

By: Representatives Brown, Mayo

To: Education;  
Appropriations

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 July 1, 2004.