

By: Representatives Brown, Mayo

To: Education;
AppropriationsCOMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1251

1 AN ACT TO AMEND SECTION 37-37-3, MISSISSIPPI CODE OF 1972, TO
2 DELETE THE REQUIREMENT THAT EXAMINERS SHALL MAKE AUDITS OF ALL
3 REPORTS MADE TO THE STATE EDUCATIONAL FINANCE COMMISSION; TO AMEND
4 SECTION 37-37-7, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE
5 STATE AUDITOR MAY ESTABLISH POLICIES AND PROCEDURES RELATING TO
6 AUDITS IN SCHOOLS; TO AMEND SECTION 37-37-9, MISSISSIPPI CODE OF
7 1972, TO REQUIRE THE STATE AUDITOR TO MAKE A COMPREHENSIVE ANNUAL
8 REPORT TO THE STATE DEPARTMENT OF EDUCATION AND TO THE EDUCATION
9 COMMITTEES OF THE MISSISSIPPI HOUSE OF REPRESENTATIVES AND THE
10 SENATE; TO AMEND SECTION 37-37-13, MISSISSIPPI CODE OF 1972, TO
11 REVISE THE REPORTING STANDARDS BY REQUIRING THE STATE BOARD OF
12 EDUCATION TO INCLUDE REPORTING STANDARDS FOR SCHOOL DISTRICTS AS
13 PART OF THE STANDARDS FOR THE ACCREDITATION OF SCHOOL DISTRICTS;
14 TO REPEAL SECTION 37-37-8, MISSISSIPPI CODE OF 1972, WHICH
15 REQUIRES EXAMINERS TO MAKE AN ACTUAL COUNT OF STUDENTS; TO REPEAL
16 SECTION 37-37-11, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR THE
17 MINIMUM NUMBER OF AUDITS IN A SCHOOL DURING A SCHOLASTIC YEAR; TO
18 REPEAL SECTION 37-37-15, MISSISSIPPI CODE OF 1972, WHICH PROVIDES
19 FOR USE OF REDUCED AVERAGE DAILY ATTENDANCE FIGURES; TO REPEAL
20 SECTION 37-37-17, MISSISSIPPI CODE OF 1972, WHICH REQUIRES A
21 SCHOOL DISTRICT TO PROVIDE THE NECESSARY FUNDS TO COVER THE
22 REDUCTION OF MINIMUM EDUCATION PROGRAM FUNDS; TO REPEAL SECTION
23 37-37-19, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR THE
24 REDUCTION OF EARNED CREDITS AGAINST THE STATE PUBLIC SCHOOL
25 BUILDING FUND; AND FOR RELATED PURPOSES.

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

27 **SECTION 1.** Section 37-37-3, Mississippi Code of 1972, is
28 amended as follows:

29 37-37-3. In addition to all auditors and other employees now
30 or hereafter provided by law, the State Auditor may appoint and
31 employ examiners in the Department of Audit. The examiners
32 shall * * * make such audits as may be necessary to determine the
33 correctness and accuracy of all reports made to the State
34 Department of Education * * * by any school district or school
35 official concerning the number of educable students in any school
36 district, the number of students enrolled in any school district,
37 the number of students in average daily attendance in any school

38 district, and the number of students being transported or entitled
39 to transportation to any of the public schools of this state.

40 **SECTION 2.** Section 37-37-7, Mississippi Code of 1972, is
41 amended as follows:

42 37-37-7. (1) In making audits under the provisions of this
43 chapter, the examiners may call the attendance rolls at the
44 schools, make field investigations and surveys, make checks of the
45 number of students being transported upon publicly or privately
46 owned buses, and make other and further examinations and
47 investigations as may be necessary to determine whether or not the
48 students reported are actually enrolled in and attending the
49 public schools or are actually being transported or entitled to
50 transportation to such public schools.

51 (2) In addition to the powers and duties of examiners in
52 subsection (1), the State Auditor may establish policies and
53 procedures to ensure the accuracy and reliability of student data
54 used to determine state funding for local school districts, which
55 may include, but are not limited to, the following:

56 (a) On-site audits;

57 (b) An auditing process that ensures the timeliness and
58 accuracy of reports generated by school districts of this state
59 regarding all student transactions;

60 (c) An auditing process that provides for the
61 timeliness, process and accuracy of the electronic transmission of
62 all student data to the Mississippi Department of Education,
63 including, but not limited to, student enrollment, attendance,
64 transportation, absenteeism, graduation and dropouts and other
65 student data and administrative functions as deemed necessary; and

66 (d) An audit of the accuracy and validity of all
67 student transactions using the Mississippi Student Information
68 System.

69 Reviews and audits shall be conducted with advance notice,
70 except that unannounced audits may be made upon the determination

71 of the State Auditor when they are necessary due to complaints or
72 valid concerns. Examiners shall make every effort to work with
73 school districts in scheduling audits in consideration of
74 instructional activities such as statewide student testing days.
75 The Department of Education and the school district shall
76 cooperate fully with examiners in providing any related
77 information requested in order to properly conduct the review or
78 audit.

79 **SECTION 3.** Section 37-37-9, Mississippi Code of 1972, is
80 amended as follows:

81 37-37-9. Upon completion of each review or audit, the State
82 Auditor shall prepare a * * * report setting forth the audit
83 results and findings * * *, specifically noting all exceptions or
84 violations of any existing law. Copies thereof shall be furnished
85 to the State Department of Education * * * and each school
86 district reviewed or audited. The original copy shall be retained
87 in the office of the State Auditor as a permanent record thereof
88 and shall be subject to public inspection. The State Auditor
89 shall complete a comprehensive annual report summarizing results
90 of reviews or audits each year and provide the report to the State
91 Department of Education and to the education committees of the
92 Mississippi House of Representatives and Senate.

93 **SECTION 4.** Section 37-37-13, Mississippi Code of 1972, is
94 amended as follows:

95 37-37-13. The State Board of Education shall include
96 reporting standards for school districts as part of the standards
97 for accreditation of school districts. These standards shall
98 include penalties within the accreditation system for adverse
99 findings resulting from any reviews or audits conducted under this
100 chapter or through any reviews the State Department of Education
101 may make.

102 **SECTION 5.** Section 37-37-8, Mississippi Code of 1972, which
103 requires examiners to make an actual count of students, is
104 repealed.

105 **SECTION 6.** Section 37-37-11, Mississippi Code of 1972, which
106 provides for the minimum number of audits in a school during a
107 scholastic year, is repealed.

108 **SECTION 7.** Section 37-37-15, Mississippi Code of 1972, which
109 provides for use of reduced average daily attendance figures, is
110 repealed.

111 **SECTION 8.** Section 37-37-17, Mississippi Code of 1972, which
112 requires a school district to provide the necessary funds to cover
113 the reduction of minimum education program funds, is repealed.

114 **SECTION 9.** Section 37-37-19, Mississippi Code of 1972, which
115 provides for the reduction of earned credits against the State
116 Public School Building Fund, is repealed.

117 **SECTION 10.** This act shall take effect and be in force from
118 and after its passage.