

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 1251**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

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;

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

69 (e) An audit process that ensures the timeliness and  
70 accuracy of reports, other than student data, required for  
71 submission in accordance with state law and/or State Board of  
72 Education policies.

73 Reviews and audits shall be conducted with advance notice,  
74 except that unannounced audits may be made upon the determination  
75 of the State Auditor when they are necessary due to complaints or  
76 valid concerns. Examiners shall make every effort to work with  
77 school districts in scheduling audits in consideration of

78 instructional activities such as statewide student testing days.  
79 The Department of Education and the school district shall  
80 cooperate fully with examiners in providing any related  
81 information requested in order to properly conduct the review or  
82 audit.

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

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

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

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

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

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

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

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

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

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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.