SENATE BILL NO. 2508


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

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

S. B. No. 2508
37-151-7. The annual allocation to each school district for
the operation of the adequate education program shall be
determined as follows:

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

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

(b) **Determination of base student cost.** The State
Board of Education, on or before August 1, with adjusted estimate
no later than January 2, shall annually submit to the Legislative
Budget Office and the Governor a proposed base student cost
adequate to provide the following cost components of educating a
pupil in an average school district meeting Level III
accreditation standards required by the Commission on School
Accreditation: (i) Instructional Cost; (ii) Administrative Cost;
(iii) Operation and Maintenance of Plant; and (iv) Ancillary
Support Cost. The department shall utilize a statistical
methodology which considers such factors as, but not limited to,
(i) school size; (ii) assessed valuation per pupil; (iii) the
percentage of students receiving free lunch; (iv) the local
district maintenance tax levy; (v) other local school district
revenues; and (vi) the district's accreditation level, in the
selection of the representative Mississippi school districts for
which cost information shall be obtained for each of the above
listed cost areas.
For the instructional cost component, the department shall determine the instructional cost of each of the representative school districts selected above, excluding instructional cost of self-contained special education programs and vocational education programs, and the average daily attendance in the selected school districts. The instructional cost is then totaled and divided by the total average daily attendance for the selected school districts to yield the instructional cost component. For the administrative cost component, the department shall determine the administrative cost of each of the representative school districts selected above, excluding administrative cost of self-contained special education programs and vocational education programs, and the average daily attendance in the selected school districts. The administrative cost is then totaled and divided by the total average daily attendance for the selected school districts to yield the administrative cost component. For the plant and maintenance cost component, the department shall determine the plant and maintenance cost of each of the representative school districts selected above, excluding plant and maintenance cost of self-contained special education programs and vocational education programs, and the average daily attendance in the selected school districts. The plant and maintenance cost is then totaled and divided by the total average daily attendance for the selected school districts to yield the plant and maintenance cost component. For the ancillary support cost component, the department shall determine the ancillary support cost of each of the representative school districts selected above, excluding ancillary support cost of self-contained special education programs and vocational education programs, and the average daily attendance in the selected school districts. The ancillary support cost is then totaled and divided by the total average daily attendance for the selected school districts to yield the ancillary support cost component. The total base cost for each
year shall be the sum of the instructional cost component, administrative cost component, plant and maintenance cost component and ancillary support cost component, and any estimated adjustments for additional state requirements as determined by the State Board of Education. Provided, however, that the base student cost in fiscal year 1998 shall be Two Thousand Six Hundred Sixty-four Dollars ($2,664.00); provided further that the base student cost in fiscal year 2003 shall be Three Thousand Dollars ($3,000.00).

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

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

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

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

(i) Transportation cost shall be the amount allocated to such school district for the operational support of the district transportation system from state funds.
(ii) Vocational or technical education program cost shall be the amount allocated to such school district from state funds for the operational support of such programs.

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

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

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

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

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

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

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

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

The total Mississippi Adequate Education Program Cost shall be the sum of the total basic adequate education program cost (paragraph (c)), and the adjustment to the base student cost for at-risk pupils (paragraph (d)) for each school district.
(g) **Supplemental grant to school districts.** In addition to the adequate education program grant, the State Department of Education shall annually distribute an additional amount as follows: Multiply the base student cost for the appropriate fiscal year as determined under paragraph (b) by .13% and multiply that product by the average daily attendance of each school district. Such grant shall not be subject to the local revenue requirement provided in subsection (2).

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

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

(b) The State Board of Education shall determine (i) the total assessed valuation of nonexempt property and the assessed value of new property for school purposes in each school district; (ii) assessed value of exempt property owned by homeowners aged sixty-five (65) or older or disabled as defined in Section 27-33-67(2), Mississippi Code of 1972; (iii) the school district's tax loss from exemptions provided to applicants under the age of sixty-five (65) and not disabled as defined in Section 27-33-67(1), Mississippi Code of 1972; and (iv) the school district's homestead reimbursement revenues.
(c) The amount of the total adequate education program funding which shall be contributed by each school district shall be the sum of the ad valorem receipts generated by the millage required under this subsection plus the following local revenue sources for the appropriate fiscal year which are or may be available for current expenditure by the school district:

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

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

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

Provided, however, that in fiscal year 1998 and in the fiscal year in which the adequate education program is fully funded by the Legislature, any increase in the said state contribution, including the supplemental grant to school districts provided under subsection (1)(g), to any district calculated under this section shall be not less than eight percent (8%) in excess of the amount received by said district from state funds for the fiscal year immediately preceding. For purposes of this section, state funds shall include minimum program funds less the add-on programs, state Uniform Millage Assistance Grant funds, Education Enhancement Funds appropriated for Uniform Millage Assistance Grants and state textbook allocations, and State General Funds allocated for textbooks.
(4) The State Adequate Education Program Fund is hereby established in the State Treasury which shall be used to distribute any funds specifically appropriated by the Legislature to such fund, to school districts entitled to increased allocations of state funds under the adequate education program funding formula prescribed in Sections 37-151-3, 37-151-5 and 37-151-7 of this article. If the Legislature provides less funds than the total state funds needed for support of such increased allocations under the adequate education program, the State Department of Education shall reduce all elements of the cost of the adequate education program proportionately. Any such adequate education program funds shall be transferred to the school district maintenance fund of such district in the manner prescribed in Section 37-19-47, Mississippi Code of 1972, and shall be expended in the manner provided by law.

(5) The Interim School District Capital Expenditure Fund is hereby established in the State Treasury which shall be used to distribute any funds specifically appropriated by the Legislature to such fund to school districts entitled to increased allocations of state funds under the adequate education program funding formula prescribed in Sections 37-151-3 through 37-151-7, Mississippi Code of 1972, until such time as the said adequate education program is fully funded by the Legislature. The following percentages of the total state cost of increased allocations of funds under the adequate education program funding formula shall be appropriated by the Legislature into the Interim School District Capital Expenditure Fund to be distributed to all school districts under the formula: Nine and two-tenths percent (9.2%) shall be appropriated in fiscal year 1998, twenty percent (20%) shall be appropriated in fiscal year 1999, forty percent (40%) shall be appropriated in fiscal year 2000, sixty percent (60%) shall be appropriated in fiscal year 2001, eighty percent (80%) shall be appropriated in fiscal year 2002.
percent (80%) shall be appropriated in fiscal year 2003, and one
hundred percent (100%) shall be appropriated in fiscal year 2004
into the State Adequate Education Program Fund created in
subsection (4). Until such time as the adequate education program
is fully funded by the Legislature, such money shall be used by
school districts for the following purposes:

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

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

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

(d) From and after October 1, 1997, through June 30, 1998, pursuant to a school district capital expenditure plan
approved by the State Department of Education, a school district
may pledge such funds until July 1, 2002, plus funds provided for
in paragraph (e) of this subsection (5) that are not otherwise
permanently pledged under such paragraph (e) to pay all or a
portion of the debt service on debt issued by the school district
under Sections 37-59-1 through 37-59-45, 37-59-101 through
37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
issued by boards of supervisors for agricultural high schools
pursuant to Section 37-27-65, Mississippi Code of 1972, or
lease-purchase contracts entered into pursuant to Section 31-7-13,
Mississippi Code of 1972, or to retire or refinance outstanding
debt of a district, if such pledge is accomplished pursuant to a
written contract or resolution approved and spread upon the
minutes of an official meeting of the district's school board or
board of supervisors. It is the intent of this provision to allow
school districts to irrevocably pledge their Interim School
District Capital Expenditure Fund allotments as a constant stream
of revenue to secure a debt issued under the foregoing code
sections. To allow school districts to make such an irrevocable
pledge, the state shall take all action necessary to ensure that
the amount of a district's Interim School District Capital
Expenditure Fund allotments shall not be reduced below the amount
certified by the department or the district's total allotment
under the Interim Capital Expenditure Fund if fully funded, so
long as such debt remains outstanding.

(e) From and after October 1, 1997, through June 30, 1998, in addition to any other authority a school district may have, any school district may issue State Aid Capital Improvement Bonds secured in whole by a continuing annual pledge of any Mississippi Adequate Education Program funds available to the district, in an amount not to exceed One Hundred Sixty ($160.00) per pupil based on the latest completed average daily attendance count certified by the department prior to the issuance of the bonds. Such State Aid Capital Improvement Bonds may be issued for the purposes enumerated in subsections (a), (b), (c) and (g) of this section. Prior to issuing such bonds, the school board of the district shall adopt a resolution declaring the necessity for and its intention of issuing such bonds and borrowing such money, specifying the approximate amount to be so borrowed, how such
money is to be used and how such indebtedness is to be evidenced. Any capital improvement project financed with State Aid Capital Improvement Bonds shall be approved by the department, and based on an approved long-range plan. The State Board of Education shall promulgate minimum requirements for the approval of such school district capital expenditure plans. The State Board of Education shall not approve any capital expenditure plan for a pledge of funds under this paragraph unless it determines (i) that the quality of instruction in such district will not be reduced as a result of this pledge, and (ii) the district has other revenue available to attain and maintain at least Level III accreditation. A district issuing State Aid Capital Improvement Bonds may pledge for the repayment of such bonds all funds received by the district from the state, in an amount not to exceed One Hundred Sixty Dollars ($160.00) per pupil in average daily attendance in the school district as set forth above, and not otherwise permanently pledged under paragraph (d) of this subsection or under Section 37-61-33(2)(d), Mississippi Code of 1972. The district's school board shall specify by resolution the amount of state funds, which are being pledged by the district for the repayment of the State Aid Capital Improvement Bonds. Once such a pledge is made to secure the bonds, the district shall notify the department of such pledge. Upon making such a pledge, the school district may request the department which may agree to irrevocably transfer a specified amount or percentage of the district's state revenue pledged to repay the district's State Aid Capital Improvement Bonds directly to a state or federally chartered bank serving as a trustee or paying agent on such bonds for the payment of all or portion of such State Aid Capital Improvement Bonds. Such instructions shall be incorporated into a resolution by the school board for the benefit of holders of the bonds and may provide that such withholding and transfer of such other available funds shall be made only upon notification by a trustee or paying
agent on such bonds that the amounts available to pay such bonds on any payment date will not be sufficient. It is the intent of this provision to allow school districts to irrevocably pledge a certain, constant stream of revenue as security for State Aid Capital Improvement Bonds issued hereunder. To allow school districts to make such an irrevocable pledge, the state shall take all action necessary to ensure that the amount of a district's state revenues up to an amount equal to One Hundred Sixty Dollars ($160.00) per pupil as set forth above which have been pledged to repay debt as set forth herein shall not be reduced so long as any State Aid Capital Improvement Bonds are outstanding.

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

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

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

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

(f) As an alternative to the authority granted under paragraph (e), a school district, in its discretion, may authorize the State Board of Education to withhold an amount of the district's adequate education program allotment equal to up to One
Hundred Sixty Dollars ($160.00) per student in average daily attendance in the district to be allocated to the State Public School Building Fund to the credit of such school district. A school district may choose the option provided under this paragraph (e) or paragraph (f), but not both. In addition to the grants made by the state pursuant to Section 37-47-9, a school district shall be entitled to grants based on the allotments to the State Public School Building Fund credited to such school district under this paragraph. This paragraph (f) shall stand repealed from and after June 30, 1998.

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

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

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

Any interest accruing on any unexpended balance in the
Interim School District Capital Expenditure Fund shall be invested
by the State Treasurer and placed to the credit of each school
district participating in such fund in its proportionate share.
The provisions of this subsection shall be cumulative and
supplemental to any existing funding programs or other authority
conferred upon school districts or school boards.

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

[Until July 1, 2003, this section reads as follows:]
37-61-33. (1) There is created within the State Treasury a
special fund to be designated the "Education Enhancement Fund"
into which shall be deposited all the revenues collected pursuant
to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

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

(a) Purchasing, erecting, repairing, equipping,
remodeling and enlarging school buildings and related facilities,
including gymnasiums, auditoriums, lunchrooms, vocational training
buildings, libraries, teachers' homes, school barns,
transportation vehicles (which shall include new and used
transportation vehicles) and garages for transportation vehicles,
and purchasing land therefor.
(b) Establishing and equipping school athletic fields and necessary facilities connected therewith, and purchasing land therefor.

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

(d) As a pledge to pay all or a portion of the debt service on debt issued by the school district under Sections 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302 and 37-41-81, or debt issued by boards of supervisors for agricultural high schools pursuant to Section 37-27-65, if such pledge is accomplished pursuant to a written contract or resolution approved and spread upon the minutes of an official meeting of the district's school board or board of supervisors.

The annual grant to such district in any subsequent year during the term of the resolution or contract shall not be reduced below an amount equal to the district's grant amount for the year in which the contract or resolution was adopted. The intent of this provision is to allow school districts to irrevocably pledge a certain, constant stream of revenue as security for long-term obligations issued under the code sections enumerated in this paragraph or as otherwise allowed by law. It is the intent of the Legislature that the provisions of this paragraph shall be cumulative and supplemental to any existing funding programs or other authority conferred upon school districts or school boards. Debt of a district secured by a pledge of sales tax revenue pursuant to this paragraph shall not be subject to any debt limitation contained in the foregoing enumerated code sections.

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

(a) To the State Department of Education as follows:
(i) Eight and thirty-five one-hundredths percent (8.35%) to be distributed to public school districts for the support of educational programs authorized by law. The funds distributed to the school districts under this item shall be in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state;

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

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

(iv) Nine and sixty-one one-hundredths percent (9.61%), of which Four Million Six Hundred Thousand Dollars ($4,600,000.00) shall be allocated for classroom supplies, instructional materials and equipment, including computers and computer software, to be distributed to all school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state. Classroom supply funds shall not be expended for administrative purposes. Local school districts shall allocate classroom supply funds equally among all classroom teachers in the school district. For purposes of this subparagraph, "teacher" shall mean any employee of the school board of a school district who is required by law to obtain a teacher's license from the State Board of Education and who is assigned to an instructional area of work as defined by the State Department of Education, but shall not include a federally funded teacher. Two (2) or more teachers may agree to pool their classroom supply funds for the benefit of a school within the district pursuant to the development of a spending plan that supports the overall goals of the school which includes the type,
quantity and quality of such supplies, instructional materials, equipment, computers or computer software. This plan shall be submitted, in writing, to the school principal for approval. Classroom supply funds allocated under this subparagraph shall supplement, not replace, other local and state funds available for the same purposes. School districts need not fully expend the funds received under this subparagraph in the year in which they are received, but such funds may be carried forward for expenditure in any succeeding school year. The State Board of Education shall develop and promulgate rules and regulations for the administration of this subparagraph consistent with the above criteria, with particular emphasis on allowing the individual teachers to expend funds as they deem appropriate, with minimum input from school principals. The remainder of the funds appropriated to the State Department of Education under this item shall be distributed to public school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts in the state for the support of educational programs authorized by law;

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

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

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

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

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

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

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

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

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

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

[From and after July 1, 2003, this section reads as follows:]
average daily attendance of each school district bears to the average daily attendance of all school districts within the state for the following purposes:

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

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

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

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

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

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

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

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

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

It is the intent of the Legislature that all classroom teachers shall be involved in the development of a spending plan that addresses individual classroom needs and supports the overall goals of the school regarding supplies, instructional materials, equipment, computers or computer software under the provisions of this subparagraph, including the type, quantity and quality of such supplies, materials and equipment. This plan shall be submitted to the school principal for approval. School districts need not fully expend the funds received under this subparagraph in the year in which they are received, but such funds may be carried forward for expenditure in any succeeding school year;
(b) Twenty-two and nine one-hundredths percent (22.09%) to the Board of Trustees of State Institutions of Higher Learning for the purpose of supporting institutions of higher learning; and

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

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

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

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

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

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

(b) For the aggregate of minimum program allotments in the 1997 fiscal year, formerly provided for in Chapter 19, Title 37, Mississippi Code of 1972, as amended, excluding those funds for transportation as provided for in subsection (5)(a) in this section.
SECTION 3. Section 37-47-33, Mississippi Code of 1972, is amended as follows:

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

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

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

(a) The term "minimum education program" shall mean the program of education made possible by the financing plan provided for in this chapter;
(b) The term "teacher" shall include any employee of a school board of a school district who is required by law to obtain a teacher's license from the State Board of Education and who is assigned to an instructional area of work as defined by the State Department of Education the equivalent of a minimum of three (3) normal periods per school day;

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

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

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

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

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

(h) "Minimum school term" shall mean a term of at least one hundred eighty (180) days of school in which both teachers and pupils are in regular attendance for scheduled classroom instruction for not less than sixty percent (60%) of the normal school day. It is the intent of the Legislature that any tax levies generated to produce additional local funds required by any school district to operate school terms in excess of one hundred seventy-five (175) days shall not be construed to constitute a new program for the purposes of exemption from the limitation on tax
revenues as allowed under Sections 27-39-321 and 37-57-107 for new
programs mandated by the Legislature;

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

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

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

(l) The term "average daily attendance" shall be the
figure which results when the total aggregate attendance during
the period or months counted is divided by the number of days

during the period or months counted upon which both teachers and
pupils are in regular attendance for scheduled classroom
instruction;

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

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

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

This section shall stand repealed on June 30, 2003.

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

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

This section shall stand repealed on June 30, 2003.

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

37-19-5. (1) The total number of teachers included in the
program for each school district shall not be in excess of the
number of teachers employed or the number of teacher units
allowed, whichever number is smaller. The number of teacher units
shall be determined by the State Department of Education for each
school district for the current year as follows: For Kindergarten
and Grades 1, 2, 3 and 4, one (1) teacher unit shall be allotted
for each twenty-four (24) pupils in average daily attendance for
the prior school year or for months two and three of the current
year, whichever is greater, and for all other grades, one (1)
A teacher unit shall be allotted for each twenty-seven (27) pupils in average daily attendance for the prior school year or for months two and three of the current year, whichever is greater. A remaining major fraction of a unit shall be counted as a whole unit. It shall be the duty of the State Department of Education to determine that each school district actually has employed in Kindergarten and Grades 1, 2, 3 and 4, a number of teachers which shall not be fewer than the earned units calculated in accordance with this subsection and, to that end, the State Department of Education is empowered to make regulations not inconsistent with this chapter which are reasonably necessary to implement and assure its compliance. No teacher may be included in such number of teachers unless he spends not less than seventy-five percent (75%) of his working time in actual classroom instruction in Kindergarten and Grades 1, 2, 3 and 4, and the State Department of Education shall require the school district to certify, under oath of a person informed of such matters, and authorized by the school district governing authority to do so, that only such teachers have been so included in that number. If a school district employs more teachers than the teacher units allotted, the State Department of Education shall use the teachers of highest training and number of years experience in determining the allotment for salaries. It is the intent of the Legislature that the additional teachers provided herein for Kindergarten and Grades 1, 2, 3 and 4 shall be utilized exclusively in Kindergarten and in those grades, and that such classes shall not exceed a maximum number of twenty-seven (27) students in enrollment at any time during the school term unless exempted under rules and regulations promulgated by the State Board of Education providing for hardship, emergency or other special situations. In addition, the total number of students that may be taught by an individual teacher in core subjects at any time during the school year shall not exceed one hundred fifty (150) unless exempted under the rules
and regulations promulgated by the State Board of Education. Any such exemption regarding the maximum number of students per class or per individual teacher shall be certified by the local board of education to the State Department of Education with each monthly average daily attendance report. In the event any school district meets Level 4 or 5 accreditation standards, the State Board of Education may, in its discretion, exempt such school district from the maximum pupil-teacher ratio in Grades 1, 2, 3 and 4 prescribed herein.

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

(3) One (1) additional teacher unit shall be added to the teacher unit allotment for each school district for each teacher employed in a State Department of Education approved program for exceptional children as defined in Section 37-23-3, except that only seventy percent (70%) of a teacher unit will be approved for the program for three- and four-year-old exceptional children. Exceptional children as defined in Section 37-23-3 who are under the age of three (3) years shall receive teacher units for each teacher employed in an approved program for those children. However, notwithstanding the calculation of teacher units as defined in subsection (1) above, exceptional children enrolled in a self-contained class, as defined by the State Department of Education, shall not be counted in average daily attendance when determining the regular teacher unit allocation. Minimum program
funds will be allotted based on the type of certificate and the
number of years teaching experience held by each approved
exceptional education teacher.

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

(5) The State Department of Education is hereby authorized
to match minimum program funds allocated for provision of services
to handicapped children with Division of Medicaid funds to provide
language-speech services, physical therapy and occupational
therapy to handicapped students who meet State Department of
Education or Division of Medicaid standards and who are Medicaid
eligible. Provided further, that the State Department of
Education is authorized to pay such minimum program funds as may
be required as a match directly to the Division of Medicaid
pursuant to an agreement to be developed between the State
Department of Education and the Division of Medicaid.
(6) In the event of an inordinately large number of absentees in any school district as a result of epidemic, natural disaster, or any concerted activity discouraging school attendance, then in such event school attendance for the purposes of determining teacher units shall be based upon the average daily attendance for the three (3) preceding school years for such school district.

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

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

This section shall stand repealed on June 30, 2003.
SECTION 7. Section 37-19-9, Mississippi Code of 1972, is reenacted and amended as follows:

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

This section shall stand repealed on June 30, 2003.

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

37-19-11. No school district shall pay any teacher on the minimum foundation program less than the state minimum salary provided for in Section 37-19-7. No school district shall receive any funds under the provisions of this chapter for any school year during which the aggregate amount of local supplement as defined in Section 37-19-1 shall have been reduced below such amount for the previous year; however, where there has been a reduction in the number of teacher units in such district in such year, where there has been a reduction in the amount of federal funds to such district below the previous year, or where there has been a reduction in ad valorem taxes to such school district for the 1986-1987 school year below the amount for the previous year due to the exemption of nuclear generating plants from ad valorem taxation, pursuant to Section 27-35-309, the aggregate amount of local supplement in such district may be reduced proportionately without loss of funds under this chapter. No school district may receive any funds under the provisions of this chapter for any school year if the aggregate amount of support from ad valorem taxation shall be reduced during such school year below such amount for the previous year; however, where there is a loss in teacher units, or where there is or heretofore has been a decrease in the total assessed value of taxable property within a school district, the aggregate amount of such support may be reduced.
proportionately. Nothing herein contained shall prohibit any
school district from adopting or continuing a program or plan
whereby teachers are paid varying salaries according to the
teaching ability, classroom performance and other similar
standards.

This section shall stand repealed on June 30, 2003.

reenacted and amended as follows:

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

This section shall stand repealed on June 30, 2003.

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

37-19-17. The total allowance made by the State Board of
Education in the minimum education program for teachers' salaries
for each type of certificate in any school district shall not be
in excess of the total amount determined by the scale for teachers
holding each type of certificate as provided in this chapter or
the amount actually paid to such teachers with such type of
certificates, whichever amount is smaller. However, the school
boards of all school districts may establish salary schedules
based on training, experience, and other such factors as may be
incorporated therein, including student progress and performance
as developed by the State Board of Education, paying teachers
greater amounts than the scale provided herein, but no teacher may
be paid less than the amount allotted for such teacher based upon
the scale of pay provided in this chapter, and all supplements
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
1036 The amount allotted for teachers' salaries by the State Board
1037 of Education and the amount actually paid to each teacher shall be
1038 based upon and determined by the type of certificate held by such
1039 teacher.
1040
1041 This section shall stand repealed on June 30, 2003.

SECTION 11. Section 37-19-19, Mississippi Code of 1972, is
1045 reenacted and amended as follows:

37-19-19. Each county and separate school district shall be
1048 allotted Seventy-five Dollars ($75.00) per teacher unit for paying
1049 or supplementing superintendents' and principals' salaries.
1050 This section shall stand repealed on June 30, 2003.

SECTION 12. Section 37-19-20, Mississippi Code of 1972, is
1059 amended as follows:

37-19-20. Each school district in a geographical area of the
state in which there exists a critical shortage of teachers, as
designated by the State Board of Education, shall be allotted a
sufficient amount of funds for the salaries and fringe benefits of
each substitute teacher employed by the district for more than a
one-month period of time, to be referred to as a "long-term
substitute teacher." Funding for such long-term substitute
teachers shall be limited to minimum program funds that would
otherwise be available to the school district for licensed teacher
unit positions allotted under Section 37-19-5(1) which cannot be
utilized by the district. Funding for such long-term substitute
teachers shall be only for those individuals employed as long-term
substitute teachers who possess a bachelor's degree and shall be
based on the beginning salary scale for a teacher with a type A
license. The State Board of Education shall prescribe the
documentation required from a school district on the necessity of
employing such long-term substitute teachers, and the State
Superintendent of Public Education must approve each long-term
substitute teacher employed by the district.

This section shall stand repealed on June 30, 2003.

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

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

This section shall be repealed on July 1, 2003.

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

37-19-22. (1) In addition to other funds allowed under the
Minimum Education Program, each school district shall receive a
grant for the support of alternative school programs established
under Section 37-13-92, in accordance with the following:

Three-fourths of one percent (3/4 of 1%) of the school district's
average daily attendance or twelve (12) pupils, whichever is
greater, multiplied by the average expenditure of public monies
per pupil in the State of Mississippi, as determined by the State
Board of Education. The number of students generated by the above
formula shall not also be counted in determining the teacher unit
allotment but shall be counted in determining the average daily
attendance of the school districts in which those students are
enrolled.

(2) An alternative school advisory board may be created
within each school district maintaining a freestanding alternative
school or two (2) or more adjacent school districts operating a
freestanding alternative school pursuant to a contract approved by
the State Board of Education. The advisory board shall meet no
less than two (2) times during each school year to study the
alternative school program and to make recommendations for
improvements to the superintendent of the local school board or boards, as the case may be, and the State Superintendent of Education. The alternative school advisory board shall consist of the following members: one (1) school administrator to be appointed by each local school board of the school district or districts operating the alternative school; one (1) school board member and one (1) parent to be appointed by each superintendent of the school district or districts operating the alternative school; one (1) classroom teacher to be appointed by the classroom teachers in each school district operating the alternative school; one (1) individual to be appointed by the local youth court judge, or if there is no such court the chancery court judge; and one (1) law enforcement officer to be appointed by the local sheriff. The initial members of the advisory board shall serve as follows: One-third (1/3) of the members shall serve two (2) years; one-third (1/3) of the members shall serve three (3) years; and one-third (1/3) of the members shall serve four (4) years, to be designated by the appointing authority at the time of appointment. Thereafter, the term of each member shall be for a period of four (4) years.

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

This section shall stand repealed on June 30, 2003.

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

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

(1) The State Department of Education shall calculate the cost of transportation in school districts by ascertaining the...
average cost per pupil in average daily attendance of transported pupils in school districts classified in different density groups as determined by the State Department of Education. Based on these calculations, the State Department of Education shall develop a scale for determining the allowable cost per pupil in different density groups, which scale shall provide greatest allowance per pupil transported in school districts with lowest densities and smallest allowance per pupil in school districts with highest densities. The total allowance in the minimum education program for transported children for any school district for the current year shall be the average daily attendance of the transported children for the nine (9) months of the prior year, multiplied by the allowance per transported pupil as provided herein. However, the State Department of Education is hereby authorized and empowered to make proper adjustments in allotments, under rules and regulations of the State Board of Education, in cases where major changes in the number of children in average daily attendance transported occur from one year to another as a result of changes or alterations in the boundaries of school districts, a change in or relocation of attendance centers, or for other reasons which would result in major decrease or increase in the number of children in average daily attendance transported during the current school year as compared with the preceding year. Moreover, the State Board of Education is hereby authorized and empowered to make such payments to all districts and/or university-based programs as deemed necessary in connection with transporting exceptional children as defined in Section 37-23-3. The State Board of Education shall establish and implement all necessary rules and regulations to allot transportation payments to university-based programs. In developing density classifications under the provisions hereof, the State Department of Education may give consideration to the length of the route, the sparsity of the population, the lack of adequate roads,
highways and bridges, and the presence of large streams or other geographic obstacles. In addition to funds allotted under the above provisions, funds shall be allotted to each school district that transports students from their assigned school or attendance center to classes in an approved vocational-technical center at a rate per mile not to exceed the average statewide cost per mile of school bus transportation during the preceding year exclusive of bus replacement. All such transportation must have prior approval by the State Department of Education.

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

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

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

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

This section shall stand repealed on June 30, 2003.

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

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

This section shall stand repealed on June 30, 2003.

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

37-19-27. (1) Legally transferred students going from one school district to another shall be counted for teacher allotment and allotments for supportive services by the school district wherein the pupils attend school, including cost allotments prescribed in Sections 37-19-19 and 37-19-31 for school district administrative and clerical salaries and other expenses, but shall be counted for transportation allotment purposes in the school district.
district which furnishes or provides the transportation. The school boards of the school districts which approve the transfer of a student under the provisions of Section 37-15-31 shall enter into an agreement and contract for the payment or nonpayment of any portion of their local maintenance funds which they deem fair and equitable in support of any transferred student. Except as provided in subsection (2) of this section, local maintenance funds shall be transferred only to the extent specified in the agreement and contract entered into by the affected school districts. The terms of any local maintenance fund payment transfer contract shall be spread upon the minutes of both of the affected school district school boards. The school district accepting any transfer students shall be authorized to accept tuition from such students under the provisions of Section 37-15-31(1) and such agreement may remain in effect for any length of time designated in the contract. The terms of such student transfer contracts and the amounts of any tuition charged any transfer student shall be spread upon the minutes of both of the affected school boards. No school district accepting any transfer students under the provisions of Section 37-15-31(2), which provides for the transfer of certain school district employee dependents, shall be authorized to charge such transfer students any tuition fees.

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

This section shall stand repealed on June 30, 2003.

SECTION 18. Section 37-19-29, Mississippi Code of 1972, is reenacted and amended as follows:
37-19-29. Notwithstanding any provision of this chapter or any other law requiring the number of children in average daily attendance or the average daily attendance of transported children to be determined on the basis of the preceding year, the State Board of Education is hereby authorized and empowered to make proper adjustments in allotments in cases where major changes in the number of children in average daily attendance or the average daily attendance of transported children occurs from one (1) year to another as a result of changes or alterations in the boundaries of school districts, the sending of children from one (1) county or district to another upon a contract basis, the termination or discontinuance of a contract for the sending of children from one (1) county or district to another, a change in or relocation of attendance centers, or for any other reason which would result in a major decrease or increase in the number of children in average daily attendance or the average daily attendance of transported children during the current school year as compared with the preceding year.

This section shall stand repealed on June 30, 2003.

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

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

This section shall stand repealed on June 30, 2003.

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

37-19-33. In addition to the allowances provided in Sections 37-19-5 through 37-19-31, the State Department of Education may
allot to each school district an amount to cover and pay the employer's part of the public employees' retirement and social security. The allowance under this section shall be based upon the current rate applied to each funding element except for transportation which shall be the amount appropriated for salaries. In the event a rate changes during the fiscal year, the State Department of Education shall apportion the allowance under this section by the number of days of the regular school term occurring in each rate period.

This section shall stand repealed on June 30, 2003.

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

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

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

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

This section shall stand repealed on June 30, 2003.

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

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

(a) The total minimum local ad valorem tax effort required of all school districts in the state shall be as follows:

Sixteen Million Five Hundred Thousand Dollars ($16,500,000.00) for fiscal year 1987, Seventeen Million Dollars ($17,000,000.00) for fiscal year 1988, Seventeen Million Seven Hundred Fifty Thousand Dollars ($17,750,000.00) for fiscal year 1989, Eighteen Million Five Hundred Thousand Dollars ($18,500,000.00) for fiscal year 1990, Nineteen Million Two Hundred Fifty Thousand Dollars ($19,250,000.00) for fiscal year 1991, Twenty Million Dollars ($20,000,000.00) for fiscal year 1992, Twenty-one Million Dollars ($21,000,000.00) for fiscal year 1993, Twenty-two Million Dollars ($22,000,000.00) for fiscal year 1994, Twenty-three Million Dollars ($23,000,000.00) for fiscal year 1995, Twenty-four Million Dollars ($24,000,000.00) for fiscal year 1996 and each fiscal year thereafter.

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

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

(d) The minimum local ad valorem tax effort in dollars for each school district within a county for each year shall be that district's percent of the total assessed valuation of the county for the previous year multiplied by the total minimum ad valorem tax effort required of that county as provided in subsection (c) of this section. In making this calculation the countywide assessment shall be used.
(e) If the school board of any school district shall determine that it is not economically feasible or practicable to operate any school within the district for the full one hundred eighty (180) days required for a school term of nine (9) months as contemplated, due to an enemy attack, a manmade, technological or natural disaster in which the Governor has declared a disaster emergency under the laws of this state or the President of the United States has declared an emergency or major disaster to exist in this state, that said school board may notify the State Department of Education of such disaster and submit a plan for altering the school term. If the State Board of Education finds such disaster to be the cause of the school's not being able to operate for the contemplated school term and that such school was in a county covered by the Governor's or President's disaster declaration, it may permit said school board to operate the schools in its district for less than one hundred eighty (180) days, and, in such case, the State Department of Education shall not reduce the allotment mentioned hereinabove, because of the failure to operate said schools for one hundred eighty (180) days.

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

This section shall stand repealed on June 30, 2003.

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

(1) Except as otherwise provided in subsection (4) of this section, the total state funds needed annually by each
county, excluding the separate school districts therein, for the support of the minimum education program shall be the cost of the minimum education program for that county as determined in Section 37-19-3, less the minimum local ad valorem tax effort required of that county, as provided in Section 37-19-35, and less one-half (1/2) of all refunds of severance taxes made by the state to the county for the preceding year; provided, however, in the event that, during any county fiscal year, one-half (1/2) of all severance taxes returned or to be returned to such county from the State Tax Commission will be less than one-half (1/2) of all severance taxes returned to such county during the preceding fiscal year, the state funds for the support of the minimum education program shall be increased in the amount of such deficit. The foregoing provisions shall be fully applicable to the distribution of minimum education program funds to a district designated as a municipal separate or special municipal separate school district prior to July 1, 1986, which embraces an entire county, subject to the provisions of subsection (4) of this section. In any county wherein there is located a nuclear generating power plant on which a tax is assessed under subsection (3) of Section 27-35-309, the minimum local ad valorem tax effort required of the county for school year 1986-1987 and school year 1987-1988 shall not be more than Two Hundred Thousand Dollars ($200,000.00) per school year. In no case shall the total state funds provided in any year for the support of the minimum education program in any county be less than forty percent (40%) of the cost of the minimum education program for that county as determined by Section 37-19-3, and in the event the workings of this proviso should result in a lesser local contribution for the support of the minimum education program of the county than is otherwise required by this section, then the local funds otherwise required for the support of said minimum education program shall
be reduced or eliminated in the following order of priority: (a) severance taxes; (b) the minimum local ad valorem tax effort.

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

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

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percentage to be Applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-1996</td>
<td>45%</td>
</tr>
<tr>
<td>1996-1997</td>
<td>40%</td>
</tr>
<tr>
<td>1997-1998</td>
<td>35%</td>
</tr>
<tr>
<td>1998-1999</td>
<td>30%</td>
</tr>
<tr>
<td>1999-2000</td>
<td>25%</td>
</tr>
<tr>
<td>2000-2001</td>
<td>20%</td>
</tr>
</tbody>
</table>
2001-2002  15%
2002-2003  10%
2003-2004  5%
2004-2005 and each fiscal year thereafter  0%

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

This section shall stand repealed on June 30, 2003.

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

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

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

(b) The minimum education program allotment shall be allotted annually to each school district in the manner provided by this chapter. This allotment shall be such an amount which, together with the common school allotment provided in subsection (a) above of this section, shall equal the state's part of the cost of the minimum education program as determined in the manner specified in subsection (3) of Section 37-19-37. The total amount annually to which each school district is entitled from the minimum education program allotment shall be determined by subtracting from the cost of the minimum program in such school district as provided in Section 37-19-3, the following: the minimum local ad valorem tax effort as required by Section 37-19-35, the amount of the common school fund received for the current year, and the applicable amount or percentage established.
in Section 37-19-37 of the refund of severance taxes made by the
state to the counties and municipalities for the preceding year.

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

This section shall stand repealed on June 30, 2003.

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

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

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

(b) The average daily attendance of pupils transported
at public expense, as authorized by law, to the schools of the
school district during the then current scholastic year, which
information may also, if necessary, be based on the first six (6)
months of school;

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

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

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

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

In addition to the information specified herein, the State
Board of Education shall have full and plenary authority and power
to require the furnishing of such further, additional and
supplementary information as it may deem necessary for the purpose
of determining the cost of the minimum education program in such
school district for the succeeding fiscal year, the amount of the
minimum education program funds to be allotted to each school
district for the succeeding fiscal year, and for any other purpose
authorized by law or deemed necessary by said State Board of Education.

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

This section shall stand repealed on June 30, 2003.

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

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

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

This section shall stand repealed on June 30, 2003.

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

37-19-45. It shall be the duty of the State Department of Education to file with the State Treasurer and the State Fiscal Management Board such data and information as may be required to enable the said State Treasurer and State Fiscal Management Board to distribute the common school funds and minimum education program funds by electronic funds transfer to the several school districts at the time required and provided under the provisions of this chapter. Such data and information so filed shall show in detail the amount of funds to which each school district is entitled from such common school fund and minimum education program funds.
program fund. Such data and information so filed may be revised from time to time as necessitated by law. At the time provided by law, the State Treasurer and the State Fiscal Management Board shall distribute to the several school districts the amounts to which they are entitled from the common school fund and the minimum education program fund as provided by this chapter. Such distribution shall be made by electronic funds transfer to the depositories of the several school districts designated in writing to the State Treasurer based upon the data and information supplied by the State Department of Education for such distribution. In such instances, the State Treasurer shall submit a request for an electronic funds transfer to the State Fiscal Management Board, which shall set forth the purpose, amount and payees, and shall be in such form as may be approved by the State Fiscal Management Board so as to provide the necessary information as would be required for a requisition and issuance of a warrant. A copy of the record of said electronic funds transfers shall be transmitted by the school district depositories to the Treasurer, who shall file duplicates with the State Fiscal Management Board. The Treasurer and State Fiscal Management Board shall jointly promulgate regulations for the utilization of electronic funds transfers to school districts.

This section shall stand repealed on June 30, 2003.

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

37-19-47. Funds due each school district under the terms of this chapter from the Common School Fund and the Minimum Education Program Fund shall be paid in the following manner: On the twenty-fifth day of each month, or the next business date after that date, there shall be paid to each school district by electronic funds transfer one-twelfth (1/12) of the funds to which the district is entitled from funds appropriated for the Common School Fund and the Minimum Education Program Fund. Provided,
however, that in December said payments shall be made on December
15th or the next business day after that date.

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

This section shall stand repealed on June 30, 2003.

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

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

This section shall stand repealed on June 30, 2003.

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

37-19-51. The State Board of Education shall have the
authority to make such regulations not inconsistent with law which
it deems necessary for the administration of this chapter. The
State Board of Education, if it deems such practice necessary, may
use reports of the first six (6) months of school for the purpose
of determining average daily attendance and the number of pupils transported for that year.

This section shall stand repealed on June 30, 2003.

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

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

This section shall stand repealed on June 30, 2003.

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

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

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

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

(b) "Uniform minimum school district ad valorem tax levy" means that amount of millage which the State Board of Education shall annually certify to the board of trustees of all school districts as the "uniform minimum school district ad valorem tax levy," on August 15 of each year. Until June 30, 1993, the State Board of Education shall determine the amount of the uniform minimum school district ad valorem tax levy by computing the statewide combined average millage levy for school district maintenance purposes as prescribed in Section 37-57-105 and minimum program contributions as prescribed in Section 37-57-1 for the preceding fiscal year, then subtracting four (4) mills from such statewide average millage levy. From and after July 1, 1993, the uniform minimum school district ad valorem tax levy shall be the amount of millage so certified by the State Board of
Education for the 1993 fiscal year. Beginning with the 1993 fiscal year, the State Board of Education shall determine and certify an equivalent uniform minimum school district ad valorem tax levy for agricultural high school support and maintenance.

(c) "Maximum yield at the uniform minimum school district ad valorem tax levy" shall mean ad valorem tax dollars collectible in each school district if the district levies such required number of mills for the support of the school district as certified by the State Board of Education. It is calculated by:

(i) subtracting the assessed value of exempt property owned by homeowners aged sixty-five (65) or older or disabled as defined in Section 27-33-67(2), Mississippi Code of 1972, from the district's gross assessed value to arrive at the district's taxable assessed value; (ii) applying the required millage levy to the taxable assessed value to arrive at the base revenue; (iii) subtracting the district's tax loss from exemptions provided to applicants under the age of sixty-five (65) and not disabled as defined in Section 27-33-67(1) to arrive at the maximum collectible; and (iv) adding the district's homestead reimbursement revenue to arrive at the district's maximum yield at the uniform minimum school district ad valorem tax levy. The clerk of the board of supervisors shall list in his report of tax losses for homestead exemption as defined in Section 27-33-35, Mississippi Code of 1972, the total assessed value in each school district. The homestead exemption tax losses used in this formula shall be losses for exemptions granted from taxes due and payable in the preceding year. Reimbursements used in this formula shall be amounts reimbursed to the school districts for said losses.

(d) "Individual student entitlement" means that amount of funds which results from dividing the aggregate amount of funds which would be generated by the levy of the uniform minimum school district ad valorem tax by the aggregate average daily attendance
in all school districts and agricultural high schools located within the state.

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

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

(g) "Other local revenue sources" shall mean the sum of the following local revenues which are or may be available from the preceding fiscal year for expenditure by the school district: (i) interest on short- or long-term investments of surplus funds as prescribed in Section 37-59-23; (ii) sixteenth section school land expendable income as prescribed in Chapter 3, Title 29, Mississippi Code of 1972, excluding the revenue generated from the sale of timber; (iii) Chickasaw School Fund appropriations by the Legislature as prescribed in Sections 29-3-137 and 29-3-139; (iv)
TVA in lieu revenues as prescribed in Section 27-39-303; (v)
national forest revenues as prescribed in 16 USCS Section 500;
(vi) Grand Gulf income as prescribed in Section 27-35-309.

However, no funds held in escrow to the benefit of any school
district due to federal litigation concerning the distribution of
Grand Gulf revenues shall be considered as "other local revenue
sources" under the provisions of this paragraph; and (vii) the
amount of any Emergency Fund Loss Assistance Program funds
received annually under the provisions of Section 37-22-5.

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

(4) The total state funds needed for the School District
Uniform Millage Assistance Grant Program annually shall be the
total of the amounts needed to award grants to school districts
and agricultural high schools in the state as provided in
subsection (3) of this section. If the total amount of funds
annually appropriated for the School District Uniform Millage
Assistance Grant Program exceeds the total amount determined by
the basic formula, the excess funds shall be distributed
proportionately to those school districts so entitled under the
provisions of this section. The State Uniform Millage Assistance
Grant Fund is hereby established in the State Treasury which shall
be used to distribute the funds to school districts so entitled
under the provisions of this section. Any such grant funds shall
be transferred to the school district maintenance fund of such
district or agricultural high school in the manner prescribed in
Section 37-19-47, Mississippi Code of 1972, and shall be expended
in the manner provided by law exclusively for classroom
instructional purposes.
This section shall stand repealed on June 30, 2003.

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

37-22-3. There is herein provided a Second Level Funding Program which shall qualify any school district within a county wherein there is only one (1) school district located for additional state funding on an annual basis. The nonparticipation of any line consolidated school district to conform their district administration to receive second level funding under the provisions of this section shall not prohibit the participation of any other school districts located within any of the affected counties in such funding program. In the event the board of trustees of a line consolidated school district elects to participate in second level funding, it shall merge its administration with the county in which the majority of its facilities are located. The State Board of Education shall designate the county in which the majority of such line consolidated district facilities are located in accordance with its established inventory of school district facilities. The school boards in any such county having only one (1) school district on July 1, 1989, and the school boards in any county having more than one (1) school district which hereafter adopts a plan for the transition of all administrative functions into one (1) school district for such county, shall qualify for this Second Level Funding Program. Any uniform millage assistance grant received by an agricultural high school shall not affect the granting of second level funding grants to any school district under the provisions of this section; and any agricultural high school located in such school district shall also be eligible for such second level funding grants. The state funds available to such school district for the Second Level Funding Program shall be Thirty-six Dollars ($36.00) per pupil in average daily attendance. The total state funds needed for the Second Level Funding Program...
annually shall be the total of the amounts needed by all of the school districts in the state having one (1) school district within the county. The State Second Level Funding Program Fund is hereby established in the State Treasury which shall be used to distribute the funds to school districts entitled under the provisions of this section. Any such funds shall be transferred to the school district maintenance fund of such district in the manner prescribed in Section 37-19-47, Mississippi Code of 1972, and shall be expended in the manner provided by law for classroom instructional purposes.

This section shall stand repealed on June 30, 2003.

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

[From and after July 1, 2003, this section shall read as follows:] 37-151-77. To qualify for funds provided in this chapter, each school district shall not exceed a pupil-teacher ratio based on enrollment in Grades 1, 2, 3 and 4 as follows: 27:1 For Grades Kindergarten and 5 through 12, pupil-teacher ratio shall be determined based on appropriate accreditation standards developed by the Mississippi Commission on School Accreditation. Any local district may apply to the State Board of Education for approval of a waiver to this section by submitting and justifying an alternative educational program to serve the needs of enrollment in Grades Kindergarten and 1 through 4. The State Board of Education shall approve or disapprove of such waiver forty-five (45) days after receipt of such application. If a school district violates the provisions of this section, the state aid for the ensuing fiscal year to such school district shall be reduced by the percentage variance that the actual pupil-teacher ratios in such school district has to the required pupil-teacher ratios mandated in this section. Provided, that notwithstanding the provisions of this section, the State Board of Education is
authorized to waive the pupil-teacher requirements specified
herein upon a finding that a good faith effort is being made by
the school district concerned to comply with the ratio provisions
but that for lack of classroom space which was beyond its control
it is physically impossible for the district to comply, and the
cost of temporary classroom space cannot be justified. In the
event any school district meets Level 4 or 5 accreditation
standards, the State Board of Education may, in its discretion,
exempt such school district from the maximum pupil-teacher ratio
in Grades 1, 2, 3 and 4 prescribed herein.

SECTION 35. Section 37-151-79, Mississippi Code of 1972, is
amended as follows:
[From and after July 1, 2003, this section shall read as
follows:]
37-151-79. In addition to other funds provided for in this
chapter, there shall be added to the allotment for each school
district for each vocational teacher employed full time during the
regular school term in a vocational education program approved by
the State Department of Education the value of one-half (1/2) of
the adequate education program salary schedule provided in Section
37-19-7, Mississippi Code of 1972, based on the type of
certificate and number of years' teaching experience held by each
approved vocational teacher plus one hundred percent (100%) of the
applicable employer's rate for social security and state
retirement.

SECTION 36. Section 37-151-81, Mississippi Code of 1972, is
amended as follows:
[From and after July 1, 2003, this section shall read as
follows:]
37-151-81. (1) In addition to other funds provided for in
this chapter, there shall be added to the allotment for each
school district for each teacher employed in a State Department of
Education approved program for exceptional children as defined in
Section 37-23-3, Mississippi Code of 1972, the value of one hundred percent (100%) of the adequate education program salary schedule prescribed in Section 37-19-7, Mississippi Code of 1972, based on the type of certificate and number of years' teaching experience held by each approved special education teacher plus one hundred percent (100%) of the applicable employer's rate for social security and state retirement, except that only seventy percent (70%) of the value will be added for the program for three- and four-year old exceptional children.

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

(3) The State Department of Education is hereby authorized to match adequate education program and other funds allocated for provision of services to handicapped children with Division of Medicaid funds to provide language-speech services, physical therapy and occupational therapy to handicapped students who meet State Department of Education or Division of Medicaid standards and who are Medicaid eligible. Provided further, that the State...
Department of Education is authorized to pay such funds as may be required as a match directly to the Division of Medicaid pursuant to an agreement to be developed between the State Department of Education and the Division of Medicaid.

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

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

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

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

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

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

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

(2) An alternative school advisory board may be created within each school district maintaining a freestanding alternative school or two (2) or more adjacent school districts operating a freestanding alternative school pursuant to a contract approved by the State Board of Education. The advisory board shall meet no less than two (2) times during each school year to study the alternative school program and to make recommendations for improvements to the superintendent of the local school board or boards, as the case may be, and the State Superintendent of Education. The alternative school advisory board shall consist of the following members: one (1) school administrator to be appointed by each local school board of the school district or districts operating the alternative school; one (1) school board member and one (1) parent to be appointed by each superintendent of the school district or districts operating the alternative school; one (1) classroom teacher to be appointed by the classroom teachers in each school district operating the alternative school; one (1) individual to be appointed by the local youth court judge, or if there is no such court the chancery court judge; and one (1) law enforcement officer to be appointed by the local sheriff. The initial members of the advisory board shall serve as follows: one-third (1/3) of the members shall serve two (2) years; one-third (1/3) of the members shall serve three (3) years; and one-third (1/3) of the members shall serve four (4) years, to be designated by the appointing authority at the time of appointment. Thereafter, the term of each member shall be for a period of four (4) years.

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

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

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

37-151-85. (1) The amount to be allotted by the State Board
of Education for transportation shall be determined as follows:
The State Department of Education shall calculate the cost of
transportation in school districts by ascertaining the average
cost per pupil in average daily attendance of transported pupils
in school districts classified in different density groups as
determined by the State Department of Education. Based on these
calculations, the State Department of Education shall develop a
scale for determining the allowable cost per pupil in different
density groups, which scale shall provide greatest allowance per
pupil transported in school districts with lowest densities and
smallest allowance per pupil in school districts with highest
densities. The total allowance in the adequate education program
for transported children for any school district for the current
year shall be the average daily attendance of the transported
children for the nine (9) months of the prior year, multiplied by
the allowance per transported pupil as provided herein. However,
the State Department of Education is hereby authorized and
empowered to make proper adjustments in allotments, under rules
and regulations of the State Board of Education, in cases where
major changes in the number of children in average daily
attendance transported occur from one year to another as a result
of changes or alterations in the boundaries of school districts, a
change in or relocation of attendance centers, or for other
reasons which would result in major decrease or increase in the
number of children in average daily attendance transported during
the current school year as compared with the preceding year.
Moreover, the State Board of Education is hereby authorized and empowere
to make such payments to all districts and/or university-based programs as deemed necessary in connection with transporting exceptional children as defined in Section 37-23-3. The State Board of Education shall establish and implement all necessary rules and regulations to allot transportation payments to university-based programs. In developing density classifications under the provisions hereof, the State Department of Education may give consideration to the length of the route, the sparsity of the population, the lack of adequate roads, highways and bridges, and the presence of large streams or other geographic obstacles. In addition to funds allotted under the above provisions, funds shall be allotted to each school district that transports students from their assigned school or attendance center to classes in an approved vocational-technical center at a rate per mile not to exceed the average statewide cost per mile of school bus transportation during the preceding year exclusive of bus replacement. All such transportation must have prior approval by the State Department of Education.

(2) The average daily attendance of transported children shall be reported by the school district in which such children attend school. If children living in a school district are transported at the expense of such school district to another school district, the average daily attendance of such transported children shall be deducted by the State Department of Education from the aggregate average daily attendance of transported children in the school district in which they attend school and shall be added to the aggregate average daily attendance of transported children of the school district from which they come for the purpose of calculating transportation allotments. However, such deduction shall not be made for the purpose of calculating adequate education program pupil-based funding.
(3) The State Department of Education shall include in the allowance for transportation for each school district an amount for the replacement of school buses or the purchase of new buses, which amount shall be calculated upon the estimated useful life of all school buses being used for the transportation of children in such school district, whether such buses be publicly or privately owned.

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

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

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

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

37-151-87. No school district shall pay any teacher less than the state minimum salary. No school district shall receive any funds under the provisions of this chapter for any school year during which the aggregate amount of local supplement as defined in Section 37-151-1 shall have been reduced below such amount for the previous year; however, where there has been a reduction in adequate education program allocations for such district in such
year, where there has been a reduction in the amount of federal funds to such district below the previous year, or where there has been a reduction in ad valorem taxes to such school district for the 1986-1987 school year below the amount for the previous year due to the exemption of nuclear generating plants from ad valorem taxation, pursuant to Section 27-35-309, Mississippi Code of 1972, the aggregate amount of local supplement in such district may be reduced proportionately without loss of funds under this chapter. No school district may receive any funds under the provisions of this chapter for any school year if the aggregate amount of support from ad valorem taxation shall be reduced during such school year below such amount for the previous year; however, where there is a loss in adequate education program allocations, or where there is or heretofore has been a decrease in the total assessed value of taxable property within a school district, the aggregate amount of such support may be reduced proportionately. Nothing herein contained shall prohibit any school district from adopting or continuing a program or plan whereby teachers are paid varying salaries according to the teaching ability, classroom performance and other similar standards.

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

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

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

SECTION 41. Section 37-151-91, Mississippi Code of 1972, is amended as follows:
[From and after July 1, 2003, this section shall read as follows:]

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

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

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

37-151-93. (1) Legally transferred students going from one school district to another shall be counted for adequate education program allotments by the school district wherein the pupils attend school, but shall be counted for transportation allotment purposes in the school district which furnishes or provides the transportation. The school boards of the school districts which approve the transfer of a student under the provisions of Section 37-15-31 shall enter into an agreement and contract for the payment or nonpayment of any portion of their local maintenance funds which they deem fair and equitable in support of any transferred student. Except as provided in subsection (2) of this
section, local maintenance funds shall be transferred only to the extent specified in the agreement and contract entered into by the affected school districts. The terms of any local maintenance fund payment transfer contract shall be spread upon the minutes of both of the affected school district school boards. The school district accepting any transfer students shall be authorized to accept tuition from such students under the provisions of Section 37-15-31(1) and such agreement may remain in effect for any length of time designated in the contract. The terms of such student transfer contracts and the amounts of any tuition charged any transfer student shall be spread upon the minutes of both of the affected school boards. No school district accepting any transfer students under the provisions of Section 37-15-31(2), which provides for the transfer of certain school district employee dependents, shall be authorized to charge such transfer students any tuition fees.

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

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

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

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

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

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

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

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

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

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

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

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

In addition to the information specified herein, the State
Board of Education shall have full and plenary authority and power
to require the furnishing of such further, additional and
supplementary information as it may deem necessary for the purpose
of determining the cost of the adequate education program in such
school district for the succeeding fiscal year, the amount of the
adequate education program funds to be allotted to each school
district for the succeeding fiscal year, and for any other purpose
authorized by law or deemed necessary by said State Board of
Education.

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

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

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

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

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

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

37-151-101. It shall be the duty of the State Department of
Education to file with the State Treasurer and the State Fiscal
Officer such data and information as may be required to enable the
said State Treasurer and State Fiscal Officer to distribute the
common school funds and adequate education program funds by
electronic funds transfer to the several school districts at the
time required and provided under the provisions of this chapter.
Such data and information so filed shall show in detail the amount
of funds to which each school district is entitled from such
common school fund and adequate education program fund. Such data
and information so filed may be revised from time to time as
necessitated by law. At the time provided by law, the State Treasurer and the State Fiscal Officer shall distribute to the several school districts the amounts to which they are entitled from the common school fund and the adequate education program fund as provided by this chapter. Such distribution shall be made by electronic funds transfer to the depositories of the several school districts designated in writing to the State Treasurer based upon the data and information supplied by the State Department of Education for such distribution. In such instances, the State Treasurer shall submit a request for an electronic funds transfer to the State Fiscal Officer, which shall set forth the purpose, amount and payees, and shall be in such form as may be approved by the State Fiscal Officer so as to provide the necessary information as would be required for a requisition and issuance of a warrant. A copy of the record of said electronic funds transfers shall be transmitted by the school district depositories to the Treasurer, who shall file duplicates with the State Fiscal Officer. The Treasurer and State Fiscal Officer shall jointly promulgate regulations for the utilization of electronic funds transfers to school districts.

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

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

37-151-103. (1) The state common school allotment shall be apportioned annually to each school district proportionately on the basis of the number of educable children. Funds due each school district under the terms of this chapter from the * * * Adequate Education Program Fund shall be paid in the following manner: On the twenty-fifth day of each month, or the next business date after that date, there shall be paid to each school district by electronic funds transfer one-twelfth (1/12) of the funds to which the district is entitled from funds appropriated
for the * * * Adequate Education Program Fund. Provided, however,
that in December said payments shall be made on December 15th or
the next business day after that date.

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

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

(3) In the event of an inordinately large number of
absentees in any school district as a result of epidemic, natural
disaster, or any concerted activity discouraging school
attendance, then in such event school attendance for the purposes
of determining average daily attendance under the adequate
education program shall be based upon the average daily attendance
for the preceding school year for such school district.

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

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

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

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

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

37-151-107. Any superintendent of education, member of the
local school board of any school district, superintendent,
principal, teacher, carrier, bus driver or member or employee of
the State Department of Education or State Board of Education, or
any other person, who shall willfully violate any of the
provisions of this chapter, or who shall willfully make any false
report, list or record, or who shall willfully make use of any
false report, list or record, concerning the number of school
children in average daily attendance or the number of children
being transported or entitled to be transported in any county or
school district, shall be guilty of a misdemeanor and upon
conviction shall be punished by imprisonment in the county jail
for a period not to exceed sixty (60) days or by a fine of not
less than One Hundred Dollars ($100.00), nor more than Three
Hundred Dollars ($300.00), or by both such fine and imprisonment,
in the discretion of the court. In addition, any such person
shall be civilly liable for all amounts of public funds which are illegally, unlawfully or wrongfully expended or paid out by virtue of or pursuant to such false report, list or record, and upon conviction or adjudication of civil liability hereunder, such person shall forfeit his license to teach for a period of three (3) years, if such person is the holder of such a license. Any suit to recover such funds illegally, unlawfully or wrongfully expended or paid out may be brought in the name of the State of Mississippi by the Attorney General or the proper district attorney or county attorney, and, in the event such suit be brought against a person who is under bond, the sureties upon such bond shall likewise be liable for such amount illegally, unlawfully or wrongfully expended or paid out.

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

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

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

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

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

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

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

(2) On or before September 1 of each year, the State Board of Education shall certify to the levying authority for each school district the amount of the minimum local ad valorem tax effort in dollars required of such school district for the current fiscal year under the provisions of Chapter 19 of this title. The levying authority for the school district shall, at the same time and in the same manner as other taxes are levied by the levying authority, levy a tax for the then current fiscal year for the support of the minimum education program upon all of the taxable property of the school district. Such tax shall be expressed in mills or a decimal fraction of a mill, and shall be at such a rate as will, when applied to the assessed valuation of the school district according to the assessment rolls of the county or municipality, as the case may be, produce a sum of money which is equal to the amount which said school district is required to contribute as its minimum local ad valorem tax effort under the provisions of Chapter 19 of this title. However, in no case shall
the minimum local ad valorem tax effort for any school district be equal to an amount that would require a millage rate exceeding fifty-five (55) mills in that school district. Provided, however, that if a levying authority is levying in excess of fifty-five (55) mills on July 1, 1997, the levying authority may levy an additional amount not exceeding three (3) mills in the aggregate for the period beginning July 1, 1997, and ending June 30, 2003, subject to the limitation on increased receipts from ad valorem taxes prescribed in Sections 37-57-105 and 37-57-107. Nothing in this subsection shall be construed to require any school district that is levying more than fifty-five (55) mills pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage rate to fifty-five (55) mills or less. In making such levy, the levying authority shall levy an additional amount sufficient to cover anticipated delinquencies and costs of collection so that the net amount of money to be produced by such levy shall be equal to the amount which the school district is required to contribute as its said minimum local ad valorem tax effort. The tax so levied shall be collected by the tax collector at the same time and in the same manner as other ad valorem taxes are collected by him. The amount of taxes so collected as a result of such levy shall be paid into the minimum education program fund of the school district by the tax collector at the same time and in the same manner as reports and payments of other ad valorem taxes are made by said tax collector, except that the amount collected to defray costs of collection may be paid into the county general fund. The levying authority shall have the power and authority to direct and cause warrants to be issued against such fund for the purpose of refunding any amount of taxes erroneously or illegally paid into such fund where such refund has been approved in the manner provided by law.

[From and after July 1, 2003, this section shall read as follows:]
37-57-1. (1) (a) The boards of supervisors of the counties shall levy and collect all taxes for and on behalf of all school districts which were within the county school system or designated as special municipal separate school districts prior to July 1, 1986. Such taxes shall be collected by the county tax collector at the same time and in the same manner as county taxes are collected by him, and the same penalties for delinquency shall be applicable.

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

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

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

(b) For the purposes of this chapter and any other laws pertaining to taxes levied or bonds or notes issued for and on behalf of school districts, the term "levying authority" means the board of supervisors of the county or the governing authorities of the municipality, whichever levies taxes for and on behalf of the particular school district as provided in paragraphs (a) and (b) of this subsection.
(2) The levying authority for the school district shall, at the same time and in the same manner as other taxes are levied by the levying authority, levy a tax of not less than twenty-eight (28) mills for the then current fiscal year, less the estimated amount of the yield of the School Ad Valorem Tax Reduction Fund grant to the school district as determined by the State Department of Education or twenty-seven percent (27%) of the basic adequate education program cost for such school district, whichever is a lesser amount, upon all of the taxable property of the school district, as required under Section 37-151-7(2)(a). However, in no case shall the minimum local ad valorem tax effort for any school district be equal to an amount that would require a millage rate exceeding fifty-five (55) mills in that school district. Provided, however, that if a levying authority is levying in excess of fifty-five (55) mills on July 1, 1997, the levying authority may levy an additional amount not exceeding three (3) mills in the aggregate for the period beginning July 1, 1997, and ending June 30, 2003, subject to the limitation on increased receipts from ad valorem taxes prescribed in Sections 37-57-105 and 37-57-107. Nothing in this subsection shall be construed to require any school district that is levying more than fifty-five (55) mills pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage rate to fifty-five (55) mills or less. In making such levy, the levying authority shall levy an additional amount sufficient to cover anticipated delinquencies and costs of collection so that the net amount of money to be produced by such levy shall be equal to the amount which the school district is required to contribute as its said minimum local ad valorem tax effort. The tax so levied shall be collected by the tax collector at the same time and in the same manner as other ad valorem taxes are collected by him. The amount of taxes so collected as a result of such levy shall be paid into the district maintenance fund of the school district by the tax collector at the same time
and in the same manner as reports and payments of other ad valorem
taxes are made by said tax collector, except that the amount
collected to defray costs of collection may be paid into the
county general fund. The levying authority shall have the power
and authority to direct and cause warrants to be issued against
such fund for the purpose of refunding any amount of taxes
erroneously or illegally paid into such fund where such refund has
been approved in the manner provided by law.

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

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

37-57-105. (1) In addition to the taxes levied under
Section 37-57-1, the levying authority for the school district, as
defined in Section 37-57-1, upon receipt of a certified copy of an
order adopted by the school board of the school district
requesting an ad valorem tax effort in dollars for the support of
the school district, shall, at the same time and in the same
manner as other ad valorem taxes are levied, levy an annual ad
valorem tax in the amount fixed in such order upon all of the
taxable property of such school district, which shall not be less
than a millage rate necessary to generate funds equal to the
"district entitlement" as defined in Section 37-22-1(2)(e) or the
millage rate certified by the State Board of Education as the
uniform minimum school district ad valorem tax levy, whichever is
less, including the amount of millage levied for the support of
the minimum education program in such school district under
Section 37-57-1. Provided, however, that any school district
levying less than the uniform minimum school district ad valorem
tax levy on July 1, 1989, or a millage rate necessary to generate
funds equal to the "district entitlement" shall only be required
to increase its local district maintenance levy in four (4) mill
annual increments in order to attain such millage requirements.
In making such levy, the levying authority shall levy an
additional amount sufficient to cover anticipated delinquencies
and costs of collection so that the net amount of money to be
produced by such levy shall be equal to the amount which is
requested by said school board. The proceeds of such tax levy,
excluding levies for the payment of the principal of and interest
on school bonds or notes and excluding levies for costs of
collection, shall be placed in the school depository to the credit
of the school district and shall be expended in the manner
provided by law for the purpose of supplementing teachers'
salaries, extending school terms, purchasing furniture, supplies
and materials, and for all other lawful operating and incidental
expenses of such school district, funds for which are not provided
by minimum program fund allotments.

The monies authorized to be received by school districts from
the School Ad Valorem Tax Reduction Fund pursuant to Section
37-61-35 shall be included as ad valorem tax receipts. The
levying authority for the school district, as defined in Section
37-57-1, shall reduce the ad valorem tax levy for such school
district in an amount equal to the amount distributed to such
school district from the School Ad Valorem Tax Reduction Fund each
calendar year pursuant to said Section 37-61-35. Such reduction
shall not be less than the millage rate necessary to generate a
reduction in ad valorem tax receipts equal to the funds
distributed to such school district from the School Ad Valorem Tax
Reduction Fund pursuant to Section 37-61-35. Such reduction shall
not be deemed to be a reduction in the aggregate amount of support
from ad valorem taxation for purposes of Section 37-19-11. The
millage levy certified by the State Board of Education as the
uniform minimum ad valorem tax levy or the millage levy that would
generate funds in an amount equal to a school district's district
entitlement, as defined in Section 37-22-1(2)(e), shall be subject
to the provisions of this paragraph.
In any county where there is located a nuclear generating power plant on which a tax is assessed under Section 27-35-309(3), such required levy and revenue produced thereby may be reduced by the levying authority in an amount in proportion to a reduction in the base revenue of any such county from the previous year. Such reduction shall be allowed only if the reduction in base revenue equals or exceeds five percent (5%). "Base revenue" shall mean the revenue received by the county from the ad valorem tax levy plus the revenue received by the county from the tax assessed under Section 27-35-309(3) and authorized to be used for any purposes for which a county is authorized by law to levy an ad valorem tax. For purposes of determining if the reduction equals or exceeds five percent (5%), a levy of millage equal to the prior year's millage shall be hypothetically applied to the current year's ad valorem tax base to determine the amount of revenue to be generated from the ad valorem tax levy. For the purposes of this section and Section 37-57-107, the portion of the base revenue used for the support of any school district shall be deemed to be the aggregate receipts from ad valorem taxes for the support of any school district. This paragraph shall apply to taxes levied for the 1987 fiscal year and for each fiscal year thereafter. If the Mississippi Supreme Court or another court finally adjudicates that the tax levied under Section 27-35-309(3) is unconstitutional, then this paragraph shall stand repealed.

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

(3) The aggregate receipts from ad valorem taxes levied for
school district purposes, excluding collection fees, pursuant to
this section and Section 37-57-1 • • • shall be subject to the
increased limitation under Section 37-57-107; however, if the ad
valorem tax effort in dollars requested by the school district for
the fiscal year exceeds the next preceding fiscal year's ad
valorem tax effort in dollars by more than four percent (4%) but
not more than seven percent (7%), then the school board shall
publish notice thereof once each week for at least three (3)
consecutive weeks in a newspaper having general circulation in the
school district involved, with the first publication thereof to be
made not less than fifteen (15) days prior to the final adoption
of the budget by the school board. If at any time prior to said
adoption a petition signed by not less than twenty percent (20%)
or fifteen hundred (1500), whichever is less, of the qualified
electors of the school district involved shall be filed with the
school board requesting that an election be called on the question
of exceeding the next preceding fiscal year's ad valorem tax
effort in dollars by more than four percent (4%) but not more than
seven percent (7%), then the school board shall, not later than
the next regular meeting, adopt a resolution calling an election
to be held within such school district upon such question. The
election shall be called and held, and notice thereof shall be
given, in the same manner for elections upon the questions of the
issuance of the bonds of school districts, and the results thereof
shall be certified to the school board. The ballot shall contain
the language "For the School Tax Increase Over Four Percent (4%)"
and "Against the School Tax Increase Over Four Percent (4%)." If
a majority of the qualified electors of the school district who
voted in such election shall vote in favor of the question, then
the stated increase requested by the school board shall be
approved. For the purposes of this paragraph, the revenue sources
excluded from the increased limitation under Section 37-57-107
shall also be excluded from the limitation described herein in the
same manner as they are excluded under Section 37-57-107.

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

37-57-105. (1) In addition to the taxes levied under
Section 37-57-1, the levying authority for the school district, as
defined in Section 37-57-1, upon receipt of a certified copy of an
order adopted by the school board of the school district
requesting an ad valorem tax effort in dollars for the support of
the school district, shall, at the same time and in the same
manner as other ad valorem taxes are levied, levy an annual ad
valorem tax in the amount fixed in such order upon all of the
taxable property of such school district, which shall not be less
than the millage rate certified by the State Board of Education as
the uniform minimum school district ad valorem tax levy for the
support of the adequate education program in such school district
under Section 37-57-1. Provided, however, that any school
district levying less than the uniform minimum school district ad
valorem tax levy on July 1, 1997, shall only be required to
increase its local district maintenance levy in four (4) mill
annual increments in order to attain such millage requirements.
In making such levy, the levying authority shall levy an
additional amount sufficient to cover anticipated delinquencies
and costs of collection so that the net amount of money to be
produced by such levy shall be equal to the amount which is
requested by said school board. The proceeds of such tax levy,
excluding levies for the payment of the principal of and interest
on school bonds or notes and excluding levies for costs of
collection, shall be placed in the school depository to the credit
of the school district and shall be expended in the manner
provided by law for the purpose of supplementing teachers'
salaries, extending school terms, purchasing furniture, supplies
and materials, and for all other lawful operating and incidental
expenses of such school district, funds for which are not provided
by adequate education program fund allotments.

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

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

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

(3) The aggregate receipts from ad valorem taxes levied for
school district purposes, excluding collection fees, pursuant to
this section and Section 37-57-1 shall be subject to the
increased limitation under Section 37-57-107; however, if the ad
valorem tax effort in dollars requested by the school district for
the fiscal year exceeds the next preceding fiscal year's ad
valorem tax effort in dollars by more than four percent (4%) but
not more than seven percent (7%), then the school board shall
publish notice thereof once each week for at least three (3) consecutive weeks in a newspaper having general circulation in the school district involved, with the first publication thereof to be made not less than fifteen (15) days prior to the final adoption of the budget by the school board. If at any time prior to said adoption a petition signed by not less than twenty percent (20%) or fifteen hundred (1500), whichever is less, of the qualified electors of the school district involved shall be filed with the school board requesting that an election be called on the question of exceeding the next preceding fiscal year's ad valorem tax effort in dollars by more than four percent (4%) but not more than seven percent (7%), then the school board shall, not later than the next regular meeting, adopt a resolution calling an election to be held within such school district upon such question. The election shall be called and held, and notice thereof shall be given, in the same manner for elections upon the questions of the issuance of the bonds of school districts, and the results thereof shall be certified to the school board. The ballot shall contain the language "For the School Tax Increase Over Four Percent (4%)" and "Against the School Tax Increase Over Four Percent (4%)." If a majority of the qualified electors of the school district who voted in such election shall vote in favor of the question, then the stated increase requested by the school board shall be approved. For the purposes of this paragraph, the revenue sources excluded from the increased limitation under Section 37-57-107 shall also be excluded from the limitation described herein in the same manner as they are excluded under Section 37-57-107.

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

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

37-57-107. Beginning with the tax levy for the 1997 fiscal year and each fiscal year thereafter, the aggregate receipts from taxes levied for school district purposes pursuant to Sections
37-57-105 and 37-57-1 shall not exceed the aggregate receipts from those sources during any one (1) of the immediately preceding three (3) fiscal years, as determined by the school board, plus an increase not to exceed seven percent (7%). For the purpose of this limitation, the term "aggregate receipts" when used in connection with the amount of funds generated in a preceding fiscal year shall not include excess receipts required by law to be deposited into a special account *. The additional revenue from the ad valorem tax on any newly constructed properties or any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year may be excluded from the seven percent (7%) increase limitation set forth herein. Taxes levied for payment of principal of and interest on general obligation school bonds issued heretofore or hereafter shall be excluded from the seven percent (7%) increase limitation set forth herein. Any additional millage levied to fund any new program mandated by the Legislature shall be excluded from the limitation for the first year of the levy and included within such limitation in any year thereafter. For the purposes of this section, the term "new program" shall include, but shall not be limited to, (a) the Early Childhood Education Program required to commence with the 1986-1987 school year as provided by Section 37-21-7 and any additional millage levied and the revenue generated therefrom, which is excluded from the limitation for the first year of the levy, to support the mandated Early Childhood Education Program shall be specified on the minutes of the school board and of the governing body making such tax levy. (b) any additional millage levied and the revenue generated therefrom which shall be excluded from the limitation for the first year of the levy, for the purpose of generating additional local contribution funds required for the minimum education program for the 1987 fiscal year and for each fiscal year thereafter through the 1996 fiscal year under Section
37-19-35; (c) any additional millage levied and the revenue generated therefrom which shall be excluded from the limitation for the first and each subsequent year of the levy, for the purpose of generating additional local contributions mandated under Section 37-57-105 requiring the board of trustees of a school district to reach the millage levy certified by the State Board of Education as the uniform minimum school district ad valorem tax levy or the millage levy which would generate funds in an amount equal to a school district's "district entitlement" as defined in Section 37-22-1(2)(e); and (d) any additional millage levied and the revenue generated therefrom which shall be excluded from the limitation for the first year of the levy, for the purpose of support and maintenance of any agricultural high school which has been transferred to the control, operation and maintenance of the school board by the board of trustees of the community college district under provisions of Section 37-29-272.

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

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

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

[From and after July 1, 2003, this section shall read as
follows:]
payment of principal of and interest on general obligation school
bonds issued heretofore or hereafter shall be excluded from the
seven percent (7%) increase limitation set forth herein. Any
additional millage levied to fund any new program mandated by the
Legislature shall be excluded from the limitation for the first
year of the levy and included within such limitation in any year
thereafter. For the purposes of this section, the term "new
program" shall include, but shall not be limited to, (a) the Early
Childhood Education Program required to commence with the
1986-1987 school year as provided by Section 37-21-7 and any
additional millage levied and the revenue generated therefrom,
which is excluded from the limitation for the first year of the
levy, to support the mandated Early Childhood Education Program
shall be specified on the minutes of the school board and of the
governing body making such tax levy; (b) any additional millage
levied and the revenue generated therefrom which shall be excluded
from the limitation for the first year of the levy, for the
purpose of generating additional local contribution funds required
for the adequate education program for the 2003 fiscal year and
for each fiscal year thereafter under Section 37-151-7(2); and (c)
any additional millage levied and the revenue generated therefrom
which shall be excluded from the limitation for the first year of
the levy, for the purpose of support and maintenance of any
agricultural high school which has been transferred to the
control, operation and maintenance of the school board by the
board of trustees of the community college district under
provisions of Section 37-29-272.

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

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

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

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

27-25-506. There is hereby created a special fund in the
State Treasury into which the state's share of proceeds collected
pursuant to Sections 27-25-505 and 27-25-705 shall be deposited.
The state's share of all oil and gas severance taxes derived
from oil and gas resources under state-owned lands or from severed
state-owned minerals shall be deposited into the State Treasury to
the credit of the trust fund created in Section 206A, Mississippi
Constitution of 1890. The following amounts of the remainder of
tax collections apportioned to the state shall be deposited to the
credit of the trust fund created in Section 206A, Mississippi
Constitution of 1890:

(a) For fiscal year 1994, all amounts collected in
excess of Thirty-five Million Dollars ($35,000,000.00);
(b) For fiscal year 1995, all amounts collected in
excess of Thirty-two Million Five Hundred Thousand Dollars
($32,500,000.00);
(c) For fiscal year 1996, all amounts collected in
excess of Thirty Million Dollars ($30,000,000.00);
(d) For fiscal year 1997, all amounts collected in
excess of Twenty-seven Million Five Hundred Thousand Dollars
($27,500,000.00);
(e) For fiscal year 1998, all amounts collected in
excess of Twenty-five Million Dollars ($25,000,000.00);
(f) For fiscal year 1999, all amounts collected in
excess of Twenty Million Dollars ($20,000,000.00);
(g) For fiscal year 2000, all amounts collected in
excess of Fifteen Million Dollars ($15,000,000.00);
(h) For fiscal year 2001 through December 31, 2000, all
amounts collected and transferred in excess of Ten Million Dollars
($10,000,000.00);
(i) For fiscal year 2005, all amounts collected in
excess of Ten Million Dollars ($10,000,000.00);
(j) For fiscal year 2006, all amounts collected in
excess of Five Million Dollars ($5,000,000.00); and
(k) For fiscal year 2007 and each fiscal year
thereafter, all such tax collections apportioned to the state
shall be deposited to the credit of the trust fund.
The monies collected pursuant to paragraphs (a) through (j) of this section that are not deposited into the trust fund shall be deposited into the State General Fund. The remainder of the tax collections apportioned to the state under this section for the period beginning after December 31, 2000, through the end of fiscal year 2004 shall be deposited into the Budget Contingency Fund created in Section 27-103-301. All monies deposited into the Budget Contingency Fund under this section shall be appropriated by the Legislature for the support of the Minimum Education Program or to the Mississippi Adequate Education Program as successor to the Minimum Education Program.

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

[With regard to any county which is exempt from the provisions of Section 19-2-3, this section shall read as follows:] 27-25-505. All taxes herein levied and collected by the State Tax Commission shall be paid into the State Treasury on the same day collected. The commissioner shall apportion all such tax collections to the state and to the county in which the oil was produced, in accordance with the following schedule and so certify such apportionment to the State Treasurer at the end of each month:

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

On the next Six Hundred Thousand Dollars ($600,000.00) or any part thereof, ninety percent (90%) to the state and ten percent (10%) to the county through June 30, 1989; eighty-five percent (85%) to the state and fifteen percent (15%) to the county from July 1, 1989, through June 30, 1990; and eighty percent (80%) to the state and twenty percent (20%) to the county for each fiscal year thereafter.
Above and exceeding One Million Two Hundred Thousand Dollars ($1,200,000.00), ninety-five percent (95%) to the state and five percent (5%) to the county through June 30, 1989; ninety percent (90%) to the state and ten percent (10%) to the county from July 1, 1989, through June 30, 1990; and eighty-five percent (85%) to the state and fifteen percent (15%) to the county for each fiscal year thereafter.

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

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

When there shall be any oil producing properties within the corporate limits of any municipality, then such municipality shall participate in the division of the tax returned to the county in which the municipality is located, in the proportion which the tax on production of oil from any properties located within the municipal corporate limits bears to the tax on the total production of oil in the county. In no event, however, shall the amount allocated to municipalities exceed one-third (1/3) of the tax produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation herein provided shall be used only for such purposes as are authorized by law.
The balance remaining of any amount of tax returned to the county after the allocation to municipalities shall be divided among the various maintenance and bond interest funds of the county, school districts, supervisors districts and road districts, in the discretion of the board of supervisors, and such board shall make the division in consideration of the needs of the various taxing districts. The funds so allocated shall be used only for purposes as are authorized by law.

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

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

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

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

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

The state's share of all oil severance taxes collected pursuant to this section shall be deposited as provided for in Section 27-25-506. The State Treasurer shall remit the county's share of said funds on or before the twentieth day of the month next succeeding the month in which such collections were made, for division among the municipalities and taxing districts of the county. He shall accompany his remittance with a report to the county receiving such funds prepared by the commissioner showing from whom said tax was collected. Upon receipt of said funds, the board of supervisors of said county shall allocate the same to the municipalities and to the various maintenance and bond and interest funds of the county and school districts, as hereinafter provided.

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

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

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

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

27-25-705. All taxes herein levied and collected by the State Tax Commission shall be paid into the State Treasury on the same day in which such taxes are collected. The commissioner shall apportion all such tax collections to the state and to the county in which the gas was produced, in the proportion of sixty-six and two-thirds percent (66-2/3%) to the state and thirty-three and one-third percent (33-1/3%) to the county. Provided, however, when the producer of gas subject to the tax levied in this article increases the price of the gas sold and such increase is subject to approval by a federal regulatory board or commission, and when the producer of the gas so requests, the State Treasurer is hereby authorized to hold the severance tax collected on said price increase in escrow until such time as the price increase or a portion thereof is finally granted or approved. The severance tax thus held in escrow shall be deposited by the State Treasurer to an account in a state depository to be invested in an interest-bearing account in the manner provided by law. When the price increase in question or a portion thereof is granted or approved, the commissioner shall compute the correct severance tax due on such increase and certify the amount of tax thus computed. This amount and interest earned from the depository shall be distributed to the General Fund and to the county or counties proportionately as herein provided. The balance, if any, of the tax and interest held in escrow on the price increase shall be returned to the taxpayer.
The state's share of all gas severance taxes collected pursuant to this section shall be deposited as provided for in Section 27-25-506.

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

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

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

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

27-25-705. All taxes herein levied and collected by the
State Tax Commission shall be paid into the State Treasury on the
same day in which such taxes are collected. The commissioner
shall apportion all such tax collections to the state and to the
county in which the gas was produced, in the proportion of
sixty-six and two-thirds percent (66-2/3%) to the state and
thirty-three and one-third percent (33-1/3%) to the county.
Provided, however, when the producer of gas subject to the tax
levied in this article increases the price of the gas sold and
such increase is subject to approval by a federal regulatory board
or commission, and when the producer of the gas so requests, the
State Treasurer is hereby authorized to hold the severance tax
collected on said price increase in escrow until such time as the
price increase or a portion thereof is finally granted or
approved. The severance tax thus held in escrow shall be
deposited by the State Treasurer to an account in a state
depository to be invested in an interest-bearing account in the
manner provided by law. When the price increase in question or a
portion thereof is granted or approved, the commissioner shall
compute the correct severance tax due on such increase and certify
the amount of tax thus computed. This amount and interest earned
from the depository shall be distributed to the General Fund and
to the county or counties proportionately as herein provided. The
balance, if any, of the tax and interest held in escrow on the
price increase shall be returned to the taxpayer.
The state's share of all gas severance taxes collected pursuant to this section shall be deposited into * * * as provided for in Section 27-25-506.

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

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

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

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

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

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

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