

By: Senator(s) Chaney

To: Appropriations

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2671

1 AN ACT TO AMEND SECTIONS 37-151-7 AND 37-151-97, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT WHEN THE STATE DEPARTMENT OF
3 EDUCATION CALCULATES THE STATE, LOCAL AND FEDERAL FUND PERCENTAGE
4 OF THE TOTAL PER PUPIL EXPENDITURE FOR REPORTING PURPOSES, THE
5 SCHOOL AD VALOREM REDUCTION FUNDS SHALL BE INCLUDED AS FUNDS
6 PROVIDED BY THE STATE; TO BRING FORWARD SECTIONS 37-57-1 AND
7 37-57-104, MISSISSIPPI CODE OF 1972; TO AMEND SECTION 37-19-7,
8 MISSISSIPPI CODE OF 1972, TO CLARIFY THAT THE MINIMUM TEACHER
9 SALARY SCALE IS APPLICABLE TO EMPLOYEES OF SCHOOL DISTRICTS AND
10 THE MISSISSIPPI SCHOOL FOR THE BLIND AND DEAF WHO ARE REQUIRED TO
11 HOLD A TEACHER'S LICENSE; TO AMEND SECTION 37-61-33, MISSISSIPPI
12 CODE OF 1972, TO PROVIDE THAT UNTIL JULY 1, 2005, CERTAIN
13 EDUCATION ENHANCEMENT FUNDS ALLOCATED FOR SCHOOL BUILDING AND
14 TRANSPORTATION PURPOSES MAY BE EXPENDED FOR THE SUPPORT OF ANY
15 EDUCATIONAL PROGRAM AUTHORIZED BY LAW, TO DIVERT UNTIL JULY 1,
16 2005, EDUCATION ENHANCEMENT FUNDS THAT ARE ALLOCATED FOR THE
17 FUNDING OF SCHOOL TRANSPORTATION AND CLASSROOM SUPPLIES TO THE
18 SUPPORT OF EDUCATIONAL PROGRAMS AUTHORIZED BY LAW; AND FOR RELATED
19 PURPOSES.

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

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

23 37-151-7. The annual allocation to each school district for
24 the operation of the adequate education program shall be
25 determined as follows:

26 (1) Computation of the basic amount to be included for
27 current operation in the adequate education program. The
28 following procedure shall be followed in determining the annual
29 allocation to each school district:

30 (a) **Determination of average daily attendance.** During
31 months two (2) and three (3) of the current school year, the
32 average daily attendance of a school district shall be computed,
33 or the average daily attendance for the prior school year shall be
34 used, whichever is greater. For purposes of this calculation,
35 "current" school year shall mean the school year for which

36 appropriations are made by the Legislature, and "prior" school
37 year shall mean the school year immediately preceding the year for
38 which appropriations are made by the Legislature. The district's
39 average daily attendance shall be computed and currently
40 maintained in accordance with regulations promulgated by the State
41 Board of Education.

42 (b) **Determination of base student cost.** The State
43 Board of Education, on or before August 1, with adjusted estimate
44 no later than January 2, shall annually submit to the Legislative
45 Budget Office and the Governor a proposed base student cost
46 adequate to provide the following cost components of educating a
47 pupil in an average school district meeting Level III
48 accreditation standards required by the Commission on School
49 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;
50 (iii) Operation and Maintenance of Plant; and (iv) Ancillary
51 Support Cost. The department shall utilize a statistical
52 methodology which considers such factors as, but not limited to,
53 (i) school size; (ii) assessed valuation per pupil; (iii) the
54 percentage of students receiving free lunch; (iv) the local
55 district maintenance tax levy; (v) other local school district
56 revenues; and (vi) the district's accreditation level, in the
57 selection of the representative Mississippi school districts for
58 which cost information shall be obtained for each of the above
59 listed cost areas.

60 For the instructional cost component, the department shall
61 determine the instructional cost of each of the representative
62 school districts selected above, excluding instructional cost of
63 self-contained special education programs and vocational education
64 programs, and the average daily attendance in the selected school
65 districts. The instructional cost is then totaled and divided by
66 the total average daily attendance for the selected school
67 districts to yield the instructional cost component. For the
68 administrative cost component, the department shall determine the

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

100 (c) **Determination of the basic adequate education**

101 **program cost.** The basic amount for current operation to be

102 included in the Mississippi Adequate Education Program for each
103 school district shall be computed as follows:

104 Multiply the average daily attendance of the district by the
105 base student cost as established by the Legislature, which yields
106 the total base program cost for each school district.

107 (d) **Adjustment to the base student cost for at-risk**
108 **pupils.** The amount to be included for at-risk pupil programs for
109 each school district shall be computed as follows: Multiply the
110 base student cost for the appropriate fiscal year as determined
111 under paragraph (b) by five percent (5%), and multiply that
112 product by the number of pupils participating in the federal free
113 school lunch program in such school district, which yields the
114 total adjustment for at-risk pupil programs for such school
115 district.

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

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

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

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

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

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

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

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

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

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

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

155 (g) **Supplemental grant to school districts.** In
156 addition to the adequate education program grant, the State
157 Department of Education shall annually distribute an additional
158 amount as follows: Multiply the base student cost for the
159 appropriate fiscal year as determined under paragraph (b) by
160 thirteen one-hundredths percent (.13%) and multiply that product
161 by the average daily attendance of each school district. Such
162 grant shall not be subject to the local revenue requirement
163 provided in subsection (2).

164 (2) **Computation of the required local revenue in support of**
165 **the adequate education program.** The amount that each district
166 shall provide toward the cost of the adequate education program
167 shall be calculated as follows:

168 (a) The State Board of Education shall certify to each
169 school district that twenty-eight (28) mills, less the estimated
170 amount of the yield of the School Ad Valorem Tax Reduction Fund
171 grants as determined by the State Department of Education, is the
172 millage rate required to provide the district required local
173 effort for that year, or twenty-seven percent (27%) of the basic
174 adequate education program cost for such school district as
175 determined under subsection (c), whichever is a lesser amount. In
176 the case of an agricultural high school the millage requirement
177 shall be set at a level which generates an equitable amount per
178 pupil to be determined by the State Board of Education. When the
179 State Department of Education calculates the state, local and
180 federal fund percentage of the total per pupil expenditure for
181 reporting purposes, the School Ad Valorem Reduction Funds shall be
182 included as funds provided by the state.

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

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

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

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

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

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

225 (c) If the appropriation is less than full funding for
226 fiscal year 2003, allocations for state contributions to school
227 districts in support of the adequate education program will be
228 determined by the State Department of Education in the following
229 manner:

230 (i) Calculation of the full funding amount under
231 this chapter, with proportionate reductions as required by the
232 appropriation level.

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

250 (iii) The portion of any district's allocation
251 calculated in item (i) of this paragraph which exceeds amounts as
252 calculated in item (ii) shall be reduced by an amount not to
253 exceed twenty-one percent (21%). The amount of funds generated by
254 this reduction of funds shall be redistributed proportionately
255 among those districts receiving insufficient funds to meet the
256 amount calculated in item (ii). In no case may any district
257 receive funds in an amount greater than the amount that the
258 district would have received under full funding of the program for
259 fiscal year 2003.

260 (d) If the school board of any school district shall
261 determine that it is not economically feasible or practicable to
262 operate any school within the district for the full one hundred
263 eighty (180) days required for a school term of a scholastic year
264 as required in Section 37-13-63, Mississippi Code of 1972, due to
265 an enemy attack, a manmade, technological or natural disaster in

266 which the Governor has declared a disaster emergency under the
267 laws of this state or the President of the United States has
268 declared an emergency or major disaster to exist in this state,
269 said school board may notify the State Department of Education of
270 such disaster and submit a plan for altering the school term. If
271 the State Board of Education finds such disaster to be the cause
272 of the school not operating for the contemplated school term and
273 that such school was in a school district covered by the
274 Governor's or President's disaster declaration, it may permit said
275 school board to operate the schools in its district for less than
276 one hundred eighty (180) days and, in such case, the State
277 Department of Education shall not reduce the state contributions
278 to the adequate education program allotment for such district,
279 because of the failure to operate said schools for one hundred
280 eighty (180) days.

281 (4) If during the year for which adequate education program
282 funds are appropriated, any school district experiences a three
283 percent (3%) or greater increase in average daily attendance
284 during the second and third month over the preceding year's second
285 and third month, an additional allocation of adequate education
286 program funds calculated in the following manner shall be granted
287 to that district, using any additional funds available to the
288 Department of Education that exceed the amount of funds due to the
289 school districts under the basic adequate education program
290 distribution as provided for in this chapter:

291 (a) Determine the percentage increase in average daily
292 attendance for the second and third months of the year for which
293 adequate education program funds are appropriated over the
294 preceding year's second and third month average daily attendance.

295 (b) For those districts that have a three percent (3%)
296 or greater increase as calculated in paragraph (a) of this
297 subsection, multiply the total increase in students in average
298 daily attendance for the second and third months of the year for

299 which adequate education program funds are appropriated over the
300 preceding year's second and third month average daily attendance
301 times the base student cost used in the appropriation.

302 (c) Subtract the percentage of the district's local
303 contribution arrived at in subsection (2) of this section from the
304 amount calculated in paragraph (b) of this subsection. The
305 remainder is the additional allocation in adequate education
306 program funds for that district.

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

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

315 (5) The Interim School District Capital Expenditure Fund is
316 hereby established in the State Treasury which shall be used to
317 distribute any funds specifically appropriated by the Legislature
318 to such fund to school districts entitled to increased allocations
319 of state funds under the adequate education program funding
320 formula prescribed in Sections 37-151-3 through 37-151-7,
321 Mississippi Code of 1972, until such time as the said adequate
322 education program is fully funded by the Legislature. The
323 following percentages of the total state cost of increased
324 allocations of funds under the adequate education program funding
325 formula shall be appropriated by the Legislature into the Interim
326 School District Capital Expenditure Fund to be distributed to all
327 school districts under the formula: Nine and two-tenths percent
328 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
329 (20%) shall be appropriated in fiscal year 1999, forty percent
330 (40%) shall be appropriated in fiscal year 2000, sixty percent
331 (60%) shall be appropriated in fiscal year 2001, eighty percent

332 (80%) shall be appropriated in fiscal year 2002, and one hundred
333 percent (100%) shall be appropriated in fiscal year 2003 into the
334 State Adequate Education Program Fund created in subsection (4).
335 Until July 1, 2002, such money shall be used by school districts
336 for the following purposes:

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

348 (b) Providing necessary water, light, heating, air
349 conditioning, and sewerage facilities for school buildings, and
350 purchasing land therefor.

351 (c) Paying debt service on existing capital improvement
352 debt of the district or refinancing outstanding debt of a district
353 if such refinancing will result in an interest cost savings to the
354 district.

355 (d) From and after October 1, 1997, through June 30,
356 1998, pursuant to a school district capital expenditure plan
357 approved by the State Department of Education, a school district
358 may pledge such funds until July 1, 2002, plus funds provided for
359 in paragraph (e) of this subsection (5) that are not otherwise
360 permanently pledged under such paragraph (e) to pay all or a
361 portion of the debt service on debt issued by the school district
362 under Sections 37-59-1 through 37-59-45, 37-59-101 through
363 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
364 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt

365 issued by boards of supervisors for agricultural high schools
366 pursuant to Section 37-27-65, Mississippi Code of 1972, or
367 lease-purchase contracts entered into pursuant to Section 31-7-13,
368 Mississippi Code of 1972, or to retire or refinance outstanding
369 debt of a district, if such pledge is accomplished pursuant to a
370 written contract or resolution approved and spread upon the
371 minutes of an official meeting of the district's school board or
372 board of supervisors. It is the intent of this provision to allow
373 school districts to irrevocably pledge their Interim School
374 District Capital Expenditure Fund allotments as a constant stream
375 of revenue to secure a debt issued under the foregoing code
376 sections. To allow school districts to make such an irrevocable
377 pledge, the state shall take all action necessary to ensure that
378 the amount of a district's Interim School District Capital
379 Expenditure Fund allotments shall not be reduced below the amount
380 certified by the department or the district's total allotment
381 under the Interim Capital Expenditure Fund if fully funded, so
382 long as such debt remains outstanding.

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

398 is to be evidenced. Any capital improvement project financed with
399 State Aid Capital Improvement Bonds shall be approved by the
400 department, and based on an approved long-range plan. The State
401 Board of Education shall promulgate minimum requirements for the
402 approval of such school district capital expenditure plans. The
403 State Board of Education shall not approve any capital expenditure
404 plan for a pledge of funds under this paragraph unless it
405 determines (i) that the quality of instruction in such district
406 will not be reduced as a result of this pledge, and (ii) the
407 district has other revenue available to attain and maintain at
408 least Level III accreditation.

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

431 agent on such bonds that the amounts available to pay such bonds
432 on any payment date will not be sufficient. It is the intent of
433 this provision to allow school districts to irrevocably pledge a
434 certain, constant stream of revenue as security for State Aid
435 Capital Improvement Bonds issued hereunder. To allow school
436 districts to make such an irrevocable pledge, the state shall take
437 all action necessary to ensure that the amount of a district's
438 state revenues up to an amount equal to One Hundred Sixty Dollars
439 (\$160.00) per pupil as set forth above which have been pledged to
440 repay debt as set forth herein shall not be reduced so long as any
441 State Aid Capital Improvement Bonds are outstanding.

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

449 The provisions of this subsection shall be cumulative and
450 supplemental to any existing funding programs or other authority
451 conferred upon school districts or school boards. Debt of a
452 school district secured in whole by a pledge of revenue pursuant
453 to this section shall not be subject to any debt limitation.

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

458 This paragraph (e) shall stand repealed from and after June
459 30, 1998.

460 (f) As an alternative to the authority granted under
461 paragraph (e), a school district, in its discretion, may authorize
462 the State Board of Education to withhold an amount of the
463 district's adequate education program allotment equal to up to One

464 Hundred Sixty Dollars (\$160.00) per student in average daily
465 attendance in the district to be allocated to the State Public
466 School Building Fund to the credit of such school district. A
467 school district may choose the option provided under this
468 paragraph (e) or paragraph (f), but not both. In addition to the
469 grants made by the state pursuant to Section 37-47-9, a school
470 district shall be entitled to grants based on the allotments to
471 the State Public School Building Fund credited to such school
472 district under this paragraph. This paragraph (f) shall stand
473 repealed from and after June 30, 1998.

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

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

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

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

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

514 **SECTION 2.** Section 37-151-97, Mississippi Code of 1972, is
515 amended as follows:

516 37-151-97. The State Department of Education shall develop
517 an annual reporting process to inform the Legislature, local
518 district personnel and the general public as to the ongoing and
519 future plans for the state's educational programs. The annual
520 reporting process will include those vital statistics that are
521 commonly reported by schools and districts and that can provide
522 clear demographic, strategic and educational information to
523 constituencies such as, but not limited to, the following
524 information:

525 (a) Student enrollment, attendance, drop-out and
526 graduation;

527 (b) Overall student and district achievement;

528 (c) Budget, administrative costs and other pertinent
529 fiscal information;

530 (d) Teacher and administrator certification and
531 experience levels; and

532 (e) Other as directed by the State Board of Education.

533 Further, the reporting process will include an annual report
534 developed specifically to relate the mission and goals of the
535 State Board of Education, state superintendent and departments.
536 This document will become the method through which the strategic
537 planning and management process of the department is articulated
538 to the public. It will explain and inform the public of the major
539 initiatives of the department and clearly identify rationale for
540 program development and/or elimination. The report will establish
541 benchmarks, future plans and discuss the effectiveness of
542 educational programs.

543 In addition to the information specified herein, the State
544 Board of Education shall have full and plenary authority and power
545 to require the furnishing of such further, additional and
546 supplementary information as it may deem necessary for the purpose
547 of determining the cost of the adequate education program in such
548 school district for the succeeding fiscal year, the amount of the
549 adequate education program funds to be allotted to each school
550 district for the succeeding fiscal year, and for any other purpose
551 authorized by law or deemed necessary by said State Board of
552 Education. When the State Department of Education calculates the
553 state, local and federal fund percentage of the total per pupil
554 expenditure for reporting purposes, the School Ad Valorem
555 Reduction Funds shall be included as funds provided by the state.

556 It shall be the duty of the State Department of Education to
557 prescribe the forms for the reports provided for in this section.

558 **SECTION 3.** Section 37-57-1, Mississippi Code of 1972, is
559 brought forward as follows:

560 37-57-1. (1) (a) The boards of supervisors of the counties
561 shall levy and collect all taxes for and on behalf of all school
562 districts which were within the county school system or designated

563 as special municipal separate school districts prior to July 1,
564 1986. Such taxes shall be collected by the county tax collector
565 at the same time and in the same manner as county taxes are
566 collected by him, and the same penalties for delinquency shall be
567 applicable.

568 The governing authorities of the municipalities shall levy
569 and collect all taxes for and on behalf of all school districts
570 which were designated as municipal separate school districts prior
571 to July 1, 1986. Such taxes shall be collected by the municipal
572 tax collector at the same time and in the same manner as municipal
573 taxes are collected by him, and the same penalties for delinquency
574 shall be applicable.

575 The county or municipal tax collector, as the case may be,
576 shall pay such tax collections, except for taxes collected for the
577 payment of the principal of and interest on school bonds or notes
578 and except for taxes collected to defray collection costs, into
579 the school depository and report to the school board of the
580 appropriate school district at the same time and in the same
581 manner as the tax collector makes his payments and reports of
582 other taxes collected by him.

583 Provided, however, the State Board of Education shall
584 determine the appropriate levying authority for any school
585 district created or reorganized after July 1, 1987.

586 (b) For the purposes of this chapter and any other laws
587 pertaining to taxes levied or bonds or notes issued for and on
588 behalf of school districts, the term "levying authority" means the
589 board of supervisors of the county or the governing authorities of
590 the municipality, whichever levies taxes for and on behalf of the
591 particular school district as provided in paragraphs (a) and (b)
592 of this subsection.

593 (2) The levying authority for the school district shall, at
594 the same time and in the same manner as other taxes are levied by
595 the levying authority, levy a tax of not less than twenty-eight

596 (28) mills for the then current fiscal year, less the estimated
597 amount of the yield of the School Ad Valorem Tax Reduction Fund
598 grant to the school district as determined by the State Department
599 of Education or twenty-seven percent (27%) of the basic adequate
600 education program cost for such school district, whichever is a
601 lesser amount, upon all of the taxable property of the school
602 district, as required under Section 37-151-7(2)(a). However, in
603 no case shall the minimum local ad valorem tax effort for any
604 school district be equal to an amount that would require a millage
605 rate exceeding fifty-five (55) mills in that school district.
606 Provided, however, that if a levying authority is levying in
607 excess of fifty-five (55) mills on July 1, 1997, the levying
608 authority may levy an additional amount not exceeding three (3)
609 mills in the aggregate for the period beginning July 1, 1997, and
610 ending June 30, 2003, subject to the limitation on increased
611 receipts from ad valorem taxes prescribed in Sections 37-57-105
612 and 37-57-107. Nothing in this subsection shall be construed to
613 require any school district that is levying more than fifty-five
614 (55) mills pursuant to Sections 37-57-1 and 37-57-105 to decrease
615 its millage rate to fifty-five (55) mills or less. In making such
616 levy, the levying authority shall levy an additional amount
617 sufficient to cover anticipated delinquencies and costs of
618 collection so that the net amount of money to be produced by such
619 levy shall be equal to the amount which the school district is
620 required to contribute as its said minimum local ad valorem tax
621 effort. The tax so levied shall be collected by the tax collector
622 at the same time and in the same manner as other ad valorem taxes
623 are collected by him. The amount of taxes so collected as a
624 result of such levy shall be paid into the district maintenance
625 fund of the school district by the tax collector at the same time
626 and in the same manner as reports and payments of other ad valorem
627 taxes are made by said tax collector, except that the amount
628 collected to defray costs of collection may be paid into the

629 county general fund. The levying authority shall have the power
630 and authority to direct and cause warrants to be issued against
631 such fund for the purpose of refunding any amount of taxes
632 erroneously or illegally paid into such fund where such refund has
633 been approved in the manner provided by law.

634 **SECTION 4.** Section 37-57-104, Mississippi Code of 1972, is
635 brought forward as follows:

636 37-57-104. (1) Each school board shall submit to the
637 levying authority for the school district a certified copy of an
638 order adopted by the school board requesting an ad valorem tax
639 effort in dollars for the support of the school district. The
640 copy of the order shall be submitted by the school board when the
641 copies of the school district's budget are filed with the levying
642 authority pursuant to Section 37-61-9. Upon receipt of the school
643 board's order requesting the ad valorem tax effort in dollars, the
644 levying authority shall determine the millage rate necessary to
645 generate funds equal to the dollar amount requested by the school
646 board. For the purpose of calculating this millage rate, any
647 additional amount that is levied pursuant to Section 37-57-105(1)
648 to cover anticipated delinquencies and costs of collection or any
649 amount that may be levied for the payment of the principal and
650 interest on school bonds or notes shall be excluded from the
651 limitation of fifty-five (55) mills provided for in subsection (2)
652 of this section.

653 (2) (a) Except as otherwise provided under paragraph (b) or
654 (c) of this subsection, if the millage rate necessary to generate
655 funds equal to the dollar amount requested by the school board is
656 greater than fifty-five (55) mills, and if this millage rate is
657 higher than the millage then being levied pursuant to the school
658 board's order requesting the ad valorem tax effort for the
659 currently existing fiscal year, then the levying authority shall
660 call a referendum on the question of exceeding, during the next
661 fiscal year, the then existing millage rate being levied for

662 school district purposes. The referendum shall be scheduled for
663 not more than six (6) weeks after the date on which the levying
664 authority receives the school board's order requesting the ad
665 valorem tax effort.

666 When a referendum has been called, notice of the referendum
667 shall be published at least five (5) days per week, unless the
668 only newspaper published in the school district is published less
669 than five (5) days per week, for at least three (3) consecutive
670 weeks, in at least one (1) newspaper published in the school
671 district. The notice shall be no less than one-fourth (1/4) page
672 in size, and the type used shall be no smaller than eighteen (18)
673 point and surrounded by a one-fourth-inch solid black border. The
674 notice may not be placed in that portion of the newspaper where
675 legal notices and classified advertisements appear. The first
676 publication of the notice shall be made not less than twenty-one
677 (21) days before the date fixed for the referendum, and the last
678 publication shall be made not more than seven (7) days before that
679 date. If no newspaper is published in the school district, then
680 the notice shall be published in a newspaper having a general
681 circulation in the school district. The referendum shall be held,
682 as far as is practicable, in the same manner as other referendums
683 and elections are held in the county or municipality. At the
684 referendum, all registered, qualified electors of the school
685 district may vote. The ballots used at the referendum shall have
686 printed thereon a brief statement of the amount and purpose of the
687 increased tax levy and the words "FOR INCREASING THE MILLAGE
688 LEVIED FOR SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY
689 LEVIED) MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S
690 ORDER) MILLS," and "AGAINST INCREASING THE MILLAGE LEVIED FOR
691 SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY LEVIED)
692 MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S ORDER)
693 MILLS." The voter shall vote by placing a cross (X) or checkmark
694 (✓) opposite his choice on the proposition.

695 If a majority of the registered, qualified electors of the
696 school district who vote in the referendum vote in favor of the
697 question, then the ad valorem tax effort in dollars requested by
698 the school board shall be approved. However, if a majority of the
699 registered, qualified electors who vote in the referendum vote
700 against the question, the millage rate levied by the levying
701 authority shall not exceed the millage then being levied pursuant
702 to the school board's order requesting the ad valorem tax effort
703 for the then currently existing fiscal year.

704 Nothing in this subsection shall be construed to require any
705 school district that is levying more than fifty-five (55) mills
706 pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage
707 rate to fifty-five (55) mills or less. Further, nothing in this
708 subsection shall be construed to require a referendum in a school
709 district where the requested ad valorem tax effort in dollars
710 requires a millage rate of greater than fifty-five (55) mills but
711 the requested dollar amount does not require any increase in the
712 then existing millage rate. Further, nothing in this subsection
713 shall be construed to require a referendum in a school district
714 where, because of a decrease in the assessed valuation of the
715 district, a millage rate of greater than fifty-five (55) mills is
716 necessary to generate funds equal to the dollar amount generated
717 by the ad valorem tax effort for the currently existing fiscal
718 year.

719 (b) Provided, however, that if a levying authority is
720 levying in excess of fifty-five (55) mills on July 1, 1997, the
721 levying authority may levy an additional amount not exceeding
722 three (3) mills in the aggregate for the period beginning July 1,
723 1997, and ending June 30, 2003, subject to the limitation on
724 increased receipts from ad valorem taxes prescribed in Sections
725 37-57-105 and 37-57-107.

726 (c) If the levying authority for any school district
727 lawfully has decreased the millage levied for school district

728 purposes, but subsequently determines that there is a need to
729 increase the millage rate due to a disaster in which the Governor
730 has declared a disaster emergency or the President of the United
731 States has declared an emergency or major disaster, then the
732 levying authority may increase the millage levied for school
733 district purposes up to an amount that does not exceed the millage
734 rate in any one (1) of the immediately preceding ten (10) fiscal
735 years without any referendum that otherwise would be required
736 under this subsection.

737 (3) If the millage rate necessary to generate funds equal to
738 the dollar amount requested by the school board is equal to
739 fifty-five (55) mills or less, but the dollar amount requested by
740 the school board exceeds the next preceding fiscal year's ad
741 valorem tax effort in dollars by more than four percent (4%), but
742 not more than seven percent (7%) (as provided for under subsection
743 (4) of this section), then the school board shall publish notice
744 thereof at least five (5) days per week, unless the only newspaper
745 published in the school district is published less than five (5)
746 days per week, for at least three (3) consecutive weeks in a
747 newspaper published in the school district. The notice shall be
748 no less than one-fourth (1/4) page in size, and the type used
749 shall be no smaller than eighteen (18) point and surrounded by a
750 one-fourth-inch solid black border. The notice may not be placed
751 in that portion of the newspaper where legal notices and
752 classified advertisements appear. The first publication shall be
753 made not less than fifteen (15) days before the final adoption of
754 the budget by the school board. If no newspaper is published in
755 the school district, then the notice shall be published in a
756 newspaper having a general circulation in the school district. If
757 at any time before the adoption of the budget a petition signed by
758 not less than twenty percent (20%) or fifteen hundred (1500),
759 whichever is less, of the registered, qualified electors of the
760 school district is filed with the school board requesting that a

761 referendum be called on the question of exceeding the next
762 preceding fiscal year's ad valorem tax effort in dollars by more
763 than four percent (4%), then the school board shall adopt, not
764 later than the next regular meeting, a resolution calling a
765 referendum to be held within the school district upon the
766 question. The referendum shall be called and held, and notice
767 thereof shall be given, in the same manner provided for in
768 subsection (2) of this section. The ballot shall contain the
769 language "FOR THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)" and
770 "AGAINST THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)." If a
771 majority of the registered, qualified electors of the school
772 district who vote in the referendum vote in favor of the question,
773 then the increase requested by the school board shall be approved.
774 For the purposes of this subsection, the revenue sources excluded
775 from the increase limitation under Section 37-57-107 also shall be
776 excluded from the limitation described in this subsection in the
777 same manner as they are excluded under Section 37-57-107.
778 Provided, however, that any increases requested by the school
779 board as a result of the required local contribution to the
780 Mississippi Adequate Education Program, as certified to the local
781 school district by the State Board of Education under Section
782 37-151-7(2), Mississippi Code of 1972, shall not be subject to the
783 four percent (4%) and/or seven percent (7%) tax increase
784 limitations provided in this section.

785 (4) If the millage rate necessary to generate funds equal to
786 the dollar amount requested by the school board is equal to
787 fifty-five (55) mills or less, but the dollar amount requested by
788 the school board exceeds the seven percent (7%) increase
789 limitation provided for in Section 37-57-107, the school board may
790 exceed the seven percent (7%) increase limitation only after the
791 school board has determined the need for additional revenues and
792 three-fifths (3/5) of the registered, qualified electors voting in
793 a referendum called by the levying authority have voted in favor

794 of the increase. The notice and manner of holding the referendum
795 shall be as prescribed in subsection (2) of this section for a
796 referendum on the question of increasing the millage rate in
797 school districts levying more than fifty-five (55) mills for
798 school district purposes.

799 (5) The aggregate receipts from ad valorem taxes levied for
800 school district purposes pursuant to Sections 37-57-1 and
801 37-57-105, excluding collection fees, additional revenue from the
802 ad valorem tax on any newly constructed properties or any existing
803 properties added to the tax rolls or any properties previously
804 exempt which were not assessed in the next preceding year, and
805 amounts received by school districts from the School Ad Valorem
806 Tax Reduction Fund pursuant to Section 37-61-35, shall be subject
807 to the increase limitation under this section and Section
808 37-57-107.

809 (6) The school board shall pay to the levying authority all
810 costs that are incurred by the levying authority in the calling
811 and holding of any election under this section.

812 (7) The provisions of this section shall not be construed to
813 affect in any manner the authority of school boards to levy
814 millage for the following purposes:

815 (a) The issuance of bonds, notes and certificates of
816 indebtedness, as authorized in Sections 37-59-1 through 37-59-45
817 and Sections 37-59-101 through 37-59-115;

818 (b) The lease of property for school purposes, as
819 authorized under the Emergency School Leasing Authority Act of
820 1986 (Sections 37-7-351 through 37-7-359);

821 (c) The lease or lease-purchase of school buildings, as
822 authorized under Section 37-7-301;

823 (d) The issuance of promissory notes in the event of a
824 shortfall of ad valorem taxes and/or revenue from local sources,
825 as authorized under Section 27-39-333; and

826 (e) The construction of school buildings outside the
827 school district, as authorized under Section 37-7-401.

828 Any millage levied for the purposes specified in this
829 subsection shall be excluded from the millage limitations
830 established under this section.

831 **SECTION 5.** Section 37-19-7, Mississippi Code of 1972, is
832 amended as follows:

833 37-19-7. (1) This section shall be known and may be cited
834 as the Mississippi "Teacher Opportunity Program (TOP)." The
835 allowance in * * * the Mississippi Adequate Education Program for
836 teachers' salaries in each county and separate school district
837 shall be determined and paid in accordance with the scale for
838 teachers' salaries as provided in this subsection. The scale of
839 teachers' salaries provided in this section shall be applicable to
840 employees of local school districts and the Mississippi School for
841 the Blind and Deaf who are required by law to obtain a teacher's
842 license from the State Board of Education. For teachers holding
843 the following types of licenses or the equivalent as determined by
844 the State Board of Education, and the following number of years of
845 teaching experience, the scale shall be as follows:

846 * * *

847 **2004-2005 School Year**

848 **Less Than 25 Years of Teaching Experience**

849	AAAA.....	\$ 31,775.00
850	AAA.....	30,850.00
851	AA.....	29,925.00
852	A.....	28,000.00

853 **25 or More Years of Teaching Experience**

854	AAAA.....	\$ 33,775.00
855	AAA.....	32,850.00
856	AA.....	31,925.00
857	A.....	30,000.00

858 The State Board of Education shall revise the salary scale
 859 prescribed above for the 2004-2005 school year to conform to any
 860 adjustments made to the salary scale in prior fiscal years due to
 861 revenue growth over and above five percent (5%). For each one
 862 percent (1%) that the Sine Die General Fund Revenue Estimate
 863 Growth exceeds five percent (5%) for fiscal year 2005, as
 864 certified by the Legislative Budget Office to the State Board of
 865 Education and subject to specific appropriation therefor by the
 866 Legislature, the State Board of Education shall revise the salary
 867 scale to provide an additional one percent (1%) across the board
 868 increase in the base salaries for each type of license.

869 **2005-2006 School Year and School Years Thereafter**

870 **Less Than 25 Years of Teaching Experience**

871	AAAA.....	\$ 34,000.00
872	AAA.....	33,000.00
873	AA.....	32,000.00
874	A.....	30,000.00

875 **25 or More Years of Teaching Experience**

876	AAAA.....	\$ 36,000.00
877	AAA.....	35,000.00
878	AA.....	34,000.00
879	A.....	32,000.00

880 The State Board of Education shall revise the salary scale
 881 prescribed above for the 2005-2006 school year to conform to any
 882 adjustments made to the salary scale in prior fiscal years due to
 883 revenue growth over and above five percent (5%). For each one
 884 percent (1%) that the Sine Die General Fund Revenue Estimate
 885 Growth exceeds five percent (5%) for fiscal year 2006, as
 886 certified by the Legislative Budget Office to the State Board of
 887 Education and subject to specific appropriation therefor by the
 888 Legislature, the State Board of Education shall revise the salary
 889 scale to provide an additional one percent (1%) across the board
 890 increase in the base salaries for each type of license.

891 It is the intent of the Legislature that any state funds made
892 available for salaries of licensed personnel in excess of the
893 funds paid for such salaries for the 1986-1987 school year shall
894 be paid to licensed personnel pursuant to a personnel appraisal
895 and compensation system implemented by the State Board of
896 Education. The State Board of Education shall have the authority
897 to adopt and amend rules and regulations as are necessary to
898 establish, administer and maintain the system.

899 All teachers employed on a full-time basis shall be paid a
900 minimum salary in accordance with the above scale. However, no
901 school district shall receive any funds under this section for any
902 school year during which the local supplement paid to any
903 individual teacher shall have been reduced to a sum less than that
904 paid to that individual teacher for performing the same duties
905 from local supplement during the immediately preceding school
906 year. The amount actually spent for the purposes of group health
907 and/or life insurance shall be considered as a part of the
908 aggregate amount of local supplement but shall not be considered a
909 part of the amount of individual local supplement.

910 * * *

911 **2004-2005 School Year Annual Increment**

912 For teachers holding a Class AAAA license, the minimum base
913 pay specified in this subsection shall be increased by the sum of
914 Seven Hundred Forty Dollars (\$740.00) for each year of teaching
915 experience possessed by the person holding such license until such
916 person shall have twenty-five (25) years of teaching experience.

917 For teachers holding a Class AAA license, the minimum base
918 pay specified in this subsection shall be increased by the sum of
919 Six Hundred Seventy-five Dollars (\$675.00) for each year of
920 teaching experience possessed by the person holding such license
921 until such person shall have twenty-five (25) years of teaching
922 experience.

923 For teachers holding a Class AA license, the minimum base pay
924 specified in this subsection shall be increased by the sum of Six
925 Hundred Ten Dollars (\$610.00) for each year of teaching experience
926 possessed by the person holding such license until such person
927 shall have twenty-five (25) years of teaching experience.

928 For teachers holding a Class A license, the minimum base pay
929 specified in this subsection shall be increased by the sum of Four
930 Hundred Sixty-five Dollars (\$465.00) for each year of teaching
931 experience possessed by the person holding such license until such
932 person shall have twenty-four (24) years of teaching experience.

933 **2005-2006 School Year**

934 **and School Years Thereafter Annual Increments**

935 For teachers holding a Class AAAA license, the minimum base
936 pay specified in this subsection shall be increased by the sum of
937 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching
938 experience possessed by the person holding such license until such
939 person shall have twenty-five (25) years of teaching experience.

940 For teachers holding a Class AAA license, the minimum base
941 pay specified in this subsection shall be increased by the sum of
942 Seven Hundred Five Dollars (\$705.00) for each year of teaching
943 experience possessed by the person holding such license until such
944 person shall have twenty-five (25) years of teaching experience.

945 For teachers holding a Class AA license, the minimum base pay
946 specified in this subsection shall be increased by the sum of Six
947 Hundred Forty Dollars (\$640.00) for each year of teaching
948 experience possessed by the person holding such license until such
949 person shall have twenty-five (25) years of teaching experience.

950 For teachers holding a Class A license, the minimum base pay
951 specified in this subsection shall be increased by the sum of Four
952 Hundred Eighty Dollars (\$480.00) for each year of teaching
953 experience possessed by the person holding such license until such
954 person shall have twenty-four (24) years of teaching experience.

955 The level of professional training of each teacher to be used
956 in establishing the salary allotment for the teachers for each
957 year shall be determined by the type of valid teacher's license
958 issued to those teachers on or before October 1 of the current
959 school year.

960 (2) (a) The following employees shall receive an annual
961 salary supplement in the amount of Six Thousand Dollars
962 (\$6,000.00), plus fringe benefits, in addition to any other
963 compensation to which the employee may be entitled:

964 (i) Any licensed teacher who has met the
965 requirements and acquired a Master Teacher certificate from the
966 National Board for Professional Teaching Standards and who is
967 employed by a local school board or the State Board of Education
968 as a teacher and not as an administrator. Such teacher shall
969 submit documentation to the State Department of Education that the
970 certificate was received prior to October 15 in order to be
971 eligible for the full salary supplement in the current school
972 year, or the teacher shall submit such documentation to the State
973 Department of Education prior to February 15 in order to be
974 eligible for a prorated salary supplement beginning with the
975 second term of the school year.

976 (ii) Any licensed school counselor who has met the
977 requirements and acquired a National Certified School Counselor
978 (NCSC) endorsement from the National Board of Certified Counselors
979 and who is employed by a local school board or the State Board of
980 Education as a counselor and not as an administrator. Such
981 licensed school counselor shall submit documentation to the State
982 Department of Education that the endorsement was received prior to
983 October 15 in order to be eligible for the full salary supplement
984 in the current school year, or the licensed school counselor shall
985 submit such documentation to the State Department of Education
986 prior to February 15 in order to be eligible for a prorated salary
987 supplement beginning with the second term of the school year.

988 However, the salary supplement authorized under this item shall be
989 discontinued two (2) years after the date on which the National
990 Board for Professional Teaching Standards offers a certification
991 process for a Master Teacher certificate for school counselors,
992 and any school counselor receiving the salary supplement will be
993 required to complete the Master Teacher certificate process under
994 item (i) of this paragraph in order to continue receiving such
995 salary supplement.

996 (iii) Any licensed speech-language pathologist and
997 audiologist who has met the requirements and acquired a
998 Certificate of Clinical Competence from the American
999 Speech-Language-Hearing Association and who is employed by a local
1000 school board. Such licensed speech-language pathologist and
1001 audiologist shall submit documentation to the State Department of
1002 Education that the certificate or endorsement was received prior
1003 to October 15 in order to be eligible for the full salary
1004 supplement in the current school year, or the licensed
1005 speech-language pathologist and audiologist shall submit such
1006 documentation to the State Department of Education prior to
1007 February 15 in order to be eligible for a prorated salary
1008 supplement beginning with the second term of the school year.
1009 However, the salary supplement authorized under this item shall be
1010 discontinued two (2) years after the date on which the National
1011 Board for Professional Teaching Standards offers a certification
1012 process for a Master Teacher certificate for school
1013 speech-language pathologists and audiologists, and any school
1014 speech-language pathologist and audiologist receiving the salary
1015 supplement will be required to complete the Master Teacher
1016 certificate process under item (i) of this paragraph in order to
1017 continue receiving such salary supplement.

1018 (b) An employee shall be reimbursed one (1) time for
1019 the actual cost of completing the process of acquiring the
1020 certificate or endorsement, excluding any costs incurred for

1021 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)
1022 for a school counselor or speech-language pathologist and
1023 audiologist, regardless of whether or not the process resulted in
1024 the award of the certificate or endorsement. A local school
1025 district or any private individual or entity may pay the cost of
1026 completing the process of acquiring the certificate or endorsement
1027 for any employee of the school district described under paragraph
1028 (a), and the State Department of Education shall reimburse the
1029 school district for such cost, regardless of whether or not the
1030 process resulted in the award of the certificate or endorsement.
1031 If a private individual or entity has paid the cost of completing
1032 the process of acquiring the certificate or endorsement for an
1033 employee, the local school district may agree to directly
1034 reimburse the individual or entity for such cost on behalf of the
1035 employee.

1036 (c) All salary supplements, fringe benefits and process
1037 reimbursement authorized under this subsection shall be paid
1038 directly by the State Department of Education to the local school
1039 district and shall be in addition to its minimum education program
1040 allotments and not a part thereof in accordance with regulations
1041 promulgated by the State Board of Education, and subject to
1042 appropriation by the Legislature. Local school districts shall
1043 not reduce the local supplement paid to any employee receiving
1044 such salary supplement, and the employee shall receive any local
1045 supplement to which employees with similar training and experience
1046 otherwise are entitled.

1047 (d) The State Department of Education may not pay any
1048 process reimbursement to a school district for an employee who
1049 does not complete the certification or endorsement process
1050 required to be eligible for the certificate or endorsement. If an
1051 employee for whom such cost has been paid in full or in part by a
1052 local school district or private individual or entity fails to
1053 complete the certification or endorsement process, the employee

1054 shall be liable to the school district or individual or entity for
1055 all amounts paid by the school district or individual or entity on
1056 behalf of that employee toward his or her certificate or
1057 endorsement.

1058 **SECTION 6.** Section 37-61-33, Mississippi Code of 1972, is
1059 amended as follows:

1060 **[Until July 1, 2005, this section shall read as follows:]**

1061 37-61-33. (1) There is created within the State Treasury a
1062 special fund to be designated the "Education Enhancement Fund"
1063 into which shall be deposited all the revenues collected pursuant
1064 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

1065 (2) Of the amount deposited into the Education Enhancement
1066 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be
1067 appropriated each fiscal year to the State Department of Education
1068 to be distributed to all school districts. Such money shall be
1069 distributed to all school districts in the proportion that the
1070 average daily attendance of each school district bears to the
1071 average daily attendance of all school districts within the state
1072 for the following purposes:

1073 (a) Purchasing, erecting, repairing, equipping,
1074 remodeling and enlarging school buildings and related facilities,
1075 including gymnasiums, auditoriums, lunchrooms, vocational training
1076 buildings, libraries, teachers' homes, school barns,
1077 transportation vehicles (which shall include new and used
1078 transportation vehicles) and garages for transportation vehicles,
1079 and purchasing land therefor;

1080 (b) Establishing and equipping school athletic fields
1081 and necessary facilities connected therewith, and purchasing land
1082 therefor;

1083 (c) Providing necessary water, light, heating, air
1084 conditioning and sewerage facilities for school buildings, and
1085 purchasing land therefor;

1086 (d) As a pledge to pay all or a portion of the debt
1087 service on debt issued by the school district under Sections
1088 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
1089 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
1090 and 37-41-81, or debt issued by boards of supervisors for
1091 agricultural high schools pursuant to Section 37-27-65, if such
1092 pledge is accomplished pursuant to a written contract or
1093 resolution approved and spread upon the minutes of an official
1094 meeting of the district's school board or board of supervisors.
1095 The annual grant to such district in any subsequent year during
1096 the term of the resolution or contract shall not be reduced below
1097 an amount equal to the district's grant amount for the year in
1098 which the contract or resolution was adopted. The intent of this
1099 provision is to allow school districts to irrevocably pledge a
1100 certain, constant stream of revenue as security for long-term
1101 obligations issued under the code sections enumerated in this
1102 paragraph or as otherwise allowed by law. It is the intent of the
1103 Legislature that the provisions of this paragraph shall be
1104 cumulative and supplemental to any existing funding programs or
1105 other authority conferred upon school districts or school boards.
1106 Debt of a district secured by a pledge of sales tax revenue
1107 pursuant to this paragraph shall not be subject to any debt
1108 limitation contained in the foregoing enumerated code sections; or

1109 (e) Providing support for any educational program
1110 authorized by law.

1111 (3) The remainder of the money deposited into the Education
1112 Enhancement Fund shall be appropriated as follows:

1113 (a) To the State Department of Education as follows:

1114 (i) Sixteen and sixty-one one-hundredths percent
1115 (16.61%) to the cost of the adequate education program determined
1116 under Section 37-151-7; of the funds generated by the percentage
1117 set forth in this section for the support of the adequate
1118 education program, one and one hundred seventy-eight

1119 one-thousandths percent (1.178%) of the funds shall be
1120 appropriated to be used by the State Department of Education for
1121 the purchase of textbooks to be loaned under Sections 37-43-1
1122 through 37-43-59 to approved nonpublic schools, as described in
1123 Section 37-43-1. The funds to be distributed to each nonpublic
1124 school shall be in the proportion that the average daily
1125 attendance of each nonpublic school bears to the total average
1126 daily attendance of all nonpublic schools;

1127 (ii) Seven and ninety-seven one-hundredths percent
1128 (7.97%) to be distributed to the public school districts in the
1129 proportion that the average daily attendance of each school
1130 district bears to the average daily attendance of all school
1131 districts in the state for the support of educational programs
1132 authorized by law; and

1133 (iii) Nine and sixty-one one-hundredths percent
1134 (9.61%) to be distributed to the public school districts in the
1135 proportion that the average daily attendance of each school
1136 district bears to the average daily attendance of all school
1137 districts in the state for the support of educational programs
1138 authorized by law * * *;

1139 (b) Twenty-two and nine one-hundredths percent (22.09%)
1140 to the Board of Trustees of State Institutions of Higher Learning
1141 for the purpose of supporting institutions of higher learning; and

1142 (c) Fourteen and forty-one one-hundredths percent
1143 (14.41%) to the State Board for Community and Junior Colleges for
1144 the purpose of providing support to community and junior colleges.

1145 (4) The amount remaining in the Education Enhancement Fund
1146 after funds are distributed as provided in subsections (2) and (3)
1147 of this section shall be disbursed as follows:

1148 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
1149 be deposited into the Working Cash-Stabilization Reserve Fund
1150 created pursuant to Section 27-103-203(1), until the balance in
1151 such fund reaches the maximum balance of seven and one-half

1152 percent (7-1/2%) of the General Fund appropriations in the
1153 appropriate fiscal year. After the maximum balance in the Working
1154 Cash-Stabilization Reserve Fund is reached, such money shall
1155 remain in the Education Enhancement Fund to be appropriated in the
1156 manner provided for in paragraph (b) of this subsection.

1157 (b) The remainder shall be appropriated for other
1158 educational needs.

1159 (5) None of the funds appropriated pursuant to subsection
1160 (3)(a) of this section shall be used to reduce the state's General
1161 Fund appropriation for the categories listed in an amount below
1162 the following amounts:

1163 (a) * * *

1164 (b) For the aggregate of minimum program allotments in
1165 the 1997 fiscal year, formerly provided for in Chapter 19, Title
1166 37, Mississippi Code of 1972, as amended * * *.

1167 **[From and after July 1, 2005, this section shall read as**
1168 **follows:]**

1169 37-61-33. (1) There is created within the State Treasury a
1170 special fund to be designated the "Education Enhancement Fund"
1171 into which shall be deposited all the revenues collected pursuant
1172 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

1173 (2) Of the amount deposited into the Education Enhancement
1174 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be
1175 appropriated each fiscal year to the State Department of Education
1176 to be distributed to all school districts. Such money shall be
1177 distributed to all school districts in the proportion that the
1178 average daily attendance of each school district bears to the
1179 average daily attendance of all school districts within the state
1180 for the following purposes:

1181 (a) Purchasing, erecting, repairing, equipping,
1182 remodeling and enlarging school buildings and related facilities,
1183 including gymnasiums, auditoriums, lunchrooms, vocational training
1184 buildings, libraries, teachers' homes, school barns,

1185 transportation vehicles (which shall include new and used
1186 transportation vehicles) and garages for transportation vehicles,
1187 and purchasing land therefor.

1188 (b) Establishing and equipping school athletic fields
1189 and necessary facilities connected therewith, and purchasing land
1190 therefor.

1191 (c) Providing necessary water, light, heating, air
1192 conditioning and sewerage facilities for school buildings, and
1193 purchasing land therefor.

1194 (d) As a pledge to pay all or a portion of the debt
1195 service on debt issued by the school district under Sections
1196 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
1197 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
1198 and 37-41-81, or debt issued by boards of supervisors for
1199 agricultural high schools pursuant to Section 37-27-65, if such
1200 pledge is accomplished pursuant to a written contract or
1201 resolution approved and spread upon the minutes of an official
1202 meeting of the district's school board or board of supervisors.
1203 The annual grant to such district in any subsequent year during
1204 the term of the resolution or contract shall not be reduced below
1205 an amount equal to the district's grant amount for the year in
1206 which the contract or resolution was adopted. The intent of this
1207 provision is to allow school districts to irrevocably pledge a
1208 certain, constant stream of revenue as security for long-term
1209 obligations issued under the code sections enumerated in this
1210 paragraph or as otherwise allowed by law. It is the intent of the
1211 Legislature that the provisions of this paragraph shall be
1212 cumulative and supplemental to any existing funding programs or
1213 other authority conferred upon school districts or school boards.
1214 Debt of a district secured by a pledge of sales tax revenue
1215 pursuant to this paragraph shall not be subject to any debt
1216 limitation contained in the foregoing enumerated code sections.

1217 (3) The remainder of the money deposited into the Education
1218 Enhancement Fund shall be appropriated as follows:

1219 (a) To the State Department of Education as follows:

1220 (i) Sixteen and sixty-one one-hundredths percent
1221 (16.61%) to the cost of the adequate education program determined
1222 under Section 37-151-7; of the funds generated by the percentage
1223 set forth in this section for the support of the adequate
1224 education program, one and one hundred seventy-eight
1225 one-thousandths percent (1.178%) of the funds shall be
1226 appropriated to be used by the State Department of Education for
1227 the purchase of textbooks to be loaned under Sections 37-43-1
1228 through 37-43-59 to approved nonpublic schools, as described in
1229 Section 37-43-1. The funds to be distributed to each nonpublic
1230 school shall be in the proportion that the average daily
1231 attendance of each nonpublic school bears to the total average
1232 daily attendance of all nonpublic schools;

1233 (ii) Seven and ninety-seven one-hundredths percent
1234 (7.97%) to assist the funding of transportation operations and
1235 maintenance pursuant to Section 37-19-23; and

1236 (iii) Nine and sixty-one one-hundredths percent
1237 (9.61%) for classroom supplies, instructional materials and
1238 equipment, including computers and computer software, to be
1239 distributed to all school districts in the proportion that the
1240 average daily attendance of each school district bears to the
1241 average daily attendance of all school districts within the state.
1242 It is the intent of the Legislature that all classroom teachers
1243 shall be involved in the development of a spending plan that
1244 addresses individual classroom needs and supports the overall
1245 goals of the school regarding supplies, instructional materials,
1246 equipment, computers or computer software under the provisions of
1247 this subparagraph, including the type, quantity and quality of
1248 such supplies, materials and equipment. This plan shall be
1249 submitted to the school principal for approval. School districts

1250 need not fully expend the funds received under this subparagraph
1251 in the year in which they are received, but such funds may be
1252 carried forward for expenditure in any succeeding school year;

1253 (b) Twenty-two and nine one-hundredths percent (22.09%)
1254 to the Board of Trustees of State Institutions of Higher Learning
1255 for the purpose of supporting institutions of higher learning; and

1256 (c) Fourteen and forty-one one-hundredths percent
1257 (14.41%) to the State Board for Community and Junior Colleges for
1258 the purpose of providing support to community and junior colleges.

1259 (4) The amount remaining in the Education Enhancement Fund
1260 after funds are distributed as provided in subsections (2) and (3)
1261 of this section shall be disbursed as follows:

1262 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
1263 be deposited into the Working Cash-Stabilization Reserve Fund
1264 created pursuant to Section 27-103-203(1), until the balance in
1265 such fund reaches the maximum balance of seven and one-half
1266 percent (7-1/2%) of the General Fund appropriations in the
1267 appropriate fiscal year. After the maximum balance in the Working
1268 Cash-Stabilization Reserve Fund is reached, such money shall
1269 remain in the Education Enhancement Fund to be appropriated in the
1270 manner provided for in paragraph (b) of this subsection.

1271 (b) The remainder shall be appropriated for other
1272 educational needs.

1273 (5) None of the funds appropriated pursuant to subsection
1274 (3)(a) of this section shall be used to reduce the state's General
1275 Fund appropriation for the categories listed in an amount below
1276 the following amounts:

1277 (a) For subsection (3)(a)(ii) of this section,
1278 Thirty-six Million Seven Hundred Thousand Dollars
1279 (\$36,700,000.00);

1280 (b) For the aggregate of minimum program allotments in
1281 the 1997 fiscal year, formerly provided for in Chapter 19, Title
1282 37, Mississippi Code of 1972, as amended, excluding those funds

1283 for transportation as provided for in subsection (5)(a) in this
1284 section.

1285 **SECTION 7.** This act shall take effect and be in force from
1286 and after July 1, 2004.