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To: Education;  
Appropriations

SENATE BILL NO. 2731

1 AN ACT TO CREATE A COMMISSION ON RESTRUCTURING THE  
2 MISSISSIPPI ADEQUATE EDUCATION PROGRAM (MAEP); TO AMEND SECTION  
3 37-151-7, MISSISSIPPI CODE OF 1972, TO REVISE THE FORMULA FOR  
4 COMPUTING AVERAGE DAILY ATTENDANCE OF STUDENTS FOR PURPOSES OF THE  
5 MISSISSIPPI ADEQUATE EDUCATION PROGRAM; TO PROVIDE THAT THE  
6 DEPARTMENT OF FINANCE AND ADMINISTRATION SHALL ANNUALLY DETERMINE  
7 THE BASE STUDENT COST UNDER THE FORMULA; TO PROVIDE THAT AT-RISK  
8 FUNDING IS ONLY AVAILABLE FOR STUDENTS IN GRADES K-8; TO AUTHORIZE  
9 CERTAIN COST SAVINGS TO THE FORMULA TO BE EXPENDED FOR HIGH GROWTH  
10 SCHOOL DISTRICTS; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** (1) There is created a Commission on  
13 Restructuring the Mississippi Adequate Education Program (MAEP).  
14 The commission shall, at a minimum, study and report on the  
15 following factors related to MAEP:

- 16 (a) Local contributions to MAEP;
- 17 (b) Base Student Cost;
- 18 (c) Selection of school districts for funding  
19 calculations;
- 20 (d) Add-on programs;
- 21 (e) High growth districts; and
- 22 (f) At-risk student funds.

23 (2) The State Board of Education shall contract with a  
24 consulting firm that has expertise in public school funding  
25 formulas to assist the commission with the study. The commission  
26 shall make a report of its findings and recommendations to the  
27 Legislature by November 1, 2005, including any recommended  
28 legislation. The commission shall continue in existence and shall  
29 conduct a periodic study to update its recommendations relative to  
30 MAEP and make a report by November 1 in the first year of every  
31 four-year term of office of statewide officials and legislators.

32           (3) The commission shall be composed of the following ten  
33 (10) members:

34           (a) The Chairmen of the House and Senate Education  
35 Committees;

36           (b) The Chairmen of the House and Senate Appropriation  
37 Committees;

38           (c) Three (3) representatives to be appointed by the  
39 Speaker of the House, at least one (1) of which shall be a member  
40 of the Joint Legislative Budget Committee;

41           (d) Three (3) Senators to be appointed by the  
42 Lieutenant Governor, at least one (1) of which shall be a member  
43 of the Joint Legislative Budget Committee;

44           (e) The State Superintendent of Education, or his  
45 designee;

46           (f) The Associate State Superintendent of Education for  
47 Accountability;

48           (g) The Executive Director of the Department of Finance  
49 and Administration, or his designee;

50           (h) A local school superintendent appointed by the  
51 Governor;

52           (i) A local school business administrator designated by  
53 the Mississippi School Boards Association;

54           (j) A member of the State Board of Education appointed  
55 by the Chairman of the board; and

56           (k) The Executive Director of the Legislative Budget  
57 Office.

58           (4) Appointments shall be made within thirty (30) days after  
59 the effective date of this act. The commission shall hold its  
60 first meeting before August 1, 2005. The Chairman of the House  
61 Education Committee and the Chairman of the Senate Education  
62 Committee shall serve as cochairmen of the commission.

63           (5) A majority of the members of the task force shall  
64 constitute a quorum. In the adoption of rules, resolutions and

65 reports, an affirmative vote of a majority of the task force shall  
66 be required. All members shall be notified in writing of all  
67 meetings, such notices to be mailed at least five (5) days prior  
68 to the date on which a meeting is to be held.

69 (6) Members of the commission may not be compensated for the  
70 performance of their duties. Any incidental costs associated with  
71 conducting the study shall be paid by the State Department of  
72 Education.

73 (7) The commission is authorized to accept money from any  
74 source, public or private, to be expended in implementing its  
75 duties under this section.

76 (8) To effectuate the purposes of this section, any  
77 department, division, board, bureau, commission or agency of the  
78 state or of any political subdivision thereof shall, at the  
79 request of the chairperson of the task force, provide to the  
80 commission such facilities, assistance and data as will enable the  
81 commission to properly carry out its duties.

82 **SECTION 2.** Section 37-151-7, Mississippi Code of 1972, is  
83 amended as follows:

84 37-151-7. The annual allocation to each school district for  
85 the operation of the adequate education program shall be  
86 determined as follows:

87 (1) **Computation of the basic amount to be included for**  
88 **current operation in the adequate education program.** The  
89 following procedure shall be followed in determining the annual  
90 allocation to each school district:

91 (a) **Determination of average daily attendance.** During  
92 months two (2) and three (3) of the current school year, the  
93 average daily attendance of a school district shall be  
94 computed \* \* \* and currently maintained in accordance with  
95 regulations promulgated by the State Board of Education.

96 (b) **Determination of base student cost.** The State  
97 Department of Finance and Administration, on or before August 1,

98 with adjusted estimate no later than January 2, shall annually  
99 submit to the Legislative Budget Office and the Governor a  
100 proposed base student cost adequate to provide the following cost  
101 components of educating a pupil in an average school district  
102 meeting Level III accreditation standards required by the  
103 Commission on School Accreditation: (i) Instructional Cost; (ii)  
104 Administrative Cost; (iii) Operation and Maintenance of Plant; and  
105 (iv) Ancillary Support Cost. The Department of Finance and  
106 Administration shall utilize a statistical methodology which  
107 considers such factors as, but not limited to, (i) school size;  
108 (ii) assessed valuation per pupil; (iii) the percentage of  
109 students receiving free lunch; (iv) the local district maintenance  
110 tax levy; (v) other local school district revenues; and (vi) the  
111 district's accreditation level, in the selection of the  
112 representative Mississippi school districts for which cost  
113 information shall be obtained for each of the above listed cost  
114 areas.

115 For the instructional cost component, the Department of  
116 Finance and Administration shall determine the instructional cost  
117 of each of the representative school districts selected above,  
118 excluding instructional cost of self-contained special education  
119 programs and vocational education programs, and the average daily  
120 attendance in the selected school districts. The instructional  
121 cost is then totaled and divided by the total average daily  
122 attendance for the selected school districts to yield the  
123 instructional cost component. For the administrative cost  
124 component, the department shall determine the administrative cost  
125 of each of the representative school districts selected above,  
126 excluding administrative cost of self-contained special education  
127 programs and vocational education programs, and the average daily  
128 attendance in the selected school districts. The administrative  
129 cost is then totaled and divided by the total average daily  
130 attendance for the selected school districts to yield the

131 administrative cost component. For the plant and maintenance cost  
132 component, the department shall determine the plant and  
133 maintenance cost of each of the representative school districts  
134 selected above, excluding plant and maintenance cost of  
135 self-contained special education programs and vocational education  
136 programs, and the average daily attendance in the selected school  
137 districts. The plant and maintenance cost is then totaled and  
138 divided by the total average daily attendance for the selected  
139 school districts to yield the plant and maintenance cost  
140 component. For the ancillary support cost component, the  
141 department shall determine the ancillary support cost of each of  
142 the representative school districts selected above, excluding  
143 ancillary support cost of self-contained special education  
144 programs and vocational education programs, and the average daily  
145 attendance in the selected school districts. The ancillary  
146 support cost is then totaled and divided by the total average  
147 daily attendance for the selected school districts to yield the  
148 ancillary support cost component. The total base cost for each  
149 year shall be the sum of the instructional cost component,  
150 administrative cost component, plant and maintenance cost  
151 component and ancillary support cost component, and any estimated  
152 adjustments for additional state requirements as determined by the  
153 Department of Finance and Administration. Provided, however, that  
154 the base student cost in fiscal year 1998 shall be Two Thousand  
155 Six Hundred Sixty-four Dollars (\$2,664.00).

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

160 Multiply the average daily attendance of the district by the  
161 base student cost as established by the Legislature upon the  
162 recommendation of the Department of Finance and Administration,  
163 which yields the total base program cost for each school district.

164           (d) **Adjustment to the base student cost for at-risk**  
165 **pupils.** The amount to be included for at-risk pupil programs for  
166 each school district shall be computed as follows: Multiply the  
167 base student cost for the appropriate fiscal year as determined  
168 under paragraph (b) by five percent (5%), and multiply that  
169 product by the number of pupils in Grades Kindergarten through 8  
170 who are participating in the federal free school lunch program in  
171 such school district, which yields the total adjustment for  
172 at-risk pupil programs for such school district.

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

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

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

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

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

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

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

195                   (vii) University-based programs shall be the  
196 amount allocated to school districts for those university-based

197 programs for handicapped children as defined and provided for in  
198 Section 37-23-131 et seq., Mississippi Code of 1972.

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

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

207 (f) **Total projected adequate education program cost.**  
208 The total Mississippi Adequate Education Program cost shall be the  
209 sum of the total basic adequate education program cost (paragraph  
210 (c)), and the adjustment to the base student cost for at-risk  
211 pupils (paragraph (d)) for each school district.

212 (g) **Supplemental grant to school districts.** In  
213 addition to the adequate education program grant, the State  
214 Department of Education shall annually distribute an additional  
215 amount as follows: Multiply the base student cost for the  
216 appropriate fiscal year as determined under paragraph (b) by  
217 thirteen one-hundredths percent (.13%) and multiply that product  
218 by the average daily attendance of each school district. Such  
219 grant shall not be subject to the local revenue requirement  
220 provided in subsection (2).

221 (2) **Computation of the required local revenue in support of**  
222 **the adequate education program.** The amount that each district  
223 shall provide toward the cost of the adequate education program  
224 shall be calculated as follows:

225 (a) The State Board of Education shall certify to each  
226 school district that twenty-eight (28) mills, less the estimated  
227 amount of the yield of the School Ad Valorem Tax Reduction Fund  
228 grants as determined by the State Department of Education, is the  
229 millage rate required to provide the district required local

230 effort for that year, or twenty-seven percent (27%) of the basic  
231 adequate education program cost for such school district as  
232 determined under subsection (c), whichever is a lesser amount. In  
233 the case of an agricultural high school the millage requirement  
234 shall be set at a level which generates an equitable amount per  
235 pupil to be determined by the State Board of Education.

236 (b) The State Board of Education shall determine (i)  
237 the total assessed valuation of nonexempt property for school  
238 purposes in each school district; (ii) assessed value of exempt  
239 property owned by homeowners aged sixty-five (65) or older or  
240 disabled as defined in Section 27-33-67(2), Mississippi Code of  
241 1972; (iii) the school district's tax loss from exemptions  
242 provided to applicants under the age of sixty-five (65) and not  
243 disabled as defined in Section 27-33-67(1), Mississippi Code of  
244 1972; and (iv) the school district's homestead reimbursement  
245 revenues.

246 (c) The amount of the total adequate education program  
247 funding which shall be contributed by each school district shall  
248 be the sum of the ad valorem receipts generated by the millage  
249 required under this subsection plus the following local revenue  
250 sources for the appropriate fiscal year which are or may be  
251 available for current expenditure by the school district:

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

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

256 (a) The required state effort in support of the  
257 adequate education program shall be determined by subtracting the  
258 sum of the required local tax effort as set forth in subsection  
259 (2)(a) of this section and the other local revenue sources as set  
260 forth in subsection (2)(c) of this section in an amount not to  
261 exceed twenty-seven percent (27%) of the total projected adequate  
262 education program cost as set forth in subsection (1)(f) of this



263 section from the total projected adequate education program cost  
264 as set forth in subsection (1)(f) of this section.

265 (b) Provided, however, that in fiscal year 1998 and in  
266 the fiscal year in which the adequate education program is fully  
267 funded by the Legislature, any increase in the said state  
268 contribution, including the supplemental grant to school districts  
269 provided under subsection (1)(g), to any district calculated under  
270 this section shall be not less than eight percent (8%) in excess  
271 of the amount received by said district from state funds for the  
272 fiscal year immediately preceding. For purposes of this paragraph  
273 (b), state funds shall include minimum program funds less the  
274 add-on programs, State Uniform Millage Assistance Grant Funds,  
275 Education Enhancement Funds appropriated for Uniform Millage  
276 Assistance Grants and state textbook allocations, and State  
277 General Funds allocated for textbooks.

278 (c) If the appropriation is less than full funding for  
279 fiscal year 2003, allocations for state contributions to school  
280 districts in support of the adequate education program will be  
281 determined by the State Department of Education in the following  
282 manner:

283 (i) Calculation of the full funding amount under  
284 this chapter, with proportionate reductions as required by the  
285 appropriation level.

286 (ii) Calculation of the amount equal to the state  
287 funds allocated to school districts for fiscal year 2002 plus the  
288 estimated amount to fund the adequate education program salary  
289 schedule for fiscal year 2003. For purposes of this item (ii),  
290 state funds shall be those described in paragraph (b) and an  
291 amount equal to the allocation for the adequate education program  
292 in fiscal year 2002, plus any additional amount required to  
293 satisfy fiscal year 2003 pledges in accordance with paragraphs  
294 (d), (e) and (f) of subsection (5) of this section. If a school  
295 district's fiscal year 2003 pledge is different than the pledge

296 amount for fiscal year 2002, the district shall receive an amount  
297 equal to the fiscal year 2003 pledge or the amount of funds  
298 calculated under the adequate education formula for fiscal year  
299 2002 before any pledge guarantee for fiscal year 2002, whichever  
300 is greater. If the pledge is no longer in effect, the district  
301 shall receive the amount of funds calculated under the formula for  
302 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

303 (iii) The portion of any district's allocation  
304 calculated in item (i) of this paragraph which exceeds amounts as  
305 calculated in item (ii) shall be reduced by an amount not to  
306 exceed twenty-one percent (21%). The amount of funds generated by  
307 this reduction of funds shall be redistributed proportionately  
308 among those districts receiving insufficient funds to meet the  
309 amount calculated in item (ii). In no case may any district  
310 receive funds in an amount greater than the amount that the  
311 district would have received under full funding of the program for  
312 fiscal year 2003.

313 (d) If the school board of any school district shall  
314 determine that it is not economically feasible or practicable to  
315 operate any school within the district for the full one hundred  
316 eighty (180) days required for a school term of a scholastic year  
317 as required in Section 37-13-63, Mississippi Code of 1972, due to  
318 an enemy attack, a man-made, technological or natural disaster in  
319 which the Governor has declared a disaster emergency under the  
320 laws of this state or the President of the United States has  
321 declared an emergency or major disaster to exist in this state,  
322 said school board may notify the State Department of Education of  
323 such disaster and submit a plan for altering the school term. If  
324 the State Board of Education finds such disaster to be the cause  
325 of the school not operating for the contemplated school term and  
326 that such school was in a school district covered by the  
327 Governor's or President's disaster declaration, it may permit said  
328 school board to operate the schools in its district for less than

329 one hundred eighty (180) days and, in such case, the State  
330 Department of Education shall not reduce the state contributions  
331 to the adequate education program allotment for such district,  
332 because of the failure to operate said schools for one hundred  
333 eighty (180) days.

334 (4) If during the year for which adequate education program  
335 funds are appropriated, any school district experiences a three  
336 percent (3%) or greater increase in average daily attendance  
337 during the second and third month over the preceding year's second  
338 and third month and the school district has requested a minimum  
339 increase of four percent (4%) in local ad valorem revenues over  
340 the previous year as authorized in Sections 37-57-104 and  
341 37-57-105, an additional allocation of adequate education program  
342 funds calculated in the following manner shall be granted to that  
343 district, using any additional funds available to the Department  
344 of Education that exceed the amount of funds due to the school  
345 districts under the basic adequate education program distribution  
346 as provided for in this chapter:

347 (a) Determine the percentage increase in average daily  
348 attendance for the second and third months of the year for which  
349 adequate education program funds are appropriated over the  
350 preceding year's second and third month average daily attendance.

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

358 (c) Subtract the percentage of the district's local  
359 contribution arrived at in subsection (2) of this section from the  
360 amount calculated in paragraph (b) of this subsection. The

361 remainder is the additional allocation in adequate education  
362 program funds for that district.

363 It is the intention of the Legislature to expend fifty  
364 percent (50%) of any cost savings to the state as a result of  
365 changing the method of determining average daily attendance under  
366 subsection (1), for the support of the high-growth districts  
367 eligible under this subsection (4).

368 If the funds available to the Department of Education are not  
369 sufficient to fully fund the additional allocations to school  
370 districts eligible for those allocations, then the department  
371 shall prorate the available funds among the eligible school  
372 districts, using the same percentage of the total funds that the  
373 school district would have received if the allocations were fully  
374 funded. The State Department of Education shall study and develop  
375 a report to the Chairmen of the Senate and House Committees on  
376 Education by January 1, 2005, with options for legislative  
377 consideration that will insure that the Mississippi Adequate  
378 Education funds are distributed to school districts based on  
379 current year student attendance or enrollment.

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

381 (5) The Interim School District Capital Expenditure Fund is  
382 hereby established in the State Treasury which shall be used to  
383 distribute any funds specifically appropriated by the Legislature  
384 to such fund to school districts entitled to increased allocations  
385 of state funds under the adequate education program funding  
386 formula prescribed in Sections 37-151-3 through 37-151-7,  
387 Mississippi Code of 1972, until such time as the said adequate  
388 education program is fully funded by the Legislature. The  
389 following percentages of the total state cost of increased  
390 allocations of funds under the adequate education program funding  
391 formula shall be appropriated by the Legislature into the Interim  
392 School District Capital Expenditure Fund to be distributed to all  
393 school districts under the formula: Nine and two-tenths percent

394 (9.2%) shall be appropriated in fiscal year 1998, twenty percent  
395 (20%) shall be appropriated in fiscal year 1999, forty percent  
396 (40%) shall be appropriated in fiscal year 2000, sixty percent  
397 (60%) shall be appropriated in fiscal year 2001, eighty percent  
398 (80%) shall be appropriated in fiscal year 2002, and one hundred  
399 percent (100%) shall be appropriated in fiscal year 2003 into the  
400 State Adequate Education Program Fund created in subsection (4).  
401 Until July 1, 2002, such money shall be used by school districts  
402 for the following purposes:

403 (a) Purchasing, erecting, repairing, equipping,  
404 remodeling and enlarging school buildings and related facilities,  
405 including gymnasiums, auditoriums, lunchrooms, vocational training  
406 buildings, libraries, school barns and garages for transportation  
407 vehicles, school athletic fields and necessary facilities  
408 connected therewith, and purchasing land therefor. Any such  
409 capital improvement project by a school district shall be approved  
410 by the State Board of Education, and based on an approved  
411 long-range plan. The State Board of Education shall promulgate  
412 minimum requirements for the approval of school district capital  
413 expenditure plans.

414 (b) Providing necessary water, light, heating, air  
415 conditioning, and sewerage facilities for school buildings, and  
416 purchasing land therefor.

417 (c) Paying debt service on existing capital improvement  
418 debt of the district or refinancing outstanding debt of a district  
419 if such refinancing will result in an interest cost savings to the  
420 district.

421 (d) From and after October 1, 1997, through June 30,  
422 1998, pursuant to a school district capital expenditure plan  
423 approved by the State Department of Education, a school district  
424 may pledge such funds until July 1, 2002, plus funds provided for  
425 in paragraph (e) of this subsection (5) that are not otherwise  
426 permanently pledged under such paragraph (e) to pay all or a

427 portion of the debt service on debt issued by the school district  
428 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
429 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,  
430 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
431 issued by boards of supervisors for agricultural high schools  
432 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
433 lease-purchase contracts entered into pursuant to Section 31-7-13,  
434 Mississippi Code of 1972, or to retire or refinance outstanding  
435 debt of a district, if such pledge is accomplished pursuant to a  
436 written contract or resolution approved and spread upon the  
437 minutes of an official meeting of the district's school board or  
438 board of supervisors. It is the intent of this provision to allow  
439 school districts to irrevocably pledge their Interim School  
440 District Capital Expenditure Fund allotments as a constant stream  
441 of revenue to secure a debt issued under the foregoing code  
442 sections. To allow school districts to make such an irrevocable  
443 pledge, the state shall take all action necessary to ensure that  
444 the amount of a district's Interim School District Capital  
445 Expenditure Fund allotments shall not be reduced below the amount  
446 certified by the department or the district's total allotment  
447 under the Interim Capital Expenditure Fund if fully funded, so  
448 long as such debt remains outstanding.

449 (e) From and after October 1, 1997, through June 30,  
450 1998, in addition to any other authority a school district may  
451 have, any school district may issue State Aid Capital Improvement  
452 Bonds secured in whole by a continuing annual pledge of any  
453 Mississippi Adequate Education Program funds available to the  
454 district, in an amount not to exceed One Hundred Sixty Dollars  
455 (\$160.00) per pupil based on the latest completed average daily  
456 attendance count certified by the department prior to the issuance  
457 of the bonds. Such State Aid Capital Improvement Bonds may be  
458 issued for the purposes enumerated in paragraphs (a), (b), (c) and  
459 (g) of this section. Prior to issuing such bonds, the school

460 board of the district shall adopt a resolution declaring the  
461 necessity for and its intention of issuing such bonds and  
462 borrowing such money, specifying the approximate amount to be so  
463 borrowed, how such money is to be used and how such indebtedness  
464 is to be evidenced. Any capital improvement project financed with  
465 State Aid Capital Improvement Bonds shall be approved by the  
466 department, and based on an approved long-range plan. The State  
467 Board of Education shall promulgate minimum requirements for the  
468 approval of such school district capital expenditure plans. The  
469 State Board of Education shall not approve any capital expenditure  
470 plan for a pledge of funds under this paragraph unless it  
471 determines (i) that the quality of instruction in such district  
472 will not be reduced as a result of this pledge, and (ii) the  
473 district has other revenue available to attain and maintain at  
474 least Level III accreditation.

475 A district issuing State Aid Capital Improvement Bonds may  
476 pledge for the repayment of such bonds all funds received by the  
477 district from the state, in an amount not to exceed One Hundred  
478 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
479 the school district as set forth above, and not otherwise  
480 permanently pledged under paragraph (d) of this subsection or  
481 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
482 district's school board shall specify by resolution the amount of  
483 state funds, which are being pledged by the district for the  
484 repayment of the State Aid Capital Improvement Bonds. Once such a  
485 pledge is made to secure the bonds, the district shall notify the  
486 department of such pledge. Upon making such a pledge, the school  
487 district may request the department which may agree to irrevocably  
488 transfer a specified amount or percentage of the district's state  
489 revenue pledged to repay the district's State Aid Capital  
490 Improvement Bonds directly to a state or federally chartered bank  
491 serving as a trustee or paying agent on such bonds for the payment  
492 of all or portion of such State Aid Capital Improvement Bonds.

493 Such instructions shall be incorporated into a resolution by the  
494 school board for the benefit of holders of the bonds and may  
495 provide that such withholding and transfer of such other available  
496 funds shall be made only upon notification by a trustee or paying  
497 agent on such bonds that the amounts available to pay such bonds  
498 on any payment date will not be sufficient. It is the intent of  
499 this provision to allow school districts to irrevocably pledge a  
500 certain, constant stream of revenue as security for State Aid  
501 Capital Improvement Bonds issued hereunder. To allow school  
502 districts to make such an irrevocable pledge, the state shall take  
503 all action necessary to ensure that the amount of a district's  
504 state revenues up to an amount equal to One Hundred Sixty Dollars  
505 (\$160.00) per pupil as set forth above which have been pledged to  
506 repay debt as set forth herein shall not be reduced so long as any  
507 State Aid Capital Improvement Bonds are outstanding.

508 Any such State Aid Capital Improvement Bonds shall mature as  
509 determined by the district's school bond over a period not to  
510 exceed twenty (20) years. Such bonds shall not bear a greater  
511 overall maximum interest rate to maturity than that allowed in  
512 Section 75-17-101, Mississippi Code of 1972. The further details  
513 and terms of such bonds shall be as determined by the school board  
514 of the district.

515 The provisions of this subsection shall be cumulative and  
516 supplemental to any existing funding programs or other authority  
517 conferred upon school districts or school boards. Debt of a  
518 school district secured in whole by a pledge of revenue pursuant  
519 to this section shall not be subject to any debt limitation.

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

524 This paragraph (e) shall stand repealed from and after June  
525 30, 1998.



526           (f) As an alternative to the authority granted under  
527 paragraph (e), a school district, in its discretion, may authorize  
528 the State Board of Education to withhold an amount of the  
529 district's adequate education program allotment equal to up to One  
530 Hundred Sixty Dollars (\$160.00) per student in average daily  
531 attendance in the district to be allocated to the State Public  
532 School Building Fund to the credit of such school district. A  
533 school district may choose the option provided under this  
534 paragraph (e) or paragraph (f), but not both. In addition to the  
535 grants made by the state pursuant to Section 37-47-9, a school  
536 district shall be entitled to grants based on the allotments to  
537 the State Public School Building Fund credited to such school  
538 district under this paragraph. This paragraph (f) shall stand  
539 repealed from and after June 30, 1998.

540           (g) The State Board of Education may authorize the  
541 school district to expend not more than twenty percent (20%) of  
542 its annual allotment of such funds or Twenty Thousand Dollars  
543 (\$20,000.00), whichever is greater, for technology needs of the  
544 school district, including computers, software,  
545 telecommunications, cable television, interactive video, film  
546 low-power television, satellite communications, microwave  
547 communications, technology-based equipment installation and  
548 maintenance, and the training of staff in the use of such  
549 technology-based instruction. Any such technology expenditure  
550 shall be reflected in the local district technology plan approved  
551 by the State Board of Education under Section 37-151-17,  
552 Mississippi Code of 1972.

553           (h) To the extent a school district has not utilized  
554 twenty percent (20%) of its annual allotment for technology  
555 purposes under paragraph (g), a school district may expend not  
556 more than twenty percent (20%) of its annual allotment or Twenty  
557 Thousand Dollars (\$20,000.00), whichever is greater, for  
558 instructional purposes. The State Board of Education may

559 authorize a school district to expend more than said twenty  
560 percent (20%) of its annual allotment for instructional purposes  
561 if it determines that such expenditures are needed for  
562 accreditation purposes.

563 (i) The State Department of Education or the State  
564 Board of Education may require that any project commenced under  
565 this section with an estimated project cost of not less than Five  
566 Million Dollars (\$5,000,000.00) shall be done only pursuant to  
567 program management of the process with respect to design and  
568 construction. Any individuals, partnerships, companies or other  
569 entities acting as a program manager on behalf of a local school  
570 district and performing program management services for projects  
571 covered under this subsection shall be approved by the State  
572 Department of Education.

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

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

580 **SECTION 3.** This act shall take effect and be in force from  
581 and after July 1, 2005.