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To: Education;
Appropriations

HOUSE BILL NO. 741
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
2 TO DELETE THE DEFINITION OF CURRENT SCHOOL YEAR IN DETERMINING THE
3 AVERAGE DAILY ATTENDANCE UNDER THE ADEQUATE EDUCATION PROGRAM; TO
4 EXTEND THE REPEALER ON THE PROVISION OF LAW THAT ESTABLISHES THE
5 HIGH-GROWTH SCHOOL DISTRICT FORMULA UNDER THE ADEQUATE EDUCATION
6 PROGRAM; TO CREATE A NEW SECTION OF LAW TO PROVIDE THAT THE
7 COMPENSATION OF ANY ATTORNEY EMPLOYED BY A SCHOOL BOARD WHO IS A
8 MEMBER OF THE LEGISLATURE SHALL BE PAID ONLY FROM FUNDS AVAILABLE
9 TO THE SCHOOL DISTRICT THAT ARE NOT APPROPRIATED BY THE
10 LEGISLATURE; AND FOR RELATED PURPOSES.

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

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

14 37-151-7. The annual allocation to each school district for
15 the operation of the adequate education program shall be
16 determined as follows:

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

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

29 (b) **Determination of base student cost.** The State
30 Board of Education, on or before August 1, with adjusted estimate
31 no later than January 2, shall annually submit to the Legislative

32 Budget Office and the Governor a proposed base student cost
33 adequate to provide the following cost components of educating a
34 pupil in an average school district meeting Level III
35 accreditation standards required by the Commission on School
36 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;
37 (iii) Operation and Maintenance of Plant; and (iv) Ancillary
38 Support Cost. The department shall utilize a statistical
39 methodology which considers such factors as, but not limited to,
40 (i) school size; (ii) assessed valuation per pupil; (iii) the
41 percentage of students receiving free lunch; (iv) the local
42 district maintenance tax levy; (v) other local school district
43 revenues; and (vi) the district's accreditation level, in the
44 selection of the representative Mississippi school districts for
45 which cost information shall be obtained for each of the above
46 listed cost areas.

47 For the instructional cost component, the department shall
48 determine the instructional cost of each of the representative
49 school districts selected above, excluding instructional cost of
50 self-contained special education programs and vocational education
51 programs, and the average daily attendance in the selected school
52 districts. The instructional cost is then totaled and divided by
53 the total average daily attendance for the selected school
54 districts to yield the instructional cost component. For the
55 administrative cost component, the department shall determine the
56 administrative cost of each of the representative school districts
57 selected above, excluding administrative cost of self-contained
58 special education programs and vocational education programs, and
59 the average daily attendance in the selected school districts.
60 The administrative cost is then totaled and divided by the total
61 average daily attendance for the selected school districts to
62 yield the administrative cost component. For the plant and
63 maintenance cost component, the department shall determine the
64 plant and maintenance cost of each of the representative school

65 districts selected above, excluding plant and maintenance cost of
66 self-contained special education programs and vocational education
67 programs, and the average daily attendance in the selected school
68 districts. The plant and maintenance cost is then totaled and
69 divided by the total average daily attendance for the selected
70 school districts to yield the plant and maintenance cost
71 component. For the ancillary support cost component, the
72 department shall determine the ancillary support cost of each of
73 the representative school districts selected above, excluding
74 ancillary support cost of self-contained special education
75 programs and vocational education programs, and the average daily
76 attendance in the selected school districts. The ancillary
77 support cost is then totaled and divided by the total average
78 daily attendance for the selected school districts to yield the
79 ancillary support cost component. The total base cost for each
80 year shall be the sum of the instructional cost component,
81 administrative cost component, plant and maintenance cost
82 component and ancillary support cost component, and any estimated
83 adjustments for additional state requirements as determined by the
84 State Board of Education. Provided, however, that the base
85 student cost in fiscal year 1998 shall be Two Thousand Six Hundred
86 Sixty-four Dollars (\$2,664.00).

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

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

94 (d) **Adjustment to the base student cost for at-risk**
95 **pupils.** The amount to be included for at-risk pupil programs for
96 each school district shall be computed as follows: Multiply the
97 base student cost for the appropriate fiscal year as determined

98 under paragraph (b) by five percent (5%), and multiply that
99 product by the number of pupils participating in the federal free
100 school lunch program in such school district, which yields the
101 total adjustment for at-risk pupil programs for such school
102 district.

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

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

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

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

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

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

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

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

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

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

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

142 (g) **Supplemental grant to school districts.** In
143 addition to the adequate education program grant, the State
144 Department of Education shall annually distribute an additional
145 amount as follows: Multiply the base student cost for the
146 appropriate fiscal year as determined under paragraph (b) by
147 thirteen one-hundredths percent (.13%) and multiply that product
148 by the average daily attendance of each school district. Such
149 grant shall not be subject to the local revenue requirement
150 provided in subsection (2).

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

155 (a) The State Board of Education shall certify to each
156 school district that twenty-eight (28) mills, less the estimated
157 amount of the yield of the School Ad Valorem Tax Reduction Fund
158 grants as determined by the State Department of Education, is the
159 millage rate required to provide the district required local
160 effort for that year, or twenty-seven percent (27%) of the basic
161 adequate education program cost for such school district as

162 determined under subsection (c), whichever is a lesser amount. In
163 the case of an agricultural high school the millage requirement
164 shall be set at a level which generates an equitable amount per
165 pupil to be determined by the State Board of Education.

166 (b) The State Board of Education shall determine (i)
167 the total assessed valuation of nonexempt property for school
168 purposes in each school district; (ii) assessed value of exempt
169 property owned by homeowners aged sixty-five (65) or older or
170 disabled as defined in Section 27-33-67(2), Mississippi Code of
171 1972; (iii) the school district's tax loss from exemptions
172 provided to applicants under the age of sixty-five (65) and not
173 disabled as defined in Section 27-33-67(1), Mississippi Code of
174 1972; and (iv) the school district's homestead reimbursement
175 revenues.

176 (c) The amount of the total adequate education program
177 funding which shall be contributed by each school district shall
178 be the sum of the ad valorem receipts generated by the millage
179 required under this subsection plus the following local revenue
180 sources for the appropriate fiscal year which are or may be
181 available for current expenditure by the school district:

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

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

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

195 (b) Provided, however, that in fiscal year 1998 and in
196 the fiscal year in which the adequate education program is fully
197 funded by the Legislature, any increase in the said state
198 contribution, including the supplemental grant to school districts
199 provided under subsection (1)(g), to any district calculated under
200 this section shall be not less than eight percent (8%) in excess
201 of the amount received by said district from state funds for the
202 fiscal year immediately preceding. For purposes of this paragraph
203 (b), state funds shall include minimum program funds less the
204 add-on programs, state Uniform Millage Assistance Grant funds,
205 Education Enhancement Funds appropriated for Uniform Millage
206 Assistance Grants and state textbook allocations, and State
207 General Funds allocated for textbooks.

208 (c) If the appropriation is less than full funding for
209 fiscal year 2003, allocations for state contributions to school
210 districts in support of the adequate education program will be
211 determined by the State Department of Education in the following
212 manner:

213 (i) Calculation of the full funding amount under
214 this chapter, with proportionate reductions as required by the
215 appropriation level.

216 (ii) Calculation of the amount equal to the state
217 funds allocated to school districts for fiscal year 2002 plus the
218 estimated amount to fund the adequate education program salary
219 schedule for fiscal year 2003. For purposes of this item (ii),
220 state funds shall be those described in paragraph (b) and an
221 amount equal to the allocation for the adequate education program
222 in fiscal year 2002, plus any additional amount required to
223 satisfy fiscal year 2003 pledges in accordance with paragraphs
224 (d), (e) and (f) of subsection (5) of this section. If a school
225 district's fiscal year 2003 pledge is different than the pledge
226 amount for fiscal year 2002, the district shall receive an amount
227 equal to the fiscal year 2003 pledge or the amount of funds

228 calculated under the adequate education formula for fiscal year
229 2002 before any pledge guarantee for fiscal year 2002, whichever
230 is greater. If the pledge is no longer in effect, the district
231 shall receive the amount of funds calculated under the formula for
232 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

233 (iii) The portion of any district's allocation
234 calculated in item (i) of this paragraph which exceeds amounts as
235 calculated in item (ii) shall be reduced by an amount not to
236 exceed twenty-one percent (21%). The amount of funds generated by
237 this reduction of funds shall be redistributed proportionately
238 among those districts receiving insufficient funds to meet the
239 amount calculated in item (ii). In no case may any district
240 receive funds in an amount greater than the amount that the
241 district would have received under full funding of the program for
242 fiscal year 2003.

243 (d) If the school board of any school district shall
244 determine that it is not economically feasible or practicable to
245 operate any school within the district for the full one hundred
246 eighty (180) days required for a school term of a scholastic year
247 as required in Section 37-13-63, Mississippi Code of 1972, due to
248 an enemy attack, a manmade, technological or natural disaster in
249 which the Governor has declared a disaster emergency under the
250 laws of this state or the President of the United States has
251 declared an emergency or major disaster to exist in this state,
252 said school board may notify the State Department of Education of
253 such disaster and submit a plan for altering the school term. If
254 the State Board of Education finds such disaster to be the cause
255 of the school not operating for the contemplated school term and
256 that such school was in a school district covered by the
257 Governor's or President's disaster declaration, it may permit said
258 school board to operate the schools in its district for less than
259 one hundred eighty (180) days and, in such case, the State
260 Department of Education shall not reduce the state contributions

261 to the adequate education program allotment for such district,
262 because of the failure to operate said schools for one hundred
263 eighty (180) days.

264 (4) If during the year for which adequate education program
265 funds are appropriated, any school district experiences a three
266 percent (3%) or greater increase in average daily attendance
267 during the second and third month over the preceding year's second
268 and third month and the school district has requested a minimum
269 increase of four percent (4%) in local ad valorem revenues over
270 the previous year as authorized in Sections 37-57-104 and
271 37-57-105, an additional allocation of adequate education program
272 funds calculated in the following manner shall be granted to that
273 district, using any additional funds available to the Department
274 of Education that exceed the amount of funds due to the school
275 districts under the basic adequate education program distribution
276 as provided for in this chapter:

277 (a) Determine the percentage increase in average daily
278 attendance for the second and third months of the year for which
279 adequate education program funds are appropriated over the
280 preceding year's second and third month average daily attendance.

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

288 (c) Subtract the percentage of the district's local
289 contribution arrived at in subsection (2) of this section from the
290 amount calculated in paragraph (b) of this subsection. The
291 remainder is the additional allocation in adequate education
292 program funds for that district.

293 If the funds available to the Department of Education are not
294 sufficient to fully fund the additional allocations to school
295 districts eligible for those allocations, then the department
296 shall prorate the available funds among the eligible school
297 districts, using the same percentage of the total funds that the
298 school district would have received if the allocations were fully
299 funded. The State Department of Education shall study and develop
300 a report to the Chairmen of the Senate and House Committees on
301 Education by January 1, 2005, with options for legislative
302 consideration that will insure that the Mississippi Adequate
303 Education funds are distributed to school districts based on
304 current year student attendance or enrollment.

305 This subsection (4) shall stand repealed on July 1, 2006.

306 (5) The Interim School District Capital Expenditure Fund is
307 hereby established in the State Treasury which shall be used to
308 distribute any funds specifically appropriated by the Legislature
309 to such fund to school districts entitled to increased allocations
310 of state funds under the adequate education program funding
311 formula prescribed in Sections 37-151-3 through 37-151-7,
312 Mississippi Code of 1972, until such time as the said adequate
313 education program is fully funded by the Legislature. The
314 following percentages of the total state cost of increased
315 allocations of funds under the adequate education program funding
316 formula shall be appropriated by the Legislature into the Interim
317 School District Capital Expenditure Fund to be distributed to all
318 school districts under the formula: Nine and two-tenths percent
319 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
320 (20%) shall be appropriated in fiscal year 1999, forty percent
321 (40%) shall be appropriated in fiscal year 2000, sixty percent
322 (60%) shall be appropriated in fiscal year 2001, eighty percent
323 (80%) shall be appropriated in fiscal year 2002, and one hundred
324 percent (100%) shall be appropriated in fiscal year 2003 into the
325 State Adequate Education Program Fund created in subsection (4).

326 Until July 1, 2002, such money shall be used by school districts
327 for the following purposes:

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

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

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

346 (d) From and after October 1, 1997, through June 30,
347 1998, pursuant to a school district capital expenditure plan
348 approved by the State Department of Education, a school district
349 may pledge such funds until July 1, 2002, plus funds provided for
350 in paragraph (e) of this subsection (5) that are not otherwise
351 permanently pledged under such paragraph (e) to pay all or a
352 portion of the debt service on debt issued by the school district
353 under Sections 37-59-1 through 37-59-45, 37-59-101 through
354 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
355 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
356 issued by boards of supervisors for agricultural high schools
357 pursuant to Section 37-27-65, Mississippi Code of 1972, or
358 lease-purchase contracts entered into pursuant to Section 31-7-13,

359 Mississippi Code of 1972, or to retire or refinance outstanding
360 debt of a district, if such pledge is accomplished pursuant to a
361 written contract or resolution approved and spread upon the
362 minutes of an official meeting of the district's school board or
363 board of supervisors. It is the intent of this provision to allow
364 school districts to irrevocably pledge their Interim School
365 District Capital Expenditure Fund allotments as a constant stream
366 of revenue to secure a debt issued under the foregoing code
367 sections. To allow school districts to make such an irrevocable
368 pledge, the state shall take all action necessary to ensure that
369 the amount of a district's Interim School District Capital
370 Expenditure Fund allotments shall not be reduced below the amount
371 certified by the department or the district's total allotment
372 under the Interim Capital Expenditure Fund if fully funded, so
373 long as such debt remains outstanding.

374 (e) From and after October 1, 1997, through June 30,
375 1998, in addition to any other authority a school district may
376 have, any school district may issue State Aid Capital Improvement
377 Bonds secured in whole by a continuing annual pledge of any
378 Mississippi Adequate Education Program funds available to the
379 district, in an amount not to exceed One Hundred Sixty Dollars
380 (\$160.00) per pupil based on the latest completed average daily
381 attendance count certified by the department prior to the issuance
382 of the bonds. Such State Aid Capital Improvement Bonds may be
383 issued for the purposes enumerated in subsections (a), (b), (c)
384 and (g) of this section. Prior to issuing such bonds, the school
385 board of the district shall adopt a resolution declaring the
386 necessity for and its intention of issuing such bonds and
387 borrowing such money, specifying the approximate amount to be so
388 borrowed, how such money is to be used and how such indebtedness
389 is to be evidenced. Any capital improvement project financed with
390 State Aid Capital Improvement Bonds shall be approved by the
391 department, and based on an approved long-range plan. The State

392 Board of Education shall promulgate minimum requirements for the
393 approval of such school district capital expenditure plans. The
394 State Board of Education shall not approve any capital expenditure
395 plan for a pledge of funds under this paragraph unless it
396 determines (i) that the quality of instruction in such district
397 will not be reduced as a result of this pledge, and (ii) the
398 district has other revenue available to attain and maintain at
399 least Level III accreditation.

400 A district issuing State Aid Capital Improvement Bonds may
401 pledge for the repayment of such bonds all funds received by the
402 district from the state, in an amount not to exceed One Hundred
403 Sixty Dollars (\$160.00) per pupil in average daily attendance in
404 the school district as set forth above, and not otherwise
405 permanently pledged under paragraph (d) of this subsection or
406 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
407 district's school board shall specify by resolution the amount of
408 state funds, which are being pledged by the district for the
409 repayment of the State Aid Capital Improvement Bonds. Once such a
410 pledge is made to secure the bonds, the district shall notify the
411 department of such pledge. Upon making such a pledge, the school
412 district may request the department which may agree to irrevocably
413 transfer a specified amount or percentage of the district's state
414 revenue pledged to repay the district's State Aid Capital
415 Improvement Bonds directly to a state or federally chartered bank
416 serving as a trustee or paying agent on such bonds for the payment
417 of all or portion of such State Aid Capital Improvement Bonds.
418 Such instructions shall be incorporated into a resolution by the
419 school board for the benefit of holders of the bonds and may
420 provide that such withholding and transfer of such other available
421 funds shall be made only upon notification by a trustee or paying
422 agent on such bonds that the amounts available to pay such bonds
423 on any payment date will not be sufficient. It is the intent of
424 this provision to allow school districts to irrevocably pledge a

425 certain, constant stream of revenue as security for State Aid
426 Capital Improvement Bonds issued hereunder. To allow school
427 districts to make such an irrevocable pledge, the state shall take
428 all action necessary to ensure that the amount of a district's
429 state revenues up to an amount equal to One Hundred Sixty Dollars
430 (\$160.00) per pupil as set forth above which have been pledged to
431 repay debt as set forth herein shall not be reduced so long as any
432 State Aid Capital Improvement Bonds are outstanding.

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

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

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

449 This paragraph (e) shall stand repealed from and after June
450 30, 1998.

451 (f) As an alternative to the authority granted under
452 paragraph (e), a school district, in its discretion, may authorize
453 the State Board of Education to withhold an amount of the
454 district's adequate education program allotment equal to up to One
455 Hundred Sixty Dollars (\$160.00) per student in average daily
456 attendance in the district to be allocated to the State Public
457 School Building Fund to the credit of such school district. A

458 school district may choose the option provided under this
459 paragraph (e) or paragraph (f), but not both. In addition to the
460 grants made by the state pursuant to Section 37-47-9, a school
461 district shall be entitled to grants based on the allotments to
462 the State Public School Building Fund credited to such school
463 district under this paragraph. This paragraph (f) shall stand
464 repealed from and after June 30, 1998.

465 (g) The State Board of Education may authorize the
466 school district to expend not more than twenty percent (20%) of
467 its annual allotment of such funds or Twenty Thousand Dollars
468 (\$20,000.00), whichever is greater, for technology needs of the
469 school district, including computers, software,
470 telecommunications, cable television, interactive video, film
471 low-power television, satellite communications, microwave
472 communications, technology-based equipment installation and
473 maintenance, and the training of staff in the use of such
474 technology-based instruction. Any such technology expenditure
475 shall be reflected in the local district technology plan approved
476 by the State Board of Education under Section 37-151-17,
477 Mississippi Code of 1972.

478 (h) To the extent a school district has not utilized
479 twenty percent (20%) of its annual allotment for technology
480 purposes under paragraph (g), a school district may expend not
481 more than twenty percent (20%) of its annual allotment or Twenty
482 Thousand Dollars (\$20,000.00), whichever is greater, for
483 instructional purposes. The State Board of Education may
484 authorize a school district to expend more than said twenty
485 percent (20%) of its annual allotment for instructional purposes
486 if it determines that such expenditures are needed for
487 accreditation purposes.

488 (i) The State Department of Education or the State
489 Board of Education may require that any project commenced pursuant
490 to this act with an estimated project cost of not less than Five

491 Million Dollars (\$5,000,000.00) shall be done only pursuant to
492 program management of the process with respect to design and
493 construction. Any individuals, partnerships, companies or other
494 entities acting as a program manager on behalf of a local school
495 district and performing program management services for projects
496 covered under this subsection shall be approved by the State
497 Department of Education.

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

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

505 **SECTION 2.** The compensation of any attorney employed by a
506 school board who is a member of the Legislature shall be paid only
507 from funds available to the school district that are not
508 appropriated by the Legislature.

509 **SECTION 3.** This act shall take effect and be in force from
510 and after June 30, 2004.