

By: Senator(s) Harden

To: Education;
Appropriations

SENATE BILL NO. 2404
(As Sent to Governor)

1 AN ACT TO AMEND SECTIONS 37-13-63 AND 37-151-7, MISSISSIPPI
2 CODE OF 1972, TO CLARIFY THE AUTHORITY OF THE STATE BOARD OF
3 EDUCATION TO EXEMPT SCHOOLS FROM THE REQUIRED 180-DAY MINIMUM
4 SCHOOL CALENDAR FOR TIME MISSED DUE TO EMERGENCIES AND TO CONTINUE
5 TO PAY SCHOOL DISTRICTS FULL ADEQUATE EDUCATION PROGRAM
6 ALLOTMENTS; TO CLARIFY THE DETERMINATION OF AVERAGE DAILY
7 ATTENDANCE OF STUDENTS FOR PURPOSES OF THE MISSISSIPPI ADEQUATE
8 EDUCATION PROGRAM FUNDING FORMULA; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 37-13-63, Mississippi Code of 1972, is
11 amended as follows:

12 37-13-63. (1) All public schools in the state shall be kept
13 in session for at least one hundred eighty (180) days in each
14 scholastic year.

15 (2) If the school board of any school district shall
16 determine that it is not economically feasible or practicable to
17 operate any school within the district for the full one hundred
18 eighty (180) days required for a scholastic year as contemplated
19 due to an enemy attack, a manmade, technological or natural
20 disaster in which the Governor has declared a disaster emergency
21 under the laws of this state or the President of the United States
22 has declared an emergency or major disaster to exist in this
23 state, said school board may notify the State Department of
24 Education of such disaster and submit a plan for altering the
25 school term. If the State Board of Education finds such disaster
26 to be the cause of the school not operating for the contemplated
27 school term and that such school was in a school district covered
28 by the Governor's or President's disaster declaration, it may
29 permit said school board to operate the schools in its district
30 for less than one hundred eighty (180) days.



31 **SECTION 2.** Section 37-151-7, Mississippi Code of 1972, is
32 amended as follows:

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

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

40 (a) **Determination of average daily attendance.** During
41 months two (2) and three (3) of the current school year, the
42 average daily attendance of a school district shall be computed,
43 or the average daily attendance for the prior school year shall be
44 used, whichever is greater. For purposes of this calculation,
45 "current" school year shall mean the school year for which
46 appropriations are made by the Legislature, and "prior" school
47 year shall mean the school year immediately preceding the year for
48 which appropriations are made by the Legislature. The district's
49 average daily attendance shall be computed and currently
50 maintained in accordance with regulations promulgated by the State
51 Board of Education.

52 (b) **Determination of base student cost.** The State
53 Board of Education, on or before August 1, with adjusted estimate
54 no later than January 2, shall annually submit to the Legislative
55 Budget Office and the Governor a proposed base student cost
56 adequate to provide the following cost components of educating a
57 pupil in an average school district meeting Level III
58 accreditation standards required by the Commission on School
59 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;
60 (iii) Operation and Maintenance of Plant; and (iv) Ancillary
61 Support Cost. The department shall utilize a statistical
62 methodology which considers such factors as, but not limited to,
63 (i) school size; (ii) assessed valuation per pupil; (iii) the



64 percentage of students receiving free lunch; (iv) the local
65 district maintenance tax levy; (v) other local school district
66 revenues; and (vi) the district's accreditation level, in the
67 selection of the representative Mississippi school districts for
68 which cost information shall be obtained for each of the above
69 listed cost areas.

70 For the instructional cost component, the department shall
71 determine the instructional cost of each of the representative
72 school districts selected above, excluding instructional cost of
73 self-contained special education programs and vocational education
74 programs, and the average daily attendance in the selected school
75 districts. The instructional cost is then totaled and divided by
76 the total average daily attendance for the selected school
77 districts to yield the instructional cost component. For the
78 administrative cost component, the department shall determine the
79 administrative cost of each of the representative school districts
80 selected above, excluding administrative cost of self-contained
81 special education programs and vocational education programs, and
82 the average daily attendance in the selected school districts.
83 The administrative cost is then totaled and divided by the total
84 average daily attendance for the selected school districts to
85 yield the administrative cost component. For the plant and
86 maintenance cost component, the department shall determine the
87 plant and maintenance cost of each of the representative school
88 districts selected above, excluding plant and maintenance cost of
89 self-contained special education programs and vocational education
90 programs, and the average daily attendance in the selected school
91 districts. The plant and maintenance cost is then totaled and
92 divided by the total average daily attendance for the selected
93 school districts to yield the plant and maintenance cost
94 component. For the ancillary support cost component, the
95 department shall determine the ancillary support cost of each of
96 the representative school districts selected above, excluding



97 ancillary support cost of self-contained special education
98 programs and vocational education programs, and the average daily
99 attendance in the selected school districts. The ancillary
100 support cost is then totaled and divided by the total average
101 daily attendance for the selected school districts to yield the
102 ancillary support cost component. The total base cost for each
103 year shall be the sum of the instructional cost component,
104 administrative cost component, plant and maintenance cost
105 component and ancillary support cost component, and any estimated
106 adjustments for additional state requirements as determined by the
107 State Board of Education. Provided, however, that the base
108 student cost in fiscal year 1998 shall be Two Thousand Six Hundred
109 Sixty-four Dollars (\$2,664.00).

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

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

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

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



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

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

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

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

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

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

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

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

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

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

161 The total Mississippi Adequate Education Program Cost shall be the
162 sum of the total basic adequate education program cost (paragraph



163 (c)), and the adjustment to the base student cost for at-risk
164 pupils (paragraph (d)) for each school district.

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

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

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

188 (b) The State Board of Education shall determine (i)
189 the total assessed valuation of nonexempt property for school
190 purposes in each school district; (ii) assessed value of exempt
191 property owned by homeowners aged sixty-five (65) or older or
192 disabled as defined in Section 27-33-67(2), Mississippi Code of
193 1972; (iii) the school district's tax loss from exemptions
194 provided to applicants under the age of sixty-five (65) and not
195 disabled as defined in Section 27-33-67(1), Mississippi Code of



196 1972; and (iv) the school district's homestead reimbursement
197 revenues.

198 (c) The amount of the total adequate education program
199 funding which shall be contributed by each school district shall
200 be the sum of the ad valorem receipts generated by the millage
201 required under this subsection plus the following local revenue
202 sources for the appropriate fiscal year which are or may be
203 available for current expenditure by the school district:

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

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

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

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



227 Education Enhancement Funds appropriated for Uniform Millage
228 Assistance Grants and state textbook allocations, and State
229 General Funds allocated for textbooks.

230 (c) If the appropriation is less than full funding for
231 fiscal year 2003, allocations for state contributions to school
232 districts in support of the adequate education program will be
233 determined by the State Department of Education in the following
234 manner:

235 (i) Calculation of the full funding amount under
236 this chapter, with proportionate reductions as required by the
237 appropriation level.

238 (ii) Calculation of the amount equal to the state
239 funds allocated to school districts for fiscal year 2002 plus the
240 estimated amount to fund the adequate education program salary
241 schedule for fiscal year 2003. For purposes of this item (ii),
242 state funds shall be those described in paragraph (b) and an
243 amount equal to the allocation for the adequate education program
244 in fiscal year 2002, plus any additional amount required to
245 satisfy fiscal year 2003 pledges in accordance with paragraphs
246 (d), (e) and (f) of subsection (5) of this section. If a school
247 district's fiscal year 2003 pledge is different than the pledge
248 amount for fiscal year 2002, the district shall receive an amount
249 equal to the fiscal year 2003 pledge or the amount of funds
250 calculated under the adequate education formula for fiscal year
251 2002 before any pledge guarantee for fiscal year 2002, whichever
252 is greater. If the pledge is no longer in effect, the district
253 shall receive the amount of funds calculated under the formula for
254 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

255 (iii) The portion of any district's allocation
256 calculated in item (i) of this paragraph which exceeds amounts as
257 calculated in item (ii) shall be reduced by an amount not to
258 exceed twenty-one percent (21%). The amount of funds generated by
259 this reduction of funds shall be redistributed proportionately



260 among those districts receiving insufficient funds to meet the
261 amount calculated in item (ii). In no case may any district
262 receive funds in an amount greater than the amount that the
263 district would have received under full funding of the program for
264 fiscal year 2003.

265 (d) If the school board of any school district shall
266 determine that it is not economically feasible or practicable to
267 operate any school within the district for the full one hundred
268 eighty (180) days required for a school term of a scholastic year
269 as required in Section 37-13-63, Mississippi Code of 1972, due to
270 an enemy attack, a manmade, technological or natural disaster in
271 which the Governor has declared a disaster emergency under the
272 laws of this state or the President of the United States has
273 declared an emergency or major disaster to exist in this state,
274 said school board may notify the State Department of Education of
275 such disaster and submit a plan for altering the school term. If
276 the State Board of Education finds such disaster to be the cause
277 of the school not operating for the contemplated school term and
278 that such school was in a school district covered by the
279 Governor's or President's disaster declaration, it may permit said
280 school board to operate the schools in its district for less than
281 one hundred eighty (180) days and, in such case, the State
282 Department of Education shall not reduce the state contributions
283 to the adequate education program allotment for such district,
284 because of the failure to operate said schools for one hundred
285 eighty (180) days.

286 (4) If during the year for which adequate education program
287 funds are appropriated, any school district experiences a three
288 percent (3%) or greater increase in average daily attendance
289 during the second and third month over the preceding year's second
290 and third month, an additional allocation of adequate education
291 program funds calculated in the following manner shall be granted
292 to that district, using any additional funds available to the



293 Department of Education that exceed the amount of funds due to the
294 school districts under the basic adequate education program
295 distribution as provided for in this chapter:

296 (a) Determine the percentage increase in average daily
297 attendance for the second and third months of the year for which
298 adequate education program funds are appropriated over the
299 preceding year's second and third month average daily attendance.

300 (b) For those districts that have a three percent (3%)
301 or greater increase as calculated in paragraph (a) of this
302 subsection, multiply the total increase in students in average
303 daily attendance for the second and third months of the year for
304 which adequate education program funds are appropriated over the
305 preceding year's second and third month average daily attendance
306 times the base student cost used in the appropriation.

307 (c) Subtract the percentage of the district's local
308 contribution arrived at in subsection (2) of this section from the
309 amount calculated in paragraph (b) of this subsection. The
310 remainder is the additional allocation in adequate education
311 program funds for that district.

312 If the funds available to the Department of Education are not
313 sufficient to fully fund the additional allocations to school
314 districts eligible for those allocations, then the department
315 shall prorate the available funds among the eligible school
316 districts, using the same percentage of the total funds that the
317 school district would have received if the allocations were fully
318 funded.

319 This subsection (4) shall stand repealed on July 1, 2004.

320 (5) The Interim School District Capital Expenditure Fund is
321 hereby established in the State Treasury which shall be used to
322 distribute any funds specifically appropriated by the Legislature
323 to such fund to school districts entitled to increased allocations
324 of state funds under the adequate education program funding
325 formula prescribed in Sections 37-151-3 through 37-151-7,



326 Mississippi Code of 1972, until such time as the said adequate
327 education program is fully funded by the Legislature. The
328 following percentages of the total state cost of increased
329 allocations of funds under the adequate education program funding
330 formula shall be appropriated by the Legislature into the Interim
331 School District Capital Expenditure Fund to be distributed to all
332 school districts under the formula: Nine and two-tenths percent
333 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
334 (20%) shall be appropriated in fiscal year 1999, forty percent
335 (40%) shall be appropriated in fiscal year 2000, sixty percent
336 (60%) shall be appropriated in fiscal year 2001, eighty percent
337 (80%) shall be appropriated in fiscal year 2002, and one hundred
338 percent (100%) shall be appropriated in fiscal year 2003 into the
339 State Adequate Education Program Fund created in subsection (4).
340 Until July 1, 2002, such money shall be used by school districts
341 for the following purposes:

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

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

356 (c) Paying debt service on existing capital improvement
357 debt of the district or refinancing outstanding debt of a district



358 if such refinancing will result in an interest cost savings to the
359 district.

360 (d) From and after October 1, 1997, through June 30,
361 1998, pursuant to a school district capital expenditure plan
362 approved by the State Department of Education, a school district
363 may pledge such funds until July 1, 2002, plus funds provided for
364 in paragraph (e) of this subsection (5) that are not otherwise
365 permanently pledged under such paragraph (e) to pay all or a
366 portion of the debt service on debt issued by the school district
367 under Sections 37-59-1 through 37-59-45, 37-59-101 through
368 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
369 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
370 issued by boards of supervisors for agricultural high schools
371 pursuant to Section 37-27-65, Mississippi Code of 1972, or
372 lease-purchase contracts entered into pursuant to Section 31-7-13,
373 Mississippi Code of 1972, or to retire or refinance outstanding
374 debt of a district, if such pledge is accomplished pursuant to a
375 written contract or resolution approved and spread upon the
376 minutes of an official meeting of the district's school board or
377 board of supervisors. It is the intent of this provision to allow
378 school districts to irrevocably pledge their Interim School
379 District Capital Expenditure Fund allotments as a constant stream
380 of revenue to secure a debt issued under the foregoing code
381 sections. To allow school districts to make such an irrevocable
382 pledge, the state shall take all action necessary to ensure that
383 the amount of a district's Interim School District Capital
384 Expenditure Fund allotments shall not be reduced below the amount
385 certified by the department or the district's total allotment
386 under the Interim Capital Expenditure Fund if fully funded, so
387 long as such debt remains outstanding.

388 (e) From and after October 1, 1997, through June 30,
389 1998, in addition to any other authority a school district may
390 have, any school district may issue State Aid Capital Improvement



391 Bonds secured in whole by a continuing annual pledge of any
392 Mississippi Adequate Education Program funds available to the
393 district, in an amount not to exceed One Hundred Sixty Dollars
394 (\$160.00) per pupil based on the latest completed average daily
395 attendance count certified by the department prior to the issuance
396 of the bonds. Such State Aid Capital Improvement Bonds may be
397 issued for the purposes enumerated in subsections (a), (b), (c)
398 and (g) of this section. Prior to issuing such bonds, the school
399 board of the district shall adopt a resolution declaring the
400 necessity for and its intention of issuing such bonds and
401 borrowing such money, specifying the approximate amount to be so
402 borrowed, how such money is to be used and how such indebtedness
403 is to be evidenced. Any capital improvement project financed with
404 State Aid Capital Improvement Bonds shall be approved by the
405 department, and based on an approved long-range plan. The State
406 Board of Education shall promulgate minimum requirements for the
407 approval of such school district capital expenditure plans. The
408 State Board of Education shall not approve any capital expenditure
409 plan for a pledge of funds under this paragraph unless it
410 determines (i) that the quality of instruction in such district
411 will not be reduced as a result of this pledge, and (ii) the
412 district has other revenue available to attain and maintain at
413 least Level III accreditation.

414 A district issuing State Aid Capital Improvement Bonds may
415 pledge for the repayment of such bonds all funds received by the
416 district from the state, in an amount not to exceed One Hundred
417 Sixty Dollars (\$160.00) per pupil in average daily attendance in
418 the school district as set forth above, and not otherwise
419 permanently pledged under paragraph (d) of this subsection or
420 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
421 district's school board shall specify by resolution the amount of
422 state funds, which are being pledged by the district for the
423 repayment of the State Aid Capital Improvement Bonds. Once such a



424 pledge is made to secure the bonds, the district shall notify the
425 department of such pledge. Upon making such a pledge, the school
426 district may request the department which may agree to irrevocably
427 transfer a specified amount or percentage of the district's state
428 revenue pledged to repay the district's State Aid Capital
429 Improvement Bonds directly to a state or federally chartered bank
430 serving as a trustee or paying agent on such bonds for the payment
431 of all or portion of such State Aid Capital Improvement Bonds.
432 Such instructions shall be incorporated into a resolution by the
433 school board for the benefit of holders of the bonds and may
434 provide that such withholding and transfer of such other available
435 funds shall be made only upon notification by a trustee or paying
436 agent on such bonds that the amounts available to pay such bonds
437 on any payment date will not be sufficient. It is the intent of
438 this provision to allow school districts to irrevocably pledge a
439 certain, constant stream of revenue as security for State Aid
440 Capital Improvement Bonds issued hereunder. To allow school
441 districts to make such an irrevocable pledge, the state shall take
442 all action necessary to ensure that the amount of a district's
443 state revenues up to an amount equal to One Hundred Sixty Dollars
444 (\$160.00) per pupil as set forth above which have been pledged to
445 repay debt as set forth herein shall not be reduced so long as any
446 State Aid Capital Improvement Bonds are outstanding.

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

454 The provisions of this subsection shall be cumulative and
455 supplemental to any existing funding programs or other authority
456 conferred upon school districts or school boards. Debt of a



457 school district secured in whole by a pledge of revenue pursuant
458 to this section shall not be subject to any debt limitation.

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

463 This paragraph (e) shall stand repealed from and after June
464 30, 1998.

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

479 (g) The State Board of Education may authorize the
480 school district to expend not more than twenty percent (20%) of
481 its annual allotment of such funds or Twenty Thousand Dollars
482 (\$20,000.00), whichever is greater, for technology needs of the
483 school district, including computers, software,
484 telecommunications, cable television, interactive video, film
485 low-power television, satellite communications, microwave
486 communications, technology-based equipment installation and
487 maintenance, and the training of staff in the use of such
488 technology-based instruction. Any such technology expenditure
489 shall be reflected in the local district technology plan approved



490 by the State Board of Education under Section 37-151-17,
491 Mississippi Code of 1972.

492 (h) To the extent a school district has not utilized
493 twenty percent (20%) of its annual allotment for technology
494 purposes under paragraph (g), a school district may expend not
495 more than twenty percent (20%) of its annual allotment or Twenty
496 Thousand Dollars (\$20,000.00), whichever is greater, for
497 instructional purposes. The State Board of Education may
498 authorize a school district to expend more than said twenty
499 percent (20%) of its annual allotment for instructional purposes
500 if it determines that such expenditures are needed for
501 accreditation purposes.

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

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

516 The provisions of this subsection (5) shall be cumulative and
517 supplemental to any existing funding programs or other authority
518 conferred upon school districts or school boards.

519 **SECTION 3.** This act shall take effect and be in force from
520 and after its passage.

