shall calculate the  
1128 cost of transportation in school districts by ascertaining the



1129 average cost per pupil in average daily attendance of transported  
1130 pupils in school districts classified in different density groups  
1131 as determined by the State Department of Education. Based on  
1132 these calculations, the State Department of Education shall  
1133 develop a scale for determining the allowable cost per pupil in  
1134 different density groups, which scale shall provide greatest  
1135 allowance per pupil transported in school districts with lowest  
1136 densities and smallest allowance per pupil in school districts  
1137 with highest densities. The total allowance in the minimum  
1138 education program for transported children for any school district  
1139 for the current year shall be the average daily attendance of the  
1140 transported children for the nine (9) months of the prior year,  
1141 multiplied by the allowance per transported pupil as provided  
1142 herein. However, the State Department of Education is hereby  
1143 authorized and empowered to make proper adjustments in allotments,  
1144 under rules and regulations of the State Board of Education, in  
1145 cases where major changes in the number of children in average  
1146 daily attendance transported occur from one year to another as a  
1147 result of changes or alterations in the boundaries of school  
1148 districts, a change in or relocation of attendance centers, or for  
1149 other reasons which would result in major decrease or increase in  
1150 the number of children in average daily attendance transported  
1151 during the current school year as compared with the preceding  
1152 year. Moreover, the State Board of Education is hereby authorized  
1153 and empowered to make such payments to all districts and/or  
1154 university-based programs as deemed necessary in connection with  
1155 transporting exceptional children as defined in Section 37-23-3.  
1156 The State Board of Education shall establish and implement all  
1157 necessary rules and regulations to allot transportation payments  
1158 to university-based programs. In developing density  
1159 classifications under the provisions hereof, the State Department  
1160 of Education may give consideration to the length of the route,  
1161 the sparsity of the population, the lack of adequate roads,



1162 highways and bridges, and the presence of large streams or other  
1163 geographic obstacles. In addition to funds allotted under the  
1164 above provisions, funds shall be allotted to each school district  
1165 that transports students from their assigned school or attendance  
1166 center to classes in an approved vocational-technical center at a  
1167 rate per mile not to exceed the average statewide cost per mile of  
1168 school bus transportation during the preceding year exclusive of  
1169 bus replacement. All such transportation must have prior approval  
1170 by the State Department of Education.

1171 (2) The average daily attendance of transported children  
1172 shall be reported by the school district in which such children  
1173 attend school. If children living in a school district are  
1174 transported at the expense of such school district to another  
1175 school district, the average daily attendance of such transported  
1176 children shall be deducted by the State Department of Education  
1177 from the aggregate average daily attendance of transported  
1178 children in the school district in which they attend school and  
1179 shall be added to the aggregated average daily attendance of  
1180 transported children of the school district from which they come  
1181 for the purpose of calculating transportation allotments.  
1182 However, such deduction shall not be made for the purpose of  
1183 calculating teacher units.

1184 (3) The State Department of Education shall include in the  
1185 allowance for transportation for each school district an amount  
1186 for the replacement of school buses or the purchase of new buses,  
1187 which amount shall be calculated upon the estimated useful life of  
1188 all school buses being used for the transportation of children in  
1189 such school district, whether such buses be publicly or privately  
1190 owned.

1191 (4) The school boards of all districts operating school bus  
1192 transportation are authorized and directed to establish a salary  
1193 schedule for school bus drivers. No school district shall be  
1194 entitled to receive the funds herein allotted for transportation



1195 unless it pays each of its nonstudent adult school bus drivers  
1196 paid from such transportation allotments a minimum of One Hundred  
1197 Ninety Dollars (\$190.00) per month. In addition, local school  
1198 boards may compensate school bus drivers for actual expenses  
1199 incurred when acquiring an initial commercial license or any  
1200 renewal of a commercial license to drive a school bus.

1201 (5) The State Board of Education shall be authorized and  
1202 empowered to use such part of the funds appropriated for  
1203 transportation in the minimum education fund as may be necessary  
1204 to finance driver training courses as provided for in Section  
1205 37-41-1.

1206 This section shall stand repealed on June 30, 2003.

1207 **SECTION 16.** Section 37-19-25, Mississippi Code of 1972, is  
1208 reenacted and amended as follows:

1209 37-19-25. School districts embracing territory in more than  
1210 one (1) county shall be administered in the county where the  
1211 buildings are located insofar as the minimum education program is  
1212 concerned, and the cost of the education program for a line school  
1213 shall be included in the total for the county in which the school  
1214 buildings are located, except that the children attending such  
1215 school and residing in another county shall be counted for  
1216 transportation allotment purposes in the county which furnishes or  
1217 provides the transportation.

1218 This section shall stand repealed on June 30, 2003.

1219 **SECTION 17.** Section 37-19-27, Mississippi Code of 1972, is  
1220 reenacted and amended as follows:

1221 37-19-27. (1) Legally transferred students going from one  
1222 school district to another shall be counted for teacher allotment  
1223 and allotments for supportive services by the school district  
1224 wherein the pupils attend school, including cost allotments  
1225 prescribed in Sections 37-19-19 and 37-19-31 for school district  
1226 administrative and clerical salaries and other expenses, but shall  
1227 be counted for transportation allotment purposes in the school



1228 district which furnishes or provides the transportation. The  
1229 school boards of the school districts which approve the transfer  
1230 of a student under the provisions of Section 37-15-31 shall enter  
1231 into an agreement and contract for the payment or nonpayment of  
1232 any portion of their local maintenance funds which they deem fair  
1233 and equitable in support of any transferred student. Except as  
1234 provided in subsection (2) of this section, local maintenance  
1235 funds shall be transferred only to the extent specified in the  
1236 agreement and contract entered into by the affected school  
1237 districts. The terms of any local maintenance fund payment  
1238 transfer contract shall be spread upon the minutes of both of the  
1239 affected school district school boards. The school district  
1240 accepting any transfer students shall be authorized to accept  
1241 tuition from such students under the provisions of Section  
1242 37-15-31(1) and such agreement may remain in effect for any length  
1243 of time designated in the contract. The terms of such student  
1244 transfer contracts and the amounts of any tuition charged any  
1245 transfer student shall be spread upon the minutes of both of the  
1246 affected school boards. No school district accepting any transfer  
1247 students under the provisions of Section 37-15-31(2), which  
1248 provides for the transfer of certain school district employee  
1249 dependents, shall be authorized to charge such transfer students  
1250 any tuition fees.

1251 (2) Local maintenance funds shall be paid by the home school  
1252 district to the transferee school district for students granted  
1253 transfers under the provisions of Sections 37-15-29(3) and  
1254 37-15-31(3), Mississippi Code of 1972, not to exceed the  
1255 "individual student entitlement" as defined in Section  
1256 37-22-1(2)(d), Mississippi Code of 1972, multiplied by the number  
1257 of such legally transferred students.

1258 This section shall stand repealed on June 30, 2003.

1259 **SECTION 18.** Section 37-19-29, Mississippi Code of 1972, is  
1260 reenacted and amended as follows:



1261           37-19-29. Notwithstanding any provision of this chapter or  
1262 any other law requiring the number of children in average daily  
1263 attendance or the average daily attendance of transported children  
1264 to be determined on the basis of the preceding year, the State  
1265 Board of Education is hereby authorized and empowered to make  
1266 proper adjustments in allotments in cases where major changes in  
1267 the number of children in average daily attendance or the average  
1268 daily attendance of transported children occurs from one (1) year  
1269 to another as a result of changes or alterations in the boundaries  
1270 of school districts, the sending of children from one (1) county  
1271 or district to another upon a contract basis, the termination or  
1272 discontinuance of a contract for the sending of children from one  
1273 (1) county or district to another, a change in or relocation of  
1274 attendance centers, or for any other reason which would result in  
1275 a major decrease or increase in the number of children in average  
1276 daily attendance or the average daily attendance of transported  
1277 children during the current school year as compared with the  
1278 preceding year.

1279           This section shall stand repealed on June 30, 2003.

1280           **SECTION 19.** Section 37-19-31, Mississippi Code of 1972, is  
1281 reenacted and amended as follows:

1282           37-19-31. The State Department of Education shall include in  
1283 the minimum education program for each school system annually the  
1284 sum of Fifteen Thousand Dollars (\$15,000.00) and an additional  
1285 amount of Fifty Dollars (\$50.00) for each teacher unit in excess  
1286 of fifty (50) teacher units as defined and determined in this  
1287 chapter. However, no school district shall be allotted more than  
1288 Twenty-five Thousand Dollars (\$25,000.00).

1289           This section shall stand repealed on June 30, 2003.

1290           **SECTION 20.** Section 37-19-33, Mississippi Code of 1972, is  
1291 reenacted and amended as follows:

1292           37-19-33. In addition to the allowances provided in Sections  
1293 37-19-5 through 37-19-31, the State Department of Education may



1294 allot to each school district an amount to cover and pay the  
1295 employer's part of the public employees' retirement and social  
1296 security. The allowance under this section shall be based upon  
1297 the current rate applied to each funding element except for  
1298 transportation which shall be the amount appropriated for  
1299 salaries. In the event a rate changes during the fiscal year, the  
1300 State Department of Education shall apportion the allowance under  
1301 this section by the number of days of the regular school term  
1302 occurring in each rate period.

1303 This section shall stand repealed on June 30, 2003.

1304 **SECTION 21.** Section 37-19-34, Mississippi Code of 1972, is  
1305 amended as follows:

1306 37-19-34. The State Board of Education shall allot to each  
1307 school district such funds appropriated to pay one hundred percent  
1308 (100%) of the cost of the State and School Employees' Life and  
1309 Health Insurance Plan created under Article 7, Chapter 15, Title  
1310 25, Mississippi Code of 1972, for all district employees who work  
1311 no less than twenty (20) hours during each week and regular  
1312 nonstudent school bus drivers employed by the district.

1313 Where the use of federal funding is allowable to defray, in  
1314 full or in part, the cost of participation in the insurance plan  
1315 by district employees who work no less than twenty (20) hours  
1316 during each week and regular nonstudent school bus drivers, whose  
1317 salaries are paid, in full or in part, by federal funds, the  
1318 allowance under this section shall be reduced to the extent of the  
1319 federal funding. Where the use of federal funds is allowable but  
1320 not available, it is the intent of the Legislature that school  
1321 districts contribute the cost of participation for such employees  
1322 from local funds, except that parent fees for child nutrition  
1323 programs shall not be increased to cover such cost.

1324 The State Department of Education, in accordance with rules  
1325 and regulations established by the State Board of Education, may  
1326 withhold a school district's minimum program funds for failure of





1327 the district to timely report student, fiscal and personnel data  
1328 necessary to meet state and/or federal requirements. The rules  
1329 and regulations promulgated by the State Board of Education shall  
1330 require the withholding of minimum program funds for those  
1331 districts that fail to remit premiums, interest penalties and/or  
1332 late charges under the State and School Employees' Life and Health  
1333 Insurance Plan. Noncompliance with such rules and regulations  
1334 shall result in a violation of compulsory accreditation standards  
1335 as established by the State Board of Education and Commission on  
1336 School Accreditation.

1337 This section shall stand repealed on June 30, 2003.

1338 **SECTION 22.** Section 37-19-35, Mississippi Code of 1972, is  
1339 reenacted and amended as follows:

1340 37-19-35. The minimum local ad valorem tax effort required  
1341 of each school district in proportion to its relative taxpaying  
1342 ability shall be determined as follows:

1343 (a) The total minimum local ad valorem tax effort  
1344 required of all school districts in the state shall be as follows:  
1345 Sixteen Million Five Hundred Thousand Dollars (\$16,500,000.00) for  
1346 fiscal year 1987, Seventeen Million Dollars (\$17,000,000.00) for  
1347 fiscal year 1988, Seventeen Million Seven Hundred Fifty Thousand  
1348 Dollars (\$17,750,000.00) for fiscal year 1989, Eighteen Million  
1349 Five Hundred Thousand Dollars (\$18,500,000.00) for fiscal year  
1350 1990, Nineteen Million Two Hundred Fifty Thousand Dollars  
1351 (\$19,250,000.00) for fiscal year 1991, Twenty Million Dollars  
1352 (\$20,000,000.00) for fiscal year 1992, Twenty-one Million Dollars  
1353 (\$21,000,000.00) for fiscal year 1993, Twenty-two Million Dollars  
1354 (\$22,000,000.00) for fiscal year 1994, Twenty-three Million  
1355 Dollars (\$23,000,000.00) for fiscal year 1995, Twenty-four Million  
1356 Dollars (\$24,000,000.00) for fiscal year 1996 and each fiscal year  
1357 thereafter.

1358 (b) The State Department of Education shall determine  
1359 for each county its percent of the total taxpaying ability of the



1360 state by the following economic index of taxpaying ability: (1)  
1361 multiply .242152 times the county's percent of the assessed  
1362 valuation of public utilities in the state; (2) multiply .282970  
1363 times the county's percent of the retail sales tax paid in the  
1364 state; (3) multiply .044144 times the county's percent of the  
1365 state total of motor vehicle license receipts as sold by the tax  
1366 collectors of the various counties of the state; (4) multiply  
1367 .065110 times the county's percent of the total value of farm  
1368 products in the state; (5) multiply .142688 times the average of  
1369 the county's percent of the state total personal income taxes paid  
1370 in the state; (6) multiply .222936 times the county's percent of  
1371 the state total of gainfully employed nonfarm, nongovernment  
1372 workers. The sum of the products obtained in items (1) through  
1373 (6), inclusive, shall be the index of the relative taxpaying  
1374 ability of each county, including the separate school districts  
1375 therein, expressed in percent of the total taxpaying ability of  
1376 the state. The index for each county shall be recalculated every  
1377 two (2) years and the data for the economic factors included in  
1378 the index shall be the latest and most reliable official sources  
1379 as determined by the State Department of Education.

1380 (c) The annual minimum required local ad valorem tax  
1381 effort in dollars for each county shall be its percent of the  
1382 taxpaying ability of the state as determined in subsection (b) of  
1383 this section multiplied by the total statewide required local ad  
1384 valorem tax effort as determined in the manner provided in  
1385 subsection (a) of this section.

1386 (d) The minimum local ad valorem tax effort in dollars  
1387 for each school district within a county for each year shall be  
1388 that district's percent of the total assessed valuation of the  
1389 county for the previous year multiplied by the total minimum ad  
1390 valorem tax effort required of that county as provided in  
1391 subsection (c) of this section. In making this calculation the  
1392 countywide assessment shall be used.



1393 (e) If the school board of any school district shall  
1394 determine that it is not economically feasible or practicable to  
1395 operate any school within the district for the full one hundred  
1396 eighty (180) days required for a school term of nine (9) months as  
1397 contemplated, due to an enemy attack, a manmade, technological or  
1398 natural disaster in which the Governor has declared a disaster  
1399 emergency under the laws of this state or the President of the  
1400 United States has declared an emergency or major disaster to exist  
1401 in this state, that said school board may notify the State  
1402 Department of Education of such disaster and submit a plan for  
1403 altering the school term. If the State Board of Education finds  
1404 such disaster to be the cause of the school's not being able to  
1405 operate for the contemplated school term and that such school was  
1406 in a county covered by the Governor's or President's disaster  
1407 declaration, it may permit said school board to operate the  
1408 schools in its district for \* \* \* less than one hundred eighty  
1409 (180) days, and, in such case, the State Department of Education  
1410 shall not reduce the allotment mentioned hereinabove, because of  
1411 the failure to operate said schools for one hundred eighty (180)  
1412 days.

1413 The State Board of Education shall not approve any such plan  
1414 which does not comply with standards, if any, provided by the  
1415 State of Mississippi or the State Department of Education to meet  
1416 any of the above enumerated disasters. Nothing in this section  
1417 shall be construed to alter the responsibility of each school  
1418 board of each school district to make every reasonable effort to  
1419 operate the schools of their district for the full school term of  
1420 one hundred eighty (180) days.

1421 This section shall stand repealed on June 30, 2003.

1422 **SECTION 23.** Section 37-19-37, Mississippi Code of 1972, is  
1423 reenacted and amended as follows:

1424 37-19-37. (1) Except as otherwise provided in subsection  
1425 (4) of this section, the total state funds needed annually by each



1426 county, excluding the separate school districts therein, for the  
1427 support of the minimum education program shall be the cost of the  
1428 minimum education program for that county as determined in Section  
1429 37-19-3, less the minimum local ad valorem tax effort required of  
1430 that county, as provided in Section 37-19-35, and less one-half  
1431 (1/2) of all refunds of severance taxes made by the state to the  
1432 county for the preceding year; provided, however, in the event  
1433 that, during any county fiscal year, one-half (1/2) of all  
1434 severance taxes returned or to be returned to such county from the  
1435 State Tax Commission will be less than one-half (1/2) of all  
1436 severance taxes returned to such county during the preceding  
1437 fiscal year, the state funds for the support of the minimum  
1438 education program shall be increased in the amount of such  
1439 deficit. The foregoing provisions shall be fully applicable to  
1440 the distribution of minimum education program funds to a district  
1441 designated as a municipal separate or special municipal separate  
1442 school district prior to July 1, 1986, which embraces an entire  
1443 county, subject to the provisions of subsection (4) of this  
1444 section. In any county wherein there is located a nuclear  
1445 generating power plant on which a tax is assessed under subsection  
1446 (3) of Section 27-35-309, the minimum local ad valorem tax effort  
1447 required of the county for school year 1986-1987 and school year  
1448 1987-1988 shall not be more than Two Hundred Thousand Dollars  
1449 (\$200,000.00) per school year. In no case shall the total state  
1450 funds provided in any year for the support of the minimum  
1451 education program in any county be less than forty percent (40%)  
1452 of the cost of the minimum education program for that county as  
1453 determined by Section 37-19-3, and in the event the workings of  
1454 this proviso should result in a lesser local contribution for the  
1455 support of the minimum education program of the county than is  
1456 otherwise required by this section, then the local funds otherwise  
1457 required for the support of said minimum education program shall



1458 be reduced or eliminated in the following order of priority: (a)  
1459 severance taxes; (b) the minimum local ad valorem tax effort.

1460 (2) Except as otherwise provided in subsection (4) of this  
1461 section, the total state funds needed annually by each separate  
1462 school district for the support of the minimum education program  
1463 in that district shall be the cost of the minimum education  
1464 program for that district, as determined in Section 37-19-3, less  
1465 the minimum local ad valorem tax effort required of that district,  
1466 as provided in Section 37-19-35, and less one-half (1/2) of all  
1467 refunds of severance taxes made by the state to the municipality  
1468 for the preceding year; provided, however, in the event that,  
1469 during any municipal fiscal year, one-half (1/2) of all severance  
1470 taxes returned or to be returned to such municipality from the  
1471 State Tax Commission will be less than one-half (1/2) of all  
1472 severance taxes returned to such municipality during the preceding  
1473 fiscal year, the state funds for the support of the minimum  
1474 education program shall be increased in the amount of such  
1475 deficit.

1476 (3) The total state funds needed for the support of the  
1477 minimum education program annually shall be the total of the  
1478 amounts needed by all the counties and separate school districts  
1479 in the state as provided in subsections (1) and (2) of this  
1480 section.

1481 (4) For any school district the following percentage  
1482 reduction shall be substituted for the use of the ratio of  
1483 one-half (1/2) as provided in subsection (1) hereinabove:

1484	Fiscal Year	Percentage to be Applied
1485	1995-1996	45%
1486	1996-1997	40%
1487	1997-1998	35%
1488	1998-1999	30%
1489	1999-2000	25%
1490	2000-2001	20%



1491	2001-2002	15%
1492	2002-2003	10%
1493	2003-2004	5%
1494	2004-2005 and each fiscal	
1495	year thereafter	0%

1496 This subsection (4) shall take effect from and after July 1,  
1497 1995.

1498 This section shall stand repealed on June 30, 2003.

1499 **SECTION 24.** Section 37-19-39, Mississippi Code of 1972, is  
1500 reenacted and amended as follows:

1501 37-19-39. The total state funds available annually for the  
1502 support of the minimum education program shall consist of the  
1503 State Common School Fund and the Minimum Education Program Fund,  
1504 which funds are hereby established and which shall be apportioned  
1505 and distributed in the manner hereinafter set forth:

1506 (a) The state common school allotment shall be  
1507 apportioned annually to each school district proportionately on  
1508 the basis of the number of educable children.

1509 (b) The minimum education program allotment shall be  
1510 allotted annually to each school district in the manner provided  
1511 by this chapter. This allotment shall be such an amount which,  
1512 together with the common school allotment provided in subsection  
1513 (a) above of this section, shall equal the state's part of the  
1514 cost of the minimum education program as determined in the manner  
1515 specified in subsection (3) of Section 37-19-37. The total amount  
1516 annually to which each school district is entitled from the  
1517 minimum education program allotment shall be determined by  
1518 subtracting from the cost of the minimum program in such school  
1519 district as provided in Section 37-19-3, the following: the  
1520 minimum local ad valorem tax effort as required by Section  
1521 37-19-35, the amount of the common school fund received for the  
1522 current year, and the applicable amount or percentage established



1523 in Section 37-19-37 of the refund of severance taxes made by the  
1524 state to the counties and municipalities for the preceding year.

1525 If in any year the Legislature or the Governor acting through  
1526 the Department of Finance and Administration provides less funds  
1527 than the total state funds needed for the support of the minimum  
1528 education program, as determined in Section 37-19-37, the minimum  
1529 program payment as provided in Section 37-19-47 shall be reduced  
1530 in the proportion which the funds actually made available bear to  
1531 the funds needed for the full support of the minimum education  
1532 program. If in any year the Legislature provides more funds than  
1533 the total state funds needed for the full support of the minimum  
1534 education program, as determined by Section 37-19-37, the excess  
1535 of such state funds above the amount needed for the full support  
1536 of the minimum education program for the then current year shall  
1537 be carried forward as a balance for use by the State Department of  
1538 Education for the following school year, and any or all of such  
1539 balances may be used by the State Department of Education, if  
1540 needed, for the full support of the minimum education program for  
1541 such following year.

1542 This section shall stand repealed on June 30, 2003.

1543 **SECTION 25.** Section 37-19-41, Mississippi Code of 1972, is  
1544 reenacted and amended as follows:

1545 37-19-41. Not later than April 15 of each year, the State  
1546 Department of Education shall prepare an information report which  
1547 shall contain, in addition to such other and further information  
1548 as may be required by the State Board of Education, the following  
1549 information:

1550 (a) The average daily attendance in the schools of the  
1551 school district during the then current scholastic year, or if  
1552 such information be not then available, the average daily  
1553 attendance for the first six (6) months of school;

1554 (b) The average daily attendance of pupils transported  
1555 at public expense, as authorized by law, to the schools of the



1556 school district during the then current scholastic year, which  
1557 information may also, if necessary, be based on the first six (6)  
1558 months of school;

1559 (c) The estimated number of minimum program teachers to  
1560 be employed in the school district during the next succeeding  
1561 scholastic year which shall be grouped separately by types of  
1562 certificates held and number of years of teacher experience  
1563 possessed;

1564 (d) The estimated administrative expense of the school  
1565 district system for the succeeding scholastic year broken down  
1566 into and classified by major items of expenditure as prescribed by  
1567 the State Board of Education;

1568 (e) Until July 1, 2005, the estimated amount of refunds  
1569 of severance taxes received or to be received during the then  
1570 current fiscal year and required to be paid into the Minimum  
1571 Education Program Fund of the school district for the succeeding  
1572 scholastic year under the provisions of this chapter and other  
1573 applicable statutes, the amount for each source of revenue to be  
1574 stated separately; and

1575 (f) The total assessed valuation of the county,  
1576 including all school districts therein, for the then current  
1577 fiscal year, based upon the county assessment roll, and the  
1578 assessed valuation of each individual school district in the  
1579 county for the then current fiscal year based upon the county tax  
1580 assessor's assessment roll.

1581 In addition to the information specified herein, the State  
1582 Board of Education shall have full and plenary authority and power  
1583 to require the furnishing of such further, additional and  
1584 supplementary information as it may deem necessary for the purpose  
1585 of determining the cost of the minimum education program in such  
1586 school district for the succeeding fiscal year, the amount of the  
1587 minimum education program funds to be allotted to each school  
1588 district for the succeeding fiscal year, and for any other purpose





1589 authorized by law or deemed necessary by said State Board of  
1590 Education.

1591 It shall be the duty of the State Department of Education to  
1592 prescribe the forms for the reports provided for in this section.

1593 This section shall stand repealed on June 30, 2003.

1594 **SECTION 26.** Section 37-19-43, Mississippi Code of 1972, is  
1595 reenacted and amended as follows:

1596 37-19-43. Based upon the information obtained pursuant to  
1597 Section 37-19-41 and upon such other and further information as  
1598 provided by law, the State Department of Education shall, on or  
1599 before June 1 of each year, or as soon thereafter as is practical,  
1600 furnish each school board the preliminary estimate of the amount  
1601 each will receive from the Common School Fund and the Minimum  
1602 Education Program Fund for the succeeding scholastic year, and at  
1603 the same time shall furnish each such school board with a  
1604 tentative estimate of the cost of the minimum education program in  
1605 the school district for such succeeding fiscal year.

1606 A final estimate of the amounts each will receive from the  
1607 common school fund and the minimum education program fund shall be  
1608 furnished on or before January 15 for that year.

1609 This section shall stand repealed on June 30, 2003.

1610 **SECTION 27.** Section 37-19-45, Mississippi Code of 1972, is  
1611 reenacted and amended as follows:

1612 37-19-45. It shall be the duty of the State Department of  
1613 Education to file with the State Treasurer and the State Fiscal  
1614 Management Board such data and information as may be required to  
1615 enable the said State Treasurer and State Fiscal Management Board  
1616 to distribute the common school funds and minimum education  
1617 program funds by electronic funds transfer to the several school  
1618 districts at the time required and provided under the provisions  
1619 of this chapter. Such data and information so filed shall show in  
1620 detail the amount of funds to which each school district is  
1621 entitled from such common school fund and minimum education



1622 program fund. Such data and information so filed may be revised  
1623 from time to time as necessitated by law. At the time provided by  
1624 law, the State Treasurer and the State Fiscal Management Board  
1625 shall distribute to the several school districts the amounts to  
1626 which they are entitled from the common school fund and the  
1627 minimum education program fund as provided by this chapter. Such  
1628 distribution shall be made by electronic funds transfer to the  
1629 depositories of the several school districts designated in writing  
1630 to the State Treasurer based upon the data and information  
1631 supplied by the State Department of Education for such  
1632 distribution. In such instances, the State Treasurer shall submit  
1633 a request for an electronic funds transfer to the State Fiscal  
1634 Management Board, which shall set forth the purpose, amount and  
1635 payees, and shall be in such form as may be approved by the State  
1636 Fiscal Management Board so as to provide the necessary information  
1637 as would be required for a requisition and issuance of a warrant.  
1638 A copy of the record of said electronic funds transfers shall be  
1639 transmitted by the school district depositories to the Treasurer,  
1640 who shall file duplicates with the State Fiscal Management Board.  
1641 The Treasurer and State Fiscal Management Board shall jointly  
1642 promulgate regulations for the utilization of electronic funds  
1643 transfers to school districts.

1644 This section shall stand repealed on June 30, 2003.

1645 **SECTION 28.** Section 37-19-47, Mississippi Code of 1972, is  
1646 reenacted and amended as follows:

1647 37-19-47. Funds due each school district under the terms of  
1648 this chapter from the Common School Fund and the Minimum Education  
1649 Program Fund shall be paid in the following manner: On the  
1650 twenty-fifth day of each month, or the next business date after  
1651 that date, there shall be paid to each school district by  
1652 electronic funds transfer one-twelfth (1/12) of the funds to which  
1653 the district is entitled from funds appropriated for the Common  
1654 School Fund and the Minimum Education Program Fund. Provided,



1655 however, that in December said payments shall be made on December  
1656 15th or the next business day after that date.

1657         Provided, however, that if the cash balance in the State  
1658 General Fund is not adequate on the due date to pay the amounts  
1659 due to all school districts in the state as determined by the  
1660 State Superintendent of Education, the State Fiscal Management  
1661 Board shall not transfer said funds payable to any school district  
1662 or districts until money is available to pay the amount due to all  
1663 districts.

1664         This section shall stand repealed on June 30, 2003.

1665         **SECTION 29.** Section 37-19-49, Mississippi Code of 1972, is  
1666 reenacted and amended as follows:

1667         37-19-49. The number of teachers, excluding nonteaching  
1668 superintendents and principals, who may be employed in each school  
1669 district and school therein shall not be less than the number of  
1670 teacher units in that school as determined by subsection (1) of  
1671 Section 37-19-5. Vocational teachers, exceptional education  
1672 teachers and teachers whose salaries are paid from federal funds  
1673 shall not be counted in determining the number of teachers to be  
1674 employed under this section. For the purpose of determining the  
1675 number of teachers to be employed, a remaining fraction of a  
1676 teacher unit may be counted as a whole in any school district or  
1677 school therein, in the discretion of the superintendent of  
1678 schools.

1679         This section shall stand repealed on June 30, 2003.

1680         **SECTION 30.** Section 37-19-51, Mississippi Code of 1972, is  
1681 reenacted and amended as follows:

1682         37-19-51. The State Board of Education shall have the  
1683 authority to make such regulations not inconsistent with law which  
1684 it deems necessary for the administration of this chapter. The  
1685 State Board of Education, if it deems such practice necessary, may  
1686 use reports of the first six (6) months of school for the purpose



1687 of determining average daily attendance and the number of pupils  
1688 transported for that year.

1689 This section shall stand repealed on June 30, 2003.

1690 **SECTION 31.** Section 37-19-53, Mississippi Code of 1972, is  
1691 reenacted and amended as follows:

1692 37-19-53. Any county superintendent of education, member of  
1693 the county board of education, member of the board of trustees of  
1694 any school district, superintendent, principal, teacher, carrier,  
1695 bus driver, or member or employee of the State Department of  
1696 Education or State Board of Education, or any other person, who  
1697 shall willfully violate any of the provisions of this chapter, or  
1698 who shall willfully make any false report, list or record, or who  
1699 shall willfully make use of any false report, list or record,  
1700 concerning the number of school children in average daily  
1701 attendance or the number of children being transported or entitled  
1702 to be transported in any county or school district, shall be  
1703 guilty of a misdemeanor and upon conviction shall be punished by  
1704 imprisonment in the county jail for a period not to exceed sixty  
1705 (60) days or by a fine of not less than One Hundred Dollars  
1706 (\$100.00), nor more than Three Hundred Dollars (\$300.00), or by  
1707 both such fine and imprisonment, in the discretion of the court.  
1708 In addition, any such person shall be civilly liable for all  
1709 amounts of public funds which are illegally, unlawfully or  
1710 wrongfully expended or paid out by virtue of or pursuant to such  
1711 false report, list or record, and upon conviction or adjudication  
1712 of civil liability hereunder, such person shall forfeit his  
1713 license to teach for a period of three (3) years, if such person  
1714 is the holder of such a license. Any suit to recover such funds  
1715 illegally, unlawfully, or wrongfully expended or paid out may be  
1716 brought in the name of the State of Mississippi by the Attorney  
1717 General or the proper district attorney or county attorney, and,  
1718 in the event such suit be brought against a person who is under  
1719 bond, the sureties upon such bond shall likewise be liable for



1720 such amount illegally, unlawfully, or wrongfully expended or paid  
1721 out.

1722 This section shall stand repealed on June 30, 2003.

1723 **SECTION 32.** Section 37-22-1, Mississippi Code of 1972, is  
1724 reenacted and amended as follows:

1725 37-22-1. (1) There is hereby established a Mississippi  
1726 School District Uniform Millage Assistance Grant Program. It is  
1727 the intent of the Legislature that through this grant program,  
1728 each student counted in average daily attendance in the public  
1729 schools in Mississippi shall have equal access to funds generated  
1730 by a uniform minimum school district ad valorem tax levy.

1731 (2) For the purposes of this section the following terms  
1732 shall have the following meanings unless context shall provide  
1733 otherwise:

1734 (a) "Average daily attendance" means the average daily  
1735 attendance as calculated under the provisions of Section  
1736 37-19-1(1) for months one (1) through nine (9) for each school  
1737 district and agricultural high school during the preceding fiscal  
1738 year.

1739 (b) "Uniform minimum school district ad valorem tax  
1740 levy" means that amount of millage which the State Board of  
1741 Education shall annually certify to the board of trustees of all  
1742 school districts as the "uniform minimum school district ad  
1743 valorem tax levy," on August 15 of each year. Until June 30,  
1744 1993, the State Board of Education shall determine the amount of  
1745 the uniform minimum school district ad valorem tax levy by  
1746 computing the statewide combined average millage levy for school  
1747 district maintenance purposes as prescribed in Section 37-57-105  
1748 and minimum program contributions as prescribed in Section 37-57-1  
1749 for the preceding fiscal year, then subtracting four (4) mills  
1750 from such statewide average millage levy. From and after July 1,  
1751 1993, the uniform minimum school district ad valorem tax levy  
1752 shall be the amount of millage so certified by the State Board of



1753 Education for the 1993 fiscal year. Beginning with the 1993  
1754 fiscal year, the State Board of Education shall determine and  
1755 certify an equivalent uniform minimum school district ad valorem  
1756 tax levy for agricultural high school support and maintenance.

1757 (c) "Maximum yield at the uniform minimum school  
1758 district ad valorem tax levy" shall mean ad valorem tax dollars  
1759 collectible in each school district if the district levies such  
1760 required number of mills for the support of the school district as  
1761 certified by the State Board of Education. It is calculated by  
1762 (i) subtracting the assessed value of exempt property owned by  
1763 homeowners aged sixty-five (65) or older or disabled as defined in  
1764 Section 27-33-67(2), Mississippi Code of 1972, from the district's  
1765 gross assessed value to arrive at the district's taxable assessed  
1766 value; (ii) applying the required millage levy to the taxable  
1767 assessed value to arrive at the base revenue; (iii) subtracting  
1768 the district's tax loss from exemptions provided to applicants  
1769 under the age of sixty-five (65) and not disabled as defined in  
1770 Section 27-33-67(1) to arrive at the maximum collectible; and (iv)  
1771 adding the district's homestead reimbursement revenue to arrive at  
1772 the district's maximum yield at the uniform minimum school  
1773 district ad valorem tax levy. The clerk of the board of  
1774 supervisors shall list in his report of tax losses for homestead  
1775 exemption as defined in Section 27-33-35, Mississippi Code of  
1776 1972, the total assessed value in each school district. The  
1777 homestead exemption tax losses used in this formula shall be  
1778 losses for exemptions granted from taxes due and payable in the  
1779 preceding year. Reimbursements used in this formula shall be  
1780 amounts reimbursed to the school districts for said losses.

1781 (d) "Individual student entitlement" means that amount  
1782 of funds which results from dividing the aggregate amount of funds  
1783 which would be generated by the levy of the uniform minimum school  
1784 district ad valorem tax by the aggregate average daily attendance



1785 in all school districts and agricultural high schools located  
1786 within the state.

1787 (e) "District entitlement" means the total amount of  
1788 funds which a school district or agricultural high school may be  
1789 entitled to receive under the provisions of this section. Such  
1790 amount shall be calculated by multiplying the individual student  
1791 entitlement by the average daily attendance for the respective  
1792 school district or agricultural high school.

1793 (f) "Deficit funding allocation" means the amount of  
1794 money needed by each school district or agricultural high school  
1795 to insure the individual student entitlement for each pupil  
1796 enrolled in such district or agricultural high school. The  
1797 deficit funds for each school district or agricultural high school  
1798 shall be calculated by subtracting the maximum yield of the  
1799 uniform minimum school district ad valorem tax levy in such school  
1800 district or agricultural high school from its district  
1801 entitlement. In the event the millage levy of any school district  
1802 or agricultural high school shall be less than the uniform minimum  
1803 school district ad valorem tax levy or its equivalent, as the case  
1804 may be, as certified by the State Board of Education for any  
1805 fiscal year, yet generated funds in an amount equal to or greater  
1806 than such school district's or agricultural high school's district  
1807 entitlement, no deficit funding allocation shall be available to  
1808 that respective school district or agricultural high school.

1809 (g) "Other local revenue sources" shall mean the sum of  
1810 the following local revenues which are or may be available from  
1811 the preceding fiscal year for expenditure by the school district:  
1812 (i) interest on short- or long-term investments of surplus funds  
1813 as prescribed in Section 37-59-23; (ii) sixteenth section school  
1814 land expendable income as prescribed in Chapter 3, Title 29,  
1815 Mississippi Code of 1972, excluding the revenue generated from the  
1816 sale of timber; (iii) Chickasaw School Fund appropriations by the  
1817 Legislature as prescribed in Sections 29-3-137 and 29-3-139; (iv)



1818 TVA in lieu revenues as prescribed in Section 27-39-303; (v)  
1819 national forest revenues as prescribed in 16 USCS Section 500;  
1820 (vi) Grand Gulf income as prescribed in Section 27-35-309.  
1821 However, no funds held in escrow to the benefit of any school  
1822 district due to federal litigation concerning the distribution of  
1823 Grand Gulf revenues shall be considered as "other local revenue  
1824 sources" under the provisions of this paragraph; and (vii) the  
1825 amount of any Emergency Fund Loss Assistance Program funds  
1826 received annually under the provisions of Section 37-22-5.

1827 (3) A state uniform millage assistance grant award shall be  
1828 provided to each school district and agricultural high school  
1829 requiring additional funds in order to provide their pupils the  
1830 individual student entitlement. The amount of the grant provided  
1831 each school district shall be calculated by subtracting other  
1832 local revenue sources from its deficit funding allocation.

1833 (4) The total state funds needed for the School District  
1834 Uniform Millage Assistance Grant Program annually shall be the  
1835 total of the amounts needed to award grants to school districts  
1836 and agricultural high schools in the state as provided in  
1837 subsection (3) of this section. If the total amount of funds  
1838 annually appropriated for the School District Uniform Millage  
1839 Assistance Grant Program exceeds the total amount determined by  
1840 the basic formula, the excess funds shall be distributed  
1841 proportionately to those school districts so entitled under the  
1842 provisions of this section. The State Uniform Millage Assistance  
1843 Grant Fund is hereby established in the State Treasury which shall  
1844 be used to distribute the funds to school districts so entitled  
1845 under the provisions of this section. Any such grant funds shall  
1846 be transferred to the school district maintenance fund of such  
1847 district or agricultural high school in the manner prescribed in  
1848 Section 37-19-47, Mississippi Code of 1972, and shall be expended  
1849 in the manner provided by law exclusively for classroom  
1850 instructional purposes.





1851 This section shall stand repealed on June 30, 2003.

1852 **SECTION 33.** Section 37-22-3, Mississippi Code of 1972, is  
1853 reenacted and amended as follows:

1854 37-22-3. There is herein provided a Second Level Funding  
1855 Program which shall qualify any school district within a county  
1856 wherein there is only one (1) school district located for  
1857 additional state funding on an annual basis. The nonparticipation  
1858 of any line consolidated school district to conform their district  
1859 administration to receive second level funding under the  
1860 provisions of this section shall not prohibit the participation of  
1861 any other school districts located within any of the affected  
1862 counties in such funding program. In the event the board of  
1863 trustees of a line consolidated school district elects to  
1864 participate in second level funding, it shall merge its  
1865 administration with the county in which the majority of its  
1866 facilities are located. The State Board of Education shall  
1867 designate the county in which the majority of such line  
1868 consolidated district facilities are located in accordance with  
1869 its established inventory of school district facilities. The  
1870 school boards in any such county having only one (1) school  
1871 district on July 1, 1989, and the school boards in any county  
1872 having more than one (1) school district which hereafter adopts a  
1873 plan for the transition of all administrative functions into one  
1874 (1) school district for such county, shall qualify for this Second  
1875 Level Funding Program. Any uniform millage assistance grant  
1876 received by an agricultural high school shall not affect the  
1877 granting of second level funding grants to any school district  
1878 under the provisions of this section; and any agricultural high  
1879 school located in such school district shall also be eligible for  
1880 such second level funding grants. The state funds available to  
1881 such school district for the Second Level Funding Program shall be  
1882 Thirty-six Dollars (\$36.00) per pupil in average daily attendance.  
1883 The total state funds needed for the Second Level Funding Program



1884 annually shall be the total of the amounts needed by all of the  
1885 school districts in the state having one (1) school district  
1886 within the county. The State Second Level Funding Program Fund is  
1887 hereby established in the State Treasury which shall be used to  
1888 distribute the funds to school districts entitled under the  
1889 provisions of this section. Any such funds shall be transferred  
1890 to the school district maintenance fund of such district in the  
1891 manner prescribed in Section 37-19-47, Mississippi Code of 1972,  
1892 and shall be expended in the manner provided by law for classroom  
1893 instructional purposes.

1894 This section shall stand repealed on June 30, 2003.

1895 **SECTION 34.** Section 37-151-77, Mississippi Code of 1972, is  
1896 amended as follows:

1897 **[From and after July 1, 2003, this section shall read as**  
1898 **follows:]**

1899 37-151-77. To qualify for funds provided in this chapter,  
1900 each school district shall not exceed a pupil-teacher ratio based  
1901 on enrollment in Grades 1, 2, 3 and 4 as follows: 27:1

1902 For Grades Kindergarten and 5 through 12, pupil-teacher ratio  
1903 shall be determined based on appropriate accreditation standards  
1904 developed by the Mississippi Commission on School Accreditation.

1905 Any local district may apply to the State Board of Education  
1906 for approval of a waiver to this section by submitting and  
1907 justifying an alternative educational program to serve the needs  
1908 of enrollment in Grades Kindergarten and 1 through 4. The State  
1909 Board of Education shall approve or disapprove of such waiver  
1910 forty-five (45) days after receipt of such application. If a  
1911 school district violates the provisions of this section, the state  
1912 aid for the ensuing fiscal year to such school district shall be  
1913 reduced by the percentage variance that the actual pupil-teacher  
1914 ratios in such school district has to the required pupil-teacher  
1915 ratios mandated in this section. Provided, that notwithstanding  
1916 the provisions of this section, the State Board of Education is



1917 authorized to waive the pupil-teacher requirements specified  
1918 herein upon a finding that a good faith effort is being made by  
1919 the school district concerned to comply with the ratio provisions  
1920 but that for lack of classroom space which was beyond its control  
1921 it is physically impossible for the district to comply, and the  
1922 cost of temporary classroom space cannot be justified. In the  
1923 event any school district meets Level 4 or 5 accreditation  
1924 standards, the State Board of Education may, in its discretion,  
1925 exempt such school district from the maximum pupil-teacher ratio  
1926 in Grades 1, 2, 3 and 4 prescribed herein.

1927       **SECTION 35.** Section 37-151-79, Mississippi Code of 1972, is  
1928 amended as follows:

1929       **[From and after July 1, 2003, this section shall read as**  
1930 **follows:]**

1931       37-151-79. In addition to other funds provided for in this  
1932 chapter, there shall be added to the allotment for each school  
1933 district for each vocational teacher employed full time during the  
1934 regular school term in a vocational education program approved by  
1935 the State Department of Education the value of one-half (1/2) of  
1936 the adequate education program salary schedule provided in Section  
1937 37-19-7, Mississippi Code of 1972, based on the type of  
1938 certificate and number of years' teaching experience held by each  
1939 approved vocational teacher plus one hundred percent (100%) of the  
1940 applicable employer's rate for social security and state  
1941 retirement.

1942       **SECTION 36.** Section 37-151-81, Mississippi Code of 1972, is  
1943 amended as follows:

1944       **[From and after July 1, 2003, this section shall read as**  
1945 **follows:]**

1946       37-151-81. (1) In addition to other funds provided for in  
1947 this chapter, there shall be added to the allotment for each  
1948 school district for each teacher employed in a State Department of  
1949 Education approved program for exceptional children as defined in



1950 Section 37-23-3, Mississippi Code of 1972, the value of one  
1951 hundred percent (100%) of the adequate education program salary  
1952 schedule prescribed in Section 37-19-7, Mississippi Code of 1972,  
1953 based on the type of certificate and number of years' teaching  
1954 experience held by each approved special education teacher plus  
1955 one hundred percent (100%) of the applicable employer's rate for  
1956 social security and state retirement, except that only seventy  
1957 percent (70%) of the value will be added for the program for  
1958 three- and four-year old exceptional children.

1959 (2) In addition to the allowances provided above, for each  
1960 handicapped child who is being educated by a public school  
1961 district or is placed in accord with Section 37-23-77, Mississippi  
1962 Code of 1972, and whose individualized educational program (IEP)  
1963 requires an extended school year in accord with the State  
1964 Department of Education criteria, a sufficient amount of funds  
1965 shall be allocated for the purpose of providing the educational  
1966 services the student requires. The State Board of Education shall  
1967 promulgate such regulations as are required to insure the  
1968 equitable distribution of these funds. All costs for the extended  
1969 school year for a particular summer shall be reimbursed from funds  
1970 appropriated for the fiscal year beginning July 1 of that summer.  
1971 If sufficient funds are not made available to finance all of the  
1972 required educational services, the State Department of Education  
1973 shall expend available funds in such a manner that it does not  
1974 limit the availability of appropriate education to handicapped  
1975 students more severely than it does to nonhandicapped students.

1976 (3) The State Department of Education is hereby authorized  
1977 to match adequate education program and other funds allocated for  
1978 provision of services to handicapped children with Division of  
1979 Medicaid funds to provide language-speech services, physical  
1980 therapy and occupational therapy to handicapped students who meet  
1981 State Department of Education or Division of Medicaid standards  
1982 and who are Medicaid eligible. Provided further, that the State



1983 Department of Education is authorized to pay such funds as may be  
1984 required as a match directly to the Division of Medicaid pursuant  
1985 to an agreement to be developed between the State Department of  
1986 Education and the Division of Medicaid.

1987 (4) In addition to other funds provided for in this chapter,  
1988 there shall be added to the allotment for each school district for  
1989 each teacher employed in a State Department of Education approved  
1990 program for gifted education as defined in Sections 37-23-173  
1991 through 37-23-181, Mississippi Code of 1972, the value of one  
1992 hundred percent (100%) of the adequate education program salary  
1993 schedule prescribed in Section 37-19-7, Mississippi Code of 1972,  
1994 based on the type of certificate and number of years' teaching  
1995 experience held by each approved gifted education teacher plus one  
1996 hundred percent (100%) of the applicable employer's rate for  
1997 social security and state retirement.

1998 (5) When any children who are residents of the State of  
1999 Mississippi and qualify under the provisions of Section 37-23-31,  
2000 Mississippi Code of 1972, shall be provided a program of  
2001 education, instruction and training within a school under the  
2002 provisions of said section, the State Department of Education  
2003 shall allocate the value of one hundred percent (100%) of the  
2004 adequate education program salary schedule prescribed in Section  
2005 37-19-7, Mississippi Code of 1972, for each approved program based  
2006 on the type of certificate and number of years' teaching  
2007 experience held by each approved teacher plus one hundred percent  
2008 (100%) of the applicable employer's rate for social security and  
2009 state retirement. The university or college shall be eligible for  
2010 state and federal funds for such programs on the same basis as  
2011 local school districts. The university or college shall be  
2012 responsible for providing for the additional costs of the program.

2013 (6) In addition to the allotments provided above, a school  
2014 district may provide a program of education and instruction to  
2015 children ages five (5) years through twenty-one (21) years, who



2016 are resident citizens of the State of Mississippi, who cannot have  
2017 their educational needs met in a regular public school program and  
2018 who have not finished or graduated from high school, if those  
2019 children are determined by competent medical authorities and  
2020 psychologists to need placement in a state licensed facility for  
2021 inpatient treatment, day treatment or residential treatment or a  
2022 therapeutic group home. Such program shall operate under rules,  
2023 regulations, policies and standards of school districts as  
2024 determined by the State Board of Education. If a private school  
2025 approved by the State Board of Education is operated as an  
2026 integral part of the state licensed facility that provides for the  
2027 treatment of such children, the private school within the facility  
2028 may provide a program of education, instruction and training to  
2029 such children by requesting the State Department of Education to  
2030 allocate one (1) teacher unit or a portion of a teacher unit for  
2031 each approved class. The facility shall be responsible for  
2032 providing any additional costs of the program.

2033 Such funds will be allotted based on the type of certificate  
2034 and number of years' teaching experience held by each approved  
2035 teacher. Such children shall not be counted in average daily  
2036 attendance when determining regular teacher unit allocation.

2037 **SECTION 37.** Section 37-151-83, Mississippi Code of 1972, is  
2038 amended as follows:

2039 **[From and after July 1, 2003, this section shall read as**  
2040 **follows:]**

2041 37-151-83. (1) In addition to other funds allowed under the  
2042 Adequate Education Program, each school district shall receive a  
2043 grant for the support of alternative school programs established  
2044 under Section 37-13-92, Mississippi Code of 1972, in accordance  
2045 with the following: Three-fourths of one percent (.75%) of the  
2046 school district's average daily attendance or twelve (12) pupils,  
2047 whichever is greater, multiplied by the average expenditure of



2048 public monies per pupil in the State of Mississippi, as determined  
2049 by the State Board of Education.

2050         (2) An alternative school advisory board may be created  
2051 within each school district maintaining a freestanding alternative  
2052 school or two (2) or more adjacent school districts operating a  
2053 freestanding alternative school pursuant to a contract approved by  
2054 the State Board of Education. The advisory board shall meet no  
2055 less than two (2) times during each school year to study the  
2056 alternative school program and to make recommendations for  
2057 improvements to the superintendent of the local school board or  
2058 boards, as the case may be, and the State Superintendent of  
2059 Education. The alternative school advisory board shall consist of  
2060 the following members: one (1) school administrator to be  
2061 appointed by each local school board of the school district or  
2062 districts operating the alternative school; one (1) school board  
2063 member and one (1) parent to be appointed by each superintendent  
2064 of the school district or districts operating the alternative  
2065 school; one (1) classroom teacher to be appointed by the classroom  
2066 teachers in each school district operating the alternative school;  
2067 one (1) individual to be appointed by the local youth court judge,  
2068 or if there is no such court the chancery court judge; and one (1)  
2069 law enforcement officer to be appointed by the local sheriff. The  
2070 initial members of the advisory board shall serve as follows:  
2071 One-third (1/3) of the members shall serve two (2) years;  
2072 one-third (1/3) of the members shall serve three (3) years; and  
2073 one-third (1/3) of the members shall serve four (4) years, to be  
2074 designated by the appointing authority at the time of appointment.  
2075 Thereafter, the term of each member shall be for a period of four  
2076 (4) years.

2077         An alternative school advisory board shall have no governing  
2078 authority over the alternative school program, and not in any  
2079 manner shall an advisory board's authority supersede the authority



2080 of the school district or lead district in those alternative  
2081 school programs operated jointly by two (2) or more districts.

2082         **SECTION 38.** Section 37-151-85, Mississippi Code of 1972, is  
2083 amended as follows:

2084         **[From and after July 1, 2003, this section shall read as**  
2085 **follows:]**

2086             37-151-85. (1) The amount to be allotted by the State Board  
2087 of Education for transportation shall be determined as follows:

2088             The State Department of Education shall calculate the cost of  
2089 transportation in school districts by ascertaining the average  
2090 cost per pupil in average daily attendance of transported pupils  
2091 in school districts classified in different density groups as  
2092 determined by the State Department of Education. Based on these  
2093 calculations, the State Department of Education shall develop a  
2094 scale for determining the allowable cost per pupil in different  
2095 density groups, which scale shall provide greatest allowance per  
2096 pupil transported in school districts with lowest densities and  
2097 smallest allowance per pupil in school districts with highest  
2098 densities. The total allowance in the adequate education program  
2099 for transported children for any school district for the current  
2100 year shall be the average daily attendance of the transported  
2101 children for the nine (9) months of the prior year, multiplied by  
2102 the allowance per transported pupil as provided herein. However,  
2103 the State Department of Education is hereby authorized and  
2104 empowered to make proper adjustments in allotments, under rules  
2105 and regulations of the State Board of Education, in cases where  
2106 major changes in the number of children in average daily  
2107 attendance transported occur from one year to another as a result  
2108 of changes or alterations in the boundaries of school districts, a  
2109 change in or relocation of attendance centers, or for other  
2110 reasons which would result in major decrease or increase in the  
2111 number of children in average daily attendance transported during  
2112 the current school year as compared with the preceding year.





2113 Moreover, the State Board of Education is hereby authorized and  
2114 empowered to make such payments to all districts and/or  
2115 university-based programs as deemed necessary in connection with  
2116 transporting exceptional children as defined in Section 37-23-3.  
2117 The State Board of Education shall establish and implement all  
2118 necessary rules and regulations to allot transportation payments  
2119 to university-based programs. In developing density  
2120 classifications under the provisions hereof, the State Department  
2121 of Education may give consideration to the length of the route,  
2122 the sparsity of the population, the lack of adequate roads,  
2123 highways and bridges, and the presence of large streams or other  
2124 geographic obstacles. In addition to funds allotted under the  
2125 above provisions, funds shall be allotted to each school district  
2126 that transports students from their assigned school or attendance  
2127 center to classes in an approved vocational-technical center at a  
2128 rate per mile not to exceed the average statewide cost per mile of  
2129 school bus transportation during the preceding year exclusive of  
2130 bus replacement. All such transportation must have prior approval  
2131 by the State Department of Education.

2132 (2) The average daily attendance of transported children  
2133 shall be reported by the school district in which such children  
2134 attend school. If children living in a school district are  
2135 transported at the expense of such school district to another  
2136 school district, the average daily attendance of such transported  
2137 children shall be deducted by the State Department of Education  
2138 from the aggregate average daily attendance of transported  
2139 children in the school district in which they attend school and  
2140 shall be added to the aggregate average daily attendance of  
2141 transported children of the school district from which they come  
2142 for the purpose of calculating transportation allotments.  
2143 However, such deduction shall not be made for the purpose of  
2144 calculating adequate education program pupil-based funding.



2145 (3) The State Department of Education shall include in the  
2146 allowance for transportation for each school district an amount  
2147 for the replacement of school buses or the purchase of new buses,  
2148 which amount shall be calculated upon the estimated useful life of  
2149 all school buses being used for the transportation of children in  
2150 such school district, whether such buses be publicly or privately  
2151 owned.

2152 (4) The school boards of all districts operating school bus  
2153 transportation are authorized and directed to establish a salary  
2154 schedule for school bus drivers. No school district shall be  
2155 entitled to receive the funds herein allotted for transportation  
2156 unless it pays each of its nonstudent adult school bus drivers  
2157 paid from such transportation allotments a minimum of One Hundred  
2158 Ninety Dollars (\$190.00) per month. In addition, local school  
2159 boards may compensate school bus drivers for actual expenses  
2160 incurred when acquiring an initial commercial license or any  
2161 renewal of a commercial license in order to drive a school bus.

2162 (5) The State Board of Education shall be authorized and  
2163 empowered to use such part of the funds appropriated for  
2164 transportation in the adequate education fund as may be necessary  
2165 to finance driver training courses as provided for in Section  
2166 37-41-1, Mississippi Code of 1972.

2167 **SECTION 39.** Section 37-151-87, Mississippi Code of 1972, is  
2168 amended as follows:

2169 **[From and after July 1, 2003, this section shall read as**  
2170 **follows:]**

2171 37-151-87. No school district shall pay any teacher less  
2172 than the state minimum salary. No school district shall receive  
2173 any funds under the provisions of this chapter for any school year  
2174 during which the aggregate amount of local supplement as defined  
2175 in Section 37-151-1 shall have been reduced below such amount for  
2176 the previous year; however, where there has been a reduction in  
2177 adequate education program allocations for such district in such



2178 year, where there has been a reduction in the amount of federal  
2179 funds to such district below the previous year, or where there has  
2180 been a reduction in ad valorem taxes to such school district for  
2181 the 1986-1987 school year below the amount for the previous year  
2182 due to the exemption of nuclear generating plants from ad valorem  
2183 taxation, pursuant to Section 27-35-309, Mississippi Code of 1972,  
2184 the aggregate amount of local supplement in such district may be  
2185 reduced proportionately without loss of funds under this chapter.  
2186 No school district may receive any funds under the provisions of  
2187 this chapter for any school year if the aggregate amount of  
2188 support from ad valorem taxation shall be reduced during such  
2189 school year below such amount for the previous year; however,  
2190 where there is a loss in adequate education program allocations,  
2191 or where there is or heretofore has been a decrease in the total  
2192 assessed value of taxable property within a school district, the  
2193 aggregate amount of such support may be reduced proportionately.  
2194 Nothing herein contained shall prohibit any school district from  
2195 adopting or continuing a program or plan whereby teachers are paid  
2196 varying salaries according to the teaching ability, classroom  
2197 performance and other similar standards.

2198       **SECTION 40.** Section 37-151-89, Mississippi Code of 1972, is  
2199 amended as follows:

2200       **[From and after July 1, 2003, this section shall read as**  
2201 **follows:]**

2202       37-151-89. The minimum base pay for all classroom teachers  
2203 may be increased by the district from any funds available to it;  
2204 and those districts which have not prior to July 1, 1978, so  
2205 increased said base pay, shall increase the minimum base pay for  
2206 classroom teachers as fixed by this chapter and as authorized by  
2207 any of the provisions of or standards set forth in this chapter.

2208       **SECTION 41.** Section 37-151-91, Mississippi Code of 1972, is  
2209 amended as follows:



2210 [From and after July 1, 2003, this section shall read as  
2211 follows:]

2212 37-151-91. The school boards of all school districts may  
2213 establish salary schedules based on training, experience and other  
2214 such factors as may be incorporated therein, including student  
2215 progress and performance as developed by the State Board of  
2216 Education, paying teachers greater amounts than the scale provided  
2217 herein, but no teacher may be paid less than the amount based upon  
2218 the minimum scale of pay provided in the adequate education  
2219 program as prescribed in Section 37-19-7, Mississippi Code of  
2220 1972, and all supplements paid from local funds shall be based  
2221 upon the salary schedules so established. The school boards may  
2222 call upon the State Department of Education for aid and assistance  
2223 in formulating and establishing such salary schedules, and it  
2224 shall be the duty of the State Department of Education, when so  
2225 called upon, to render such aid and assistance. The amount  
2226 actually paid to each teacher shall be based upon and determined  
2227 by the type of certificate held by such teacher.

2228 **SECTION 42.** Section 37-151-93, Mississippi Code of 1972, is  
2229 amended as follows:

2230 [From and after July 1, 2003, this section shall read as  
2231 follows:]

2232 37-151-93. (1) Legally transferred students going from one  
2233 school district to another shall be counted for adequate education  
2234 program allotments by the school district wherein the pupils  
2235 attend school, but shall be counted for transportation allotment  
2236 purposes in the school district which furnishes or provides the  
2237 transportation. The school boards of the school districts which  
2238 approve the transfer of a student under the provisions of Section  
2239 37-15-31 shall enter into an agreement and contract for the  
2240 payment or nonpayment of any portion of their local maintenance  
2241 funds which they deem fair and equitable in support of any  
2242 transferred student. Except as provided in subsection (2) of this



2243 section, local maintenance funds shall be transferred only to the  
2244 extent specified in the agreement and contract entered into by the  
2245 affected school districts. The terms of any local maintenance  
2246 fund payment transfer contract shall be spread upon the minutes of  
2247 both of the affected school district school boards. The school  
2248 district accepting any transfer students shall be authorized to  
2249 accept tuition from such students under the provisions of Section  
2250 37-15-31(1) and such agreement may remain in effect for any length  
2251 of time designated in the contract. The terms of such student  
2252 transfer contracts and the amounts of any tuition charged any  
2253 transfer student shall be spread upon the minutes of both of the  
2254 affected school boards. No school district accepting any transfer  
2255 students under the provisions of Section 37-15-31(2), which  
2256 provides for the transfer of certain school district employee  
2257 dependents, shall be authorized to charge such transfer students  
2258 any tuition fees.

2259 (2) Local maintenance funds shall be paid by the home school  
2260 district to the transferee school district for students granted  
2261 transfers under the provisions of Sections 37-15-29(3) and  
2262 37-15-31(3), Mississippi Code of 1972, not to exceed the "base  
2263 student cost" as defined in Section 37-151-5, Mississippi Code of  
2264 1972, multiplied by the number of such legally transferred  
2265 students.

2266 **SECTION 43.** Section 37-151-95, Mississippi Code of 1972, is  
2267 amended as follows:

2268 **[From and after July 1, 2003, this section shall read as**  
2269 **follows:]**

2270 37-151-95. Adequate education program funds shall include  
2271 one hundred percent (100%) of the cost of the State and School  
2272 Employees' Life and Health Insurance Plan created under Article 7,  
2273 Chapter 15, Title 25, Mississippi Code of 1972, for all district  
2274 employees who work no less than twenty (20) hours during each week



2275 and regular nonstudent school bus drivers employed by the  
2276 district.

2277 Where the use of federal funding is allowable to defray, in  
2278 full or in part, the cost of participation in the insurance plan  
2279 by district employees who work no less than twenty (20) hours  
2280 during each week and regular nonstudent school bus drivers, whose  
2281 salaries are paid, in full or in part, by federal funds, the  
2282 allowance under this section shall be reduced to the extent of the  
2283 federal funding. Where the use of federal funds is allowable but  
2284 not available, it is the intent of the Legislature that school  
2285 districts contribute the cost of participation for such employees  
2286 from local funds, except that parent fees for child nutrition  
2287 programs shall not be increased to cover such cost.

2288 The State Department of Education, in accordance with rules  
2289 and regulations established by the State Board of Education, may  
2290 withhold a school district's adequate education program funds for  
2291 failure of the district to timely report student, fiscal and  
2292 personnel data necessary to meet state and/or federal  
2293 requirements. The rules and regulations promulgated by the State  
2294 Board of Education shall require the withholding of adequate  
2295 education program funds for those districts that fail to remit  
2296 premiums, interest penalties and/or late charges under the State  
2297 and School Employees' Life and Health Insurance Plan.  
2298 Noncompliance with such rules and regulations shall result in a  
2299 violation of compulsory accreditation standards as established by  
2300 the State Board of Education and Commission on School  
2301 Accreditation.

2302 **SECTION 44.** Section 37-151-97, Mississippi Code of 1972, is  
2303 amended as follows:

2304 **[From and after July 1, 2003, this section shall read as**  
2305 **follows:]**

2306 37-151-97. The State Department of Education shall develop  
2307 an annual reporting process to inform the Legislature, local



2308 district personnel and the general public as to the ongoing and  
2309 future plans for the state's educational programs. The annual  
2310 reporting process will include those vital statistics that are  
2311 commonly reported by schools and districts and that can provide  
2312 clear demographic, strategic and educational information to  
2313 constituencies such as, but not limited to, the following  
2314 information:

- 2315 (a) Student enrollment, attendance, drop-out and  
2316 graduation;
- 2317 (b) Overall student and district achievement;
- 2318 (c) Budget, administrative costs and other pertinent  
2319 fiscal information;
- 2320 (d) Teacher and administrator certification and  
2321 experience levels; and
- 2322 (e) Other as directed by the State Board of Education.

2323 Further, the reporting process will include an annual report  
2324 developed specifically to relate the mission and goals of the  
2325 State Board of Education, state superintendent and departments.  
2326 This document will become the method through which the strategic  
2327 planning and management process of the department is articulated  
2328 to the public. It will explain and inform the public of the major  
2329 initiatives of the department and clearly identify rationale for  
2330 program development and/or elimination. The report will establish  
2331 benchmarks, future plans and discuss the effectiveness of  
2332 educational programs.

2333 In addition to the information specified herein, the State  
2334 Board of Education shall have full and plenary authority and power  
2335 to require the furnishing of such further, additional and  
2336 supplementary information as it may deem necessary for the purpose  
2337 of determining the cost of the adequate education program in such  
2338 school district for the succeeding fiscal year, the amount of the  
2339 adequate education program funds to be allotted to each school  
2340 district for the succeeding fiscal year, and for any other purpose



2341 authorized by law or deemed necessary by said State Board of  
2342 Education.

2343 It shall be the duty of the State Department of Education to  
2344 prescribe the forms for the reports provided for in this section.

2345 **SECTION 45.** Section 37-151-99, Mississippi Code of 1972, is  
2346 amended as follows:

2347 **[From and after July 1, 2003, this section shall read as**  
2348 **follows:]**

2349 37-151-99. Based upon the information obtained pursuant to  
2350 Section 37-151-97 and upon such other and further information as  
2351 provided by law, the State Department of Education shall, on or  
2352 before June 1 of each year, or as soon thereafter as is practical,  
2353 furnish each school board the preliminary estimate of the amount  
2354 each will receive from the common school fund and the adequate  
2355 education program fund for the succeeding scholastic year, and at  
2356 the same time shall furnish each such school board with a  
2357 tentative estimate of the cost of the adequate education program  
2358 in the school district for such succeeding fiscal year.

2359 **SECTION 46.** Section 37-151-101, Mississippi Code of 1972, is  
2360 amended as follows:

2361 **[From and after July 1, 2003, this section shall read as**  
2362 **follows:]**

2363 37-151-101. It shall be the duty of the State Department of  
2364 Education to file with the State Treasurer and the State Fiscal  
2365 Officer such data and information as may be required to enable the  
2366 said State Treasurer and State Fiscal Officer to distribute the  
2367 common school funds and adequate education program funds by  
2368 electronic funds transfer to the several school districts at the  
2369 time required and provided under the provisions of this chapter.  
2370 Such data and information so filed shall show in detail the amount  
2371 of funds to which each school district is entitled from such  
2372 common school fund and adequate education program fund. Such data  
2373 and information so filed may be revised from time to time as





2374 necessitated by law. At the time provided by law, the State  
2375 Treasurer and the State Fiscal Officer shall distribute to the  
2376 several school districts the amounts to which they are entitled  
2377 from the common school fund and the adequate education program  
2378 fund as provided by this chapter. Such distribution shall be made  
2379 by electronic funds transfer to the depositories of the several  
2380 school districts designated in writing to the State Treasurer  
2381 based upon the data and information supplied by the State  
2382 Department of Education for such distribution. In such instances,  
2383 the State Treasurer shall submit a request for an electronic funds  
2384 transfer to the State Fiscal Officer, which shall set forth the  
2385 purpose, amount and payees, and shall be in such form as may be  
2386 approved by the State Fiscal Officer so as to provide the  
2387 necessary information as would be required for a requisition and  
2388 issuance of a warrant. A copy of the record of said electronic  
2389 funds transfers shall be transmitted by the school district  
2390 depositories to the Treasurer, who shall file duplicates with the  
2391 State Fiscal Officer. The Treasurer and State Fiscal Officer  
2392 shall jointly promulgate regulations for the utilization of  
2393 electronic funds transfers to school districts.

2394 **SECTION 47.** Section 37-151-103, Mississippi Code of 1972, is  
2395 amended as follows:

2396 **[From and after July 1, 2003, this section shall read as**  
2397 **follows:]**

2398 37-151-103. (1) The state common school allotment shall be  
2399 apportioned annually to each school district proportionately on  
2400 the basis of the number of educable children. Funds due each  
2401 school district under the terms of this chapter from the \* \* \*  
2402 Adequate Education Program Fund shall be paid in the following  
2403 manner: On the twenty-fifth day of each month, or the next  
2404 business date after that date, there shall be paid to each school  
2405 district by electronic funds transfer one-twelfth (1/12) of the  
2406 funds to which the district is entitled from funds appropriated



2407 for the \* \* \* Adequate Education Program Fund. Provided, however,  
2408 that in December said payments shall be made on December 15th or  
2409 the next business day after that date.

2410 Provided, however, that if the cash balance in the State  
2411 General Fund is not adequate on the due date to pay the amounts  
2412 due to all school districts in the state as determined by the  
2413 State Superintendent of Education, the State Fiscal Officer shall  
2414 not transfer said funds payable to any school district or  
2415 districts until money is available to pay the amount due to all  
2416 districts.

2417 (2) Notwithstanding any provision of this chapter or any  
2418 other law requiring the number of children in average daily  
2419 attendance or the average daily attendance of transported children  
2420 to be determined on the basis of the preceding year, the State  
2421 Board of Education is hereby authorized and empowered to make  
2422 proper adjustments in allotments in cases where major changes in  
2423 the number of children in average daily attendance or the average  
2424 daily attendance of transported children occurs from one (1) year  
2425 to another as a result of changes or alterations in the boundaries  
2426 of school districts, the sending of children from one (1) county  
2427 or district to another upon a contract basis, the termination or  
2428 discontinuance of a contract for the sending of children from one  
2429 (1) county or district to another, a change in or relocation of  
2430 attendance centers, or for any other reason which would result in  
2431 a major decrease or increase in the number of children in average  
2432 daily attendance or the average daily attendance of transported  
2433 children during the current school year as compared with the  
2434 preceding year.

2435 (3) In the event of an inordinately large number of  
2436 absentees in any school district as a result of epidemic, natural  
2437 disaster, or any concerted activity discouraging school  
2438 attendance, then in such event school attendance for the purposes  
2439 of determining average daily attendance under the adequate



2440 education program shall be based upon the average daily attendance  
2441 for the preceding school year for such school district.

2442 **SECTION 48.** Section 37-151-105, Mississippi Code of 1972, is  
2443 amended as follows:

2444 **[From and after July 1, 2003, this section shall read as**  
2445 **follows:]**

2446 37-151-105. The State Board of Education shall have the  
2447 authority to make such regulations not inconsistent with law which  
2448 it deems necessary for the administration of this chapter. The  
2449 State Board of Education, if it deems such practice necessary, may  
2450 use reports of the first six (6) months of school for the purpose  
2451 of determining average daily attendance and the number of pupils  
2452 transported for that year.

2453 **SECTION 49.** Section 37-151-107, Mississippi Code of 1972, is  
2454 amended as follows:

2455 **[From and after July 1, 2003, this section shall read as**  
2456 **follows:]**

2457 37-151-107. Any superintendent of education, member of the  
2458 local school board of any school district, superintendent,  
2459 principal, teacher, carrier, bus driver or member or employee of  
2460 the State Department of Education or State Board of Education, or  
2461 any other person, who shall willfully violate any of the  
2462 provisions of this chapter, or who shall willfully make any false  
2463 report, list or record, or who shall willfully make use of any  
2464 false report, list or record, concerning the number of school  
2465 children in average daily attendance or the number of children  
2466 being transported or entitled to be transported in any county or  
2467 school district, shall be guilty of a misdemeanor and upon  
2468 conviction shall be punished by imprisonment in the county jail  
2469 for a period not to exceed sixty (60) days or by a fine of not  
2470 less than One Hundred Dollars (\$100.00), nor more than Three  
2471 Hundred Dollars (\$300.00), or by both such fine and imprisonment,  
2472 in the discretion of the court. In addition, any such person



2473 shall be civilly liable for all amounts of public funds which are  
2474 illegally, unlawfully or wrongfully expended or paid out by virtue  
2475 of or pursuant to such false report, list or record, and upon  
2476 conviction or adjudication of civil liability hereunder, such  
2477 person shall forfeit his license to teach for a period of three  
2478 (3) years, if such person is the holder of such a license. Any  
2479 suit to recover such funds illegally, unlawfully or wrongfully  
2480 expended or paid out may be brought in the name of the State of  
2481 Mississippi by the Attorney General or the proper district  
2482 attorney or county attorney, and, in the event such suit be  
2483 brought against a person who is under bond, the sureties upon such  
2484 bond shall likewise be liable for such amount illegally,  
2485 unlawfully or wrongfully expended or paid out.

2486       **SECTION 50.** Section 37-57-1, Mississippi Code of 1972, is  
2487 amended as follows:

2488       **[Until July 1, 2003, this section shall read as follows:]**

2489       37-57-1. (1) (a) The boards of supervisors of the counties  
2490 shall levy and collect all taxes for and on behalf of all school  
2491 districts which were within the county school system or designated  
2492 as special municipal separate school districts prior to July 1,  
2493 1986. Such taxes shall be collected by the county tax collector  
2494 at the same time and in the same manner as county taxes are  
2495 collected by him, and the same penalties for delinquency shall be  
2496 applicable.

2497       The governing authorities of the municipalities shall levy  
2498 and collect all taxes for and on behalf of all school districts  
2499 which were designated as municipal separate school districts prior  
2500 to July 1, 1986. Such taxes shall be collected by the municipal  
2501 tax collector at the same time and in the same manner as municipal  
2502 taxes are collected by him, and the same penalties for delinquency  
2503 shall be applicable.

2504       The county or municipal tax collector, as the case may be,  
2505 shall pay such tax collections, except for taxes collected for the



2506 payment of the principal of and interest on school bonds or notes  
2507 and except for taxes collected to defray collection costs, into  
2508 the school depository and report to the school board of the  
2509 appropriate school district at the same time and in the same  
2510 manner as the tax collector makes his payments and reports of  
2511 other taxes collected by him.

2512         Provided, however, the State Board of Education shall  
2513 determine the appropriate levying authority for any school  
2514 district created or reorganized after July 1, 1987.

2515         (b) For the purposes of this chapter and any other laws  
2516 pertaining to taxes levied or bonds or notes issued for and on  
2517 behalf of school districts, the term "levying authority" means the  
2518 board of supervisors of the county or the governing authorities of  
2519 the municipality, whichever levies taxes for and on behalf of the  
2520 particular school district as provided in paragraphs (a) and (b)  
2521 of this subsection.

2522         (2) On or before September 1 of each year, the State Board  
2523 of Education shall certify to the levying authority for each  
2524 school district the amount of the minimum local ad valorem tax  
2525 effort in dollars required of such school district for the current  
2526 fiscal year under the provisions of Chapter 19 of this title. The  
2527 levying authority for the school district shall, at the same time  
2528 and in the same manner as other taxes are levied by the levying  
2529 authority, levy a tax for the then current fiscal year for the  
2530 support of the minimum education program upon all of the taxable  
2531 property of the school district. Such tax shall be expressed in  
2532 mills or a decimal fraction of a mill, and shall be at such a rate  
2533 as will, when applied to the assessed valuation of the school  
2534 district according to the assessment rolls of the county or  
2535 municipality, as the case may be, produce a sum of money which is  
2536 equal to the amount which said school district is required to  
2537 contribute as its minimum local ad valorem tax effort under the  
2538 provisions of Chapter 19 of this title. However, in no case shall



2539 the minimum local ad valorem tax effort for any school district be  
2540 equal to an amount that would require a millage rate exceeding  
2541 fifty-five (55) mills in that school district. Provided, however,  
2542 that if a levying authority is levying in excess of fifty-five  
2543 (55) mills on July 1, 1997, the levying authority may levy an  
2544 additional amount not exceeding three (3) mills in the aggregate  
2545 for the period beginning July 1, 1997, and ending June 30, 2003,  
2546 subject to the limitation on increased receipts from ad valorem  
2547 taxes prescribed in Sections 37-57-105 and 37-57-107. Nothing in  
2548 this subsection shall be construed to require any school district  
2549 that is levying more than fifty-five (55) mills pursuant to  
2550 Sections 37-57-1 and 37-57-105 to decrease its millage rate to  
2551 fifty-five (55) mills or less. In making such levy, the levying  
2552 authority shall levy an additional amount sufficient to cover  
2553 anticipated delinquencies and costs of collection so that the net  
2554 amount of money to be produced by such levy shall be equal to the  
2555 amount which the school district is required to contribute as its  
2556 said minimum local ad valorem tax effort. The tax so levied shall  
2557 be collected by the tax collector at the same time and in the same  
2558 manner as other ad valorem taxes are collected by him. The amount  
2559 of taxes so collected as a result of such levy shall be paid into  
2560 the minimum education program fund of the school district by the  
2561 tax collector at the same time and in the same manner as reports  
2562 and payments of other ad valorem taxes are made by said tax  
2563 collector, except that the amount collected to defray costs of  
2564 collection may be paid into the county general fund. The levying  
2565 authority shall have the power and authority to direct and cause  
2566 warrants to be issued against such fund for the purpose of  
2567 refunding any amount of taxes erroneously or illegally paid into  
2568 such fund where such refund has been approved in the manner  
2569 provided by law.

2570 **[From and after July 1, 2003, this section shall read as**  
2571 **follows:]**



2572           37-57-1. (1) (a) The boards of supervisors of the counties  
2573 shall levy and collect all taxes for and on behalf of all school  
2574 districts which were within the county school system or designated  
2575 as special municipal separate school districts prior to July 1,  
2576 1986. Such taxes shall be collected by the county tax collector  
2577 at the same time and in the same manner as county taxes are  
2578 collected by him, and the same penalties for delinquency shall be  
2579 applicable.

2580           The governing authorities of the municipalities shall levy  
2581 and collect all taxes for and on behalf of all school districts  
2582 which were designated as municipal separate school districts prior  
2583 to July 1, 1986. Such taxes shall be collected by the municipal  
2584 tax collector at the same time and in the same manner as municipal  
2585 taxes are collected by him, and the same penalties for delinquency  
2586 shall be applicable.

2587           The county or municipal tax collector, as the case may be,  
2588 shall pay such tax collections, except for taxes collected for the  
2589 payment of the principal of and interest on school bonds or notes  
2590 and except for taxes collected to defray collection costs, into  
2591 the school depository and report to the school board of the  
2592 appropriate school district at the same time and in the same  
2593 manner as the tax collector makes his payments and reports of  
2594 other taxes collected by him.

2595           Provided, however, the State Board of Education shall  
2596 determine the appropriate levying authority for any school  
2597 district created or reorganized after July 1, 1987.

2598           (b) For the purposes of this chapter and any other laws  
2599 pertaining to taxes levied or bonds or notes issued for and on  
2600 behalf of school districts, the term "levying authority" means the  
2601 board of supervisors of the county or the governing authorities of  
2602 the municipality, whichever levies taxes for and on behalf of the  
2603 particular school district as provided in paragraphs (a) and (b)  
2604 of this subsection.



2605           (2) The levying authority for the school district shall, at  
2606 the same time and in the same manner as other taxes are levied by  
2607 the levying authority, levy a tax of not less than twenty-eight  
2608 (28) mills for the then current fiscal year, less the estimated  
2609 amount of the yield of the School Ad Valorem Tax Reduction Fund  
2610 grant to the school district as determined by the State Department  
2611 of Education or twenty-seven percent (27%) of the basic adequate  
2612 education program cost for such school district, whichever is a  
2613 lesser amount, upon all of the taxable property of the school  
2614 district, as required under Section 37-151-7(2)(a). However, in no  
2615 case shall the minimum local ad valorem tax effort for any school  
2616 district be equal to an amount that would require a millage rate  
2617 exceeding fifty-five (55) mills in that school district.  
2618 Provided, however, that if a levying authority is levying in  
2619 excess of fifty-five (55) mills on July 1, 1997, the levying  
2620 authority may levy an additional amount not exceeding three (3)  
2621 mills in the aggregate for the period beginning July 1, 1997, and  
2622 ending June 30, 2003, subject to the limitation on increased  
2623 receipts from ad valorem taxes prescribed in Sections 37-57-105  
2624 and 37-57-107. Nothing in this subsection shall be construed to  
2625 require any school district that is levying more than fifty-five  
2626 (55) mills pursuant to Sections 37-57-1 and 37-57-105 to decrease  
2627 its millage rate to fifty-five (55) mills or less. In making such  
2628 levy, the levying authority shall levy an additional amount  
2629 sufficient to cover anticipated delinquencies and costs of  
2630 collection so that the net amount of money to be produced by such  
2631 levy shall be equal to the amount which the school district is  
2632 required to contribute as its said minimum local ad valorem tax  
2633 effort. The tax so levied shall be collected by the tax collector  
2634 at the same time and in the same manner as other ad valorem taxes  
2635 are collected by him. The amount of taxes so collected as a  
2636 result of such levy shall be paid into the district maintenance  
2637 fund of the school district by the tax collector at the same time





2638 and in the same manner as reports and payments of other ad valorem  
2639 taxes are made by said tax collector, except that the amount  
2640 collected to defray costs of collection may be paid into the  
2641 county general fund. The levying authority shall have the power  
2642 and authority to direct and cause warrants to be issued against  
2643 such fund for the purpose of refunding any amount of taxes  
2644 erroneously or illegally paid into such fund where such refund has  
2645 been approved in the manner provided by law.

2646       **SECTION 51.** Section 37-57-105, Mississippi Code of 1972, is  
2647 amended as follows:

2648       **[Until July 1, 2003, this section shall read as follows:]**

2649       37-57-105. (1) In addition to the taxes levied under  
2650 Section 37-57-1, the levying authority for the school district, as  
2651 defined in Section 37-57-1, upon receipt of a certified copy of an  
2652 order adopted by the school board of the school district  
2653 requesting an ad valorem tax effort in dollars for the support of  
2654 the school district, shall, at the same time and in the same  
2655 manner as other ad valorem taxes are levied, levy an annual ad  
2656 valorem tax in the amount fixed in such order upon all of the  
2657 taxable property of such school district, which shall not be less  
2658 than a millage rate necessary to generate funds equal to the  
2659 "district entitlement" as defined in Section 37-22-1(2)(e) or the  
2660 millage rate certified by the State Board of Education as the  
2661 uniform minimum school district ad valorem tax levy, whichever is  
2662 less, including the amount of millage levied for the support of  
2663 the minimum education program in such school district under  
2664 Section 37-57-1. Provided, however, that any school district  
2665 levying less than the uniform minimum school district ad valorem  
2666 tax levy on July 1, 1989, or a millage rate necessary to generate  
2667 funds equal to the "district entitlement" shall only be required  
2668 to increase its local district maintenance levy in four (4) mill  
2669 annual increments in order to attain such millage requirements.  
2670 In making such levy, the levying authority shall levy an



2671 additional amount sufficient to cover anticipated delinquencies  
2672 and costs of collection so that the net amount of money to be  
2673 produced by such levy shall be equal to the amount which is  
2674 requested by said school board. The proceeds of such tax levy,  
2675 excluding levies for the payment of the principal of and interest  
2676 on school bonds or notes and excluding levies for costs of  
2677 collection, shall be placed in the school depository to the credit  
2678 of the school district and shall be expended in the manner  
2679 provided by law for the purpose of supplementing teachers'  
2680 salaries, extending school terms, purchasing furniture, supplies  
2681 and materials, and for all other lawful operating and incidental  
2682 expenses of such school district, funds for which are not provided  
2683 by minimum program fund allotments.

2684         The monies authorized to be received by school districts from  
2685 the School Ad Valorem Tax Reduction Fund pursuant to Section  
2686 37-61-35 shall be included as ad valorem tax receipts. The  
2687 levying authority for the school district, as defined in Section  
2688 37-57-1, shall reduce the ad valorem tax levy for such school  
2689 district in an amount equal to the amount distributed to such  
2690 school district from the School Ad Valorem Tax Reduction Fund each  
2691 calendar year pursuant to said Section 37-61-35. Such reduction  
2692 shall not be less than the millage rate necessary to generate a  
2693 reduction in ad valorem tax receipts equal to the funds  
2694 distributed to such school district from the School Ad Valorem Tax  
2695 Reduction Fund pursuant to Section 37-61-35. Such reduction shall  
2696 not be deemed to be a reduction in the aggregate amount of support  
2697 from ad valorem taxation for purposes of Section 37-19-11. The  
2698 millage levy certified by the State Board of Education as the  
2699 uniform minimum ad valorem tax levy or the millage levy that would  
2700 generate funds in an amount equal to a school district's district  
2701 entitlement, as defined in Section 37-22-1(2)(e), shall be subject  
2702 to the provisions of this paragraph.



2703           In any county where there is located a nuclear generating  
2704 power plant on which a tax is assessed under Section 27-35-309(3),  
2705 such required levy and revenue produced thereby may be reduced by  
2706 the levying authority in an amount in proportion to a reduction in  
2707 the base revenue of any such county from the previous year. Such  
2708 reduction shall be allowed only if the reduction in base revenue  
2709 equals or exceeds five percent (5%). "Base revenue" shall mean  
2710 the revenue received by the county from the ad valorem tax levy  
2711 plus the revenue received by the county from the tax assessed  
2712 under Section 27-35-309(3) and authorized to be used for any  
2713 purposes for which a county is authorized by law to levy an ad  
2714 valorem tax. For purposes of determining if the reduction equals  
2715 or exceeds five percent (5%), a levy of millage equal to the prior  
2716 year's millage shall be hypothetically applied to the current  
2717 year's ad valorem tax base to determine the amount of revenue to  
2718 be generated from the ad valorem tax levy. For the purposes of  
2719 this section and Section 37-57-107, the portion of the base  
2720 revenue used for the support of any school district shall be  
2721 deemed to be the aggregate receipts from ad valorem taxes for the  
2722 support of any school district. This paragraph shall apply to  
2723 taxes levied for the 1987 fiscal year and for each fiscal year  
2724 thereafter. If the Mississippi Supreme Court or another court  
2725 finally adjudicates that the tax levied under Section 27-35-309(3)  
2726 is unconstitutional, then this paragraph shall stand repealed.

2727           (2) When the tax is levied upon the territory of any school  
2728 district located in two (2) or more counties, the order of the  
2729 school board requesting the levying of such tax shall be certified  
2730 to the levying authority of each of the counties involved, and  
2731 each of the levying authorities shall levy the tax in the manner  
2732 specified herein. The taxes so levied shall be collected by the  
2733 tax collector of the levying authority involved and remitted by  
2734 the tax collector to the school depository of the home county to  
2735 the credit of the school district involved as provided above,



2736 except that taxes for collection fees may be retained by the  
2737 levying authority for deposit into its general fund.

2738 (3) The aggregate receipts from ad valorem taxes levied for  
2739 school district purposes, excluding collection fees, pursuant to  
2740 this section and Section 37-57-1 \* \* \* shall be subject to the  
2741 increased limitation under Section 37-57-107; however, if the ad  
2742 valorem tax effort in dollars requested by the school district for  
2743 the fiscal year exceeds the next preceding fiscal year's ad  
2744 valorem tax effort in dollars by more than four percent (4%) but  
2745 not more than seven percent (7%), then the school board shall  
2746 publish notice thereof once each week for at least three (3)  
2747 consecutive weeks in a newspaper having general circulation in the  
2748 school district involved, with the first publication thereof to be  
2749 made not less than fifteen (15) days prior to the final adoption  
2750 of the budget by the school board. If at any time prior to said  
2751 adoption a petition signed by not less than twenty percent (20%)  
2752 or fifteen hundred (1500), whichever is less, of the qualified  
2753 electors of the school district involved shall be filed with the  
2754 school board requesting that an election be called on the question  
2755 of exceeding the next preceding fiscal year's ad valorem tax  
2756 effort in dollars by more than four percent (4%) but not more than  
2757 seven percent (7%), then the school board shall, not later than  
2758 the next regular meeting, adopt a resolution calling an election  
2759 to be held within such school district upon such question. The  
2760 election shall be called and held, and notice thereof shall be  
2761 given, in the same manner for elections upon the questions of the  
2762 issuance of the bonds of school districts, and the results thereof  
2763 shall be certified to the school board. The ballot shall contain  
2764 the language "For the School Tax Increase Over Four Percent (4%)"  
2765 and "Against the School Tax Increase Over Four Percent (4%)." If  
2766 a majority of the qualified electors of the school district who  
2767 voted in such election shall vote in favor of the question, then  
2768 the stated increase requested by the school board shall be



2769 approved. For the purposes of this paragraph, the revenue sources  
2770 excluded from the increased limitation under Section 37-57-107  
2771 shall also be excluded from the limitation described herein in the  
2772 same manner as they are excluded under Section 37-57-107.

2773 **[From and after July 1, 2003, this section shall read as**  
2774 **follows:]**

2775 37-57-105. (1) In addition to the taxes levied under  
2776 Section 37-57-1, the levying authority for the school district, as  
2777 defined in Section 37-57-1, upon receipt of a certified copy of an  
2778 order adopted by the school board of the school district  
2779 requesting an ad valorem tax effort in dollars for the support of  
2780 the school district, shall, at the same time and in the same  
2781 manner as other ad valorem taxes are levied, levy an annual ad  
2782 valorem tax in the amount fixed in such order upon all of the  
2783 taxable property of such school district, which shall not be less  
2784 than the millage rate certified by the State Board of Education as  
2785 the uniform minimum school district ad valorem tax levy for the  
2786 support of the adequate education program in such school district  
2787 under Section 37-57-1. Provided, however, that any school  
2788 district levying less than the uniform minimum school district ad  
2789 valorem tax levy on July 1, 1997, shall only be required to  
2790 increase its local district maintenance levy in four (4) mill  
2791 annual increments in order to attain such millage requirements.  
2792 In making such levy, the levying authority shall levy an  
2793 additional amount sufficient to cover anticipated delinquencies  
2794 and costs of collection so that the net amount of money to be  
2795 produced by such levy shall be equal to the amount which is  
2796 requested by said school board. The proceeds of such tax levy,  
2797 excluding levies for the payment of the principal of and interest  
2798 on school bonds or notes and excluding levies for costs of  
2799 collection, shall be placed in the school depository to the credit  
2800 of the school district and shall be expended in the manner  
2801 provided by law for the purpose of supplementing teachers'



2802 salaries, extending school terms, purchasing furniture, supplies  
2803 and materials, and for all other lawful operating and incidental  
2804 expenses of such school district, funds for which are not provided  
2805 by adequate education program fund allotments.

2806         The monies authorized to be received by school districts from  
2807 the School Ad Valorem Tax Reduction Fund pursuant to Section  
2808 37-61-35 shall be included as ad valorem tax receipts. The  
2809 levying authority for the school district, as defined in Section  
2810 37-57-1, shall reduce the ad valorem tax levy for such school  
2811 district in an amount equal to the amount distributed to such  
2812 school district from the School Ad Valorem Tax Reduction Fund each  
2813 calendar year pursuant to said Section 37-61-35. Such reduction  
2814 shall not be less than the millage rate necessary to generate a  
2815 reduction in ad valorem tax receipts equal to the funds  
2816 distributed to such school district from the School Ad Valorem Tax  
2817 Reduction Fund pursuant to Section 37-61-35. Such reduction shall  
2818 not be deemed to be a reduction in the aggregate amount of support  
2819 from ad valorem taxation for purposes of Section 37-19-11. The  
2820 millage levy certified by the State Board of Education as the  
2821 uniform minimum ad valorem tax levy or the millage levy that would  
2822 generate funds in an amount equal to a school district's district  
2823 entitlement, as defined in Section 37-22-1(2)(e), shall be subject  
2824 to the provisions of this paragraph.

2825         In any county where there is located a nuclear generating  
2826 power plant on which a tax is assessed under Section 27-35-309(3),  
2827 such required levy and revenue produced thereby may be reduced by  
2828 the levying authority in an amount in proportion to a reduction in  
2829 the base revenue of any such county from the previous year. Such  
2830 reduction shall be allowed only if the reduction in base revenue  
2831 equals or exceeds five percent (5%). "Base revenue" shall mean  
2832 the revenue received by the county from the ad valorem tax levy  
2833 plus the revenue received by the county from the tax assessed  
2834 under Section 27-35-309(3) and authorized to be used for any



2835 purposes for which a county is authorized by law to levy an ad  
2836 valorem tax. For purposes of determining if the reduction equals  
2837 or exceeds five percent (5%), a levy of millage equal to the prior  
2838 year's millage shall be hypothetically applied to the current  
2839 year's ad valorem tax base to determine the amount of revenue to  
2840 be generated from the ad valorem tax levy. For the purposes of  
2841 this section and Section 37-57-107, the portion of the base  
2842 revenue used for the support of any school district shall be  
2843 deemed to be the aggregate receipts from ad valorem taxes for the  
2844 support of any school district. This paragraph shall apply to  
2845 taxes levied for the 1987 fiscal year and for each fiscal year  
2846 thereafter. If the Mississippi Supreme Court or another court  
2847 finally adjudicates that the tax levied under Section 27-35-309(3)  
2848 is unconstitutional, then this paragraph shall stand repealed.

2849 (2) When the tax is levied upon the territory of any school  
2850 district located in two (2) or more counties, the order of the  
2851 school board requesting the levying of such tax shall be certified  
2852 to the levying authority of each of the counties involved, and  
2853 each of the levying authorities shall levy the tax in the manner  
2854 specified herein. The taxes so levied shall be collected by the  
2855 tax collector of the levying authority involved and remitted by  
2856 the tax collector to the school depository of the home county to  
2857 the credit of the school district involved as provided above,  
2858 except that taxes for collection fees may be retained by the  
2859 levying authority for deposit into its general fund.

2860 (3) The aggregate receipts from ad valorem taxes levied for  
2861 school district purposes, excluding collection fees, pursuant to  
2862 this section and Section 37-57-1 \* \* \* shall be subject to the  
2863 increased limitation under Section 37-57-107; however, if the ad  
2864 valorem tax effort in dollars requested by the school district for  
2865 the fiscal year exceeds the next preceding fiscal year's ad  
2866 valorem tax effort in dollars by more than four percent (4%) but  
2867 not more than seven percent (7%), then the school board shall



2868 publish notice thereof once each week for at least three (3)  
2869 consecutive weeks in a newspaper having general circulation in the  
2870 school district involved, with the first publication thereof to be  
2871 made not less than fifteen (15) days prior to the final adoption  
2872 of the budget by the school board. If at any time prior to said  
2873 adoption a petition signed by not less than twenty percent (20%)  
2874 or fifteen hundred (1500), whichever is less, of the qualified  
2875 electors of the school district involved shall be filed with the  
2876 school board requesting that an election be called on the question  
2877 of exceeding the next preceding fiscal year's ad valorem tax  
2878 effort in dollars by more than four percent (4%) but not more than  
2879 seven percent (7%), then the school board shall, not later than  
2880 the next regular meeting, adopt a resolution calling an election  
2881 to be held within such school district upon such question. The  
2882 election shall be called and held, and notice thereof shall be  
2883 given, in the same manner for elections upon the questions of the  
2884 issuance of the bonds of school districts, and the results thereof  
2885 shall be certified to the school board. The ballot shall contain  
2886 the language "For the School Tax Increase Over Four Percent (4%)"  
2887 and "Against the School Tax Increase Over Four Percent (4%)." If  
2888 a majority of the qualified electors of the school district who  
2889 voted in such election shall vote in favor of the question, then  
2890 the stated increase requested by the school board shall be  
2891 approved. For the purposes of this paragraph, the revenue sources  
2892 excluded from the increased limitation under Section 37-57-107  
2893 shall also be excluded from the limitation described herein in the  
2894 same manner as they are excluded under Section 37-57-107.

2895       **SECTION 52.** Section 37-57-107, Mississippi Code of 1972, is  
2896 amended as follows:

2897       **[Until July 1, 2003, this section shall read as follows:]**

2898       37-57-107. Beginning with the tax levy for the 1997 fiscal  
2899 year and each fiscal year thereafter, the aggregate receipts from  
2900 taxes levied for school district purposes pursuant to Sections





2901 37-57-105 and 37-57-1 shall not exceed the aggregate receipts from  
2902 those sources during any one (1) of the immediately preceding  
2903 three (3) fiscal years, as determined by the school board, plus an  
2904 increase not to exceed seven percent (7%). For the purpose of  
2905 this limitation, the term "aggregate receipts" when used in  
2906 connection with the amount of funds generated in a preceding  
2907 fiscal year shall not include excess receipts required by law to  
2908 be deposited into a special account \* \* \*. The additional revenue  
2909 from the ad valorem tax on any newly constructed properties or any  
2910 existing properties added to the tax rolls or any properties  
2911 previously exempt which were not assessed in the next preceding  
2912 year may be excluded from the seven percent (7%) increase  
2913 limitation set forth herein. Taxes levied for payment of  
2914 principal of and interest on general obligation school bonds  
2915 issued heretofore or hereafter shall be excluded from the seven  
2916 percent (7%) increase limitation set forth herein. Any additional  
2917 millage levied to fund any new program mandated by the Legislature  
2918 shall be excluded from the limitation for the first year of the  
2919 levy and included within such limitation in any year thereafter.  
2920 For the purposes of this section, the term "new program" shall  
2921 include, but shall not be limited to, (a) the Early Childhood  
2922 Education Program required to commence with the 1986-1987 school  
2923 year as provided by Section 37-21-7 and any additional millage  
2924 levied and the revenue generated therefrom, which is excluded from  
2925 the limitation for the first year of the levy, to support the  
2926 mandated Early Childhood Education Program shall be specified on  
2927 the minutes of the school board and of the governing body making  
2928 such tax levy; (b) any additional millage levied and the revenue  
2929 generated therefrom which shall be excluded from the limitation  
2930 for the first year of the levy, for the purpose of generating  
2931 additional local contribution funds required for the minimum  
2932 education program for the 1987 fiscal year and for each fiscal  
2933 year thereafter through the 1996 fiscal year under Section



2934 37-19-35; (c) any additional millage levied and the revenue  
2935 generated therefrom which shall be excluded from the limitation  
2936 for the first and each subsequent year of the levy, for the  
2937 purpose of generating additional local contributions mandated  
2938 under Section 37-57-105 requiring the board of trustees of a  
2939 school district to reach the millage levy certified by the State  
2940 Board of Education as the uniform minimum school district ad  
2941 valorem tax levy or the millage levy which would generate funds in  
2942 an amount equal to a school district's "district entitlement" as  
2943 defined in Section 37-22-1(2)(e); and (d) any additional millage  
2944 levied and the revenue generated therefrom which shall be excluded  
2945 from the limitation for the first year of the levy, for the  
2946 purpose of support and maintenance of any agricultural high school  
2947 which has been transferred to the control, operation and  
2948 maintenance of the school board by the board of trustees of the  
2949 community college district under provisions of Section 37-29-272.

2950       The seven percent (7%) increase limitation prescribed in this  
2951 section may be increased an additional amount only when the school  
2952 board has determined the need for additional revenues and has held  
2953 an election on the question of raising the limitation prescribed  
2954 in this section. The limitation may be increased only if  
2955 three-fifths (3/5) of those voting in the election shall vote for  
2956 the proposed increase. The resolution, notice and manner of  
2957 holding the election shall be as prescribed by law for the holding  
2958 of elections for the issuance of bonds by the respective school  
2959 boards. Revenues collected for the fiscal year in excess of the  
2960 seven percent (7%) increase limitation pursuant to an election  
2961 shall be included in the tax base for the purpose of determining  
2962 aggregate receipts for which the seven percent (7%) increase  
2963 limitation applies for subsequent fiscal years.

2964       Except as otherwise provided for excess revenues generated  
2965 pursuant to an election, if revenues collected as the result of  
2966 the taxes levied for the fiscal year pursuant to this section and



2967 Section 37-57-1 exceed the increase limitation, then it shall be  
2968 the mandatory duty of the school board of the school district to  
2969 deposit such excess receipts over and above the increase  
2970 limitation into a special account and credit it to the fund for  
2971 which the levy was made. It will be the further duty of such  
2972 board to hold said funds and invest the same as authorized by law.  
2973 Such excess funds shall be calculated in the budgets for the  
2974 school districts for the purpose for which such levies were made,  
2975 for the succeeding fiscal year. Taxes imposed for the succeeding  
2976 year shall be reduced by the amount of excess funds available.  
2977 Under no circumstances shall such excess funds be expended during  
2978 the fiscal year in which such excess funds are collected.

2979 For the purposes of determining ad valorem tax receipts for a  
2980 preceding fiscal year under this section, the term "fiscal year"  
2981 means the fiscal year beginning October 1 and ending September 30.

2982 **[From and after July 1, 2003, this section shall read as**  
2983 **follows:]**

2984 37-57-107. Beginning with the tax levy for the 1997 fiscal  
2985 year and for each fiscal year thereafter, the aggregate receipts  
2986 from taxes levied for school district purposes pursuant to  
2987 Sections 37-57-105 and 37-57-1 shall not exceed the aggregate  
2988 receipts from those sources during any one (1) of the immediately  
2989 preceding three (3) fiscal years, as determined by the school  
2990 board, plus an increase not to exceed seven percent (7%). For the  
2991 purpose of this limitation, the term "aggregate receipts" when  
2992 used in connection with the amount of funds generated in a  
2993 preceding fiscal year shall not include excess receipts required  
2994 by law to be deposited into a special account \* \* \*. The  
2995 additional revenue from the ad valorem tax on any newly  
2996 constructed properties or any existing properties added to the tax  
2997 rolls or any properties previously exempt which were not assessed  
2998 in the next preceding year may be excluded from the seven percent  
2999 (7%) increase limitation set forth herein. Taxes levied for



3000 payment of principal of and interest on general obligation school  
3001 bonds issued heretofore or hereafter shall be excluded from the  
3002 seven percent (7%) increase limitation set forth herein. Any  
3003 additional millage levied to fund any new program mandated by the  
3004 Legislature shall be excluded from the limitation for the first  
3005 year of the levy and included within such limitation in any year  
3006 thereafter. For the purposes of this section, the term "new  
3007 program" shall include, but shall not be limited to, (a) the Early  
3008 Childhood Education Program required to commence with the  
3009 1986-1987 school year as provided by Section 37-21-7 and any  
3010 additional millage levied and the revenue generated therefrom,  
3011 which is excluded from the limitation for the first year of the  
3012 levy, to support the mandated Early Childhood Education Program  
3013 shall be specified on the minutes of the school board and of the  
3014 governing body making such tax levy; (b) any additional millage  
3015 levied and the revenue generated therefrom which shall be excluded  
3016 from the limitation for the first year of the levy, for the  
3017 purpose of generating additional local contribution funds required  
3018 for the adequate education program for the 2003 fiscal year and  
3019 for each fiscal year thereafter under Section 37-151-7(2); and (c)  
3020 any additional millage levied and the revenue generated therefrom  
3021 which shall be excluded from the limitation for the first year of  
3022 the levy, for the purpose of support and maintenance of any  
3023 agricultural high school which has been transferred to the  
3024 control, operation and maintenance of the school board by the  
3025 board of trustees of the community college district under  
3026 provisions of Section 37-29-272.

3027       The seven percent (7%) increase limitation prescribed in this  
3028 section may be increased an additional amount only when the school  
3029 board has determined the need for additional revenues and has held  
3030 an election on the question of raising the limitation prescribed  
3031 in this section. The limitation may be increased only if  
3032 three-fifths (3/5) of those voting in the election shall vote for



3033 the proposed increase. The resolution, notice and manner of  
3034 holding the election shall be as prescribed by law for the holding  
3035 of elections for the issuance of bonds by the respective school  
3036 boards. Revenues collected for the fiscal year in excess of the  
3037 seven percent (7%) increase limitation pursuant to an election  
3038 shall be included in the tax base for the purpose of determining  
3039 aggregate receipts for which the seven percent (7%) increase  
3040 limitation applies for subsequent fiscal years.

3041 Except as otherwise provided for excess revenues generated  
3042 pursuant to an election, if revenues collected as the result of  
3043 the taxes levied for the fiscal year pursuant to this section and  
3044 Section 37-57-1 exceed the increase limitation, then it shall be  
3045 the mandatory duty of the school board of the school district to  
3046 deposit such excess receipts over and above the increase  
3047 limitation into a special account and credit it to the fund for  
3048 which the levy was made. It will be the further duty of such  
3049 board to hold said funds and invest the same as authorized by law.  
3050 Such excess funds shall be calculated in the budgets for the  
3051 school districts for the purpose for which such levies were made,  
3052 for the succeeding fiscal year. Taxes imposed for the succeeding  
3053 year shall be reduced by the amount of excess funds available.  
3054 Under no circumstances shall such excess funds be expended during  
3055 the fiscal year in which such excess funds are collected.

3056 For the purposes of determining ad valorem tax receipts for a  
3057 preceding fiscal year under this section, the term "fiscal year"  
3058 means the fiscal year beginning October 1 and ending September 30.

3059 **SECTION 53.** Section 27-25-506, Mississippi Code of 1972, is  
3060 amended as follows:

3061 27-25-506. There is hereby created a special fund in the  
3062 State Treasury into which the state's share of proceeds collected  
3063 pursuant to Sections 27-25-505 and 27-25-705 shall be deposited.

3064 The state's share of all oil and gas severance taxes derived  
3065 from oil and gas resources under state-owned lands or from severed



3066 state-owned minerals shall be deposited into the State Treasury to  
3067 the credit of the trust fund created in Section 206A, Mississippi  
3068 Constitution of 1890. The following amounts of the remainder of  
3069 tax collections apportioned to the state shall be deposited to the  
3070 credit of the trust fund created in Section 206A, Mississippi  
3071 Constitution of 1890:

3072 (a) For fiscal year 1994, all amounts collected in  
3073 excess of Thirty-five Million Dollars (\$35,000,000.00);

3074 (b) For fiscal year 1995, all amounts collected in  
3075 excess of Thirty-two Million Five Hundred Thousand Dollars  
3076 (\$32,500,000.00);

3077 (c) For fiscal year 1996, all amounts collected in  
3078 excess of Thirty Million Dollars (\$30,000,000.00);

3079 (d) For fiscal year 1997, all amounts collected in  
3080 excess of Twenty-seven Million Five Hundred Thousand Dollars  
3081 (\$27,500,000.00);

3082 (e) For fiscal year 1998, all amounts collected in  
3083 excess of Twenty-five Million Dollars (\$25,000,000.00);

3084 (f) For fiscal year 1999, all amounts collected in  
3085 excess of Twenty Million Dollars (\$20,000,000.00);

3086 (g) For fiscal year 2000, all amounts collected in  
3087 excess of Fifteen Million Dollars (\$15,000,000.00);

3088 (h) For fiscal year 2001 through December 31, 2000, all  
3089 amounts collected and transferred in excess of Ten Million Dollars  
3090 (\$10,000,000.00);

3091 (i) For fiscal year 2005, all amounts collected in  
3092 excess of Ten Million Dollars (\$10,000,000.00);

3093 (j) For fiscal year 2006, all amounts collected in  
3094 excess of Five Million Dollars (\$5,000,000.00); and

3095 (k) For fiscal year 2007 and each fiscal year  
3096 thereafter, all such tax collections apportioned to the state  
3097 shall be deposited to the credit of the trust fund.



3098           The monies collected pursuant to paragraphs (a) through (j)  
3099 of this section that are not deposited into the trust fund shall  
3100 be deposited into the State General Fund \* \* \*.

3101           The remainder of the tax collections apportioned to the state  
3102 under this section for the period beginning after December 31,  
3103 2000, through the end of fiscal year 2004 shall be deposited into  
3104 the Budget Contingency Fund created in Section 27-103-301. All  
3105 monies deposited into the Budget Contingency Fund under this  
3106 section shall be appropriated by the Legislature for the support  
3107 of the Minimum Education Program or to the Mississippi Adequate  
3108 Education Program as successor to the Minimum Education Program.

3109           **SECTION 54.** Section 27-25-505, Mississippi Code of 1972, is  
3110 amended as follows:

3111           **[With regard to any county which is exempt from the**  
3112 **provisions of Section 19-2-3, this section shall read as follows:]**

3113           27-25-505. All taxes herein levied and collected by the  
3114 State Tax Commission shall be paid into the State Treasury on the  
3115 same day collected. The commissioner shall apportion all such tax  
3116 collections to the state and to the county in which the oil was  
3117 produced, in accordance with the following schedule and so certify  
3118 such apportionment to the State Treasurer at the end of each  
3119 month:

3120           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
3121 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
3122 the state and thirty-three and one-third percent (33-1/3%) to the  
3123 county.

3124           On the next Six Hundred Thousand Dollars (\$600,000.00) or any  
3125 part thereof, ninety percent (90%) to the state and ten percent  
3126 (10%) to the county through June 30, 1989; eighty-five percent  
3127 (85%) to the state and fifteen percent (15%) to the county from  
3128 July 1, 1989, through June 30, 1990; and eighty percent (80%) to  
3129 the state and twenty percent (20%) to the county for each fiscal  
3130 year thereafter.



3131 Above and exceeding One Million Two Hundred Thousand Dollars  
3132 (\$1,200,000.00), ninety-five percent (95%) to the state and five  
3133 percent (5%) to the county through June 30, 1989; ninety percent  
3134 (90%) to the state and ten percent (10%) to the county from July  
3135 1, 1989, through June 30, 1990; and eighty-five percent (85%) to  
3136 the state and fifteen percent (15%) to the county for each fiscal  
3137 year thereafter.

3138 The state's share of all oil severance taxes collected  
3139 pursuant to this section shall be deposited \* \* \* as provided for  
3140 in Section 27-25-506.

3141 The State Treasurer shall remit the county's share of said  
3142 funds on or before the twentieth day of the month next succeeding  
3143 the month in which such collections were made, for division among  
3144 the municipalities and taxing districts of the county. He shall  
3145 accompany his remittance with a report to the county receiving  
3146 such funds prepared by the commissioner showing from whom said tax  
3147 was collected. Upon receipt of said funds, the board of  
3148 supervisors of said county shall allocate the same to the  
3149 municipalities and to the various maintenance and bond and  
3150 interest funds of the county, school districts, supervisors  
3151 districts and road districts, as hereinafter provided.

3152 When there shall be any oil producing properties within the  
3153 corporate limits of any municipality, then such municipality shall  
3154 participate in the division of the tax returned to the county in  
3155 which the municipality is located, in the proportion which the tax  
3156 on production of oil from any properties located within the  
3157 municipal corporate limits bears to the tax on the total  
3158 production of oil in the county. In no event, however, shall the  
3159 amount allocated to municipalities exceed one-third (1/3) of the  
3160 tax produced in the municipality and returned to the county. Any  
3161 amount received by any municipality as a result of the allocation  
3162 herein provided shall be used only for such purposes as are  
3163 authorized by law.





3164           The balance remaining of any amount of tax returned to the  
3165 county after the allocation to municipalities shall be divided  
3166 among the various maintenance and bond interest funds of the  
3167 county, school districts, supervisors districts and road  
3168 districts, in the discretion of the board of supervisors, and such  
3169 board shall make the division in consideration of the needs of the  
3170 various taxing districts. The funds so allocated shall be used  
3171 only for purposes as are authorized by law.

3172           **[With regard to any county which is required to operate on a**  
3173 **countywide system of road administration as described in Section**  
3174 **19-2-3, this section shall read as follows:]**

3175           27-25-505. All taxes herein levied and collected by the  
3176 State Tax Commission shall be paid into the State Treasury on the  
3177 same day collected. The commissioner shall apportion all such tax  
3178 collections to the state and to the county in which the oil was  
3179 produced, in accordance with the following schedule and so certify  
3180 such apportionment to the State Treasurer at the end of each  
3181 month:

3182           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
3183 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
3184 the state and thirty-three and one-third percent (33-1/3%) to the  
3185 county.

3186           On the next Six Hundred Thousand Dollars (\$600,000.00) or any  
3187 part thereof, ninety percent (90%) to the state and ten percent  
3188 (10%) to the county through June 30, 1989; eighty-five percent  
3189 (85%) to the state and fifteen percent (15%) to the county from  
3190 July 1, 1989, through June 30, 1990; and eighty percent (80%) to  
3191 the state and twenty percent (20%) to the county for each fiscal  
3192 year thereafter.

3193           Above and exceeding One Million Two Hundred Thousand Dollars  
3194 (\$1,200,000.00), ninety-five percent (95%) to the state and five  
3195 percent (5%) to the county through June 30, 1989; ninety percent  
3196 (90%) to the state and ten percent (10%) to the county from July



3197 1, 1989, through June 30, 1990; and eighty-five percent (85%) to  
3198 the state and fifteen percent (15%) to the county for each fiscal  
3199 year thereafter.

3200 The state's share of all oil severance taxes collected  
3201 pursuant to this section shall be deposited \* \* \* as provided for  
3202 in Section 27-25-506.

3203 The State Treasurer shall remit the county's share of said  
3204 funds on or before the twentieth day of the month next succeeding  
3205 the month in which such collections were made, for division among  
3206 the municipalities and taxing districts of the county. He shall  
3207 accompany his remittance with a report to the county receiving  
3208 such funds prepared by the commissioner showing from whom said tax  
3209 was collected. Upon receipt of said funds, the board of  
3210 supervisors of said county shall allocate the same to the  
3211 municipalities and to the various maintenance and bond and  
3212 interest funds of the county and school districts, as hereinafter  
3213 provided.

3214 When there shall be any oil producing properties within the  
3215 corporate limits of any municipality, then such municipality shall  
3216 participate in the division of the tax returned to the county in  
3217 which the municipality is located, in the proportion which the tax  
3218 on production of oil from any properties located within the  
3219 municipal corporate limits bears to the tax on the total  
3220 production of oil in the county. In no event, however, shall the  
3221 amount allocated to municipalities exceed one-third (1/3) of the  
3222 tax produced in the municipality and returned to the county. Any  
3223 amount received by any municipality as a result of the allocation  
3224 herein provided shall be used only for such purposes as are  
3225 authorized by law.

3226 The balance remaining of any amount of tax returned to the  
3227 county after the allocation to municipalities shall be divided  
3228 among the various maintenance and bond interest funds of the  
3229 county and school districts, in the discretion of the board of



3230 supervisors, and such board shall make the division in  
3231 consideration of the needs of the various taxing districts. The  
3232 funds so allocated shall be used only for purposes as are  
3233 authorized by law.

3234 **SECTION 55.** Section 27-25-705, Mississippi Code of 1972, is  
3235 amended as follows:

3236 **[With regard to any county which is exempt from the**  
3237 **provisions of Section 19-2-3, this section shall read as follows:]**

3238 27-25-705. All taxes herein levied and collected by the  
3239 State Tax Commission shall be paid into the State Treasury on the  
3240 same day in which such taxes are collected. The commissioner  
3241 shall apportion all such tax collections to the state and to the  
3242 county in which the gas was produced, in the proportion of  
3243 sixty-six and two-thirds percent (66-2/3%) to the state and  
3244 thirty-three and one-third percent (33-1/3%) to the county.  
3245 Provided, however, when the producer of gas subject to the tax  
3246 levied in this article increases the price of the gas sold and  
3247 such increase is subject to approval by a federal regulatory board  
3248 or commission, and when the producer of the gas so requests, the  
3249 State Treasurer is hereby authorized to hold the severance tax  
3250 collected on said price increase in escrow until such time as the  
3251 price increase or a portion thereof is finally granted or  
3252 approved. The severance tax thus held in escrow shall be  
3253 deposited by the State Treasurer to an account in a state  
3254 depository to be invested in an interest-bearing account in the  
3255 manner provided by law. When the price increase in question or a  
3256 portion thereof is granted or approved, the commissioner shall  
3257 compute the correct severance tax due on such increase and certify  
3258 the amount of tax thus computed. This amount and interest earned  
3259 from the depository shall be distributed to the General Fund and  
3260 to the county or counties proportionately as herein provided. The  
3261 balance, if any, of the tax and interest held in escrow on the  
3262 price increase shall be returned to the taxpayer.



3263           The state's share of all gas severance taxes collected  
3264 pursuant to this section shall be deposited \* \* \* as provided for  
3265 in Section 27-25-506.

3266           The commissioner shall certify at the end of each month the  
3267 apportionment to each county to the State Treasurer, who shall  
3268 remit the county's share of said funds on or before the twentieth  
3269 day of the month next succeeding the month in which such  
3270 collections were made for division among the municipalities and  
3271 taxing districts of the county. The commissioner shall submit a  
3272 report to the State Treasurer for distribution to each county  
3273 receiving such funds showing from whom said tax and interest, if  
3274 any, were collected. Upon receipt of said funds, the board of  
3275 supervisors of the county shall allocate the same to the  
3276 municipalities and to the various maintenance and bond and  
3277 interest funds of the county, school districts, supervisors  
3278 districts and road districts, as hereinafter provided.

3279           When there shall be any gas producing properties within the  
3280 corporate limits of any municipality, then such municipality shall  
3281 participate in the division of the tax and interest, if any,  
3282 returned to the county in which the municipality is located in the  
3283 proportion which the tax on production of gas from properties  
3284 located within the municipal corporate limits bears to the tax on  
3285 total production of gas in the county. In no event, however,  
3286 shall the amount allocated to the municipalities exceed one-third  
3287 (1/3) of the tax and interest produced in the municipality and  
3288 returned to the county. Any amount received by any municipality  
3289 as a result of the allocation herein provided shall be used for  
3290 such purposes as are authorized by law.

3291           The balance remaining of any funds returned to the county  
3292 after the allocation to municipalities shall be divided among the  
3293 various maintenance and bond and interest funds of the county,  
3294 school districts, supervisors districts and road districts, in the  
3295 discretion of the board of supervisors, and such board shall make



3296 the division in consideration of the needs of the various taxing  
3297 districts. The funds so allocated shall be used only for such  
3298 purposes as are authorized by law.

3299 **[With regard to any county which is required to operate on a**  
3300 **countywide system of road administration as described in Section**  
3301 **19-2-3, this section shall read as follows:]**

3302 27-25-705. All taxes herein levied and collected by the  
3303 State Tax Commission shall be paid into the State Treasury on the  
3304 same day in which such taxes are collected. The commissioner  
3305 shall apportion all such tax collections to the state and to the  
3306 county in which the gas was produced, in the proportion of  
3307 sixty-six and two-thirds percent (66-2/3%) to the state and  
3308 thirty-three and one-third percent (33-1/3%) to the county.  
3309 Provided, however, when the producer of gas subject to the tax  
3310 levied in this article increases the price of the gas sold and  
3311 such increase is subject to approval by a federal regulatory board  
3312 or commission, and when the producer of the gas so requests, the  
3313 State Treasurer is hereby authorized to hold the severance tax  
3314 collected on said price increase in escrow until such time as the  
3315 price increase or a portion thereof is finally granted or  
3316 approved. The severance tax thus held in escrow shall be  
3317 deposited by the State Treasurer to an account in a state  
3318 depository to be invested in an interest-bearing account in the  
3319 manner provided by law. When the price increase in question or a  
3320 portion thereof is granted or approved, the commissioner shall  
3321 compute the correct severance tax due on such increase and certify  
3322 the amount of tax thus computed. This amount and interest earned  
3323 from the depository shall be distributed to the General Fund and  
3324 to the county or counties proportionately as herein provided. The  
3325 balance, if any, of the tax and interest held in escrow on the  
3326 price increase shall be returned to the taxpayer.



3327           The state's share of all gas severance taxes collected  
3328 pursuant to this section shall be deposited into \* \* \* as provided  
3329 for in Section 27-25-506.

3330           The commissioner shall certify at the end of each month the  
3331 apportionment to each county to the State Treasurer, who shall  
3332 remit the county's share of said funds on or before the twentieth  
3333 day of the month next succeeding the month in which such  
3334 collections were made for division among the municipalities and  
3335 taxing districts of the county. The commissioner shall submit a  
3336 report to the State Treasurer for distribution to each county  
3337 receiving such funds showing from whom said tax and interest, if  
3338 any, were collected. Upon receipt of said funds, the board of  
3339 supervisors of the county shall allocate the same to the  
3340 municipalities and to the various maintenance and bond and  
3341 interest funds of the county and school districts, as hereinafter  
3342 provided.

3343           When there shall be any gas producing properties within the  
3344 corporate limits of any municipality, then such municipality shall  
3345 participate in the division of the tax and interest, if any,  
3346 returned to the county in which the municipality is located in the  
3347 proportion which the tax on production of gas from properties  
3348 located within the municipal corporate limits bears to the tax on  
3349 total production of gas in the county. In no event, however,  
3350 shall the amount allocated to the municipalities exceed one-third  
3351 (1/3) of the tax and interest produced in the municipality and  
3352 returned to the county. Any amount received by any municipality  
3353 as a result of the allocation herein provided shall be used for  
3354 such purposes as are authorized by law.

3355           The balance remaining of any funds returned to the county  
3356 after the allocation to municipalities shall be divided among the  
3357 various maintenance and bond and interest funds of the county and  
3358 school districts, in the discretion of the board of supervisors,  
3359 and such board shall make the division in consideration of the



3360 needs of the various taxing districts. The funds so allocated  
3361 shall be used only for such purposes as are authorized by law.

3362         **SECTION 56.** Section 30 of Chapter 612, Laws of 1997, which  
3363 repealed statutes providing for the Minimum Education Program  
3364 formula and the Equity Funding Program formula on July 1, 2002, is  
3365 hereby repealed.

3366         **SECTION 57.** Section 52 of Chapter 612, Laws of 1997, is  
3367 amended as follows:

3368         Section 52. This act shall take effect and be in force from  
3369 and after its passage; provided, however, that Sections 4, 5, 6,  
3370 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 25,  
3371 26, 27, 28, 29 and 30 of this act shall take effect and be in  
3372 force from and after July 1, 2003.

3373         **SECTION 58.** This act shall take effect and be in force from  
3374 and after June 30, 2002.

