

By: Senator(s) Bryan

To: Education;  
Appropriations

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2969

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,  
2 TO PRESCRIBE THE STATE COST OF THE MISSISSIPPI ADEQUATE EDUCATION  
3 PROGRAM FOR PURPOSES OF DETERMINING ALLOCATIONS TO SCHOOL  
4 DISTRICTS IN FISCAL YEAR 2003; TO AMEND SECTIONS 37-151-95 AND  
5 37-151-103, MISSISSIPPI CODE OF 1972, TO CLARIFY COST COMPONENTS  
6 OF THE ADEQUATE EDUCATION PROGRAM FORMULA; TO AMEND SECTION  
7 37-57-104, MISSISSIPPI CODE OF 1972, TO CLARIFY THE APPLICATION OF  
8 REQUIRED LOCAL CONTRIBUTIONS TO THE COST OF THE ADEQUATE EDUCATION  
9 PROGRAM TO THE AD VALOREM TAX LIMITATION CAP; TO AMEND SECTIONS  
10 37-57-105 AND 37-57-107, MISSISSIPPI CODE OF 1972, TO CLARIFY THE  
11 DELETION OF PROVISIONS RELATING TO THE REQUIRED MINIMUM PROGRAM  
12 AND EQUITY FUNDING AD VALOREM TAX LEVY; TO REPEAL SECTIONS  
13 37-19-20 AND 37-19-22, MISSISSIPPI CODE OF 1972, WHICH PROVIDE  
14 CERTAIN ALLOCATIONS UNDER THE MINIMUM EDUCATION PROGRAM; TO BRING  
15 FORWARD SECTIONS 37-61-33, 37-19-1, 37-19-3, 37-19-5, 37-19-9,  
16 37-19-11, 37-19-15, 37-19-17, 37-19-19, 37-19-21, 37-19-23,  
17 37-19-25, 37-19-27, 37-19-29, 37-19-31, 37-19-33, 37-19-34,  
18 37-19-35, 37-19-37, 37-19-39, 37-19-41, 37-19-43, 37-19-45,  
19 37-19-47, 37-19-49, 37-19-51 AND 37-19-53, MISSISSIPPI CODE OF  
20 1972, WHICH ARE THE MINIMUM EDUCATION PROGRAM FUNDING FORMULA,  
21 SECTIONS 37-22-1 AND 37-22-3, MISSISSIPPI CODE OF 1972, WHICH ARE  
22 THE SCHOOL DISTRICT UNIFORM MILLAGE ASSISTANCE GRANT PROGRAM,  
23 SECTIONS 37-151-77 THROUGH 37-151-93, 37-151-97 THROUGH 37-151-101  
24 AND 37-151-105 THROUGH 37-151-107, MISSISSIPPI CODE OF 1972, WHICH  
25 ARE THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM FORMULA, AND  
26 SECTIONS 37-57-1, 27-25-506, 27-25-505 AND 27-25-705, MISSISSIPPI  
27 CODE OF 1972; AND FOR RELATED PURPOSES.

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

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

31 37-151-7. The annual allocation to each school district for  
32 the operation of the adequate education program shall be  
33 determined as follows:

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

38 (a) **Determination of average daily attendance.** During  
39 months two (2) and three (3) of the current school year, the



40 average daily attendance of a school district shall be computed,  
41 or the average daily attendance for the prior school year shall be  
42 used, whichever is greater. The district's average daily  
43 attendance shall be computed and currently maintained in  
44 accordance with regulations promulgated by the State Board of  
45 Education.

46 (b) **Determination of base student cost.** The State  
47 Board of Education, on or before August 1, with adjusted estimate  
48 no later than January 2, shall annually submit to the Legislative  
49 Budget Office and the Governor a proposed base student cost  
50 adequate to provide the following cost components of educating a  
51 pupil in an average school district meeting Level III  
52 accreditation standards required by the Commission on School  
53 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;  
54 (iii) Operation and Maintenance of Plant; and (iv) Ancillary  
55 Support Cost. The department shall utilize a statistical  
56 methodology which considers such factors as, but not limited to,  
57 (i) school size; (ii) assessed valuation per pupil; (iii) the  
58 percentage of students receiving free lunch; (iv) the local  
59 district maintenance tax levy; (v) other local school district  
60 revenues; and (vi) the district's accreditation level, in the  
61 selection of the representative Mississippi school districts for  
62 which cost information shall be obtained for each of the above  
63 listed cost areas.

64 For the instructional cost component, the department shall  
65 determine the instructional cost of each of the representative  
66 school districts selected above, excluding instructional cost of  
67 self-contained special education programs and vocational education  
68 programs, and the average daily attendance in the selected school  
69 districts. The instructional cost is then totaled and divided by  
70 the total average daily attendance for the selected school  
71 districts to yield the instructional cost component. For the  
72 administrative cost component, the department shall determine the



73 administrative cost of each of the representative school districts  
74 selected above, excluding administrative cost of self-contained  
75 special education programs and vocational education programs, and  
76 the average daily attendance in the selected school districts.  
77 The administrative cost is then totaled and divided by the total  
78 average daily attendance for the selected school districts to  
79 yield the administrative cost component. For the plant and  
80 maintenance cost component, the department shall determine the  
81 plant and maintenance cost of each of the representative school  
82 districts selected above, excluding plant and maintenance cost of  
83 self-contained special education programs and vocational education  
84 programs, and the average daily attendance in the selected school  
85 districts. The plant and maintenance cost is then totaled and  
86 divided by the total average daily attendance for the selected  
87 school districts to yield the plant and maintenance cost  
88 component. For the ancillary support cost component, the  
89 department shall determine the ancillary support cost of each of  
90 the representative school districts selected above, excluding  
91 ancillary support cost of self-contained special education  
92 programs and vocational education programs, and the average daily  
93 attendance in the selected school districts. The ancillary  
94 support cost is then totaled and divided by the total average  
95 daily attendance for the selected school districts to yield the  
96 ancillary support cost component. The total base cost for each  
97 year shall be the sum of the instructional cost component,  
98 administrative cost component, plant and maintenance cost  
99 component and ancillary support cost component, and any estimated  
100 adjustments for additional state requirements as determined by the  
101 State Board of Education. Provided, however, that the base  
102 student cost in fiscal year 1998 shall be Two Thousand Six Hundred  
103 Sixty-four Dollars (\$2,664.00).

104 (c) **Determination of the basic adequate education**  
105 **program cost.** The basic amount for current operation to be



106 included in the Mississippi Adequate Education Program for each  
107 school district shall be computed as follows:

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

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

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

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

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

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

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

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



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

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

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

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

154 (f) **Total projected adequate education program cost.**  
155 The total Mississippi Adequate Education Program Cost shall be the  
156 sum of the total basic adequate education program cost (paragraph  
157 (c)), and the adjustment to the base student cost for at-risk  
158 pupils (paragraph (d)) for each school district.

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

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



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

182           (b) The State Board of Education shall determine (i)  
183 the total assessed valuation of nonexempt property for school  
184 purposes in each school district; (ii) assessed value of exempt  
185 property owned by homeowners aged sixty-five (65) or older or  
186 disabled as defined in Section 27-33-67(2), Mississippi Code of  
187 1972; (iii) the school district's tax loss from exemptions  
188 provided to applicants under the age of sixty-five (65) and not  
189 disabled as defined in Section 27-33-67(1), Mississippi Code of  
190 1972; and (iv) the school district's homestead reimbursement  
191 revenues.

192           (c) The amount of the total adequate education program  
193 funding which shall be contributed by each school district shall  
194 be the sum of the ad valorem receipts generated by the millage  
195 required under this subsection plus the following local revenue  
196 sources for the appropriate fiscal year which are or may be  
197 available for current expenditure by the school district:

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

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

202           (a) The required state effort in support of the  
203 adequate education program shall be determined by subtracting the



204 sum of the required local tax effort as set forth in subsection  
205 (2) (a) of this section and the other local revenue sources as set  
206 forth in subsection (2) (c) of this section in an amount not to  
207 exceed twenty-seven percent (27%) of the total projected adequate  
208 education program cost as set forth in subsection (1) (f) of this  
209 section from the total projected adequate education program cost  
210 as set forth in subsection (1) (f) of this section.

211 (b) Provided, however, that in fiscal year 1998 and in  
212 the fiscal year in which the adequate education program is fully  
213 funded by the Legislature, any increase in the said state  
214 contribution, including the supplemental grant to school districts  
215 provided under subsection (1) (g), to any district calculated under  
216 this section shall be not less than eight percent (8%) in excess  
217 of the amount received by said district from state funds for the  
218 fiscal year immediately preceding. For purposes of this paragraph  
219 (b), state funds shall include minimum program funds less the  
220 add-on programs, state Uniform Millage Assistance Grant funds,  
221 Education Enhancement Funds appropriated for Uniform Millage  
222 Assistance Grants and state textbook allocations, and State  
223 General Funds allocated for textbooks.

224 (c) Notwithstanding the provisions of paragraph (b),  
225 all allocations of state contributions to school districts in  
226 support of the adequate education program in fiscal year 2003  
227 shall be reduced by \_\_\_\_\_ percent ( \_\_\_\_\_ %).

228 (4) The State Adequate Education Program Fund is hereby  
229 established in the State Treasury which shall be used to  
230 distribute any funds specifically appropriated by the Legislature  
231 to such fund, to school districts entitled to increased  
232 allocations of state funds under the adequate education program  
233 funding formula prescribed in Sections 37-151-3, 37-151-5 and  
234 37-151-7 of this article. If the Legislature provides less funds  
235 than the total state funds needed for support of such increased  
236 allocations under the adequate education program, the State



237 Department of Education shall reduce all elements of the cost of  
238 the adequate education program proportionately. Any such adequate  
239 education program funds shall be transferred to the school  
240 district maintenance fund of such district in the manner  
241 prescribed in Section 37-19-47, Mississippi Code of 1972, and  
242 shall be expended in the manner provided by law.

243 (5) The Interim School District Capital Expenditure Fund is  
244 hereby established in the State Treasury which shall be used to  
245 distribute any funds specifically appropriated by the Legislature  
246 to such fund to school districts entitled to increased allocations  
247 of state funds under the adequate education program funding  
248 formula prescribed in Sections 37-151-3 through 37-151-7,  
249 Mississippi Code of 1972, until such time as the said adequate  
250 education program is fully funded by the Legislature. The  
251 following percentages of the total state cost of increased  
252 allocations of funds under the adequate education program funding  
253 formula shall be appropriated by the Legislature into the Interim  
254 School District Capital Expenditure Fund to be distributed to all  
255 school districts under the formula: Nine and two-tenths percent  
256 (9.2%) shall be appropriated in fiscal year 1998, twenty percent  
257 (20%) shall be appropriated in fiscal year 1999, forty percent  
258 (40%) shall be appropriated in fiscal year 2000, sixty percent  
259 (60%) shall be appropriated in fiscal year 2001, eighty percent  
260 (80%) shall be appropriated in fiscal year 2002, and one hundred  
261 percent (100%) shall be appropriated in fiscal year 2003 into the  
262 State Adequate Education Program Fund created in subsection (4).  
263 Until such time as the adequate education program is fully funded  
264 by the Legislature, such money shall be used by school districts  
265 for the following purposes:

266 (a) Purchasing, erecting, repairing, equipping,  
267 remodeling and enlarging school buildings and related facilities,  
268 including gymnasiums, auditoriums, lunchrooms, vocational training  
269 buildings, libraries, school barns and garages for transportation





270 vehicles, school athletic fields and necessary facilities  
271 connected therewith, and purchasing land therefor. Any such  
272 capital improvement project by a school district shall be approved  
273 by the State Board of Education, and based on an approved  
274 long-range plan. The State Board of Education shall promulgate  
275 minimum requirements for the approval of school district capital  
276 expenditure plans.

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

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

284 (d) From and after October 1, 1997, through June 30,  
285 1998, pursuant to a school district capital expenditure plan  
286 approved by the State Department of Education, a school district  
287 may pledge such funds until July 1, 2002, plus funds provided for  
288 in paragraph (e) of this subsection (5) that are not otherwise  
289 permanently pledged under such paragraph (e) to pay all or a  
290 portion of the debt service on debt issued by the school district  
291 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
292 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,  
293 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
294 issued by boards of supervisors for agricultural high schools  
295 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
296 lease-purchase contracts entered into pursuant to Section 31-7-13,  
297 Mississippi Code of 1972, or to retire or refinance outstanding  
298 debt of a district, if such pledge is accomplished pursuant to a  
299 written contract or resolution approved and spread upon the  
300 minutes of an official meeting of the district's school board or  
301 board of supervisors. It is the intent of this provision to allow  
302 school districts to irrevocably pledge their Interim School



303 District Capital Expenditure Fund allotments as a constant stream  
304 of revenue to secure a debt issued under the foregoing code  
305 sections. To allow school districts to make such an irrevocable  
306 pledge, the state shall take all action necessary to ensure that  
307 the amount of a district's Interim School District Capital  
308 Expenditure Fund allotments shall not be reduced below the amount  
309 certified by the department or the district's total allotment  
310 under the Interim Capital Expenditure Fund if fully funded, so  
311 long as such debt remains outstanding.

312 (e) From and after October 1, 1997, through June 30,  
313 1998, in addition to any other authority a school district may  
314 have, any school district may issue State Aid Capital Improvement  
315 Bonds secured in whole by a continuing annual pledge of any  
316 Mississippi Adequate Education Program funds available to the  
317 district, in an amount not to exceed One Hundred Sixty Dollars  
318 (\$160.00) per pupil based on the latest completed average daily  
319 attendance count certified by the department prior to the issuance  
320 of the bonds. Such State Aid Capital Improvement Bonds may be  
321 issued for the purposes enumerated in subsections (a), (b), (c)  
322 and (g) of this section. Prior to issuing such bonds, the school  
323 board of the district shall adopt a resolution declaring the  
324 necessity for and its intention of issuing such bonds and  
325 borrowing such money, specifying the approximate amount to be so  
326 borrowed, how such money is to be used and how such indebtedness  
327 is to be evidenced. Any capital improvement project financed with  
328 State Aid Capital Improvement Bonds shall be approved by the  
329 department, and based on an approved long-range plan. The State  
330 Board of Education shall promulgate minimum requirements for the  
331 approval of such school district capital expenditure plans. The  
332 State Board of Education shall not approve any capital expenditure  
333 plan for a pledge of funds under this paragraph unless it  
334 determines (i) that the quality of instruction in such district  
335 will not be reduced as a result of this pledge, and (ii) the



336 district has other revenue available to attain and maintain at  
337 least Level III accreditation.

338 A district issuing State Aid Capital Improvement Bonds may  
339 pledge for the repayment of such bonds all funds received by the  
340 district from the state, in an amount not to exceed One Hundred  
341 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
342 the school district as set forth above, and not otherwise  
343 permanently pledged under paragraph (d) of this subsection or  
344 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
345 district's school board shall specify by resolution the amount of  
346 state funds, which are being pledged by the district for the  
347 repayment of the State Aid Capital Improvement Bonds. Once such a  
348 pledge is made to secure the bonds, the district shall notify the  
349 department of such pledge. Upon making such a pledge, the school  
350 district may request the department which may agree to irrevocably  
351 transfer a specified amount or percentage of the district's state  
352 revenue pledged to repay the district's State Aid Capital  
353 Improvement Bonds directly to a state or federally chartered bank  
354 serving as a trustee or paying agent on such bonds for the payment  
355 of all or portion of such State Aid Capital Improvement Bonds.  
356 Such instructions shall be incorporated into a resolution by the  
357 school board for the benefit of holders of the bonds and may  
358 provide that such withholding and transfer of such other available  
359 funds shall be made only upon notification by a trustee or paying  
360 agent on such bonds that the amounts available to pay such bonds  
361 on any payment date will not be sufficient. It is the intent of  
362 this provision to allow school districts to irrevocably pledge a  
363 certain, constant stream of revenue as security for State Aid  
364 Capital Improvement Bonds issued hereunder. To allow school  
365 districts to make such an irrevocable pledge, the state shall take  
366 all action necessary to ensure that the amount of a district's  
367 state revenues up to an amount equal to One Hundred Sixty Dollars  
368 (\$160.00) per pupil as set forth above which have been pledged to



369 repay debt as set forth herein shall not be reduced so long as any  
370 State Aid Capital Improvement Bonds are outstanding.

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

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

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

387 This paragraph (e) shall stand repealed from and after June  
388 30, 1998.

389 (f) As an alternative to the authority granted under  
390 paragraph (e), a school district, in its discretion, may authorize  
391 the State Board of Education to withhold an amount of the  
392 district's adequate education program allotment equal to up to One  
393 Hundred Sixty Dollars (\$160.00) per student in average daily  
394 attendance in the district to be allocated to the State Public  
395 School Building Fund to the credit of such school district. A  
396 school district may choose the option provided under this  
397 paragraph (e) or paragraph (f), but not both. In addition to the  
398 grants made by the state pursuant to Section 37-47-9, a school  
399 district shall be entitled to grants based on the allotments to  
400 the State Public School Building Fund credited to such school



401 district under this paragraph. This paragraph (f) shall stand  
402 repealed from and after June 30, 1998.

403 (g) The State Board of Education may authorize the  
404 school district to expend not more than twenty percent (20%) of  
405 its annual allotment of such funds or Twenty Thousand Dollars  
406 (\$20,000.00), whichever is greater, for technology needs of the  
407 school district, including computers, software,  
408 telecommunications, cable television, interactive video, film  
409 low-power television, satellite communications, microwave  
410 communications, technology-based equipment installation and  
411 maintenance, and the training of staff in the use of such  
412 technology-based instruction. Any such technology expenditure  
413 shall be reflected in the local district technology plan approved  
414 by the State Board of Education under Section 37-151-17,  
415 Mississippi Code of 1972.

416 (h) To the extent a school district has not utilized  
417 twenty percent (20%) of its annual allotment for technology  
418 purposes under paragraph (g), a school district may expend not  
419 more than twenty percent (20%) of its annual allotment or Twenty  
420 Thousand Dollars (\$20,000.00), whichever is greater, for  
421 instructional purposes. The State Board of Education may  
422 authorize a school district to expend more than said twenty  
423 percent (20%) of its annual allotment for instructional purposes  
424 if it determines that such expenditures are needed for  
425 accreditation purposes.

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



434 covered under this subsection shall be approved by the State  
435 Department of Education.

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

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

443 **SECTION 2.** Section 37-151-95, Mississippi Code of 1972, is  
444 amended as follows:

445 37-151-95. Adequate education program funds shall include  
446 one hundred percent (100%) of the cost of the State and School  
447 Employees' Life and Health Insurance Plan created under Article 7,  
448 Chapter 15, Title 25, Mississippi Code of 1972, for all district  
449 employees who work no less than twenty (20) hours during each week  
450 and regular nonstudent school bus drivers employed by the  
451 district.

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

463 The State Department of Education, in accordance with rules  
464 and regulations established by the State Board of Education, may  
465 withhold a school district's adequate education program funds for  
466 failure of the district to timely report student, fiscal and



467 personnel data necessary to meet state and/or federal  
468 requirements. The rules and regulations promulgated by the State  
469 Board of Education shall require the withholding of adequate  
470 education program funds for those districts that fail to remit  
471 premiums, interest penalties and/or late charges under the State  
472 and School Employees' Life and Health Insurance Plan.  
473 Noncompliance with such rules and regulations shall result in a  
474 violation of compulsory accreditation standards as established by  
475 the State Board of Education and Commission on School  
476 Accreditation.

477 **SECTION 3.** Section 37-151-103, Mississippi Code of 1972, is  
478 amended as follows:

479 37-151-103. (1) Funds due each school district under the  
480 terms of this chapter from the \* \* \* Adequate Education Program  
481 Fund shall be paid in the following manner: On the twenty-fifth  
482 day of each month, or the next business date after that date,  
483 there shall be paid to each school district by electronic funds  
484 transfer one-twelfth (1/12) of the funds to which the district is  
485 entitled from funds appropriated for the \* \* \* Adequate Education  
486 Program Fund. Provided, however, that in December said payments  
487 shall be made on December 15th or the next business day after that  
488 date.

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

496 (2) Notwithstanding any provision of this chapter or any  
497 other law requiring the number of children in average daily  
498 attendance or the average daily attendance of transported children  
499 to be determined on the basis of the preceding year, the State



500 Board of Education is hereby authorized and empowered to make  
501 proper adjustments in allotments in cases where major changes in  
502 the number of children in average daily attendance or the average  
503 daily attendance of transported children occurs from one (1) year  
504 to another as a result of changes or alterations in the boundaries  
505 of school districts, the sending of children from one (1) county  
506 or district to another upon a contract basis, the termination or  
507 discontinuance of a contract for the sending of children from one  
508 (1) county or district to another, a change in or relocation of  
509 attendance centers, or for any other reason which would result in  
510 a major decrease or increase in the number of children in average  
511 daily attendance or the average daily attendance of transported  
512 children during the current school year as compared with the  
513 preceding year.

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

521 **SECTION 4.** Section 37-57-104, Mississippi Code of 1972, is  
522 amended as follows:

523 37-57-104. (1) Each school board shall submit to the  
524 levying authority for the school district a certified copy of an  
525 order adopted by the school board requesting an ad valorem tax  
526 effort in dollars for the support of the school district. The  
527 copy of the order shall be submitted by the school board when the  
528 copies of the school district's budget are filed with the levying  
529 authority pursuant to Section 37-61-9. Upon receipt of the school  
530 board's order requesting the ad valorem tax effort in dollars, the  
531 levying authority shall determine the millage rate necessary to  
532 generate funds equal to the dollar amount requested by the school





533 board. For the purpose of calculating this millage rate, any  
534 additional amount that is levied pursuant to Section 37-57-105(1)  
535 to cover anticipated delinquencies and costs of collection or any  
536 amount that may be levied for the payment of the principal and  
537 interest on school bonds or notes shall be excluded from the  
538 limitation of fifty-five (55) mills provided for in subsection (2)  
539 of this section.

540 (2) (a) Except as otherwise provided under paragraph (b) or  
541 (c) of this subsection, if the millage rate necessary to generate  
542 funds equal to the dollar amount requested by the school board is  
543 greater than fifty-five (55) mills, and if this millage rate is  
544 higher than the millage then being levied pursuant to the school  
545 board's order requesting the ad valorem tax effort for the  
546 currently existing fiscal year, then the levying authority shall  
547 call a referendum on the question of exceeding, during the next  
548 fiscal year, the then existing millage rate being levied for  
549 school district purposes. The referendum shall be scheduled for  
550 not more than six (6) weeks after the date on which the levying  
551 authority receives the school board's order requesting the ad  
552 valorem tax effort.

553 When a referendum has been called, notice of the  
554 referendum shall be published at least five (5) days per week,  
555 unless the only newspaper published in the school district is  
556 published less than five (5) days per week, for at least three (3)  
557 consecutive weeks, in at least one (1) newspaper published in the  
558 school district. The notice shall be no less than one-fourth  
559 (1/4) page in size, and the type used shall be no smaller than  
560 eighteen (18) point and surrounded by a one-fourth-inch solid  
561 black border. The notice may not be placed in that portion of the  
562 newspaper where legal notices and classified advertisements  
563 appear. The first publication of the notice shall be made not  
564 less than twenty-one (21) days before the date fixed for the  
565 referendum, and the last publication shall be made not more than



566 seven (7) days before that date. If no newspaper is published in  
567 the school district, then the notice shall be published in a  
568 newspaper having a general circulation in the school district.  
569 The referendum shall be held, as far as is practicable, in the  
570 same manner as other referendums and elections are held in the  
571 county or municipality. At the referendum, all registered,  
572 qualified electors of the school district may vote. The ballots  
573 used at the referendum shall have printed thereon a brief  
574 statement of the amount and purpose of the increased tax levy and  
575 the words "FOR INCREASING THE MILLAGE LEVIED FOR SCHOOL DISTRICT  
576 PURPOSES FROM (MILLAGE RATE CURRENTLY LEVIED) MILLS TO (MILLAGE  
577 RATE REQUIRED UNDER SCHOOL BOARD'S ORDER) MILLS," and "AGAINST  
578 INCREASING THE MILLAGE LEVIED FOR SCHOOL DISTRICT PURPOSES FROM  
579 (MILLAGE RATE CURRENTLY LEVIED) MILLS TO (MILLAGE RATE REQUIRED  
580 UNDER SCHOOL BOARD'S ORDER) MILLS." The voter shall vote by  
581 placing a cross (X) or checkmark (✓) opposite his choice on the  
582 proposition.

583           If a majority of the registered, qualified electors of  
584 the school district who vote in the referendum vote in favor of  
585 the question, then the ad valorem tax effort in dollars requested  
586 by the school board shall be approved. However, if a majority of  
587 the registered, qualified electors who vote in the referendum vote  
588 against the question, the millage rate levied by the levying  
589 authority shall not exceed the millage then being levied pursuant  
590 to the school board's order requesting the ad valorem tax effort  
591 for the then currently existing fiscal year.

592           Nothing in this subsection shall be construed to require  
593 any school district that is levying more than fifty-five (55)  
594 mills pursuant to Sections 37-57-1 and 37-57-105 to decrease its  
595 millage rate to fifty-five (55) mills or less. Further, nothing  
596 in this subsection shall be construed to require a referendum in a  
597 school district where the requested ad valorem tax effort in  
598 dollars requires a millage rate of greater than fifty-five (55)



599 mills but the requested dollar amount does not require any  
600 increase in the then existing millage rate. Further, nothing in  
601 this subsection shall be construed to require a referendum in a  
602 school district where, because of a decrease in the assessed  
603 valuation of the district, a millage rate of greater than  
604 fifty-five (55) mills is necessary to generate funds equal to the  
605 dollar amount generated by the ad valorem tax effort for the  
606 currently existing fiscal year.

607 (b) Provided, however, that if a levying authority is  
608 levying in excess of fifty-five (55) mills on July 1, 1997, the  
609 levying authority may levy an additional amount not exceeding  
610 three (3) mills in the aggregate for the period beginning July 1,  
611 1997, and ending June 30, 2003, subject to the limitation on  
612 increased receipts from ad valorem taxes prescribed in Sections  
613 37-57-105 and 37-57-107.

614 (c) If the levying authority for any school district  
615 lawfully has decreased the millage levied for school district  
616 purposes, but subsequently determines that there is a need to  
617 increase the millage rate due to a disaster in which the Governor  
618 has declared a disaster emergency or the President of the United  
619 States has declared an emergency or major disaster, then the  
620 levying authority may increase the millage levied for school  
621 district purposes up to an amount that does not exceed the millage  
622 rate in any one (1) of the immediately preceding ten (10) fiscal  
623 years without any referendum that otherwise would be required  
624 under this subsection.

625 (3) If the millage rate necessary to generate funds equal to  
626 the dollar amount requested by the school board is equal to  
627 fifty-five (55) mills or less, but the dollar amount requested by  
628 the school board exceeds the next preceding fiscal year's ad  
629 valorem tax effort in dollars by more than four percent (4%), but  
630 not more than seven percent (7%) (as provided for under subsection  
631 (4) of this section), then the school board shall publish notice



632 thereof at least five (5) days per week, unless the only newspaper  
633 published in the school district is published less than five (5)  
634 days per week, for at least three (3) consecutive weeks in a  
635 newspaper published in the school district. The notice shall be  
636 no less than one-fourth (1/4) page in size, and the type used  
637 shall be no smaller than eighteen (18) point and surrounded by a  
638 one-fourth-inch solid black border. The notice may not be placed  
639 in that portion of the newspaper where legal notices and  
640 classified advertisements appear. The first publication shall be  
641 made not less than fifteen (15) days before the final adoption of  
642 the budget by the school board. If no newspaper is published in  
643 the school district, then the notice shall be published in a  
644 newspaper having a general circulation in the school district. If  
645 at any time before the adoption of the budget a petition signed by  
646 not less than twenty percent (20%) or fifteen hundred (1500),  
647 whichever is less, of the registered, qualified electors of the  
648 school district is filed with the school board requesting that a  
649 referendum be called on the question of exceeding the next  
650 preceding fiscal year's ad valorem tax effort in dollars by more  
651 than four percent (4%), then the school board shall adopt, not  
652 later than the next regular meeting, a resolution calling a  
653 referendum to be held within the school district upon the  
654 question. The referendum shall be called and held, and notice  
655 thereof shall be given, in the same manner provided for in  
656 subsection (2) of this section. The ballot shall contain the  
657 language "FOR THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)" and  
658 "AGAINST THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)." If a  
659 majority of the registered, qualified electors of the school  
660 district who vote in the referendum vote in favor of the question,  
661 then the increase requested by the school board shall be approved.  
662 For the purposes of this subsection, the revenue sources excluded  
663 from the increase limitation under Section 37-57-107 also shall be  
664 excluded from the limitation described in this subsection in the



665 same manner as they are excluded under Section 37-57-107.  
666 Provided, however, that any increases requested by the school  
667 board as a result of the required local contribution to the  
668 Mississippi Adequate Education Program, as certified to the local  
669 school district by the State Board of Education under Section  
670 37-151-7(2), Mississippi Code of 1972, shall not be subject to the  
671 four percent (4%) and/or seven percent (7%) tax increase  
672 limitations provided in this section.

673 (4) If the millage rate necessary to generate funds equal to  
674 the dollar amount requested by the school board is equal to  
675 fifty-five (55) mills or less, but the dollar amount requested by  
676 the school board exceeds the seven percent (7%) increase  
677 limitation provided for in Section 37-57-107, the school board may  
678 exceed the seven percent (7%) increase limitation only after the  
679 school board has determined the need for additional revenues and  
680 three-fifths (3/5) of the registered, qualified electors voting in  
681 a referendum called by the levying authority have voted in favor  
682 of the increase. The notice and manner of holding the referendum  
683 shall be as prescribed in subsection (2) of this section for a  
684 referendum on the question of increasing the millage rate in  
685 school districts levying more than fifty-five (55) mills for  
686 school district purposes.

687 (5) The aggregate receipts from ad valorem taxes levied for  
688 school district purposes pursuant to Sections 37-57-1 and  
689 37-57-105, excluding collection fees, additional revenue from the  
690 ad valorem tax on any newly constructed properties or any existing  
691 properties added to the tax rolls or any properties previously  
692 exempt which were not assessed in the next preceding year, and  
693 amounts received by school districts from the School Ad Valorem  
694 Tax Reduction Fund pursuant to Section 37-61-35, shall be subject  
695 to the increase limitation under this section and Section  
696 37-57-107.



697 (6) The school board shall pay to the levying authority all  
698 costs that are incurred by the levying authority in the calling  
699 and holding of any election under this section.

700 (7) The provisions of this section shall not be construed to  
701 affect in any manner the authority of school boards to levy  
702 millage for the following purposes:

703 (a) The issuance of bonds, notes and certificates of  
704 indebtedness, as authorized in Sections 37-59-1 through 37-59-45  
705 and Sections 37-59-101 through 37-59-115;

706 (b) The lease of property for school purposes, as  
707 authorized under the Emergency School Leasing Authority Act of  
708 1986 (Sections 37-7-351 through 37-7-359);

709 (c) The lease or lease-purchase of school buildings, as  
710 authorized under Section 37-7-301;

711 (d) The issuance of promissory notes in the event of a  
712 shortfall of ad valorem taxes and/or revenue from local sources,  
713 as authorized under Section 27-39-333; and

714 (e) The construction of school building outside the  
715 school district, as authorized under Section 37-7-401.

716 Any millage levied for the purposes specified in this  
717 subsection shall be excluded from the millage limitations  
718 established under this section.

719 **SECTION 5.** Section 37-57-105, Mississippi Code of 1972, is  
720 amended as follows:

721 37-57-105. (1) In addition to the taxes levied under  
722 Section 37-57-1, the levying authority for the school district, as  
723 defined in Section 37-57-1, upon receipt of a certified copy of an  
724 order adopted by the school board of the school district  
725 requesting an ad valorem tax effort in dollars for the support of  
726 the school district, shall, at the same time and in the same  
727 manner as other ad valorem taxes are levied, levy an annual ad  
728 valorem tax in the amount fixed in such order upon all of the  
729 taxable property of such school district, which shall not be less



730 than the millage rate certified by the State Board of Education as  
731 the uniform minimum school district ad valorem tax levy for the  
732 support of the adequate education program in such school district  
733 under Section 37-57-1. Provided, however, that any school  
734 district levying less than the uniform minimum school district ad  
735 valorem tax levy on July 1, 1997, shall only be required to  
736 increase its local district maintenance levy in four (4) mill  
737 annual increments in order to attain such millage requirements.  
738 In making such levy, the levying authority shall levy an  
739 additional amount sufficient to cover anticipated delinquencies  
740 and costs of collection so that the net amount of money to be  
741 produced by such levy shall be equal to the amount which is  
742 requested by said school board. The proceeds of such tax levy,  
743 excluding levies for the payment of the principal of and interest  
744 on school bonds or notes and excluding levies for costs of  
745 collection, shall be placed in the school depository to the credit  
746 of the school district and shall be expended in the manner  
747 provided by law for the purpose of supplementing teachers'  
748 salaries, extending school terms, purchasing furniture, supplies  
749 and materials, and for all other lawful operating and incidental  
750 expenses of such school district, funds for which are not provided  
751 by adequate education program fund allotments.

752       The monies authorized to be received by school districts from  
753 the School Ad Valorem Tax Reduction Fund pursuant to Section  
754 37-61-35 shall be included as ad valorem tax receipts. The  
755 levying authority for the school district, as defined in Section  
756 37-57-1, shall reduce the ad valorem tax levy for such school  
757 district in an amount equal to the amount distributed to such  
758 school district from the School Ad Valorem Tax Reduction Fund each  
759 calendar year pursuant to said Section 37-61-35. Such reduction  
760 shall not be less than the millage rate necessary to generate a  
761 reduction in ad valorem tax receipts equal to the funds  
762 distributed to such school district from the School Ad Valorem Tax



763 Reduction Fund pursuant to Section 37-61-35. Such reduction shall  
764 not be deemed to be a reduction in the aggregate amount of support  
765 from ad valorem taxation for purposes of Section 37-19-11. The  
766 millage levy certified by the State Board of Education as the  
767 uniform minimum ad valorem tax levy or the millage levy that would  
768 generate funds in an amount equal to a school district's district  
769 entitlement, as defined in Section 37-22-1(2)(e), shall be subject  
770 to the provisions of this paragraph.

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





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

806           (3) The aggregate receipts from ad valorem taxes levied for  
807 school district purposes, excluding collection fees, pursuant to  
808 this section and Section 37-57-1 \* \* \* shall be subject to the  
809 increased limitation under Section 37-57-107; however, if the ad  
810 valorem tax effort in dollars requested by the school district for  
811 the fiscal year exceeds the next preceding fiscal year's ad  
812 valorem tax effort in dollars by more than four percent (4%) but  
813 not more than seven percent (7%), then the school board shall  
814 publish notice thereof once each week for at least three (3)  
815 consecutive weeks in a newspaper having general circulation in the  
816 school district involved, with the first publication thereof to be  
817 made not less than fifteen (15) days prior to the final adoption  
818 of the budget by the school board. If at any time prior to said  
819 adoption a petition signed by not less than twenty percent (20%)  
820 or fifteen hundred (1500), whichever is less, of the qualified  
821 electors of the school district involved shall be filed with the  
822 school board requesting that an election be called on the question  
823 of exceeding the next preceding fiscal year's ad valorem tax  
824 effort in dollars by more than four percent (4%) but not more than  
825 seven percent (7%), then the school board shall, not later than  
826 the next regular meeting, adopt a resolution calling an election  
827 to be held within such school district upon such question. The



828 election shall be called and held, and notice thereof shall be  
829 given, in the same manner for elections upon the questions of the  
830 issuance of the bonds of school districts, and the results thereof  
831 shall be certified to the school board. The ballot shall contain  
832 the language "For the School Tax Increase Over Four Percent (4%)"  
833 and "Against the School Tax Increase Over Four Percent (4%)." If  
834 a majority of the qualified electors of the school district who  
835 voted in such election shall vote in favor of the question, then  
836 the stated increase requested by the school board shall be  
837 approved. For the purposes of this paragraph, the revenue sources  
838 excluded from the increased limitation under Section 37-57-107  
839 shall also be excluded from the limitation described herein in the  
840 same manner as they are excluded under Section 37-57-107.

841 **SECTION 6.** Section 37-57-107, Mississippi Code of 1972, is  
842 amended as follows:

843 37-57-107. Beginning with the tax levy for the 1997 fiscal  
844 year and for each fiscal year thereafter, the aggregate receipts  
845 from taxes levied for school district purposes pursuant to  
846 Sections 37-57-105 and 37-57-1 shall not exceed the aggregate  
847 receipts from those sources during any one (1) of the immediately  
848 preceding three (3) fiscal years, as determined by the school  
849 board, plus an increase not to exceed seven percent (7%). For the  
850 purpose of this limitation, the term "aggregate receipts" when  
851 used in connection with the amount of funds generated in a  
852 preceding fiscal year shall not include excess receipts required  
853 by law to be deposited into a special account \* \* \*. The  
854 additional revenue from the ad valorem tax on any newly  
855 constructed properties or any existing properties added to the tax  
856 rolls or any properties previously exempt which were not assessed  
857 in the next preceding year may be excluded from the seven percent  
858 (7%) increase limitation set forth herein. Taxes levied for  
859 payment of principal of and interest on general obligation school  
860 bonds issued heretofore or hereafter shall be excluded from the



861 seven percent (7%) increase limitation set forth herein. Any  
862 additional millage levied to fund any new program mandated by the  
863 Legislature shall be excluded from the limitation for the first  
864 year of the levy and included within such limitation in any year  
865 thereafter. For the purposes of this section, the term "new  
866 program" shall include, but shall not be limited to, (a) the Early  
867 Childhood Education Program required to commence with the  
868 1986-1987 school year as provided by Section 37-21-7 and any  
869 additional millage levied and the revenue generated therefrom,  
870 which is excluded from the limitation for the first year of the  
871 levy, to support the mandated Early Childhood Education Program  
872 shall be specified on the minutes of the school board and of the  
873 governing body making such tax levy; (b) any additional millage  
874 levied and the revenue generated therefrom which shall be excluded  
875 from the limitation for the first year of the levy, for the  
876 purpose of generating additional local contribution funds required  
877 for the adequate education program for the 2003 fiscal year and  
878 for each fiscal year thereafter under Section 37-151-7(2); and (c)  
879 any additional millage levied and the revenue generated therefrom  
880 which shall be excluded from the limitation for the first year of  
881 the levy, for the purpose of support and maintenance of any  
882 agricultural high school which has been transferred to the  
883 control, operation and maintenance of the school board by the  
884 board of trustees of the community college district under  
885 provisions of Section 37-29-272.

886 The seven percent (7%) increase limitation prescribed in this  
887 section may be increased an additional amount only when the school  
888 board has determined the need for additional revenues and has held  
889 an election on the question of raising the limitation prescribed  
890 in this section. The limitation may be increased only if  
891 three-fifths (3/5) of those voting in the election shall vote for  
892 the proposed increase. The resolution, notice and manner of  
893 holding the election shall be as prescribed by law for the holding



894 of elections for the issuance of bonds by the respective school  
895 boards. Revenues collected for the fiscal year in excess of the  
896 seven percent (7%) increase limitation pursuant to an election  
897 shall be included in the tax base for the purpose of determining  
898 aggregate receipts for which the seven percent (7%) increase  
899 limitation applies for subsequent fiscal years.

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

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

918 **SECTION 7.** Sections 37-19-20 and 37-19-22, Mississippi Code  
919 of 1972, which provide certain allocations under the Minimum  
920 Education Program, are hereby repealed.

921 **SECTION 8.** Section 37-61-33, Mississippi Code of 1972, is  
922 brought forward as follows:

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

924 37-61-33. (1) There is created within the State Treasury a  
925 special fund to be designated the "Education Enhancement Fund"



926 into which shall be deposited all the revenues collected pursuant  
927 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

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

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

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

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

949 (d) As a pledge to pay all or a portion of the debt  
950 service on debt issued by the school district under Sections  
951 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
952 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
953 and 37-41-81, or debt issued by boards of supervisors for  
954 agricultural high schools pursuant to Section 37-27-65, if such  
955 pledge is accomplished pursuant to a written contract or  
956 resolution approved and spread upon the minutes of an official  
957 meeting of the district's school board or board of supervisors.  
958 The annual grant to such district in any subsequent year during



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

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

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

975 (i) Eight and thirty-five one-hundredths percent  
976 (8.35%) to be distributed to public school districts for the  
977 support of educational programs authorized by law. The funds  
978 distributed to the school districts under this item shall be in  
979 the proportion that the average daily attendance of each school  
980 district bears to the average daily attendance of all school  
981 districts within the state;

982 (ii) Seven and ninety-seven one-hundredths percent  
983 (7.97%) to assist the funding of transportation operations and  
984 maintenance pursuant to Section 37-19-23;

985 (iii) Eight and twenty-six one-hundredths percent  
986 (8.26%) to assist the funding of the Uniform Millage Assistance  
987 Grant Program pursuant to Section 37-22-1; and

988 (iv) Nine and sixty-one one-hundredths percent  
989 (9.61%), of which Four Million Six Hundred Thousand Dollars  
990 (\$4,600,000.00) shall be allocated for classroom supplies,  
991 instructional materials and equipment, including computers and



992 computer software, to be distributed to all school districts in  
993 the proportion that the average daily attendance of each school  
994 district bears to the average daily attendance of all school  
995 districts within the state. Classroom supply funds shall not be  
996 expended for administrative purposes. Local school districts  
997 shall allocate classroom supply funds equally among all classroom  
998 teachers in the school district. For purposes of this  
999 subparagraph, "teacher" shall mean any employee of the school  
1000 board of a school district who is required by law to obtain a  
1001 teacher's license from the State Board of Education and who is  
1002 assigned to an instructional area of work as defined by the State  
1003 Department of Education, but shall not include a federally funded  
1004 teacher. Two (2) or more teachers may agree to pool their  
1005 classroom supply funds for the benefit of a school within the  
1006 district pursuant to the development of a spending plan that  
1007 supports the overall goals of the school which includes the type,  
1008 quantity and quality of such supplies, instructional materials,  
1009 equipment, computers or computer software. This plan shall be  
1010 submitted, in writing, to the school principal for approval.  
1011 Classroom supply funds allocated under this subparagraph shall  
1012 supplement, not replace, other local and state funds available for  
1013 the same purposes. School districts need not fully expend the  
1014 funds received under this subparagraph in the year in which they  
1015 are received, but such funds may be carried forward for  
1016 expenditure in any succeeding school year. The State Board of  
1017 Education shall develop and promulgate rules and regulations for  
1018 the administration of this subparagraph consistent with the above  
1019 criteria, with particular emphasis on allowing the individual  
1020 teachers to expend funds as they deem appropriate, with minimum  
1021 input from school principals. The remainder of the funds  
1022 appropriated to the State Department of Education under this item  
1023 shall be distributed to public school districts in the proportion  
1024 that the average daily attendance of each school district bears to



1025 the average daily attendance of all school districts in the state  
1026 for the support of educational programs authorized by law;

1027 (b) Twenty-two and nine one-hundredths percent (22.09%)  
1028 to the Board of Trustees of State Institutions of Higher Learning  
1029 for the purpose of supporting institutions of higher learning; and

1030 (c) Fourteen and forty-one one-hundredths percent  
1031 (14.41%) to the State Board for Community and Junior Colleges for  
1032 the purpose of providing support to community and junior colleges.

1033 (4) The amount remaining in the Education Enhancement Fund  
1034 after funds are distributed as provided in subsections (2) and (3)  
1035 of this section shall be disbursed as follows:

1036 (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
1037 be deposited into the Working Cash-Stabilization Reserve Fund  
1038 created pursuant to Section 27-103-203(1), until the balance in  
1039 such fund reaches the maximum balance of seven and one-half  
1040 percent (7-1/2%) of the General Fund appropriations in the  
1041 appropriate fiscal year. After the maximum balance in the Working  
1042 Cash-Stabilization Reserve Fund is reached, such money shall  
1043 remain in the Education Enhancement Fund to be appropriated in the  
1044 manner provided for in paragraph (b) of this subsection.

1045 (b) The remainder shall be appropriated for other  
1046 educational needs.

1047 (5) None of the funds appropriated pursuant to subsection  
1048 (3)(a) of this section shall be used to reduce the state's general  
1049 fund appropriation for the categories listed in an amount below  
1050 the following amounts:

1051 (a) For subsection (3)(a)(i) of this section, Six  
1052 Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars  
1053 (\$6,330,920.00);

1054 (b) For subsection (3)(a)(ii) of this section,  
1055 Thirty-six Million Seven Hundred Thousand Dollars  
1056 (\$36,700,000.00);





1057 (c) For subsection (3)(a)(iii) of this section,  
1058 Twenty-one Million Four Hundred Thousand Dollars (\$21,400,000.00);  
1059 and

1060 (d) For the aggregate of minimum program allotments  
1061 provided for in Chapter 19, Title 37, Mississippi Code of 1972, as  
1062 amended, excluding those funds for transportation as provided for  
1063 in subsection (5)(b) of this section.

1064 **[From and after July 1, 2002, this section reads as follows:]**

1065 37-61-33. (1) There is created within the State Treasury a  
1066 special fund to be designated the "Education Enhancement Fund"  
1067 into which shall be deposited all the revenues collected pursuant  
1068 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

1069 (2) Of the amount deposited into the Education Enhancement  
1070 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be  
1071 appropriated each fiscal year to the State Department of Education  
1072 to be distributed to all school districts. Such money shall be  
1073 distributed to all school districts in the proportion that the  
1074 average daily attendance of each school district bears to the  
1075 average daily attendance of all school districts within the state  
1076 for the following purposes:

1077 (a) Purchasing, erecting, repairing, equipping,  
1078 remodeling and enlarging school buildings and related facilities,  
1079 including gymnasiums, auditoriums, lunchrooms, vocational training  
1080 buildings, libraries, teachers' homes, school barns,  
1081 transportation vehicles (which shall include new and used  
1082 transportation vehicles) and garages for transportation vehicles,  
1083 and purchasing land therefor.

1084 (b) Establishing and equipping school athletic fields  
1085 and necessary facilities connected therewith, and purchasing land  
1086 therefor.

1087 (c) Providing necessary water, light, heating, air  
1088 conditioning and sewerage facilities for school buildings, and  
1089 purchasing land therefor.



1090           (d) As a pledge to pay all or a portion of the debt  
1091 service on debt issued by the school district under Sections  
1092 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
1093 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
1094 and 37-41-81, or debt issued by boards of supervisors for  
1095 agricultural high schools pursuant to Section 37-27-65, if such  
1096 pledge is accomplished pursuant to a written contract or  
1097 resolution approved and spread upon the minutes of an official  
1098 meeting of the district's school board or board of supervisors.  
1099 The annual grant to such district in any subsequent year during  
1100 the term of the resolution or contract shall not be reduced below  
1101 an amount equal to the district's grant amount for the year in  
1102 which the contract or resolution was adopted. The intent of this  
1103 provision is to allow school districts to irrevocably pledge a  
1104 certain, constant stream of revenue as security for long-term  
1105 obligations issued under the code sections enumerated in this  
1106 paragraph or as otherwise allowed by law. It is the intent of the  
1107 Legislature that the provisions of this paragraph shall be  
1108 cumulative and supplemental to any existing funding programs or  
1109 other authority conferred upon school districts or school boards.  
1110 Debt of a district secured by a pledge of sales tax revenue  
1111 pursuant to this paragraph shall not be subject to any debt  
1112 limitation contained in the foregoing enumerated code sections.

1113           (3) The remainder of the money deposited into the Education  
1114 Enhancement Fund shall be appropriated as follows:

1115           (a) To the State Department of Education as follows:

1116                   (i) Sixteen and sixty-one one-hundredths percent  
1117 (16.61%) to the cost of the adequate education program determined  
1118 under Section 37-151-7;

1119                   (ii) Seven and ninety-seven one-hundredths percent  
1120 (7.97%) to assist the funding of transportation operations and  
1121 maintenance pursuant to Section 37-19-23; and



1122 (iii) Nine and sixty-one one-hundredths percent  
1123 (9.61%) for classroom supplies, instructional materials and  
1124 equipment, including computers and computer software, to be  
1125 distributed to all school districts in the proportion that the  
1126 average daily attendance of each school district bears to the  
1127 average daily attendance of all school districts within the state.  
1128 It is the intent of the Legislature that all classroom teachers  
1129 shall be involved in the development of a spending plan that  
1130 addresses individual classroom needs and supports the overall  
1131 goals of the school regarding supplies, instructional materials,  
1132 equipment, computers or computer software under the provisions of  
1133 this subparagraph, including the type, quantity and quality of  
1134 such supplies, materials and equipment. This plan shall be  
1135 submitted to the school principal for approval. School districts  
1136 need not fully expend the funds received under this subparagraph  
1137 in the year in which they are received, but such funds may be  
1138 carried forward for expenditure in any succeeding school year;

1139 (b) Twenty-two and nine one-hundredths percent (22.09%)  
1140 to the Board of Trustees of State Institutions of Higher Learning  
1141 for the purpose of supporting institutions of higher learning; and

1142 (c) Fourteen and forty-one one-hundredths percent  
1143 (14.41%) to the State Board for Community and Junior Colleges for  
1144 the purpose of providing support to community and junior colleges.

1145 (4) The amount remaining in the Education Enhancement Fund  
1146 after funds are distributed as provided in subsections (2) and (3)  
1147 of this section shall be disbursed as follows:

1148 (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
1149 be deposited into the Working Cash-Stabilization Reserve Fund  
1150 created pursuant to Section 27-103-203(1), until the balance in  
1151 such fund reaches the maximum balance of seven and one-half  
1152 percent (7-1/2%) of the General Fund appropriations in the  
1153 appropriate fiscal year. After the maximum balance in the Working  
1154 Cash-Stabilization Reserve Fund is reached, such money shall



1155 remain in the Education Enhancement Fund to be appropriated in the  
1156 manner provided for in paragraph (b) of this subsection.

1157 (b) The remainder shall be appropriated for other  
1158 educational needs.

1159 (5) None of the funds appropriated pursuant to subsection  
1160 (3) (a) of this section shall be used to reduce the state's general  
1161 fund appropriation for the categories listed in an amount below  
1162 the following amounts:

1163 (a) For subsection (3) (a) (ii) of this section,  
1164 Thirty-six Million Seven Hundred Thousand Dollars  
1165 (\$36,700,000.00);

1166 (b) For the aggregate of minimum program allotments in  
1167 the 1997 fiscal year, formerly provided for in Chapter 19, Title  
1168 37, Mississippi Code of 1972, as amended, excluding those funds  
1169 for transportation as provided for in subsection (5) (a) in this  
1170 section.

1171 **SECTION 9.** Section 37-19-1, Mississippi Code of 1972, is  
1172 brought forward as follows:

1173 37-19-1. As used in this chapter:

1174 (a) The term "minimum education program" shall mean the  
1175 program of education made possible by the financing plan provided  
1176 for in this chapter;

1177 (b) The term "teacher" shall include any employee of a  
1178 school board of a school district who is required by law to obtain  
1179 a teacher's license from the State Board of Education and who is  
1180 assigned to an instructional area of work as defined by the State  
1181 Department of Education the equivalent of a minimum of three (3)  
1182 normal periods per school day;

1183 (c) The term "principal" shall mean the head of an  
1184 attendance center or division thereof;

1185 (d) The term "superintendent" shall mean the head of a  
1186 school district;



1187           (e) The term "teacher unit" means one (1) teacher unit  
1188 for each twenty-four (24) pupils in average daily attendance in  
1189 kindergarten and in Grades 1, 2, 3 and 4 and one (1) teacher unit  
1190 for each twenty-seven (27) pupils in average daily attendance in  
1191 all other grades;

1192           (f) The term "cost of the minimum program" shall mean  
1193 the calculated allowance as fixed by law or by regulations of the  
1194 State Board of Education for teachers' salaries, administrative  
1195 expense, transportation, the employer's part of the public  
1196 employees' retirement and social security, and "supportive  
1197 services" as defined elsewhere in this chapter;

1198           (g) The term "school district" shall, for purposes of  
1199 this chapter, be construed to include any type of school district  
1200 in the State of Mississippi;

1201           (h) "Minimum school term" shall mean a term of at least  
1202 one hundred eighty (180) days of school in which both teachers and  
1203 pupils are in regular attendance for scheduled classroom  
1204 instruction for not less than sixty percent (60%) of the normal  
1205 school day. It is the intent of the Legislature that any tax  
1206 levies generated to produce additional local funds required by any  
1207 school district to operate school terms in excess of one hundred  
1208 seventy-five (175) days shall not be construed to constitute a new  
1209 program for the purposes of exemption from the limitation on tax  
1210 revenues as allowed under Sections 27-39-321 and 37-57-107 for new  
1211 programs mandated by the Legislature;

1212           (i) The term "transportation density" shall mean the  
1213 number of transported children in average daily attendance per  
1214 square mile of area served in a county or a separate school  
1215 district, as determined by the State Department of Education;

1216           (j) The term "transported children" shall mean children  
1217 being transported to school who live within legal limits for  
1218 transportation and who are otherwise qualified for being



1219 transported to school at public expense as fixed by Mississippi  
1220 state law;

1221           (k) The term "year of teaching experience" shall mean  
1222 nine (9) months of actual teaching in the public or private  
1223 schools of this or some other state. In no case shall more than  
1224 one (1) year of teaching experience be given for all services in  
1225 one (1) calendar or school year. In determining a teacher's  
1226 experience, no deduction shall be made because of the temporary  
1227 absence of the teacher because of illness or other good cause, and  
1228 the teacher shall be given credit therefor. The State Board of  
1229 Education shall fix a number of days, not to exceed twenty-five  
1230 (25) consecutive school days, during which a teacher may not be  
1231 under contract of employment during any school year and still be  
1232 considered to have been in full-time employment for a regular  
1233 scholastic term. In determining the experience of school  
1234 librarians, each complete year of continuous, full-time employment  
1235 as a professional librarian in a public library in this or some  
1236 other state shall be considered a year of teaching experience. If  
1237 a full-time school administrator returns to actual teaching in the  
1238 public schools, the term "year of teaching experience" shall  
1239 include the period of time he or she served as a school  
1240 administrator;

1241           (l) The term "average daily attendance" shall be the  
1242 figure which results when the total aggregate attendance during  
1243 the period or months counted is divided by the number of days  
1244 during the period or months counted upon which both teachers and  
1245 pupils are in regular attendance for scheduled classroom  
1246 instruction;

1247           (m) The term "local supplement" shall mean the amount  
1248 paid to an individual teacher over and above the minimum  
1249 foundation program salary schedule for regular teaching duties;



1250           (n) The term "aggregate amount of support from ad  
1251 valorem taxation" shall mean the amounts produced by the  
1252 district's total tax levies for operations;

1253           (o) The term "minimum program funds" shall mean all  
1254 funds, both state and local, constituting the requirements for  
1255 meeting the cost of the minimum program as provided for in this  
1256 chapter.

1257           **SECTION 10.** Section 37-19-3, Mississippi Code of 1972, is  
1258 brought forward as follows:

1259           37-19-3. The total cost of the minimum education program  
1260 shall be the sum of the amounts provided for in Sections 37-19-5  
1261 through 37-19-33.

1262           **SECTION 11.** Section 37-19-5, Mississippi Code of 1972, is  
1263 brought forward as follows:

1264           37-19-5. (1) The total number of teachers included in the  
1265 program for each school district shall not be in excess of the  
1266 number of teachers employed or the number of teacher units  
1267 allowed, whichever number is smaller. The number of teacher units  
1268 shall be determined by the State Department of Education for each  
1269 school district for the current year as follows: For Kindergarten  
1270 and Grades 1, 2, 3 and 4, one (1) teacher unit shall be allotted  
1271 for each twenty-four (24) pupils in average daily attendance for  
1272 the prior school year or for months two and three of the current  
1273 year, whichever is greater, and for all other grades, one (1)  
1274 teacher unit shall be allotted for each twenty-seven (27) pupils  
1275 in average daily attendance for the prior school year or for  
1276 months two and three of the current year, whichever is greater. A  
1277 remaining major fraction of a unit shall be counted as a whole  
1278 unit. It shall be the duty of the State Department of Education  
1279 to determine that each school district actually has employed in  
1280 Kindergarten and Grades 1, 2, 3 and 4, a number of teachers which  
1281 shall not be fewer than the earned units calculated in accordance  
1282 with this subsection and, to that end, the State Department of



1283 Education is empowered to make regulations not inconsistent with  
1284 this chapter which are reasonably necessary to implement and  
1285 assure its compliance. No teacher may be included in such number  
1286 of teachers unless he spends not less than seventy-five percent  
1287 (75%) of his working time in actual classroom instruction in  
1288 Kindergarten and Grades 1, 2, 3 and 4, and the State Department of  
1289 Education shall require the school district to certify, under oath  
1290 of a person informed of such matters, and authorized by the school  
1291 district governing authority to do so, that only such teachers  
1292 have been so included in that number. If a school district  
1293 employs more teachers than the teacher units allotted, the State  
1294 Department of Education shall use the teachers of highest training  
1295 and number of years experience in determining the allotment for  
1296 salaries. It is the intent of the Legislature that the additional  
1297 teachers provided herein for Kindergarten and Grades 1, 2, 3 and 4  
1298 shall be utilized exclusively in Kindergarten and in those grades,  
1299 and that such classes shall not exceed a maximum number of  
1300 twenty-seven (27) students in enrollment at any time during the  
1301 school term unless exempted under rules and regulations  
1302 promulgated by the State Board of Education providing for  
1303 hardship, emergency or other special situations. In addition, the  
1304 total number of students that may be taught by an individual  
1305 teacher in core subjects at any time during the school year shall  
1306 not exceed one hundred fifty (150) unless exempted under the rules  
1307 and regulations promulgated by the State Board of Education. Any  
1308 such exemption regarding the maximum number of students per class  
1309 or per individual teacher shall be certified by the local board of  
1310 education to the State Department of Education with each monthly  
1311 average daily attendance report. In the event any school district  
1312 meets Level 4 or 5 accreditation standards, the State Board of  
1313 Education may, in its discretion, exempt such school district from  
1314 the maximum pupil-teacher ratio in Grades 1, 2, 3 and 4 prescribed  
1315 herein.





1316           (2) One-half (1/2) of a teacher unit shall be added to the  
1317 teacher unit allotment for each school district for each  
1318 vocational teacher employed full time during the regular school  
1319 term in a vocational education program approved by the State  
1320 Department of Education. For each teacher employed in a  
1321 vocational program less than full time, the additional one-half  
1322 (1/2) teacher unit shall be prorated by the percentage of time  
1323 spent in the vocational program. Minimum program funds will be  
1324 allotted based on the type of certificate and number of years  
1325 teaching experience held by each approved vocational teacher.

1326           (3) One (1) additional teacher unit shall be added to the  
1327 teacher unit allotment for each school district for each teacher  
1328 employed in a State Department of Education approved program for  
1329 exceptional children as defined in Section 37-23-3, except that  
1330 only seventy percent (70%) of a teacher unit will be approved for  
1331 the program for three- and four-year-old exceptional children.  
1332 Exceptional children as defined in Section 37-23-3 who are under  
1333 the age of three (3) years shall receive teacher units for each  
1334 teacher employed in an approved program for those children.  
1335 However, notwithstanding the calculation of teacher units as  
1336 defined in subsection (1) above, exceptional children enrolled in  
1337 a self-contained class, as defined by the State Department of  
1338 Education, shall not be counted in average daily attendance when  
1339 determining the regular teacher unit allocation. Minimum program  
1340 funds will be allotted based on the type of certificate and the  
1341 number of years teaching experience held by each approved  
1342 exceptional education teacher.

1343           (4) In addition to the allowances provided above, for each  
1344 handicapped child who is being educated by a public school  
1345 district or is placed in accord with Section 37-23-77 and whose  
1346 individualized educational program (IEP) requires an extended  
1347 school year in accord with the State Department of Education  
1348 criteria, a sufficient amount of minimum program funds shall be



1349 allocated for the purpose of providing the educational services  
1350 the student requires. The State Board of Education shall  
1351 promulgate such regulations as are required to insure the  
1352 equitable distribution of these funds. All costs for the extended  
1353 school year for a particular summer shall be reimbursed from  
1354 minimum program funds appropriated for the fiscal year beginning  
1355 July 1 of that summer. If sufficient funds are not made available  
1356 to finance all of the required educational services, the State  
1357 Department of Education shall expend available funds in such a  
1358 manner that it does not limit the availability of appropriate  
1359 education to handicapped students more severely than it does to  
1360 nonhandicapped students.

1361 (5) The State Department of Education is hereby authorized  
1362 to match minimum program funds allocated for provision of services  
1363 to handicapped children with Division of Medicaid funds to provide  
1364 language-speech services, physical therapy and occupational  
1365 therapy to handicapped students who meet State Department of  
1366 Education or Division of Medicaid standards and who are Medicaid  
1367 eligible. Provided further, that the State Department of  
1368 Education is authorized to pay such minimum program funds as may  
1369 be required as a match directly to the Division of Medicaid  
1370 pursuant to an agreement to be developed between the State  
1371 Department of Education and the Division of Medicaid.

1372 (6) In the event of an inordinately large number of  
1373 absentees in any school district as a result of epidemic, natural  
1374 disaster, or any concerted activity discouraging school  
1375 attendance, then in such event school attendance for the purposes  
1376 of determining teacher units shall be based upon the average daily  
1377 attendance for the three (3) preceding school years for such  
1378 school district.

1379 (7) In addition to the allotments provided above, a school  
1380 district may provide a program of education and instruction to  
1381 children ages five (5) years through twenty-one (21) years, who



1382 are resident citizens of the State of Mississippi, who cannot have  
1383 their educational needs met in a regular public school program and  
1384 who have not finished or graduated from high school, if those  
1385 children are determined by competent medical authorities and  
1386 psychologists to need placement in a state licensed facility for  
1387 inpatient treatment, day treatment or residential treatment or a  
1388 therapeutic group home. Such program shall operate under rules,  
1389 regulations, policies and standards of school districts as  
1390 determined by the State Board of Education. If a private school  
1391 approved by the State Board of Education is operated as an  
1392 integral part of the state licensed facility that provides for the  
1393 treatment of such children, the private school within the facility  
1394 may provide a program of education, instruction and training to  
1395 such children by requesting the State Department of Education to  
1396 allocate one (1) teacher unit or a portion of a teacher unit for  
1397 each approved class. The facility shall be responsible for  
1398 providing for any additional costs of the program.

1399 Minimum program funds will be allotted based on the type of  
1400 certificate and number of years' teaching experience held by each  
1401 approved teacher. Such children shall not be counted in average  
1402 daily attendance when determining the regular teacher unit  
1403 allocation.

1404 **SECTION 12.** Section 37-19-9, Mississippi Code of 1972, is  
1405 brought forward as follows:

1406 37-19-9. Any special license-nonrenewable issued in  
1407 accordance with Section 37-3-2(6)(d) will be considered equivalent  
1408 to a Class A certification and license for the purpose of the  
1409 scale as set forth in Section 37-19-7, and for the purpose of the  
1410 experience increases provided for in Section 37-19-7.

1411 **SECTION 13.** Section 37-19-11, Mississippi Code of 1972, is  
1412 brought forward as follows:

1413 37-19-11. No school district shall pay any teacher on the  
1414 minimum foundation program less than the state minimum salary



1415 provided for in Section 37-19-7. No school district shall receive  
1416 any funds under the provisions of this chapter for any school year  
1417 during which the aggregate amount of local supplement as defined  
1418 in Section 37-19-1 shall have been reduced below such amount for  
1419 the previous year; however, where there has been a reduction in  
1420 the number of teacher units in such district in such year, where  
1421 there has been a reduction in the amount of federal funds to such  
1422 district below the previous year, or where there has been a  
1423 reduction in ad valorem taxes to such school district for the  
1424 1986-1987 school year below the amount for the previous year due  
1425 to the exemption of nuclear generating plants from ad valorem  
1426 taxation, pursuant to Section 27-35-309, the aggregate amount of  
1427 local supplement in such district may be reduced proportionately  
1428 without loss of funds under this chapter. No school district may  
1429 receive any funds under the provisions of this chapter for any  
1430 school year if the aggregate amount of support from ad valorem  
1431 taxation shall be reduced during such school year below such  
1432 amount for the previous year; however, where there is a loss in  
1433 teacher units, or where there is or heretofore has been a decrease  
1434 in the total assessed value of taxable property within a school  
1435 district, the aggregate amount of such support may be reduced  
1436 proportionately. Nothing herein contained shall prohibit any  
1437 school district from adopting or continuing a program or plan  
1438 whereby teachers are paid varying salaries according to the  
1439 teaching ability, classroom performance and other similar  
1440 standards.

1441       **SECTION 14.** Section 37-19-15, Mississippi Code of 1972, is  
1442 brought forward as follows:

1443       37-19-15. The minimum base pay for all classroom teachers as  
1444 fixed in this chapter may be increased by the district from any  
1445 funds available to it other than minimum program funds; and those  
1446 districts which have not prior to July 1, 1978, so increased said  
1447 base pay, shall increase the minimum base pay for classroom



1448 teachers as fixed by this chapter and as authorized by any of the  
1449 provisions of or standards set forth in this chapter.

1450         **SECTION 15.** Section 37-19-17, Mississippi Code of 1972, is  
1451 brought forward as follows:

1452         37-19-17. The total allowance made by the State Board of  
1453 Education in the minimum education program for teachers' salaries  
1454 for each type of certificate in any school district shall not be  
1455 in excess of the total amount determined by the scale for teachers  
1456 holding each type of certificate as provided in this chapter or  
1457 the amount actually paid to such teachers with such type of  
1458 certificates, whichever amount is smaller. However, the school  
1459 boards of all school districts may establish salary schedules  
1460 based on training, experience, and other such factors as may be  
1461 incorporated therein, including student progress and performance  
1462 as developed by the State Board of Education, paying teachers  
1463 greater amounts than the scale provided herein, but no teacher may  
1464 be paid less than the amount allotted for such teacher based upon  
1465 the scale of pay provided in this chapter, and all supplements  
1466 paid from local funds shall be based upon the salary schedules so  
1467 established. The school boards may call upon the State Department  
1468 of Education for aid and assistance in formulating and  
1469 establishing such salary schedules, and it shall be the duty of  
1470 the State Department of Education, when so called upon, to render  
1471 such aid and assistance.

1472         The amount allotted for teachers' salaries by the State Board  
1473 of Education and the amount actually paid to each teacher shall be  
1474 based upon and determined by the type of certificate held by such  
1475 teacher.

1476         **SECTION 16.** Section 37-19-19, Mississippi Code of 1972, is  
1477 brought forward as follows:

1478         37-19-19. Each county and separate school district shall be  
1479 allotted Seventy-five Dollars (\$75.00) per teacher unit for paying  
1480 or supplementing superintendents' and principals' salaries.



1481           **SECTION 17.** Section 37-19-21, Mississippi Code of 1972, is  
1482 brought forward as follows:

1483           37-19-21. For fiscal year 2002, each school district shall  
1484 be allotted Five Thousand Ninety-seven Dollars (\$5,097.00) per  
1485 teacher unit for use in supportive services.

1486           This section shall be repealed on July 1, 2002.

1487           **SECTION 18.** Section 37-19-23, Mississippi Code of 1972, is  
1488 brought forward as follows:

1489           37-19-23. The amount to be included in the minimum education  
1490 program by the State Board of Education for transportation shall  
1491 be determined as follows:

1492           (1) The State Department of Education shall calculate the  
1493 cost of transportation in school districts by ascertaining the  
1494 average cost per pupil in average daily attendance of transported  
1495 pupils in school districts classified in different density groups  
1496 as determined by the State Department of Education. Based on  
1497 these calculations, the State Department of Education shall  
1498 develop a scale for determining the allowable cost per pupil in  
1499 different density groups, which scale shall provide greatest  
1500 allowance per pupil transported in school districts with lowest  
1501 densities and smallest allowance per pupil in school districts  
1502 with highest densities. The total allowance in the minimum  
1503 education program for transported children for any school district  
1504 for the current year shall be the average daily attendance of the  
1505 transported children for the nine (9) months of the prior year,  
1506 multiplied by the allowance per transported pupil as provided  
1507 herein. However, the State Department of Education is hereby  
1508 authorized and empowered to make proper adjustments in allotments,  
1509 under rules and regulations of the State Board of Education, in  
1510 cases where major changes in the number of children in average  
1511 daily attendance transported occur from one year to another as a  
1512 result of changes or alterations in the boundaries of school  
1513 districts, a change in or relocation of attendance centers, or for



1514 other reasons which would result in major decrease or increase in  
1515 the number of children in average daily attendance transported  
1516 during the current school year as compared with the preceding  
1517 year. Moreover, the State Board of Education is hereby authorized  
1518 and empowered to make such payments to all districts and/or  
1519 university-based programs as deemed necessary in connection with  
1520 transporting exceptional children as defined in Section 37-23-3.  
1521 The State Board of Education shall establish and implement all  
1522 necessary rules and regulations to allot transportation payments  
1523 to university-based programs. In developing density  
1524 classifications under the provisions hereof, the State Department  
1525 of Education may give consideration to the length of the route,  
1526 the sparsity of the population, the lack of adequate roads,  
1527 highways and bridges, and the presence of large streams or other  
1528 geographic obstacles. In addition to funds allotted under the  
1529 above provisions, funds shall be allotted to each school district  
1530 that transports students from their assigned school or attendance  
1531 center to classes in an approved vocational-technical center at a  
1532 rate per mile not to exceed the average statewide cost per mile of  
1533 school bus transportation during the preceding year exclusive of  
1534 bus replacement. All such transportation must have prior approval  
1535 by the State Department of Education.

1536 (2) The average daily attendance of transported children  
1537 shall be reported by the school district in which such children  
1538 attend school. If children living in a school district are  
1539 transported at the expense of such school district to another  
1540 school district, the average daily attendance of such transported  
1541 children shall be deducted by the State Department of Education  
1542 from the aggregate average daily attendance of transported  
1543 children in the school district in which they attend school and  
1544 shall be added to the aggregated average daily attendance of  
1545 transported children of the school district from which they come  
1546 for the purpose of calculating transportation allotments.



1547 However, such deduction shall not be made for the purpose of  
1548 calculating teacher units.

1549 (3) The State Department of Education shall include in the  
1550 allowance for transportation for each school district an amount  
1551 for the replacement of school buses or the purchase of new buses,  
1552 which amount shall be calculated upon the estimated useful life of  
1553 all school buses being used for the transportation of children in  
1554 such school district, whether such buses be publicly or privately  
1555 owned.

1556 (4) The school boards of all districts operating school bus  
1557 transportation are authorized and directed to establish a salary  
1558 schedule for school bus drivers. No school district shall be  
1559 entitled to receive the funds herein allotted for transportation  
1560 unless it pays each of its nonstudent adult school bus drivers  
1561 paid from such transportation allotments a minimum of One Hundred  
1562 Ninety Dollars (\$190.00) per month. In addition, local school  
1563 boards may compensate school bus drivers for actual expenses  
1564 incurred when acquiring an initial commercial license or any  
1565 renewal of a commercial license to drive a school bus.

1566 (5) The State Board of Education shall be authorized and  
1567 empowered to use such part of the funds appropriated for  
1568 transportation in the minimum education fund as may be necessary  
1569 to finance driver training courses as provided for in Section  
1570 37-41-1.

1571 **SECTION 19.** Section 37-19-25, Mississippi Code of 1972, is  
1572 brought forward as follows:

1573 37-19-25. School districts embracing territory in more than  
1574 one (1) county shall be administered in the county where the  
1575 buildings are located insofar as the minimum education program is  
1576 concerned, and the cost of the education program for a line school  
1577 shall be included in the total for the county in which the school  
1578 buildings are located, except that the children attending such  
1579 school and residing in another county shall be counted for





1580 transportation allotment purposes in the county which furnishes or  
1581 provides the transportation.

1582         **SECTION 20.** Section 37-19-27, Mississippi Code of 1972, is  
1583 brought forward as follows:

1584         37-19-27. (1) Legally transferred students going from one  
1585 school district to another shall be counted for teacher allotment  
1586 and allotments for supportive services by the school district  
1587 wherein the pupils attend school, including cost allotments  
1588 prescribed in Sections 37-19-19 and 37-19-31 for school district  
1589 administrative and clerical salaries and other expenses, but shall  
1590 be counted for transportation allotment purposes in the school  
1591 district which furnishes or provides the transportation. The  
1592 school boards of the school districts which approve the transfer  
1593 of a student under the provisions of Section 37-15-31 shall enter  
1594 into an agreement and contract for the payment or nonpayment of  
1595 any portion of their local maintenance funds which they deem fair  
1596 and equitable in support of any transferred student. Except as  
1597 provided in subsection (2) of this section, local maintenance  
1598 funds shall be transferred only to the extent specified in the  
1599 agreement and contract entered into by the affected school  
1600 districts. The terms of any local maintenance fund payment  
1601 transfer contract shall be spread upon the minutes of both of the  
1602 affected school district school boards. The school district  
1603 accepting any transfer students shall be authorized to accept  
1604 tuition from such students under the provisions of Section  
1605 37-15-31(1) and such agreement may remain in effect for any length  
1606 of time designated in the contract. The terms of such student  
1607 transfer contracts and the amounts of any tuition charged any  
1608 transfer student shall be spread upon the minutes of both of the  
1609 affected school boards. No school district accepting any transfer  
1610 students under the provisions of Section 37-15-31(2), which  
1611 provides for the transfer of certain school district employee



1612 dependents, shall be authorized to charge such transfer students  
1613 any tuition fees.

1614 (2) Local maintenance funds shall be paid by the home school  
1615 district to the transferee school district for students granted  
1616 transfers under the provisions of Sections 37-15-29(3) and  
1617 37-15-31(3), Mississippi Code of 1972, not to exceed the  
1618 "individual student entitlement" as defined in Section  
1619 37-22-1(2)(d), Mississippi Code of 1972, multiplied by the number  
1620 of such legally transferred students.

1621 **SECTION 21.** Section 37-19-29, Mississippi Code of 1972, is  
1622 brought forward as follows:

1623 37-19-29. Notwithstanding any provision of this chapter or  
1624 any other law requiring the number of children in average daily  
1625 attendance or the average daily attendance of transported children  
1626 to be determined on the basis of the preceding year, the state  
1627 board of education is hereby authorized and empowered to make  
1628 proper adjustments in allotments in cases where major changes in  
1629 the number of children in average daily attendance or the average  
1630 daily attendance of transported children occurs from one year to  
1631 another as a result of changes or alterations in the boundaries of  
1632 school districts, the sending of children from one county or  
1633 district to another upon a contract basis, the termination or  
1634 discontinuance of a contract for the sending of children from one  
1635 county or district to another, a change in or relocation of  
1636 attendance centers, or for any other reason which would result in  
1637 a major decrease or increase in the number of children in average  
1638 daily attendance or the average daily attendance of transported  
1639 children during the current school year as compared with the  
1640 preceding year.

1641 **SECTION 22.** Section 37-19-31, Mississippi Code of 1972, is  
1642 brought forward as follows:

1643 37-19-31. The State Department of Education shall include in  
1644 the minimum education program for each school system annually the



1645 sum of Fifteen Thousand Dollars (\$15,000.00) and an additional  
1646 amount of Fifty Dollars (\$50.00) for each teacher unit in excess  
1647 of fifty (50) teacher units as defined and determined in this  
1648 chapter. However, no school district shall be allotted more than  
1649 Twenty-five Thousand Dollars (\$25,000.00).

1650 **SECTION 23.** Section 37-19-33, Mississippi Code of 1972, is  
1651 brought forward as follows:

1652 37-19-33. In addition to the allowances provided in Sections  
1653 37-19-5 through 37-19-31, the State Department of Education may  
1654 allot to each school district an amount to cover and pay the  
1655 employer's part of the public employees' retirement and social  
1656 security. The allowance under this section shall be based upon  
1657 the current rate applied to each funding element except for  
1658 transportation which shall be the amount appropriated for  
1659 salaries. In the event a rate changes during the fiscal year, the  
1660 State Department of Education shall apportion the allowance under  
1661 this section by the number of days of the regular school term  
1662 occurring in each rate period.

1663 **SECTION 24.** Section 37-19-34, Mississippi Code of 1972, is  
1664 brought forward as follows:

1665 37-19-34. The State Board of Education shall allot to each  
1666 school district such funds appropriated to pay one hundred percent  
1667 (100%) of the cost of the State and School Employees' Life and  
1668 Health Insurance Plan created under Article 7, Chapter 15, Title  
1669 25, Mississippi Code of 1972, for all district employees who work  
1670 no less than twenty (20) hours during each week and regular  
1671 nonstudent school bus drivers employed by the district.

1672 Where the use of federal funding is allowable to defray, in  
1673 full or in part, the cost of participation in the insurance plan  
1674 by district employees who work no less than twenty (20) hours  
1675 during each week and regular nonstudent school bus drivers, whose  
1676 salaries are paid, in full or in part, by federal funds, the  
1677 allowance under this section shall be reduced to the extent of the



1678 federal funding. Where the use of federal funds is allowable but  
1679 not available, it is the intent of the Legislature that school  
1680 districts contribute the cost of participation for such employees  
1681 from local funds, except that parent fees for child nutrition  
1682 programs shall not be increased to cover such cost.

1683 The State Department of Education, in accordance with rules  
1684 and regulations established by the State Board of Education, may  
1685 withhold a school district's minimum program funds for failure of  
1686 the district to timely report student, fiscal and personnel data  
1687 necessary to meet state and/or federal requirements. The rules  
1688 and regulations promulgated by the State Board of Education shall  
1689 require the withholding of minimum program funds for those  
1690 districts that fail to remit premiums, interest penalties and/or  
1691 late charges under the State and School Employees' Life and Health  
1692 Insurance Plan. Noncompliance with such rules and regulations  
1693 shall result in a violation of compulsory accreditation standards  
1694 as established by the State Board of Education and Commission on  
1695 School Accreditation.

1696 **SECTION 25.** Section 37-19-35, Mississippi Code of 1972, is  
1697 brought forward as follows:

1698 37-19-35. The minimum local ad valorem tax effort required  
1699 of each school district in proportion to its relative taxpaying  
1700 ability shall be determined as follows:

1701 (a) The total minimum local ad valorem tax effort  
1702 required of all school districts in the state shall be as follows:  
1703 Sixteen Million Five Hundred Thousand Dollars (\$16,500,000.00) for  
1704 fiscal year 1987, Seventeen Million Dollars (\$17,000,000.00) for  
1705 fiscal year 1988, Seventeen Million Seven Hundred Fifty Thousand  
1706 Dollars (\$17,750,000.00) for fiscal year 1989, Eighteen Million  
1707 Five Hundred Thousand Dollars (\$18,500,000.00) for fiscal year  
1708 1990, Nineteen Million Two Hundred Fifty Thousand Dollars  
1709 (\$19,250,000.00) for fiscal year 1991, Twenty Million Dollars  
1710 (\$20,000,000.00) for fiscal year 1992, Twenty-one Million Dollars



1711 (\$21,000,000.00) for fiscal year 1993, Twenty-two Million Dollars  
1712 (\$22,000,000.00) for fiscal year 1994, Twenty-three Million  
1713 Dollars (\$23,000,000.00) for fiscal year 1995, Twenty-four Million  
1714 Dollars (\$24,000,000.00) for fiscal year 1996 and each fiscal year  
1715 thereafter.

1716 (b) The State Department of Education shall determine  
1717 for each county its percent of the total taxpaying ability of the  
1718 state by the following economic index of taxpaying ability: (1)  
1719 multiply .242152 times the county's percent of the assessed  
1720 valuation of public utilities in the state; (2) multiply .282970  
1721 times the county's percent of the retail sales tax paid in the  
1722 state; (3) multiply .044144 times the county's percent of the  
1723 state total of motor vehicle license receipts as sold by the tax  
1724 collectors of the various counties of the state; (4) multiply  
1725 .065110 times the county's percent of the total value of farm  
1726 products in the state; (5) multiply .142688 times the average of  
1727 the county's percent of the state total personal income taxes paid  
1728 in the state; (6) multiply .222936 times the county's percent of  
1729 the state total of gainfully employed nonfarm, nongovernment  
1730 workers. The sum of the products obtained in items (1) through  
1731 (6), inclusive, shall be the index of the relative taxpaying  
1732 ability of each county, including the separate school districts  
1733 therein, expressed in percent of the total taxpaying ability of  
1734 the state. The index for each county shall be recalculated every  
1735 two (2) years and the data for the economic factors included in  
1736 the index shall be the latest and most reliable official sources  
1737 as determined by the State Department of Education.

1738 (c) The annual minimum required local ad valorem tax  
1739 effort in dollars for each county shall be its percent of the  
1740 taxpaying ability of the state as determined in subsection (b) of  
1741 this section multiplied by the total statewide required local ad  
1742 valorem tax effort as determined in the manner provided in  
1743 subsection (a) of this section.



1744           (d) The minimum local ad valorem tax effort in dollars  
1745 for each school district within a county for each year shall be  
1746 that district's percent of the total assessed valuation of the  
1747 county for the previous year multiplied by the total minimum ad  
1748 valorem tax effort required of that county as provided in  
1749 subsection (c) of this section. In making this calculation the  
1750 countywide assessment shall be used.

1751           (e) If the school board of any school district shall  
1752 determine that it is not economically feasible or practicable to  
1753 operate any school within the district for the full one hundred  
1754 eighty (180) days required for a school term of nine (9) months as  
1755 contemplated, due to an enemy attack, a manmade, technological or  
1756 natural disaster in which the Governor has declared a disaster  
1757 emergency under the laws of this state or the President of the  
1758 United States has declared an emergency or major disaster to exist  
1759 in this state, that said school board may notify the State  
1760 Department of Education of such disaster and submit a plan for  
1761 altering the school term. If the State Board of Education finds  
1762 such disaster to be the cause of the school's not being able to  
1763 operate for the contemplated school term and that such school was  
1764 in a county covered by the Governor's or President's disaster  
1765 declaration, it may permit said school board to operate the  
1766 schools in its district for not less than one hundred eighty (180)  
1767 days, and, in such case, the State Department of Education shall  
1768 not reduce the allotment mentioned hereinabove, because of the  
1769 failure to operate said schools for one hundred eighty (180) days.

1770           The State Board of Education shall not approve any such plan  
1771 which does not comply with standards, if any, provided by the  
1772 State of Mississippi or the State Department of Education to meet  
1773 any of the above enumerated disasters. Nothing in this section  
1774 shall be construed to alter the responsibility of each school  
1775 board of each school district to make every reasonable effort to



1776 operate the schools of their district for the full school term of  
1777 one hundred eighty (180) days.

1778         **SECTION 26.** Section 37-19-37, Mississippi Code of 1972, is  
1779 brought forward as follows:

1780         37-19-37. (1) Except as otherwise provided in subsection  
1781 (4) of this section, the total state funds needed annually by each  
1782 county, excluding the separate school districts therein, for the  
1783 support of the minimum education program shall be the cost of the  
1784 minimum education program for that county as determined in Section  
1785 37-19-3, less the minimum local ad valorem tax effort required of  
1786 that county, as provided in Section 37-19-35, and less one-half  
1787 (1/2) of all refunds of severance taxes made by the state to the  
1788 county for the preceding year; provided, however, in the event  
1789 that, during any county fiscal year, one-half (1/2) of all  
1790 severance taxes returned or to be returned to such county from the  
1791 State Tax Commission will be less than one-half (1/2) of all  
1792 severance taxes returned to such county during the preceding  
1793 fiscal year, the state funds for the support of the minimum  
1794 education program shall be increased in the amount of such  
1795 deficit. The foregoing provisions shall be fully applicable to  
1796 the distribution of minimum education program funds to a district  
1797 designated as a municipal separate or special municipal separate  
1798 school district prior to July 1, 1986, which embraces an entire  
1799 county, subject to the provisions of subsection (4) of this  
1800 section. In any county wherein there is located a nuclear  
1801 generating power plant on which a tax is assessed under subsection  
1802 (3) of Section 27-35-309, the minimum local ad valorem tax effort  
1803 required of the county for school year 1986-1987 and school year  
1804 1987-1988 shall not be more than Two Hundred Thousand Dollars  
1805 (\$200,000.00) per school year. In no case shall the total state  
1806 funds provided in any year for the support of the minimum  
1807 education program in any county be less than forty percent (40%)  
1808 of the cost of the minimum education program for that county as



1809 determined by Section 37-19-3, and in the event the workings of  
1810 this proviso should result in a lesser local contribution for the  
1811 support of the minimum education program of the county than is  
1812 otherwise required by this section, then the local funds otherwise  
1813 required for the support of said minimum education program shall  
1814 be reduced or eliminated in the following order of priority: (a)  
1815 severance taxes; (b) the minimum local ad valorem tax effort.

1816 (2) Except as otherwise provided in subsection (4) of this  
1817 section, the total state funds needed annually by each separate  
1818 school district for the support of the minimum education program  
1819 in that district shall be the cost of the minimum education  
1820 program for that district, as determined in Section 37-19-3, less  
1821 the minimum local ad valorem tax effort required of that district,  
1822 as provided in Section 37-19-35, and less one-half (1/2) of all  
1823 refunds of severance taxes made by the state to the municipality  
1824 for the preceding year; provided, however, in the event that,  
1825 during any municipal fiscal year, one-half (1/2) of all severance  
1826 taxes returned or to be returned to such municipality from the  
1827 State Tax Commission will be less than one-half (1/2) of all  
1828 severance taxes returned to such municipality during the preceding  
1829 fiscal year, the state funds for the support of the minimum  
1830 education program shall be increased in the amount of such  
1831 deficit.

1832 (3) The total state funds needed for the support of the  
1833 minimum education program annually shall be the total of the  
1834 amounts needed by all the counties and separate school districts  
1835 in the state as provided in subsections (1) and (2) of this  
1836 section.

1837 (4) For any school district the following percentage  
1838 reduction shall be substituted for the use of the ratio of  
1839 one-half (1/2) as provided in subsection (1) hereinabove:

1840	Fiscal Year	Percentage to be Applied
1841	1995-1996	45%





1842	1996-1997	40%
1843	1997-1998	35%
1844	1998-1999	30%
1845	1999-2000	25%
1846	2000-2001	20%
1847	2001-2002	15%
1848	2002-2003	10%
1849	2003-2004	5%
1850	2004-2005 and each fiscal	
1851	year thereafter	0%

1852 This subsection (4) shall take effect from and after July 1,  
1853 1995.

1854 **SECTION 27.** Section 37-19-39, Mississippi Code of 1972, is  
1855 brought forward as follows:

1856 37-19-39. The total state funds available annually for the  
1857 support of the minimum education program shall consist of the  
1858 State Common School Fund and the Minimum Education Program Fund,  
1859 which funds are hereby established and which shall be apportioned  
1860 and distributed in the manner hereinafter set forth:

1861 (a) The state common school allotment shall be  
1862 apportioned annually to each school district proportionately on  
1863 the basis of the number of educable children.

1864 (b) The minimum education program allotment shall be  
1865 allotted annually to each school district in the manner provided  
1866 by this chapter. This allotment shall be such an amount which,  
1867 together with the common school allotment provided in subsection  
1868 (a) above of this section, shall equal the state's part of the  
1869 cost of the minimum education program as determined in the manner  
1870 specified in subsection (3) of Section 37-19-37. The total amount  
1871 annually to which each school district is entitled from the  
1872 minimum education program allotment shall be determined by  
1873 subtracting from the cost of the minimum program in such school  
1874 district as provided in Section 37-19-3, the following: the



1875 minimum local ad valorem tax effort as required by Section  
1876 37-19-35, the amount of the common school fund received for the  
1877 current year, and the applicable amount or percentage established  
1878 in Section 37-19-37 of the refund of severance taxes made by the  
1879 state to the counties and municipalities for the preceding year.

1880         If in any year the Legislature or the Governor acting through  
1881 the Department of Finance and Administration provides less funds  
1882 than the total state funds needed for the support of the minimum  
1883 education program, as determined in Section 37-19-37, the minimum  
1884 program payment as provided in Section 37-19-47 shall be reduced  
1885 in the proportion which the funds actually made available bear to  
1886 the funds needed for the full support of the minimum education  
1887 program. If in any year the Legislature provides more funds than  
1888 the total state funds needed for the full support of the minimum  
1889 education program, as determined by Section 37-19-37, the excess  
1890 of such state funds above the amount needed for the full support  
1891 of the minimum education program for the then current year shall  
1892 be carried forward as a balance for use by the State Department of  
1893 Education for the following school year, and any or all of such  
1894 balances may be used by the State Department of Education, if  
1895 needed, for the full support of the minimum education program for  
1896 such following year.

1897         **SECTION 28.** Section 37-19-41, Mississippi Code of 1972, is  
1898 brought forward as follows:

1899         37-19-41. Not later than April 15 of each year, the State  
1900 Department of Education shall prepare an information report which  
1901 shall contain, in addition to such other and further information  
1902 as may be required by the State Board of Education, the following  
1903 information:

1904             (a) The average daily attendance in the schools of the  
1905 school district during the then current scholastic year, or if  
1906 such information be not then available, the average daily  
1907 attendance for the first six (6) months of school;



1908                   (b) The average daily attendance of pupils transported  
1909 at public expense, as authorized by law, to the schools of the  
1910 school district during the then current scholastic year, which  
1911 information may also, if necessary, be based on the first six (6)  
1912 months of school;

1913                   (c) The estimated number of minimum program teachers to  
1914 be employed in the school district during the next succeeding  
1915 scholastic year which shall be grouped separately by types of  
1916 certificates held and number of years of teacher experience  
1917 possessed;

1918                   (d) The estimated administrative expense of the school  
1919 district system for the succeeding scholastic year broken down  
1920 into and classified by major items of expenditure as prescribed by  
1921 the State Board of Education;

1922                   (e) Until July 1, 2005, the estimated amount of refunds  
1923 of severance taxes received or to be received during the then  
1924 current fiscal year and required to be paid into the Minimum  
1925 Education Program Fund of the school district for the succeeding  
1926 scholastic year under the provisions of this chapter and other  
1927 applicable statutes, the amount for each source of revenue to be  
1928 stated separately; and

1929                   (f) The total assessed valuation of the county,  
1930 including all school districts therein, for the then current  
1931 fiscal year, based upon the county assessment roll, and the  
1932 assessed valuation of each individual school district in the  
1933 county for the then current fiscal year based upon the county tax  
1934 assessor's assessment roll.

1935                   In addition to the information specified herein, the State  
1936 Board of Education shall have full and plenary authority and power  
1937 to require the furnishing of such further, additional and  
1938 supplementary information as it may deem necessary for the purpose  
1939 of determining the cost of the minimum education program in such  
1940 school district for the succeeding fiscal year, the amount of the



1941 minimum education program funds to be allotted to each school  
1942 district for the succeeding fiscal year, and for any other purpose  
1943 authorized by law or deemed necessary by said State Board of  
1944 Education.

1945 It shall be the duty of the State Department of Education to  
1946 prescribe the forms for the reports provided for in this section.

1947 **SECTION 29.** Section 37-19-43, Mississippi Code of 1972, is  
1948 brought forward as follows:

1949 37-19-43. Based upon the information obtained pursuant to  
1950 Section 37-19-41 and upon such other and further information as  
1951 provided by law, the State Department of Education shall, on or  
1952 before June 1 of each year, or as soon thereafter as is practical,  
1953 furnish each school board the preliminary estimate of the amount  
1954 each will receive from the Common School Fund and the Minimum  
1955 Education Program Fund for the succeeding scholastic year, and at  
1956 the same time shall furnish each such school board with a  
1957 tentative estimate of the cost of the minimum education program in  
1958 the school district for such succeeding fiscal year.

1959 A final estimate of the amounts each will receive from the  
1960 common school fund and the minimum education program fund shall be  
1961 furnished on or before January 15 for that year.

1962 **SECTION 30.** Section 37-19-45, Mississippi Code of 1972, is  
1963 brought forward as follows:

1964 37-19-45. It shall be the duty of the State Department of  
1965 Education to file with the State Treasurer and the State Fiscal  
1966 Management Board such data and information as may be required to  
1967 enable the said State Treasurer and State Fiscal Management Board  
1968 to distribute the common school funds and minimum education  
1969 program funds by electronic funds transfer to the several school  
1970 districts at the time required and provided under the provisions  
1971 of this chapter. Such data and information so filed shall show in  
1972 detail the amount of funds to which each school district is  
1973 entitled from such common school fund and minimum education



1974 program fund. Such data and information so filed may be revised  
1975 from time to time as necessitated by law. At the time provided by  
1976 law, the State Treasurer and the State Fiscal Management Board  
1977 shall distribute to the several school districts the amounts to  
1978 which they are entitled from the common school fund and the  
1979 minimum education program fund as provided by this chapter. Such  
1980 distribution shall be made by electronic funds transfer to the  
1981 depositories of the several school districts designated in writing  
1982 to the State Treasurer based upon the data and information  
1983 supplied by the State Department of Education for such  
1984 distribution. In such instances, the State Treasurer shall submit  
1985 a request for an electronic funds transfer to the State Fiscal  
1986 Management Board, which shall set forth the purpose, amount and  
1987 payees, and shall be in such form as may be approved by the State  
1988 Fiscal Management Board so as to provide the necessary information  
1989 as would be required for a requisition and issuance of a warrant.  
1990 A copy of the record of said electronic funds transfers shall be  
1991 transmitted by the school district depositories to the Treasurer,  
1992 who shall file duplicates with the State Fiscal Management Board.  
1993 The Treasurer and State Fiscal Management Board shall jointly  
1994 promulgate regulations for the utilization of electronic funds  
1995 transfers to school districts.

1996 **SECTION 31.** Section 37-19-47, Mississippi Code of 1972, is  
1997 brought forward as follows:

1998 37-19-47. Funds due each school district under the terms of  
1999 this chapter from the Common School Fund and the Minimum Education  
2000 Program Fund shall be paid in the following manner: On the  
2001 twenty-fifth day of each month, or the next business date after  
2002 that date, there shall be paid to each school district by  
2003 electronic funds transfer one-twelfth (1/12) of the funds to which  
2004 the district is entitled from funds appropriated for the Common  
2005 School Fund and the Minimum Education Program Fund. Provided,



2006 however, that in December said payments shall be made on December  
2007 15th or the next business day after that date.

2008           Provided, however, that if the cash balance in the State  
2009 General Fund is not adequate on the due date to pay the amounts  
2010 due to all school districts in the state as determined by the  
2011 State Superintendent of Education, the State Fiscal Management  
2012 Board shall not transfer said funds payable to any school district  
2013 or districts until money is available to pay the amount due to all  
2014 districts.

2015           **SECTION 32.** Section 37-19-49, Mississippi Code of 1972, is  
2016 brought forward as follows:

2017           37-19-49. The number of teachers, excluding nonteaching  
2018 superintendents and principals, who may be employed in each school  
2019 district and school therein shall not be less than the number of  
2020 teacher units in that school as determined by subsection (1) of  
2021 Section 37-19-5. Vocational teachers, exceptional education  
2022 teachers and teachers whose salaries are paid from federal funds  
2023 shall not be counted in determining the number of teachers to be  
2024 employed under this section. For the purpose of determining the  
2025 number of teachers to be employed, a remaining fraction of a  
2026 teacher unit may be counted as a whole in any school district or  
2027 school therein, in the discretion of the superintendent of  
2028 schools.

2029           **SECTION 33.** Section 37-19-51, Mississippi Code of 1972, is  
2030 brought forward as follows:

2031           37-19-51. The state board of education shall have the  
2032 authority to make such regulations not inconsistent with law which  
2033 it deems necessary for the administration of this chapter. The  
2034 state board of education, if it deems such practice necessary, may  
2035 use reports of the first six (6) months of school for the purpose  
2036 of determining average daily attendance and the number of pupils  
2037 transported for that year.



2038           **SECTION 34.** Section 37-19-53, Mississippi Code of 1972, is  
2039 brought forward as follows:

2040           37-19-53. Any county superintendent of education, member of  
2041 the county board of education, member of the board of trustees of  
2042 any school district, superintendent, principal, teacher, carrier,  
2043 bus driver, or member or employee of the state department of  
2044 education or state board of education, or any other person, who  
2045 shall wilfully violate any of the provisions of this chapter, or  
2046 who shall wilfully make any false report, list or record, or who  
2047 shall wilfully make use of any false report, list or record,  
2048 concerning the number of school children in average daily  
2049 attendance or the number of children being transported or entitled  
2050 to be transported in any county or school district, shall be  
2051 guilty of a misdemeanor and upon conviction shall be punished by  
2052 imprisonment in the county jail for a period not to exceed sixty  
2053 (60) days or by a fine of not less than one hundred dollars  
2054 (\$100.00), nor more than three hundred dollars (\$300.00), or by  
2055 both such fine and imprisonment, in the discretion of the court.  
2056 In addition, any such person shall be civilly liable for all  
2057 amounts of public funds which are illegally, unlawfully or  
2058 wrongfully expended or paid out by virtue of or pursuant to such  
2059 false report, list or record, and upon conviction or adjudication  
2060 of civil liability hereunder, such person shall forfeit his  
2061 license to teach for a period of three (3) years, if such person  
2062 is the holder of such a license. Any suit to recover such funds  
2063 illegally, unlawfully, or wrongfully expended or paid out may be  
2064 brought in the name of the State of Mississippi by the attorney  
2065 general or the proper district attorney or county attorney, and,  
2066 in the event such suit be brought against a person who is under  
2067 bond, the sureties upon such bond shall likewise be liable for  
2068 such amount illegally, unlawfully, or wrongfully expended or paid  
2069 out.



2070           **SECTION 35.** Section 37-22-1, Mississippi Code of 1972, is  
2071 brought forward as follows:

2072           37-22-1. (1) There is hereby established a Mississippi  
2073 School District Uniform Millage Assistance Grant Program. It is  
2074 the intent of the Legislature that through this grant program,  
2075 each student counted in average daily attendance in the public  
2076 schools in Mississippi shall have equal access to funds generated  
2077 by a uniform minimum school district ad valorem tax levy.

2078           (2) For the purposes of this section the following terms  
2079 shall have the following meanings unless context shall provide  
2080 otherwise:

2081           (a) "Average daily attendance" means the average daily  
2082 attendance as calculated under the provisions of Section 37-19-1  
2083 (1) for months one (1) through nine (9) for each school district  
2084 and agricultural high school during the preceding fiscal year.

2085           (b) "Uniform minimum school district ad valorem tax  
2086 levy" means that amount of millage which the State Board of  
2087 Education shall annually certify to the board of trustees of all  
2088 school districts as the "uniform minimum school district ad  
2089 valorem tax levy," on August 15 of each year. Until June 30,  
2090 1993, the State Board of Education shall determine the amount of  
2091 the uniform minimum school district ad valorem tax levy by  
2092 computing the statewide combined average millage levy for school  
2093 district maintenance purposes as prescribed in Section 37-57-105  
2094 and minimum program contributions as prescribed in Section 37-57-1  
2095 for the preceding fiscal year, then subtracting four (4) mills  
2096 from such statewide average millage levy. From and after July 1,  
2097 1993, the uniform minimum school district ad valorem tax levy  
2098 shall be the amount of millage so certified by the State Board of  
2099 Education for the 1993 fiscal year. Beginning with the 1993  
2100 fiscal year, the State Board of Education shall determine and  
2101 certify an equivalent uniform minimum school district ad valorem  
2102 tax levy for agricultural high school support and maintenance.





2103                   (c) "Maximum yield at the uniform minimum school  
2104 district ad valorem tax levy" shall mean ad valorem tax dollars  
2105 collectible in each school district if the district levies such  
2106 required number of mills for the support of the school district as  
2107 certified by the State Board of Education. It is calculated by  
2108 (i) subtracting the assessed value of exempt property owned by  
2109 homeowners aged sixty-five (65) or older or disabled as defined in  
2110 Section 27-33-67(2), Mississippi Code of 1972, from the district's  
2111 gross assessed value to arrive at the district's taxable assessed  
2112 value; (ii) applying the required millage levy to the taxable  
2113 assessed value to arrive at the base revenue; (iii) subtracting  
2114 the district's tax loss from exemptions provided to applicants  
2115 under the age of sixty-five (65) and not disabled as defined in  
2116 Section 27-33-67(1) to arrive at the maximum collectible; and (iv)  
2117 adding the district's homestead reimbursement revenue to arrive at  
2118 the district's maximum yield at the uniform minimum school  
2119 district ad valorem tax levy. The clerk of the board of  
2120 supervisors shall list in his report of tax losses for homestead  
2121 exemption as defined in Section 27-33-35, Mississippi Code of  
2122 1972, the total assessed value in each school district. The  
2123 homestead exemption tax losses used in this formula shall be  
2124 losses for exemptions granted from taxes due and payable in the  
2125 preceding year. Reimbursements used in this formula shall be  
2126 amounts reimbursed to the school districts for said losses.

2127                   (d) "Individual student entitlement" means that amount  
2128 of funds which results from dividing the aggregate amount of funds  
2129 which would be generated by the levy of the uniform minimum school  
2130 district ad valorem tax by the aggregate average daily attendance  
2131 in all school districts and agricultural high schools located  
2132 within the state.

2133                   (e) "District entitlement" means the total amount of  
2134 funds which a school district or agricultural high school may be  
2135 entitled to receive under the provisions of this section. Such



2136 amount shall be calculated by multiplying the individual student  
2137 entitlement by the average daily attendance for the respective  
2138 school district or agricultural high school.

2139 (f) "Deficit funding allocation" means the amount of  
2140 money needed by each school district or agricultural high school  
2141 to insure the individual student entitlement for each pupil  
2142 enrolled in such district or agricultural high school. The  
2143 deficit funds for each school district or agricultural high school  
2144 shall be calculated by subtracting the maximum yield of the  
2145 uniform minimum school district ad valorem tax levy in such school  
2146 district or agricultural high school from its district  
2147 entitlement. In the event the millage levy of any school district  
2148 or agricultural high school shall be less than the uniform minimum  
2149 school district ad valorem tax levy or its equivalent, as the case  
2150 may be, as certified by the State Board of Education for any  
2151 fiscal year, yet generated funds in an amount equal to or greater  
2152 than such school district's or agricultural high school's district  
2153 entitlement, no deficit funding allocation shall be available to  
2154 that respective school district or agricultural high school.

2155 (g) "Other local revenue sources" shall mean the sum of  
2156 the following local revenues which are or may be available from  
2157 the preceding fiscal year for expenditure by the school district:  
2158 (i) interest on short- or long-term investments of surplus funds  
2159 as prescribed in Section 37-59-23; (ii) sixteenth section school  
2160 land expendable income as prescribed in Chapter 3, Title 29,  
2161 Mississippi Code of 1972; (iii) Chickasaw School Fund  
2162 appropriations by the Legislature as prescribed in Sections  
2163 29-3-137 and 29-3-139; (iv) TVA in lieu revenues as prescribed in  
2164 Section 27-39-303; (v) national forest revenues as prescribed in  
2165 16 U.S.C.S. Section 500; (vi) Grand Gulf income as prescribed in  
2166 Section 27-35-309. However, no funds held in escrow to the  
2167 benefit of any school district due to federal litigation  
2168 concerning the distribution of Grand Gulf revenues shall be



2169 considered as "other local revenue sources" under the provisions  
2170 of this paragraph; and (vii) the amount of any Emergency Fund Loss  
2171 Assistance Program funds received annually under the provisions of  
2172 Section 37-22-5.

2173 (3) A state uniform millage assistance grant award shall be  
2174 provided to each school district and agricultural high school  
2175 requiring additional funds in order to provide their pupils the  
2176 individual student entitlement. The amount of the grant provided  
2177 each school district shall be calculated by subtracting other  
2178 local revenue sources from its deficit funding allocation.

2179 (4) The total state funds needed for the School District  
2180 Uniform Millage Assistance Grant Program annually shall be the  
2181 total of the amounts needed to award grants to school districts  
2182 and agricultural high schools in the state as provided in  
2183 subsection (3) of this section. If the total amount of funds  
2184 annually appropriated for the School District Uniform Millage  
2185 Assistance Grant Program exceeds the total amount determined by  
2186 the basic formula, the excess funds shall be distributed  
2187 proportionately to those school districts so entitled under the  
2188 provisions of this section. The State Uniform Millage Assistance  
2189 Grant Fund is hereby established in the State Treasury which shall  
2190 be used to distribute the funds to school districts so entitled  
2191 under the provisions of this section. Any such grant funds shall  
2192 be transferred to the school district maintenance fund of such  
2193 district or agricultural high school in the manner prescribed in  
2194 Section 37-19-47, Mississippi Code of 1972, and shall be expended  
2195 in the manner provided by law exclusively for classroom  
2196 instructional purposes.

2197 **SECTION 36.** Section 37-22-3, Mississippi Code of 1972, is  
2198 brought forward as follows:

2199 37-22-3. There is herein provided a Second Level Funding  
2200 Program which shall qualify any school district within a county  
2201 wherein there is only one (1) school district located for



2202 additional state funding on an annual basis. The nonparticipation  
2203 of any line consolidated school district to conform their district  
2204 administration to receive second level funding under the  
2205 provisions of this section shall not prohibit the participation of  
2206 any other school districts located within any of the affected  
2207 counties in such funding program. In the event the board of  
2208 trustees of a line consolidated school district elects to  
2209 participate in second level funding, it shall merge its  
2210 administration with the county in which the majority of its  
2211 facilities are located. The State Board of Education shall  
2212 designate the county in which the majority of such line  
2213 consolidated district facilities are located in accordance with  
2214 its established inventory of school district facilities. The  
2215 school boards in any such county having only one (1) school  
2216 district on July 1, 1989, and the school boards in any county  
2217 having more than one (1) school district which hereafter adopts a  
2218 plan for the transition of all administrative functions into one  
2219 (1) school district for such county, shall qualify for this Second  
2220 Level Funding Program. Any uniform millage assistance grant  
2221 received by an agricultural high school shall not affect the  
2222 granting of second level funding grants to any school district  
2223 under the provisions of this section; and any agricultural high  
2224 school located in such school district shall also be eligible for  
2225 such second level funding grants. The state funds available to  
2226 such school district for the Second Level Funding Program shall be  
2227 Thirty-six Dollars (\$36.00) per pupil in average daily attendance.  
2228 The total state funds needed for the Second Level Funding Program  
2229 annually shall be the total of the amounts needed by all of the  
2230 school districts in the state having one (1) school district  
2231 within the county. The State Second Level Funding Program Fund is  
2232 hereby established in the State Treasury which shall be used to  
2233 distribute the funds to school districts entitled under the  
2234 provisions of this section. Any such funds shall be transferred



2235 to the school district maintenance fund of such district in the  
2236 manner prescribed in Section 37-19-47, Mississippi Code of 1972,  
2237 and shall be expended in the manner provided by law for classroom  
2238 instructional purposes.

2239         **SECTION 37.** Section 37-151-77, Mississippi Code of 1972, is  
2240 brought forward as follows:

2241         37-151-77. To qualify for funds provided in this chapter,  
2242 each school district shall not exceed a pupil-teacher ratio based  
2243 on enrollment in Grades 1, 2, 3 and 4 as follows: 27:1

2244         For Grades Kindergarten and 5 through 12, pupil-teacher ratio  
2245 shall be determined based on appropriate accreditation standards  
2246 developed by the Mississippi Commission on School Accreditation.

2247         Any local district may apply to the State Board of Education  
2248 for approval of a waiver to this section by submitting and  
2249 justifying an alternative educational program to serve the needs  
2250 of enrollment in Grades Kindergarten and 1 through 4. The State  
2251 Board of Education shall approve or disapprove of such waiver  
2252 forty-five (45) days after receipt of such application. If a  
2253 school district violates the provisions of this section, the state  
2254 aid for the ensuing fiscal year to such school district shall be  
2255 reduced by the percentage variance that the actual pupil-teacher  
2256 ratios in such school district has to the required pupil-teacher  
2257 ratios mandated in this section. Provided, that notwithstanding  
2258 the provisions of this section, the State Board of Education is  
2259 authorized to waive the pupil-teacher requirements specified  
2260 herein upon a finding that a good faith effort is being made by  
2261 the school district concerned to comply with the ratio provisions  
2262 but that for lack of classroom space which was beyond its control  
2263 it is physically impossible for the district to comply, and the  
2264 cost of temporary classroom space cannot be justified. In the  
2265 event any school district meets Level 4 or 5 accreditation  
2266 standards, the State Board of Education may, in its discretion,



2267 exempt such school district from the maximum pupil-teacher ratio  
2268 in Grades 1, 2, 3 and 4 prescribed herein.

2269         **SECTION 38.** Section 37-151-79, Mississippi Code of 1972, is  
2270 brought forward as follows:

2271         37-151-79. In addition to other funds provided for in this  
2272 chapter, there shall be added to the allotment for each school  
2273 district for each vocational teacher employed full time during the  
2274 regular school term in a vocational education program approved by  
2275 the State Department of Education the value of one-half (1/2) of  
2276 the adequate education program salary schedule provided in Section  
2277 37-19-7, Mississippi Code of 1972, based on the type of  
2278 certificate and number of years' teaching experience held by each  
2279 approved vocational teacher plus one hundred percent (100%) of the  
2280 applicable employer's rate for social security and state  
2281 retirement.

2282         **SECTION 39.** Section 37-151-81, Mississippi Code of 1972, is  
2283 brought forward as follows:

2284         37-151-81. (1) In addition to other funds provided for in  
2285 this chapter, there shall be added to the allotment for each  
2286 school district for each teacher employed in a State Department of  
2287 Education approved program for exceptional children as defined in  
2288 Section 37-23-3, Mississippi Code of 1972, the value of one  
2289 hundred percent (100%) of the adequate education program salary  
2290 schedule prescribed in Section 37-19-7, Mississippi Code of 1972,  
2291 based on the type of certificate and number of years' teaching  
2292 experience held by each approved special education teacher plus  
2293 one hundred percent (100%) of the applicable employer's rate for  
2294 social security and state retirement, except that only seventy  
2295 percent (70%) of the value will be added for the program for  
2296 three- and four-year old exceptional children.

2297         (2) In addition to the allowances provided above, for each  
2298 handicapped child who is being educated by a public school  
2299 district or is placed in accord with Section 37-23-77, Mississippi



2300 Code of 1972, and whose individualized educational program (IEP)  
2301 requires an extended school year in accord with the State  
2302 Department of Education criteria, a sufficient amount of funds  
2303 shall be allocated for the purpose of providing the educational  
2304 services the student requires. The State Board of Education shall  
2305 promulgate such regulations as are required to insure the  
2306 equitable distribution of these funds. All costs for the extended  
2307 school year for a particular summer shall be reimbursed from funds  
2308 appropriated for the fiscal year beginning July 1 of that summer.  
2309 If sufficient funds are not made available to finance all of the  
2310 required educational services, the State Department of Education  
2311 shall expend available funds in such a manner that it does not  
2312 limit the availability of appropriate education to handicapped  
2313 students more severely than it does to nonhandicapped students.

2314 (3) The State Department of Education is hereby authorized  
2315 to match adequate education program and other funds allocated for  
2316 provision of services to handicapped children with Division of  
2317 Medicaid funds to provide language-speech services, physical  
2318 therapy and occupational therapy to handicapped students who meet  
2319 State Department of Education or Division of Medicaid standards  
2320 and who are Medicaid eligible. Provided further, that the State  
2321 Department of Education is authorized to pay such funds as may be  
2322 required as a match directly to the Division of Medicaid pursuant  
2323 to an agreement to be developed between the State Department of  
2324 Education and the Division of Medicaid.

2325 (4) In addition to other funds provided for in this chapter,  
2326 there shall be added to the allotment for each school district for  
2327 each teacher employed in a State Department of Education approved  
2328 program for gifted education as defined in Sections 37-23-173  
2329 through 37-23-181, Mississippi Code of 1972, the value of one  
2330 hundred percent (100%) of the adequate education program salary  
2331 schedule prescribed in Section 37-19-7, Mississippi Code of 1972,  
2332 based on the type of certificate and number of years' teaching



2333 experience held by each approved gifted education teacher plus one  
2334 hundred percent (100%) of the applicable employer's rate for  
2335 social security and state retirement.

2336 (5) When any children who are residents of the State of  
2337 Mississippi and qualify under the provisions of Section 37-23-31,  
2338 Mississippi Code of 1972, shall be provided a program of  
2339 education, instruction and training within a school under the  
2340 provisions of said section, the State Department of Education  
2341 shall allocate the value of one hundred percent (100%) of the  
2342 adequate education program salary schedule prescribed in Section  
2343 37-19-7, Mississippi Code of 1972, for each approved program based  
2344 on the type of certificate and number of years' teaching  
2345 experience held by each approved teacher plus one hundred percent  
2346 (100%) of the applicable employer's rate for social security and  
2347 state retirement. The university or college shall be eligible for  
2348 state and federal funds for such programs on the same basis as  
2349 local school districts. The university or college shall be  
2350 responsible for providing for the additional costs of the program.

2351 (6) In addition to the allotments provided above, a school  
2352 district may provide a program of education and instruction to  
2353 children ages five (5) years through twenty-one (21) years, who  
2354 are resident citizens of the State of Mississippi, who cannot have  
2355 their educational needs met in a regular public school program and  
2356 who have not finished or graduated from high school, if those  
2357 children are determined by competent medical authorities and  
2358 psychologists to need placement in a state licensed facility for  
2359 inpatient treatment, day treatment or residential treatment or a  
2360 therapeutic group home. Such program shall operate under rules,  
2361 regulations, policies and standards of school districts as  
2362 determined by the State Board of Education. If a private school  
2363 approved by the State Board of Education is operated as an  
2364 integral part of the state licensed facility that provides for the  
2365 treatment of such children, the private school within the facility





2366 may provide a program of education, instruction and training to  
2367 such children by requesting the State Department of Education to  
2368 allocate one (1) teacher unit or a portion of a teacher unit for  
2369 each approved class. The facility shall be responsible for  
2370 providing any additional costs of the program.

2371 Such funds will be allotted based on the type of certificate  
2372 and number of years' teaching experience held by each approved  
2373 teacher. Such children shall not be counted in average daily  
2374 attendance when determining regular teacher unit allocation.

2375 **SECTION 40.** Section 37-151-83, Mississippi Code of 1972, is  
2376 brought forward as follows:

2377 37-151-83. (1) In addition to other funds allowed under the  
2378 Adequate Education Program, each school district shall receive a  
2379 grant for the support of alternative school programs established  
2380 under Section 37-13-92, Mississippi Code of 1972, in accordance  
2381 with the following: Three-fourths of one percent (.75%) of the  
2382 school district's average daily attendance or twelve (12) pupils,  
2383 whichever is greater, multiplied by the average expenditure of  
2384 public monies per pupil in the State of Mississippi, as determined  
2385 by the State Board of Education.

2386 (2) An alternative school advisory board may be created  
2387 within each school district maintaining a freestanding alternative  
2388 school or two (2) or more adjacent school districts operating a  
2389 freestanding alternative school pursuant to a contract approved by  
2390 the State Board of Education. The advisory board shall meet no  
2391 less than two (2) times during each school year to study the  
2392 alternative school program and to make recommendations for  
2393 improvements to the superintendent of the local school board or  
2394 boards, as the case may be, and the State Superintendent of  
2395 Education. The alternative school advisory board shall consist of  
2396 the following members: one (1) school administrator to be  
2397 appointed by each local school board of the school district or  
2398 districts operating the alternative school; one (1) school board



2399 member and one (1) parent to be appointed by each superintendent  
2400 of the school district or districts operating the alternative  
2401 school; one (1) classroom teacher to be appointed by the classroom  
2402 teachers in each school district operating the alternative school;  
2403 one (1) individual to be appointed by the local youth court judge,  
2404 or if there is no such court the chancery court judge; and one (1)  
2405 law enforcement officer to be appointed by the local sheriff. The  
2406 initial members of the advisory board shall serve as follows:  
2407 One-third (1/3) of the members shall serve two (2) years;  
2408 one-third (1/3) of the members shall serve three (3) years; and  
2409 one-third (1/3) of the members shall serve four (4) years, to be  
2410 designated by the appointing authority at the time of appointment.  
2411 Thereafter, the term of each member shall be for a period of four  
2412 (4) years.

2413 An alternative school advisory board shall have no governing  
2414 authority over the alternative school program, and not in any  
2415 manner shall an advisory board's authority supersede the authority  
2416 of the school district or lead district in those alternative  
2417 school programs operated jointly by two (2) or more districts.

2418 **SECTION 41.** Section 37-151-85, Mississippi Code of 1972, is  
2419 brought forward as follows:

2420 37-151-85. (1) The amount to be allotted by the State Board  
2421 of Education for transportation shall be determined as follows:

2422 The State Department of Education shall calculate the cost of  
2423 transportation in school districts by ascertaining the average  
2424 cost per pupil in average daily attendance of transported pupils  
2425 in school districts classified in different density groups as  
2426 determined by the State Department of Education. Based on these  
2427 calculations, the State Department of Education shall develop a  
2428 scale for determining the allowable cost per pupil in different  
2429 density groups, which scale shall provide greatest allowance per  
2430 pupil transported in school districts with lowest densities and  
2431 smallest allowance per pupil in school districts with highest



2432 densities. The total allowance in the adequate education program  
2433 for transported children for any school district for the current  
2434 year shall be the average daily attendance of the transported  
2435 children for the nine (9) months of the prior year, multiplied by  
2436 the allowance per transported pupil as provided herein. However,  
2437 the State Department of Education is hereby authorized and  
2438 empowered to make proper adjustments in allotments, under rules  
2439 and regulations of the State Board of Education, in cases where  
2440 major changes in the number of children in average daily  
2441 attendance transported occur from one year to another as a result  
2442 of changes or alterations in the boundaries of school districts, a  
2443 change in or relocation of attendance centers, or for other  
2444 reasons which would result in major decrease or increase in the  
2445 number of children in average daily attendance transported during  
2446 the current school year as compared with the preceding year.  
2447 Moreover, the State Board of Education is hereby authorized and  
2448 empowered to make such payments to all districts and/or  
2449 university-based programs as deemed necessary in connection with  
2450 transporting exceptional children as defined in Section 37-23-3.  
2451 The State Board of Education shall establish and implement all  
2452 necessary rules and regulations to allot transportation payments  
2453 to university-based programs. In developing density  
2454 classifications under the provisions hereof, the State Department  
2455 of Education may give consideration to the length of the route,  
2456 the sparsity of the population, the lack of adequate roads,  
2457 highways and bridges, and the presence of large streams or other  
2458 geographic obstacles. In addition to funds allotted under the  
2459 above provisions, funds shall be allotted to each school district  
2460 that transports students from their assigned school or attendance  
2461 center to classes in an approved vocational-technical center at a  
2462 rate per mile not to exceed the average statewide cost per mile of  
2463 school bus transportation during the preceding year exclusive of



2464 bus replacement. All such transportation must have prior approval  
2465 by the State Department of Education.

2466 (2) The average daily attendance of transported children  
2467 shall be reported by the school district in which such children  
2468 attend school. If children living in a school district are  
2469 transported at the expense of such school district to another  
2470 school district, the average daily attendance of such transported  
2471 children shall be deducted by the State Department of Education  
2472 from the aggregate average daily attendance of transported  
2473 children in the school district in which they attend school and  
2474 shall be added to the aggregate average daily attendance of  
2475 transported children of the school district from which they come  
2476 for the purpose of calculating transportation allotments.

2477 However, such deduction shall not be made for the purpose of  
2478 calculating adequate education program pupil-based funding.

2479 (3) The State Department of Education shall include in the  
2480 allowance for transportation for each school district an amount  
2481 for the replacement of school buses or the purchase of new buses,  
2482 which amount shall be calculated upon the estimated useful life of  
2483 all school buses being used for the transportation of children in  
2484 such school district, whether such buses be publicly or privately  
2485 owned.

2486 (4) The school boards of all districts operating school bus  
2487 transportation are authorized and directed to establish a salary  
2488 schedule for school bus drivers. No school district shall be  
2489 entitled to receive the funds herein allotted for transportation  
2490 unless it pays each of its nonstudent adult school bus drivers  
2491 paid from such transportation allotments a minimum of One Hundred  
2492 Ninety Dollars (\$190.00) per month. In addition, local school  
2493 boards may compensate school bus drivers for actual expenses  
2494 incurred when acquiring an initial commercial license or any  
2495 renewal of a commercial license in order to drive a school bus.



2496 (5) The State Board of Education shall be authorized and  
2497 empowered to use such part of the funds appropriated for  
2498 transportation in the adequate education fund as may be necessary  
2499 to finance driver training courses as provided for in Section  
2500 37-41-1, Mississippi Code of 1972.

2501 **SECTION 42.** Section 37-151-87, Mississippi Code of 1972, is  
2502 brought forward as follows:

2503 37-151-87. No school district shall pay any teacher less  
2504 than the state minimum salary. No school district shall receive  
2505 any funds under the provisions of this chapter for any school year  
2506 during which the aggregate amount of local supplement as defined  
2507 in Section 37-151-1 shall have been reduced below such amount for  
2508 the previous year; however, where there has been a reduction in  
2509 adequate education program allocations for such district in such  
2510 year, where there has been a reduction in the amount of federal  
2511 funds to such district below the previous year, or where there has  
2512 been a reduction in ad valorem taxes to such school district for  
2513 the 1986-1987 school year below the amount for the previous year  
2514 due to the exemption of nuclear generating plants from ad valorem  
2515 taxation, pursuant to Section 27-35-309, Mississippi Code of 1972,  
2516 the aggregate amount of local supplement in such district may be  
2517 reduced proportionately without loss of funds under this chapter.  
2518 No school district may receive any funds under the provisions of  
2519 this chapter for any school year if the aggregate amount of  
2520 support from ad valorem taxation shall be reduced during such  
2521 school year below such amount for the previous year; however,  
2522 where there is a loss in adequate education program allocations,  
2523 or where there is or heretofore has been a decrease in the total  
2524 assessed value of taxable property within a school district, the  
2525 aggregate amount of such support may be reduced proportionately.  
2526 Nothing herein contained shall prohibit any school district from  
2527 adopting or continuing a program or plan whereby teachers are paid



2528 varying salaries according to the teaching ability, classroom  
2529 performance and other similar standards.

2530 **SECTION 43.** Section 37-151-89, Mississippi Code of 1972, is  
2531 brought forward as follows:

2532 37-151-89. The minimum base pay for all classroom teachers  
2533 may be increased by the district from any funds available to it;  
2534 and those districts which have not prior to July 1, 1978, so  
2535 increased said base pay, shall increase the minimum base pay for  
2536 classroom teachers as fixed by this chapter and as authorized by  
2537 any of the provisions of or standards set forth in this chapter.

2538 **SECTION 44.** Section 37-151-91, Mississippi Code of 1972, is  
2539 brought forward as follows:

2540 37-151-91. The school boards of all school districts may  
2541 establish salary schedules based on training, experience and other  
2542 such factors as may be incorporated therein, including student  
2543 progress and performance as developed by the State Board of  
2544 Education, paying teachers greater amounts than the scale provided  
2545 herein, but no teacher may be paid less than the amount based upon  
2546 the minimum scale of pay provided in the adequate education  
2547 program as prescribed in Section 37-19-7, Mississippi Code of  
2548 1972, and all supplements paid from local funds shall be based  
2549 upon the salary schedules so established. The school boards may  
2550 call upon the State Department of Education for aid and assistance  
2551 in formulating and establishing such salary schedules, and it  
2552 shall be the duty of the State Department of Education, when so  
2553 called upon, to render such aid and assistance. The amount  
2554 actually paid to each teacher shall be based upon and determined  
2555 by the type of certificate held by such teacher.

2556 **SECTION 45.** Section 37-151-93, Mississippi Code of 1972, is  
2557 brought forward as follows:

2558 37-151-93. (1) Legally transferred students going from one  
2559 school district to another shall be counted for adequate education  
2560 program allotments by the school district wherein the pupils



2561 attend school, but shall be counted for transportation allotment  
2562 purposes in the school district which furnishes or provides the  
2563 transportation. The school boards of the school districts which  
2564 approve the transfer of a student under the provisions of Section  
2565 37-15-31 shall enter into an agreement and contract for the  
2566 payment or nonpayment of any portion of their local maintenance  
2567 funds which they deem fair and equitable in support of any  
2568 transferred student. Except as provided in subsection (2) of this  
2569 section, local maintenance funds shall be transferred only to the  
2570 extent specified in the agreement and contract entered into by the  
2571 affected school districts. The terms of any local maintenance  
2572 fund payment transfer contract shall be spread upon the minutes of  
2573 both of the affected school district school boards. The school  
2574 district accepting any transfer students shall be authorized to  
2575 accept tuition from such students under the provisions of Section  
2576 37-15-31(1) and such agreement may remain in effect for any length  
2577 of time designated in the contract. The terms of such student  
2578 transfer contracts and the amounts of any tuition charged any  
2579 transfer student shall be spread upon the minutes of both of the  
2580 affected school boards. No school district accepting any transfer  
2581 students under the provisions of Section 37-15-31(2), which  
2582 provides for the transfer of certain school district employee  
2583 dependents, shall be authorized to charge such transfer students  
2584 any tuition fees.

2585 (2) Local maintenance funds shall be paid by the home school  
2586 district to the transferee school district for students granted  
2587 transfers under the provisions of Sections 37-15-29(3) and  
2588 37-15-31(3), Mississippi Code of 1972, not to exceed the "base  
2589 student cost" as defined in Section 37-151-5, Mississippi Code of  
2590 1972, multiplied by the number of such legally transferred  
2591 students.

2592 **SECTION 46.** Section 37-151-97, Mississippi Code of 1972, is  
2593 brought forward as follows:



2594           37-151-97. The State Department of Education shall develop  
2595 an annual reporting process to inform the Legislature, local  
2596 district personnel and the general public as to the ongoing and  
2597 future plans for the state's educational programs. The annual  
2598 reporting process will include those vital statistics that are  
2599 commonly reported by schools and districts and that can provide  
2600 clear demographic, strategic and educational information to  
2601 constituencies such as, but not limited to, the following  
2602 information:

- 2603           (a) Student enrollment, attendance, drop-out and  
2604 graduation;
- 2605           (b) Overall student and district achievement;
- 2606           (c) Budget, administrative costs and other pertinent  
2607 fiscal information;
- 2608           (d) Teacher and administrator certification and  
2609 experience levels; and
- 2610           (e) Other as directed by the State Board of Education.

2611           Further, the reporting process will include an annual report  
2612 developed specifically to relate the mission and goals of the  
2613 State Board of Education, state superintendent and departments.  
2614 This document will become the method through which the strategic  
2615 planning and management process of the department is articulated  
2616 to the public. It will explain and inform the public of the major  
2617 initiatives of the department and clearly identify rationale for  
2618 program development and/or elimination. The report will establish  
2619 benchmarks, future plans and discuss the effectiveness of  
2620 educational programs.

2621           In addition to the information specified herein, the State  
2622 Board of Education shall have full and plenary authority and power  
2623 to require the furnishing of such further, additional and  
2624 supplementary information as it may deem necessary for the purpose  
2625 of determining the cost of the adequate education program in such  
2626 school district for the succeeding fiscal year, the amount of the





2627 adequate education program funds to be allotted to each school  
2628 district for the succeeding fiscal year, and for any other purpose  
2629 authorized by law or deemed necessary by said State Board of  
2630 Education.

2631 It shall be the duty of the State Department of Education to  
2632 prescribe the forms for the reports provided for in this section.

2633 **SECTION 47.** Section 37-151-99, Mississippi Code of 1972, is  
2634 brought forward as follows:

2635 37-151-99. Based upon the information obtained pursuant to  
2636 Section 37-151-97 and upon such other and further information as  
2637 provided by law, the State Department of Education shall, on or  
2638 before June 1 of each year, or as soon thereafter as is practical,  
2639 furnish each school board the preliminary estimate of the amount  
2640 each will receive from the common school fund and the adequate  
2641 education program fund for the succeeding scholastic year, and at  
2642 the same time shall furnish each such school board with a  
2643 tentative estimate of the cost of the adequate education program  
2644 in the school district for such succeeding fiscal year.

2645 **SECTION 48.** Section 37-151-101, Mississippi Code of 1972, is  
2646 brought forward as follows:

2647 37-151-101. It shall be the duty of the State Department of  
2648 Education to file with the State Treasurer and the State Fiscal  
2649 Officer such data and information as may be required to enable the  
2650 said State Treasurer and State Fiscal Officer to distribute the  
2651 common school funds and adequate education program funds by  
2652 electronic funds transfer to the several school districts at the  
2653 time required and provided under the provisions of this chapter.  
2654 Such data and information so filed shall show in detail the amount  
2655 of funds to which each school district is entitled from such  
2656 common school fund and adequate education program fund. Such data  
2657 and information so filed may be revised from time to time as  
2658 necessitated by law. At the time provided by law, the State  
2659 Treasurer and the State Fiscal Officer shall distribute to the



2660 several school districts the amounts to which they are entitled  
2661 from the common school fund and the adequate education program  
2662 fund as provided by this chapter. Such distribution shall be made  
2663 by electronic funds transfer to the depositories of the several  
2664 school districts designated in writing to the State Treasurer  
2665 based upon the data and information supplied by the State  
2666 Department of Education for such distribution. In such instances,  
2667 the State Treasurer shall submit a request for an electronic funds  
2668 transfer to the State Fiscal Officer, which shall set forth the  
2669 purpose, amount and payees, and shall be in such form as may be  
2670 approved by the State Fiscal Officer so as to provide the  
2671 necessary information as would be required for a requisition and  
2672 issuance of a warrant. A copy of the record of said electronic  
2673 funds transfers shall be transmitted by the school district  
2674 depositories to the Treasurer, who shall file duplicates with the  
2675 State Fiscal Officer. The Treasurer and State Fiscal Officer  
2676 shall jointly promulgate regulations for the utilization of  
2677 electronic funds transfers to school districts.

2678 **SECTION 49.** Section 37-151-105, Mississippi Code of 1972, is  
2679 brought forward as follows:

2680 37-151-105. The State Board of Education shall have the  
2681 authority to make such regulations not inconsistent with law which  
2682 it deems necessary for the administration of this chapter. The  
2683 State Board of Education, if it deems such practice necessary, may  
2684 use reports of the first six (6) months of school for the purpose  
2685 of determining average daily attendance and the number of pupils  
2686 transported for that year.

2687 **SECTION 50.** Section 37-151-107, Mississippi Code of 1972, is  
2688 brought forward as follows:

2689 37-151-107. Any superintendent of education, member of the  
2690 local school board of any school district, superintendent,  
2691 principal, teacher, carrier, bus driver or member or employee of  
2692 the State Department of Education or State Board of Education, or



2693 any other person, who shall willfully violate any of the  
2694 provisions of this chapter, or who shall willfully make any false  
2695 report, list or record, or who shall willfully make use of any  
2696 false report, list or record, concerning the number of school  
2697 children in average daily attendance or the number of children  
2698 being transported or entitled to be transported in any county or  
2699 school district, shall be guilty of a misdemeanor and upon  
2700 conviction shall be punished by imprisonment in the county jail  
2701 for a period not to exceed sixty (60) days or by a fine of not  
2702 less than One Hundred Dollars (\$100.00), nor more than Three  
2703 Hundred Dollars (\$300.00), or by both such fine and imprisonment,  
2704 in the discretion of the court. In addition, any such person  
2705 shall be civilly liable for all amounts of public funds which are  
2706 illegally, unlawfully or wrongfully expended or paid out by virtue  
2707 of or pursuant to such false report, list or record, and upon  
2708 conviction or adjudication of civil liability hereunder, such  
2709 person shall forfeit his license to teach for a period of three  
2710 (3) years, if such person is the holder of such a license. Any  
2711 suit to recover such funds illegally, unlawfully or wrongfully  
2712 expended or paid out may be brought in the name of the State of  
2713 Mississippi by the Attorney General or the proper district  
2714 attorney or county attorney, and, in the event such suit be  
2715 brought against a person who is under bond, the sureties upon such  
2716 bond shall likewise be liable for such amount illegally,  
2717 unlawfully or wrongfully expended or paid out.

2718       **SECTION 51.** Section 37-57-1, Mississippi Code of 1972, is  
2719 brought forward as follows:

2720       **[Until July 1, 2002, this section shall read as follows:]**

2721       37-57-1. (1) (a) The boards of supervisors of the counties  
2722 shall levy and collect all taxes for and on behalf of all school  
2723 districts which were within the county school system or designated  
2724 as special municipal separate school districts prior to July 1,  
2725 1986. Such taxes shall be collected by the county tax collector



2726 at the same time and in the same manner as county taxes are  
2727 collected by him, and the same penalties for delinquency shall be  
2728 applicable.

2729         The governing authorities of the municipalities shall levy  
2730 and collect all taxes for and on behalf of all school districts  
2731 which were designated as municipal separate school districts prior  
2732 to July 1, 1986. Such taxes shall be collected by the municipal  
2733 tax collector at the same time and in the same manner as municipal  
2734 taxes are collected by him, and the same penalties for delinquency  
2735 shall be applicable.

2736         The county or municipal tax collector, as the case may be,  
2737 shall pay such tax collections, except for taxes collected for the  
2738 payment of the principal of and interest on school bonds or notes  
2739 and except for taxes collected to defray collection costs, into  
2740 the school depository and report to the school board of the  
2741 appropriate school district at the same time and in the same  
2742 manner as the tax collector makes his payments and reports of  
2743 other taxes collected by him.

2744         Provided, however, the State Board of Education shall  
2745 determine the appropriate levying authority for any school  
2746 district created or reorganized after July 1, 1987.

2747         (b) For the purposes of this chapter and any other laws  
2748 pertaining to taxes levied or bonds or notes issued for and on  
2749 behalf of school districts, the term "levying authority" means the  
2750 board of supervisors of the county or the governing authorities of  
2751 the municipality, whichever levies taxes for and on behalf of the  
2752 particular school district as provided in paragraphs (a) and (b)  
2753 of this subsection.

2754         (2) On or before September 1 of each year, the State Board  
2755 of Education shall certify to the levying authority for each  
2756 school district the amount of the minimum local ad valorem tax  
2757 effort in dollars required of such school district for the current  
2758 fiscal year under the provisions of Chapter 19 of this title. The



2759 levying authority for the school district shall, at the same time  
2760 and in the same manner as other taxes are levied by the levying  
2761 authority, levy a tax for the then current fiscal year for the  
2762 support of the minimum education program upon all of the taxable  
2763 property of the school district. Such tax shall be expressed in  
2764 mills or a decimal fraction of a mill, and shall be at such a rate  
2765 as will, when applied to the assessed valuation of the school  
2766 district according to the assessment rolls of the county or  
2767 municipality, as the case may be, produce a sum of money which is  
2768 equal to the amount which said school district is required to  
2769 contribute as its minimum local ad valorem tax effort under the  
2770 provisions of Chapter 19 of this title. However, in no case shall  
2771 the minimum local ad valorem tax effort for any school district be  
2772 equal to an amount that would require a millage rate exceeding  
2773 fifty-five (55) mills in that school district. Provided, however,  
2774 that if a levying authority is levying in excess of fifty-five  
2775 (55) mills on July 1, 1997, the levying authority may levy an  
2776 additional amount not exceeding three (3) mills in the aggregate  
2777 for the period beginning July 1, 1997, and ending June 30, 2003,  
2778 subject to the limitation on increased receipts from ad valorem  
2779 taxes prescribed in Sections 37-57-105 and 37-57-107. Nothing in  
2780 this subsection shall be construed to require any school district  
2781 that is levying more than fifty-five (55) mills pursuant to  
2782 Sections 37-57-1 and 37-57-105 to decrease its millage rate to  
2783 fifty-five (55) mills or less. In making such levy, the levying  
2784 authority shall levy an additional amount sufficient to cover  
2785 anticipated delinquencies and costs of collection so that the net  
2786 amount of money to be produced by such levy shall be equal to the  
2787 amount which the school district is required to contribute as its  
2788 said minimum local ad valorem tax effort. The tax so levied shall  
2789 be collected by the tax collector at the same time and in the same  
2790 manner as other ad valorem taxes are collected by him. The amount  
2791 of taxes so collected as a result of such levy shall be paid into



2792 the minimum education program fund of the school district by the  
2793 tax collector at the same time and in the same manner as reports  
2794 and payments of other ad valorem taxes are made by said tax  
2795 collector, except that the amount collected to defray costs of  
2796 collection may be paid into the county general fund. The levying  
2797 authority shall have the power and authority to direct and cause  
2798 warrants to be issued against such fund for the purpose of  
2799 refunding any amount of taxes erroneously or illegally paid into  
2800 such fund where such refund has been approved in the manner  
2801 provided by law.

2802 **[From and after July 1, 2002, this section shall read as**  
2803 **follows:]**

2804 37-57-1. (1) (a) The boards of supervisors of the counties  
2805 shall levy and collect all taxes for and on behalf of all school  
2806 districts which were within the county school system or designated  
2807 as special municipal separate school districts prior to July 1,  
2808 1986. Such taxes shall be collected by the county tax collector  
2809 at the same time and in the same manner as county taxes are  
2810 collected by him, and the same penalties for delinquency shall be  
2811 applicable.

2812 The governing authorities of the municipalities shall levy  
2813 and collect all taxes for and on behalf of all school districts  
2814 which were designated as municipal separate school districts prior  
2815 to July 1, 1986. Such taxes shall be collected by the municipal  
2816 tax collector at the same time and in the same manner as municipal  
2817 taxes are collected by him, and the same penalties for delinquency  
2818 shall be applicable.

2819 The county or municipal tax collector, as the case may be,  
2820 shall pay such tax collections, except for taxes collected for the  
2821 payment of the principal of and interest on school bonds or notes  
2822 and except for taxes collected to defray collection costs, into  
2823 the school depository and report to the school board of the  
2824 appropriate school district at the same time and in the same



2825 manner as the tax collector makes his payments and reports of  
2826 other taxes collected by him.

2827         Provided, however, the State Board of Education shall  
2828 determine the appropriate levying authority for any school  
2829 district created or reorganized after July 1, 1987.

2830             (b) For the purposes of this chapter and any other laws  
2831 pertaining to taxes levied or bonds or notes issued for and on  
2832 behalf of school districts, the term "levying authority" means the  
2833 board of supervisors of the county or the governing authorities of  
2834 the municipality, whichever levies taxes for and on behalf of the  
2835 particular school district as provided in paragraphs (a) and (b)  
2836 of this subsection.

2837             (2) The levying authority for the school district shall, at  
2838 the same time and in the same manner as other taxes are levied by  
2839 the levying authority, levy a tax of not less than twenty-eight  
2840 (28) mills for the then current fiscal year, less the estimated  
2841 amount of the yield of the School Ad Valorem Tax Reduction Fund  
2842 grant to the school district as determined by the State Department  
2843 of Education or twenty-seven percent (27%) of the basic adequate  
2844 education program cost for such school district, whichever is a  
2845 lesser amount, upon all of the taxable property of the school  
2846 district, as required under Section 37-151-7(2)(a). However, in no  
2847 case shall the minimum local ad valorem tax effort for any school  
2848 district be equal to an amount that would require a millage rate  
2849 exceeding fifty-five (55) mills in that school district.

2850         Provided, however, that if a levying authority is levying in  
2851 excess of fifty-five (55) mills on July 1, 1997, the levying  
2852 authority may levy an additional amount not exceeding three (3)  
2853 mills in the aggregate for the period beginning July 1, 1997, and  
2854 ending June 30, 2003, subject to the limitation on increased  
2855 receipts from ad valorem taxes prescribed in Sections 37-57-105  
2856 and 37-57-107. Nothing in this subsection shall be construed to  
2857 require any school district that is levying more than fifty-five



2858 (55) mills pursuant to Sections 37-57-1 and 37-57-105 to decrease  
2859 its millage rate to fifty-five (55) mills or less. In making such  
2860 levy, the levying authority shall levy an additional amount  
2861 sufficient to cover anticipated delinquencies and costs of  
2862 collection so that the net amount of money to be produced by such  
2863 levy shall be equal to the amount which the school district is  
2864 required to contribute as its said minimum local ad valorem tax  
2865 effort. The tax so levied shall be collected by the tax collector  
2866 at the same time and in the same manner as other ad valorem taxes  
2867 are collected by him. The amount of taxes so collected as a  
2868 result of such levy shall be paid into the district maintenance  
2869 fund of the school district by the tax collector at the same time  
2870 and in the same manner as reports and payments of other ad valorem  
2871 taxes are made by said tax collector, except that the amount  
2872 collected to defray costs of collection may be paid into the  
2873 county general fund. The levying authority shall have the power  
2874 and authority to direct and cause warrants to be issued against  
2875 such fund for the purpose of refunding any amount of taxes  
2876 erroneously or illegally paid into such fund where such refund has  
2877 been approved in the manner provided by law.

2878 **SECTION 52.** Section 27-25-506, Mississippi Code of 1972, is  
2879 brought forward as follows:

2880 27-25-506. There is hereby created a special fund in the  
2881 State Treasury into which the state's share of proceeds collected  
2882 pursuant to Sections 27-25-505 and 27-25-705 shall be deposited.

2883 The state's share of all oil and gas severance taxes derived  
2884 from oil and gas resources under state-owned lands or from severed  
2885 state-owned minerals shall be deposited into the State Treasury to  
2886 the credit of the trust fund created in Section 206A, Mississippi  
2887 Constitution of 1890. The following amounts of the remainder of  
2888 tax collections apportioned to the state shall be deposited to the  
2889 credit of the trust fund created in Section 206A, Mississippi  
2890 Constitution of 1890:





2891 (a) For fiscal year 1994, all amounts collected in  
2892 excess of Thirty-five Million Dollars (\$35,000,000.00);  
2893 (b) For fiscal year 1995, all amounts collected in  
2894 excess of Thirty-two Million Five Hundred Thousand Dollars  
2895 (\$32,500,000.00);  
2896 (c) For fiscal year 1996, all amounts collected in  
2897 excess of Thirty Million Dollars (\$30,000,000.00);  
2898 (d) For fiscal year 1997, all amounts collected in  
2899 excess of Twenty-seven Million Five Hundred Thousand Dollars  
2900 (\$27,500,000.00);  
2901 (e) For fiscal year 1998, all amounts collected in  
2902 excess of Twenty-five Million Dollars (\$25,000,000.00);  
2903 (f) For fiscal year 1999, all amounts collected in  
2904 excess of Twenty Million Dollars (\$20,000,000.00);  
2905 (g) For fiscal year 2000, all amounts collected in  
2906 excess of Fifteen Million Dollars (\$15,000,000.00);  
2907 (h) For fiscal year 2001 through December 31, 2000, all  
2908 amounts collected and transferred in excess of Ten Million Dollars  
2909 (\$10,000,000.00);  
2910 (i) For fiscal year 2005, all amounts collected in  
2911 excess of Ten Million Dollars (\$10,000,000.00);  
2912 (j) For fiscal year 2006, all amounts collected in  
2913 excess of Five Million Dollars (\$5,000,000.00); and  
2914 (k) For fiscal year 2007 and each fiscal year  
2915 thereafter, all such tax collections apportioned to the state  
2916 shall be deposited to the credit of the trust fund.

2917 The monies collected pursuant to paragraphs (a) through (j)  
2918 of this section that are not deposited into the trust fund shall  
2919 be deposited into the Budget Contingency Fund created in Section  
2920 27-103-301, and shall be appropriated annually by the Legislature  
2921 for the support of the Minimum Education Program or to the  
2922 Mississippi Adequate Education Program as successor to the Minimum  
2923 Education Program.



2924           **SECTION 53.** Section 27-25-505, Mississippi Code of 1972, is  
2925 brought forward as follows:

2926           **[With regard to any county which is exempt from the**  
2927 **provisions of Section 19-2-3, this section shall read as follows:]**

2928           27-25-505. All taxes herein levied and collected by the  
2929 State Tax Commission shall be paid into the State Treasury on the  
2930 same day collected. The commissioner shall apportion all such tax  
2931 collections to the state and to the county in which the oil was  
2932 produced, in accordance with the following schedule and so certify  
2933 such apportionment to the State Treasurer at the end of each  
2934 month:

2935           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
2936 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
2937 the state and thirty-three and one-third percent (33-1/3%) to the  
2938 county.

2939           On the next Six Hundred Thousand Dollars (\$600,000.00) or any  
2940 part thereof, ninety percent (90%) to the state and ten percent  
2941 (10%) to the county through June 30, 1989; eighty-five percent  
2942 (85%) to the state and fifteen percent (15%) to the county from  
2943 July 1, 1989, through June 30, 1990; and eighty percent (80%) to  
2944 the state and twenty percent (20%) to the county for each fiscal  
2945 year thereafter.

2946           Above and exceeding One Million Two Hundred Thousand Dollars  
2947 (\$1,200,000.00), ninety-five percent (95%) to the state and five  
2948 percent (5%) to the county through June 30, 1989; ninety percent  
2949 (90%) to the state and ten percent (10%) to the county from July  
2950 1, 1989, through June 30, 1990; and eighty-five percent (85%) to  
2951 the state and fifteen percent (15%) to the county for each fiscal  
2952 year thereafter.

2953           The state's share of all oil severance taxes collected  
2954 pursuant to this section shall be deposited into a special fund  
2955 provided for in Section 27-25-506.



2956           The State Treasurer shall remit the county's share of said  
2957 funds on or before the twentieth day of the month next succeeding  
2958 the month in which such collections were made, for division among  
2959 the municipalities and taxing districts of the county. He shall  
2960 accompany his remittance with a report to the county receiving  
2961 such funds prepared by the commissioner showing from whom said tax  
2962 was collected. Upon receipt of said funds, the board of  
2963 supervisors of said county shall allocate the same to the  
2964 municipalities and to the various maintenance and bond and  
2965 interest funds of the county, school districts, supervisors  
2966 districts and road districts, as hereinafter provided.

2967           When there shall be any oil producing properties within the  
2968 corporate limits of any municipality, then such municipality shall  
2969 participate in the division of the tax returned to the county in  
2970 which the municipality is located, in the proportion which the tax  
2971 on production of oil from any properties located within the  
2972 municipal corporate limits bears to the tax on the total  
2973 production of oil in the county. In no event, however, shall the  
2974 amount allocated to municipalities exceed one-third (1/3) of the  
2975 tax produced in the municipality and returned to the county. Any  
2976 amount received by any municipality as a result of the allocation  
2977 herein provided shall be used only for such purposes as are  
2978 authorized by law.

2979           The balance remaining of any amount of tax returned to the  
2980 county after the allocation to municipalities shall be divided  
2981 among the various maintenance and bond interest funds of the  
2982 county, school districts, supervisors districts and road  
2983 districts, in the discretion of the board of supervisors, and such  
2984 board shall make the division in consideration of the needs of the  
2985 various taxing districts. The funds so allocated shall be used  
2986 only for purposes as are authorized by law.



2987           **[With regard to any county which is required to operate on a**  
2988 **countywide system of road administration as described in Section**  
2989 **19-2-3, this section shall read as follows:]**

2990           27-25-505. All taxes herein levied and collected by the  
2991 State Tax Commission shall be paid into the State Treasury on the  
2992 same day collected. The commissioner shall apportion all such tax  
2993 collections to the state and to the county in which the oil was  
2994 produced, in accordance with the following schedule and so certify  
2995 such apportionment to the State Treasurer at the end of each  
2996 month:

2997           On the first Six Hundred Thousand Dollars (\$600,000.00) or  
2998 any part thereof, sixty-six and two-thirds percent (66-2/3%) to  
2999 the state and thirty-three and one-third percent (33-1/3%) to the  
3000 county.

3001           On the next Six Hundred Thousand Dollars (\$600,000.00) or any  
3002 part thereof, ninety percent (90%) to the state and ten percent  
3003 (10%) to the county through June 30, 1989; eighty-five percent  
3004 (85%) to the state and fifteen percent (15%) to the county from  
3005 July 1, 1989, through June 30, 1990; and eighty percent (80%) to  
3006 the state and twenty percent (20%) to the county for each fiscal  
3007 year thereafter.

3008           Above and exceeding One Million Two Hundred Thousand Dollars  
3009 (\$1,200,000.00), ninety-five percent (95%) to the state and five  
3010 percent (5%) to the county through June 30, 1989; ninety percent  
3011 (90%) to the state and ten percent (10%) to the county from July  
3012 1, 1989, through June 30, 1990; and eighty-five percent (85%) to  
3013 the state and fifteen percent (15%) to the county for each fiscal  
3014 year thereafter.

3015           The state's share of all oil severance taxes collected  
3016 pursuant to this section shall be deposited into a special fund  
3017 provided for in Section 27-25-506.

3018           The State Treasurer shall remit the county's share of said  
3019 funds on or before the twentieth day of the month next succeeding



3020 the month in which such collections were made, for division among  
3021 the municipalities and taxing districts of the county. He shall  
3022 accompany his remittance with a report to the county receiving  
3023 such funds prepared by the commissioner showing from whom said tax  
3024 was collected. Upon receipt of said funds, the board of  
3025 supervisors of said county shall allocate the same to the  
3026 municipalities and to the various maintenance and bond and  
3027 interest funds of the county and school districts, as hereinafter  
3028 provided.

3029       When there shall be any oil producing properties within the  
3030 corporate limits of any municipality, then such municipality shall  
3031 participate in the division of the tax returned to the county in  
3032 which the municipality is located, in the proportion which the tax  
3033 on production of oil from any properties located within the  
3034 municipal corporate limits bears to the tax on the total  
3035 production of oil in the county. In no event, however, shall the  
3036 amount allocated to municipalities exceed one-third (1/3) of the  
3037 tax produced in the municipality and returned to the county. Any  
3038 amount received by any municipality as a result of the allocation  
3039 herein provided shall be used only for such purposes as are  
3040 authorized by law.

3041       The balance remaining of any amount of tax returned to the  
3042 county after the allocation to municipalities shall be divided  
3043 among the various maintenance and bond interest funds of the  
3044 county and school districts, in the discretion of the board of  
3045 supervisors, and such board shall make the division in  
3046 consideration of the needs of the various taxing districts. The  
3047 funds so allocated shall be used only for purposes as are  
3048 authorized by law.

3049       **SECTION 54.** Section 27-25-705, Mississippi Code of 1972, is  
3050 brought forward as follows:

3051       **[With regard to any county which is exempt from the**  
3052 **provisions of Section 19-2-3, this section shall read as follows:]**



3053           27-25-705. All taxes herein levied and collected by the  
3054 State Tax Commission shall be paid into the State Treasury on the  
3055 same day in which such taxes are collected. The commissioner  
3056 shall apportion all such tax collections to the state and to the  
3057 county in which the gas was produced, in the proportion of  
3058 sixty-six and two-thirds percent (66-2/3%) to the state and  
3059 thirty-three and one-third percent (33-1/3%) to the county.  
3060 Provided, however, when the producer of gas subject to the tax  
3061 levied in this article increases the price of the gas sold and  
3062 such increase is subject to approval by a federal regulatory board  
3063 or commission, and when the producer of the gas so requests, the  
3064 State Treasurer is hereby authorized to hold the severance tax  
3065 collected on said price increase in escrow until such time as the  
3066 price increase or a portion thereof is finally granted or  
3067 approved. The severance tax thus held in escrow shall be  
3068 deposited by the State Treasurer to an account in a state  
3069 depository to be invested in an interest-bearing account in the  
3070 manner provided by law. When the price increase in question or a  
3071 portion thereof is granted or approved, the commissioner shall  
3072 compute the correct severance tax due on such increase and certify  
3073 the amount of tax thus computed. This amount and interest earned  
3074 from the depository shall be distributed to the General Fund and  
3075 to the county or counties proportionately as herein provided. The  
3076 balance, if any, of the tax and interest held in escrow on the  
3077 price increase shall be returned to the taxpayer.

3078           The state's share of all gas severance taxes collected  
3079 pursuant to this section shall be deposited into a special fund  
3080 provided for in Section 27-25-506.

3081           The commissioner shall certify at the end of each month the  
3082 apportionment to each county to the State Treasurer, who shall  
3083 remit the county's share of said funds on or before the twentieth  
3084 day of the month next succeeding the month in which such  
3085 collections were made for division among the municipalities and



3086 taxing districts of the county. The commissioner shall submit a  
3087 report to the State Treasurer for distribution to each county  
3088 receiving such funds showing from whom said tax and interest, if  
3089 any, were collected. Upon receipt of said funds, the board of  
3090 supervisors of the county shall allocate the same to the  
3091 municipalities and to the various maintenance and bond and  
3092 interest funds of the county, school districts, supervisors  
3093 districts and road districts, as hereinafter provided.

3094 When there shall be any gas producing properties within the  
3095 corporate limits of any municipality, then such municipality shall  
3096 participate in the division of the tax and interest, if any,  
3097 returned to the county in which the municipality is located in the  
3098 proportion which the tax on production of gas from properties  
3099 located within the municipal corporate limits bears to the tax on  
3100 total production of gas in the county. In no event, however,  
3101 shall the amount allocated to the municipalities exceed one-third  
3102 (1/3) of the tax and interest produced in the municipality and  
3103 returned to the county. Any amount received by any municipality  
3104 as a result of the allocation herein provided shall be used for  
3105 such purposes as are authorized by law.

3106 The balance remaining of any funds returned to the county  
3107 after the allocation to municipalities shall be divided among the  
3108 various maintenance and bond and interest funds of the county,  
3109 school districts, supervisors districts and road districts, in the  
3110 discretion of the board of supervisors, and such board shall make  
3111 the division in consideration of the needs of the various taxing  
3112 districts. The funds so allocated shall be used only for such  
3113 purposes as are authorized by law.

3114 **[With regard to any county which is required to operate on a**  
3115 **countywide system of road administration as described in Section**  
3116 **19-2-3, this section shall read as follows:]**

3117 27-25-705. All taxes herein levied and collected by the  
3118 State Tax Commission shall be paid into the State Treasury on the



3119 same day in which such taxes are collected. The commissioner  
3120 shall apportion all such tax collections to the state and to the  
3121 county in which the gas was produced, in the proportion of  
3122 sixty-six and two-thirds percent (66-2/3%) to the state and  
3123 thirty-three and one-third percent (33-1/3%) to the county.  
3124 Provided, however, when the producer of gas subject to the tax  
3125 levied in this article increases the price of the gas sold and  
3126 such increase is subject to approval by a federal regulatory board  
3127 or commission, and when the producer of the gas so requests, the  
3128 State Treasurer is hereby authorized to hold the severance tax  
3129 collected on said price increase in escrow until such time as the  
3130 price increase or a portion thereof is finally granted or  
3131 approved. The severance tax thus held in escrow shall be  
3132 deposited by the State Treasurer to an account in a state  
3133 depository to be invested in an interest-bearing account in the  
3134 manner provided by law. When the price increase in question or a  
3135 portion thereof is granted or approved, the commissioner shall  
3136 compute the correct severance tax due on such increase and certify  
3137 the amount of tax thus computed. This amount and interest earned  
3138 from the depository shall be distributed to the General Fund and  
3139 to the county or counties proportionately as herein provided. The  
3140 balance, if any, of the tax and interest held in escrow on the  
3141 price increase shall be returned to the taxpayer.

3142 The state's share of all gas severance taxes collected  
3143 pursuant to this section shall be deposited into a special fund  
3144 provided for in Section 27-25-506.

3145 The commissioner shall certify at the end of each month the  
3146 apportionment to each county to the State Treasurer, who shall  
3147 remit the county's share of said funds on or before the twentieth  
3148 day of the month next succeeding the month in which such  
3149 collections were made for division among the municipalities and  
3150 taxing districts of the county. The commissioner shall submit a  
3151 report to the State Treasurer for distribution to each county





3152 receiving such funds showing from whom said tax and interest, if  
3153 any, were collected. Upon receipt of said funds, the board of  
3154 supervisors of the county shall allocate the same to the  
3155 municipalities and to the various maintenance and bond and  
3156 interest funds of the county and school districts, as hereinafter  
3157 provided.

3158       When there shall be any gas producing properties within the  
3159 corporate limits of any municipality, then such municipality shall  
3160 participate in the division of the tax and interest, if any,  
3161 returned to the county in which the municipality is located in the  
3162 proportion which the tax on production of gas from properties  
3163 located within the municipal corporate limits bears to the tax on  
3164 total production of gas in the county. In no event, however,  
3165 shall the amount allocated to the municipalities exceed one-third  
3166 (1/3) of the tax and interest produced in the municipality and  
3167 returned to the county. Any amount received by any municipality  
3168 as a result of the allocation herein provided shall be used for  
3169 such purposes as are authorized by law.

3170       The balance remaining of any funds returned to the county  
3171 after the allocation to municipalities shall be divided among the  
3172 various maintenance and bond and interest funds of the county and  
3173 school districts, in the discretion of the board of supervisors,  
3174 and such board shall make the division in consideration of the  
3175 needs of the various taxing districts. The funds so allocated  
3176 shall be used only for such purposes as are authorized by law.

3177       **SECTION 55.** This act shall take effect and be in force from  
3178 and after July 1, 2002.

