

By: Representatives Frierson, Brown, Clarke,  
Eads, Holloway, Lott, Mayo, Myers, Warren,  
Whittington

To: Education;  
Appropriations

## HOUSE BILL NO. 892

1 AN ACT TO REQUIRE THE STATE DEPARTMENT OF EDUCATION TO  
2 PERFORM A COMPREHENSIVE REVIEW OF REQUIRED SCHOOL DISTRICT REPORTS  
3 CONCERNING STUDENT TRANSACTIONS IN ORDER TO DEVELOP CONCISE AND  
4 UPDATED DEFINITIONS OF THE VARIOUS TYPES OF STUDENT TRANSACTIONS;  
5 TO REQUIRE THE DEPARTMENT TO PROVIDE TRAINING TO SCHOOL DISTRICT  
6 PERSONNEL WHO REPORT ON STUDENT TRANSACTIONS; TO AMEND SECTION  
7 37-37-3, MISSISSIPPI CODE OF 1972, TO DIRECT THE STATE AUDITOR TO  
8 CREATE A UNIT WITHIN THE STATE DEPARTMENT OF AUDIT FOR THE PURPOSE  
9 OF ENSURING THE ACCURACY AND TIMELINESS OF REPORTS IN REGARD TO  
10 ALL STUDENT TRANSACTIONS; TO AMEND SECTION 37-37-8, MISSISSIPPI  
11 CODE OF 1972, TO REQUIRE EXAMINERS OF THE DEPARTMENT OF AUDIT TO  
12 REVIEW ALL REPORTS OF STUDENT TRANSACTIONS MADE BY SCHOOL  
13 DISTRICTS; TO PROVIDE THAT REVIEWS SHALL BE CONDUCTED WITH ADVANCE  
14 NOTICE UNLESS THE STATE AUDITOR DETERMINES THAT UNANNOUNCED AUDITS  
15 ARE NECESSARY; TO AMEND SECTION 37-37-9, MISSISSIPPI CODE OF 1972,  
16 TO REQUIRE THE STATE AUDITOR TO PREPARE A REPORT SETTING FORTH THE  
17 AUDIT RESULTS UPON THE COMPLETION OF EACH REVIEW; TO REQUIRE THE  
18 AUDITOR TO PROVIDE AN ANNUAL REPORT SUMMARIZING THE RESULTS OF THE  
19 REVIEWS TO THE DEPARTMENT OF EDUCATION AND TO THE EDUCATION  
20 COMMITTEES OF THE MISSISSIPPI LEGISLATURE; TO AMEND SECTION  
21 37-37-11, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT REVIEWS OF  
22 EACH SCHOOL DISTRICT SHALL BE CONDUCTED AT LEAST ONCE DURING EVERY  
23 FIVE-YEAR PERIOD; TO AMEND SECTION 37-37-13, MISSISSIPPI CODE OF  
24 1972, TO PROVIDE THAT THE STATE BOARD OF EDUCATION SHALL INCLUDE  
25 REPORTING STANDARDS FOR DISTRICTS WITHIN THE ACCREDITATION  
26 STANDARDS; TO REPEAL SECTIONS 37-37-15 THROUGH 37-37-19,  
27 MISSISSIPPI CODE OF 1972, WHICH PROVIDE CERTAIN REQUIREMENTS  
28 REGARDING REDUCTION OF CERTAIN FUNDS TO SCHOOL DISTRICTS; AND FOR  
29 RELATED PURPOSES.

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

31 **SECTION 1.** The State Department of Education shall:

32 (a) Perform a comprehensive review of the reports that  
33 school districts are required to make to the department concerning  
34 student transactions, including, but not limited to, graduation  
35 and dropout rates, in order to develop concise and updated  
36 definitions of the various types of student transactions; and

37 (b) Provide intensive training, which shall be developed by  
38 the department, to school district personnel who report on student  
39 transactions to the department concerning the reporting of those  
40 student transactions.



41           **SECTION 2.** Section 37-37-3, Mississippi Code of 1972, is  
42 amended as follows:

43           37-37-3. The State Auditor shall create a unit within the  
44 State Department of Audit for the purpose of ensuring the accuracy  
45 and timeliness of reports generated by school districts of this  
46 state regarding all student transactions. There shall be a  
47 director of this office at not less than a Bureau Director I  
48 classification or its equivalent as prescribed by the State  
49 Personnel Board.

50           In addition to all auditors and other employees now or  
51 hereafter provided by law, the State Auditor may appoint and  
52 employ examiners in the Department of Audit. The examiners  
53 shall \* \* \* make such audits as may be necessary to determine the  
54 correctness and accuracy of all reports made to the State  
55 Department of Education \* \* \* by any school district or school  
56 official concerning the number of educable students in any school  
57 district, the number of students enrolled in any school district,  
58 the number of students in average daily attendance in any school  
59 district, and the number of students being transported or entitled  
60 to transportation to any of the public schools of this state.

61           **SECTION 3.** Section 37-37-8, Mississippi Code of 1972, is  
62 amended as follows:

63           37-37-8. In carrying out the duties and powers prescribed by  
64 Sections 37-37-3 and 37-37-7, the examiners shall review and  
65 examine all reports made by school districts, including, but not  
66 limited to, reports regarding student enrollment, attendance,  
67 transportation, absenteeism, exits and graduation rates. Special  
68 emphasis shall be devoted to reported dropout numbers, the reasons  
69 therefor, graduation rates, general educational development (GED)  
70 referrals, GED program participants, alternative education and  
71 special education student enrollments. Reviews also may include  
72 fixed assets and other administrative functions as determined by  
73 the State Auditor. Examiners, in reviewing absentees, shall



74 review the timeliness and accuracy of reports of school districts  
75 to school attendance officers as required under Section  
76 37-13-91(6).

77 Reviews shall be conducted with advance notice, except that  
78 unannounced audits may be made upon the determination of the State  
79 Auditor when they are necessary due to complaints or other valid  
80 concerns. Examiners shall make every effort to work with school  
81 districts in scheduling regular reviews in consideration of  
82 instructional activities such as statewide student testing days.

83 The State Department of Education and the school districts  
84 shall cooperate fully with examiners in providing any related  
85 information requested in order to fulfill the duties required  
86 under this section.

87 **SECTION 4.** Section 37-37-9, Mississippi Code of 1972, is  
88 amended as follows:

89 37-37-9. Upon completion of each review, the State Auditor  
90 shall prepare a \* \* \* report setting forth the audit results and  
91 findings \* \* \*, specifically noting all exceptions or violations  
92 of any existing law. Copies thereof shall be furnished to the  
93 State Department of Education \* \* \* and each school district  
94 reviewed. The original copy shall be retained in the Office of  
95 the State Auditor as a permanent record thereof and shall be  
96 subject to public inspection.

97 The State Auditor shall complete a comprehensive annual  
98 report summarizing results of the reviews each year and provide  
99 the report to the State Department of Education and to the  
100 Education Committees of the Mississippi House of Representatives  
101 and Senate.

102 **SECTION 5.** Section 37-37-11, Mississippi Code of 1972, is  
103 amended as follows:

104 37-37-11. Reviews shall be conducted so that each school  
105 district in the state, including any agricultural high schools,  
106 are reviewed at least once every five-year period.



107           **SECTION 6.** Section 37-37-13, Mississippi Code of 1972, is  
108 amended as follows:

109           37-37-13. The State Board of Education shall include  
110 reporting standards for school districts as part of the standards  
111 for accreditation of school districts. These standards shall  
112 include penalties within the accreditation system for adverse  
113 findings resulting from any reviews conducted under this chapter  
114 or through any reviews the State Department of Education may make.

115           **SECTION 7.** Section 37-37-15, Mississippi Code of 1972, which  
116 provides that reduced daily attendance figures of students shall  
117 be relative to the cost of the minimum education program, the  
118 salary of the superintendent and the allocation of state funds for  
119 administration, is repealed.

120           **SECTION 8.** Section 37-37-17, Mississippi Code of 1972, which  
121 provides for the duty of school districts upon reduction of  
122 allocations under the minimum education program, is repealed.

123           **SECTION 9.** Section 37-37-19, Mississippi Code of 1972, which  
124 provides for a reduction in earned credits against the State  
125 Public School Building Fund for schools who report numbers of  
126 students in attendance above actual attendance to the State  
127 Department of Education, is repealed.

128           **SECTION 10.** Section 1 of this act shall be codified in Title  
129 37, Chapter 37, Mississippi Code of 1972.

130           **SECTION 11.** Section 1 of this act shall take effect and be  
131 in force from and after the date of passage of this act, and all  
132 other sections of this act shall take effect and be in force from  
133 and after January 1, 2004.

