

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 823

BY: Committee

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

13 SECTION 1. (1) There is created a Commission on
14 Restructuring the Mississippi Adequate Education Program (MAEP).
15 The commission shall, at a minimum, study and report on the
16 following factors related to MAEP:
17 (a) Local contributions to MAEP;
18 (b) Base student cost;
19 (c) Selection of school districts for funding
20 calculations;
21 (d) The factors that contribute to high performing
22 schools;
23 (e) Add-on programs;
24 (f) High growth districts; and
25 (g) At-risk student funds.
26 (2) The State Board of Education shall contract with a
27 consulting firm that has expertise in public school funding
28 formulas to assist the commission with the study. The commission
29 shall make a report of its findings and recommendations to the
30 Legislature by November 1, 2005, including any recommended
31 legislation. The commission shall continue in existence and shall

32 conduct a periodic study to update its recommendations relative to
33 MAEP and make a report by November 1 in the first year of every
34 four-year term of office of statewide officials and legislators.

35 (3) The commission shall be composed of the following
36 seventeen (17) members:

37 (a) The Chairmen of the House and Senate Education
38 Committees;

39 (b) The Chairmen of the House and Senate Appropriation
40 Committees;

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

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

47 (e) The State Superintendent of Education, or his
48 designee;

49 (f) The Associate State Superintendent of Education for
50 Accountability;

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

53 (h) A local school superintendent appointed by the
54 Governor;

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

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

59 (k) The Executive Director of the Legislative Budget
60 Office.

61 (4) Appointments shall be made within thirty (30) days after
62 the effective date of this act. The commission shall hold its
63 first meeting before August 1, 2005. The Chairman of the House

64 Education Committee and the Chairman of the Senate Education
65 Committee shall serve as co-chairmen of the commission.

66 (5) A majority of the members of the task force shall
67 constitute a quorum. In the adoption of rules, resolutions and
68 reports, an affirmative vote of a majority of the task force shall
69 be required. All members shall be notified in writing of all
70 meetings, such notices to be mailed at least five (5) days prior
71 to the date on which a meeting is to be held.

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

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

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

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

87 37-151-7. The annual allocation to each school district for
88 the operation of the adequate education program shall be
89 determined as follows:

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

94 (a) **Determination of average daily attendance.** During
95 months two (2) and three (3) of the current school year, the

96 average daily attendance of a school district shall be
97 computed * * * and currently maintained in accordance with
98 regulations promulgated by the State Board of Education.

99 (b) **Determination of base student cost.** The State
100 Department of Finance and Administration, on or before August 1,
101 with adjusted estimate no later than January 2, shall annually
102 submit to the Legislative Budget Office and the Governor a
103 proposed base student cost adequate to provide the following cost
104 components of educating a pupil in an average school district
105 meeting Level III accreditation standards required by the
106 Commission on School Accreditation: (i) Instructional Cost; (ii)
107 Administrative Cost; (iii) Operation and Maintenance of Plant; and
108 (iv) Ancillary Support Cost. The Department of Finance and
109 Administration shall utilize a statistical methodology which
110 considers such factors as, but not limited to, (i) school size;
111 (ii) assessed valuation per pupil; (iii) the percentage of
112 students receiving free lunch; (iv) the local district maintenance
113 tax levy; (v) other local school district revenues; and (vi) the
114 district's accreditation level, in the selection of the
115 representative Mississippi school districts for which cost
116 information shall be obtained for each of the above listed cost
117 areas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

210 (f) **Total projected adequate education program cost.**

211 The total Mississippi Adequate Education Program cost shall be the
212 sum of the total basic adequate education program cost (paragraph
213 (c)), and the adjustment to the base student cost for at-risk
214 pupils (paragraph (d)) for each school district.

215 (g) **Supplemental grant to school districts.** In
216 addition to the adequate education program grant, the State
217 Department of Education shall annually distribute an additional
218 amount as follows: Multiply the base student cost for the
219 appropriate fiscal year as determined under paragraph (b) by
220 thirteen one-hundredths percent (.13%) and multiply that product

221 by the average daily attendance of each school district. Such
222 grant shall not be subject to the local revenue requirement
223 provided in subsection (2).

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

228 (a) The State Board of Education shall certify to each
229 school district that twenty-eight (28) mills, less the estimated
230 amount of the yield of the School Ad Valorem Tax Reduction Fund
231 grants as determined by the State Department of Education, is the
232 millage rate required to provide the district required local
233 effort for that year, or twenty-seven percent (27%) of the basic
234 adequate education program cost for such school district as
235 determined under subsection (c), whichever is a lesser amount. In
236 the case of an agricultural high school the millage requirement
237 shall be set at a level which generates an equitable amount per
238 pupil to be determined by the State Board of Education.

239 (b) The State Board of Education shall determine (i)
240 the total assessed valuation of nonexempt property for school
241 purposes in each school district; (ii) assessed value of exempt
242 property owned by homeowners aged sixty-five (65) or older or
243 disabled as defined in Section 27-33-67(2), Mississippi Code of
244 1972; (iii) the school district's tax loss from exemptions
245 provided to applicants under the age of sixty-five (65) and not
246 disabled as defined in Section 27-33-67(1), Mississippi Code of
247 1972; and (iv) the school district's homestead reimbursement
248 revenues.

249 (c) The amount of the total adequate education program
250 funding which shall be contributed by each school district shall
251 be the sum of the ad valorem receipts generated by the millage
252 required under this subsection plus the following local revenue

253 sources for the appropriate fiscal year which are or may be
254 available for current expenditure by the school district:

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

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

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

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

281 (c) If the appropriation is less than full funding for
282 fiscal year 2003, allocations for state contributions to school
283 districts in support of the adequate education program will be

284 determined by the State Department of Education in the following
285 manner:

286 (i) Calculation of the full funding amount under
287 this chapter, with proportionate reductions as required by the
288 appropriation level.

289 (ii) Calculation of the amount equal to the state
290 funds allocated to school districts for fiscal year 2002 plus the
291 estimated amount to fund the adequate education program salary
292 schedule for fiscal year 2003. For purposes of this item (ii),
293 state funds shall be those described in paragraph (b) and an
294 amount equal to the allocation for the adequate education program
295 in fiscal year 2002, plus any additional amount required to
296 satisfy fiscal year 2003 pledges in accordance with paragraphs
297 (d), (e) and (f) of subsection (5) of this section. If a school
298 district's fiscal year 2003 pledge is different than the pledge
299 amount for fiscal year 2002, the district shall receive an amount
300 equal to the fiscal year 2003 pledge or the amount of funds
301 calculated under the adequate education formula for fiscal year
302 2002 before any pledge guarantee for fiscal year 2002, whichever
303 is greater. If the pledge is no longer in effect, the district
304 shall receive the amount of funds calculated under the formula for
305 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

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

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

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

348 districts under the basic adequate education program distribution
349 as provided for in this chapter:

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

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

361 (c) Subtract the percentage of the district's local
362 contribution arrived at in subsection (2) of this section from the
363 amount calculated in paragraph (b) of this subsection. The
364 remainder is the additional allocation in adequate education
365 program funds for that district.

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

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

380 consideration that will insure that the Mississippi Adequate
381 Education funds are distributed to school districts based on
382 current year student attendance or enrollment.

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

384 (5) The Interim School District Capital Expenditure Fund is
385 hereby established in the State Treasury which shall be used to
386 distribute any funds specifically appropriated by the Legislature
387 to such fund to school districts entitled to increased allocations
388 of state funds under the adequate education program funding
389 formula prescribed in Sections 37-151-3 through 37-151-7,
390 Mississippi Code of 1972, until such time as the said adequate
391 education program is fully funded by the Legislature. The
392 following percentages of the total state cost of increased
393 allocations of funds under the adequate education program funding
394 formula shall be appropriated by the Legislature into the Interim
395 School District Capital Expenditure Fund to be distributed to all
396 school districts under the formula: Nine and two-tenths percent
397 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
398 (20%) shall be appropriated in fiscal year 1999, forty percent
399 (40%) shall be appropriated in fiscal year 2000, sixty percent
400 (60%) shall be appropriated in fiscal year 2001, eighty percent
401 (80%) shall be appropriated in fiscal year 2002, and one hundred
402 percent (100%) shall be appropriated in fiscal year 2003 into the
403 State Adequate Education Program Fund created in subsection (4).
404 Until July 1, 2002, such money shall be used by school districts
405 for the following purposes:

406 (a) Purchasing, erecting, repairing, equipping,
407 remodeling and enlarging school buildings and related facilities,
408 including gymnasiums, auditoriums, lunchrooms, vocational training
409 buildings, libraries, school barns and garages for transportation
410 vehicles, school athletic fields and necessary facilities
411 connected therewith, and purchasing land therefor. Any such

412 capital improvement project by a school district shall be approved
413 by the State Board of Education, and based on an approved
414 long-range plan. The State Board of Education shall promulgate
415 minimum requirements for the approval of school district capital
416 expenditure plans.

417 (b) Providing necessary water, light, heating, air
418 conditioning, and sewerage facilities for school buildings, and
419 purchasing land therefor.

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

424 (d) From and after October 1, 1997, through June 30,
425 1998, pursuant to a school district capital expenditure plan
426 approved by the State Department of Education, a school district
427 may pledge such funds until July 1, 2002, plus funds provided for
428 in paragraph (e) of this subsection (5) that are not otherwise
429 permanently pledged under such paragraph (e) to pay all or a
430 portion of the debt service on debt issued by the school district
431 under Sections 37-59-1 through 37-59-45, 37-59-101 through
432 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
433 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
434 issued by boards of supervisors for agricultural high schools
435 pursuant to Section 37-27-65, Mississippi Code of 1972, or
436 lease-purchase contracts entered into pursuant to Section 31-7-13,
437 Mississippi Code of 1972, or to retire or refinance outstanding
438 debt of a district, if such pledge is accomplished pursuant to a
439 written contract or resolution approved and spread upon the
440 minutes of an official meeting of the district's school board or
441 board of supervisors. It is the intent of this provision to allow
442 school districts to irrevocably pledge their Interim School
443 District Capital Expenditure Fund allotments as a constant stream

444 of revenue to secure a debt issued under the foregoing code
445 sections. To allow school districts to make such an irrevocable
446 pledge, the state shall take all action necessary to ensure that
447 the amount of a district's Interim School District Capital
448 Expenditure Fund allotments shall not be reduced below the amount
449 certified by the department or the district's total allotment
450 under the Interim Capital Expenditure Fund if fully funded, so
451 long as such debt remains outstanding.

452 (e) From and after October 1, 1997, through June 30,
453 1998, in addition to any other authority a school district may
454 have, any school district may issue State Aid Capital Improvement
455 Bonds secured in whole by a continuing annual pledge of any
456 Mississippi Adequate Education Program funds available to the
457 district, in an amount not to exceed One Hundred Sixty Dollars
458 (\$160.00) per pupil based on the latest completed average daily
459 attendance count certified by the department prior to the issuance
460 of the bonds. Such State Aid Capital Improvement Bonds may be
461 issued for the purposes enumerated in paragraphs (a), (b), (c) and
462 (g) of this section. Prior to issuing such bonds, the school
463 board of the district shall adopt a resolution declaring the
464 necessity for and its intention of issuing such bonds and
465 borrowing such money, specifying the approximate amount to be so
466 borrowed, how such money is to be used and how such indebtedness
467 is to be evidenced. Any capital improvement project financed with
468 State Aid Capital Improvement Bonds shall be approved by the
469 department, and based on an approved long-range plan. The State
470 Board of Education shall promulgate minimum requirements for the
471 approval of such school district capital expenditure plans. The
472 State Board of Education shall not approve any capital expenditure
473 plan for a pledge of funds under this paragraph unless it
474 determines (i) that the quality of instruction in such district
475 will not be reduced as a result of this pledge, and (ii) the

476 district has other revenue available to attain and maintain at
477 least Level III accreditation.

478 A district issuing State Aid Capital Improvement Bonds may
479 pledge for the repayment of such bonds all funds received by the
480 district from the state, in an amount not to exceed One Hundred
481 Sixty Dollars (\$160.00) per pupil in average daily attendance in
482 the school district as set forth above, and not otherwise
483 permanently pledged under paragraph (d) of this subsection or
484 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
485 district's school board shall specify by resolution the amount of
486 state funds, which are being pledged by the district for the
487 repayment of the State Aid Capital Improvement Bonds. Once such a
488 pledge is made to secure the bonds, the district shall notify the
489 department of such pledge. Upon making such a pledge, the school
490 district may request the department which may agree to irrevocably
491 transfer a specified amount or percentage of the district's state
492 revenue pledged to repay the district's State Aid Capital
493 Improvement Bonds directly to a state or federally chartered bank
494 serving as a trustee or paying agent on such bonds for the payment
495 of all or portion of such State Aid Capital Improvement Bonds.
496 Such instructions shall be incorporated into a resolution by the
497 school board for the benefit of holders of the bonds and may
498 provide that such withholding and transfer of such other available
499 funds shall be made only upon notification by a trustee or paying
500 agent on such bonds that the amounts available to pay such bonds
501 on any payment date will not be sufficient. It is the intent of
502 this provision to allow school districts to irrevocably pledge a
503 certain, constant stream of revenue as security for State Aid
504 Capital Improvement Bonds issued hereunder. To allow school
505 districts to make such an irrevocable pledge, the state shall take
506 all action necessary to ensure that the amount of a district's
507 state revenues up to an amount equal to One Hundred Sixty Dollars

508 (\$160.00) per pupil as set forth above which have been pledged to
509 repay debt as set forth herein shall not be reduced so long as any
510 State Aid Capital Improvement Bonds are outstanding.

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

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

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

527 This paragraph (e) shall stand repealed from and after June
528 30, 1998.

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

540 the State Public School Building Fund credited to such school
541 district under this paragraph. This paragraph (f) shall stand
542 repealed from and after June 30, 1998.

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

556 (h) To the extent a school district has not utilized
557 twenty percent (20%) of its annual allotment for technology
558 purposes under paragraph (g), a school district may expend not
559 more than twenty percent (20%) of its annual allotment or Twenty
560 Thousand Dollars (\$20,000.00), whichever is greater, for
561 instructional purposes. The State Board of Education may
562 authorize a school district to expend more than said twenty
563 percent (20%) of its annual allotment for instructional purposes
564 if it determines that such expenditures are needed for
565 accreditation purposes.

566 (i) The State Department of Education or the State
567 Board of Education may require that any project commenced under
568 this section with an estimated project cost of not less than Five
569 Million Dollars (\$5,000,000.00) shall be done only pursuant to
570 program management of the process with respect to design and
571 construction. Any individuals, partnerships, companies or other

572 entities acting as a program manager on behalf of a local school
573 district and performing program management services for projects
574 covered under this subsection shall be approved by the State
575 Department of Education.

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

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

583 **SECTION 3.** Section 37-19-7, Mississippi Code of 1972, is
584 brought forward as follows:

585 37-19-7. (1) This section shall be known and may be cited
586 as the Mississippi "Teacher Opportunity Program (TOP)." The
587 allowance in the minimum education program and the Mississippi
588 Adequate Education Program for teachers' salaries in each county
589 and separate school district shall be determined and paid in
590 accordance with the scale for teachers' salaries as provided in
591 this subsection. For teachers holding the following types of
592 licenses or the equivalent as determined by the State Board of
593 Education, and the following number of years of teaching
594 experience, the scale shall be as follows:

595 **2004-2005 School Year**

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

597	AAAA.....	\$ 31,775.00
598	AAA.....	30,850.00
599	AA.....	29,925.00
600	A.....	28,000.00

601 **25 or More Years of Teaching Experience**

602	AAAA.....	\$ 33,775.00
603	AAA.....	32,850.00

604	AA.....	31,925.00
605	A.....	30,000.00

606 The State Board of Education shall revise the salary scale
607 prescribed above for the 2004-2005 school year to conform to any
608 adjustments made to the salary scale in prior fiscal years due to
609 revenue growth over and above five percent (5%). For each one
610 percent (1%) that the Sine Die General Fund Revenue Estimate
611 Growth exceeds five percent (5%) for fiscal year 2005, as
612 certified by the Legislative Budget Office to the State Board of
613 Education and subject to specific appropriation therefor by the
614 Legislature, the State Board of Education shall revise the salary
615 scale to provide an additional one percent (1%) across the board
616 increase in the base salaries for each type of license.

617 **2005-2006 School Year and School Years Thereafter**

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

619	AAAA.....	\$ 34,000.00
620	AAA.....	33,000.00
621	AA.....	32,000.00
622	A.....	30,000.00

623 **25 or More Years of Teaching Experience**

624	AAAA.....	\$ 36,000.00
625	AAA.....	35,000.00
626	AA.....	34,000.00
627	A.....	32,000.00

628 The State Board of Education shall revise the salary scale
629 prescribed above for the 2005-2006 school year to conform to any
630 adjustments made to the salary scale in prior fiscal years due to
631 revenue growth over and above five percent (5%). For each one
632 percent (1%) that the Sine Die General Fund Revenue Estimate
633 Growth exceeds five percent (5%) for fiscal year 2006, as
634 certified by the Legislative Budget Office to the State Board of
635 Education and subject to specific appropriation therefor by the

636 Legislature, the State Board of Education shall revise the salary
637 scale to provide an additional one percent (1%) across the board
638 increase in the base salaries for each type of license.

639 It is the intent of the Legislature that any state funds made
640 available for salaries of licensed personnel in excess of the
641 funds paid for such salaries for the 1986-1987 school year shall
642 be paid to licensed personnel pursuant to a personnel appraisal
643 and compensation system implemented by the State Board of
644 Education. The State Board of Education shall have the authority
645 to adopt and amend rules and regulations as are necessary to
646 establish, administer and maintain the system.

647 All teachers employed on a full-time basis shall be paid a
648 minimum salary in accordance with the above scale. However, no
649 school district shall receive any funds under this section for any
650 school year during which the local supplement paid to any
651 individual teacher shall have been reduced to a sum less than that
652 paid to that individual teacher for performing the same duties
653 from local supplement during the immediately preceding school
654 year. The amount actually spent for the purposes of group health
655 and/or life insurance shall be considered as a part of the
656 aggregate amount of local supplement but shall not be considered a
657 part of the amount of individual local supplement.

658 **2004-2005 School Year Annual Increment**

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

664 For teachers holding a Class AAA license, the minimum base
665 pay specified in this subsection shall be increased by the sum of
666 Six Hundred Seventy-five Dollars (\$675.00) for each year of
667 teaching experience possessed by the person holding such license

668 until such person shall have twenty-five (25) years of teaching
669 experience.

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

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

680 **2005-2006 School Year**

681 **and School Years Thereafter Annual Increments**

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

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

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

697 For teachers holding a Class A license, the minimum base pay
698 specified in this subsection shall be increased by the sum of Four
699 Hundred Eighty Dollars (\$480.00) for each year of teaching

700 experience possessed by the person holding such license until such
701 person shall have twenty-four (24) years of teaching experience.

702 The level of professional training of each teacher to be used
703 in establishing the salary allotment for the teachers for each
704 year shall be determined by the type of valid teacher's license
705 issued to those teachers on or before October 1 of the current
706 school year.

707 (2) (a) The following employees shall receive an annual
708 salary supplement in the amount of Six Thousand Dollars
709 (\$6,000.00), plus fringe benefits, in addition to any other
710 compensation to which the employee may be entitled:

711 (i) Any licensed teacher who has met the
712 requirements and acquired a Master Teacher certificate from the
713 National Board for Professional Teaching Standards and who is
714 employed by a local school board or the State Board of Education
715 as a teacher and not as an administrator. Such teacher shall
716 submit documentation to the State Department of Education that the
717 certificate was received prior to October 15 in order to be
718 eligible for the full salary supplement in the current school
719 year, or the teacher shall submit such documentation to the State
720 Department of Education prior to February 15 in order to be
721 eligible for a prorated salary supplement beginning with the
722 second term of the school year.

723 (ii) A licensed nurse who has met the requirements
724 and acquired a certificate from the National Board for
725 Certification of School Nurses, Inc., and who is employed by a
726 local school board or the State Board of Education as a school
727 nurse and not as an administrator. The licensed school nurse
728 shall submit documentation to the State Department of Education
729 that the certificate was received before October 15 in order to be
730 eligible for the full salary supplement in the current school
731 year, or the licensed school nurse shall submit the documentation

732 to the State Department of Education before February 15 in order
733 to be eligible for a prorated salary supplement beginning with the
734 second term of the school year. Provided, however, that the total
735 number of licensed school nurses eligible for a salary supplement
736 under this paragraph (ii) shall not exceed twenty (20).

737 (iii) Any licensed school counselor who has met
738 the requirements and acquired a National Certified School
739 Counselor (NCSC) endorsement from the National Board of Certified
740 Counselors and who is employed by a local school board or the
741 State Board of Education as a counselor and not as an
742 administrator. Such licensed school counselor shall submit
743 documentation to the State Department of Education that the
744 endorsement was received prior to October 15 in order to be
745 eligible for the full salary supplement in the current school
746 year, or the licensed school counselor shall submit such
747 documentation to the State Department of Education prior to
748 February 15 in order to be eligible for a prorated salary
749 supplement beginning with the second term of the school year.
750 However, any school counselor who started the National Board for
751 Professional Teaching Standards process for school counselors
752 between June 1, 2003, and June 30, 2004, and completes the
753 requirements and acquires the master teacher certificate shall be
754 entitled to the master teacher supplement, and those counselors
755 who complete the process shall be entitled to a one (1) time
756 reimbursement for the actual cost of the process as outlined in
757 paragraph (b) of this subsection.

758 (iv) Any licensed speech-language pathologist and
759 audiologist who has met the requirements and acquired a
760 Certificate of Clinical Competence from the American
761 Speech-Language-Hearing Association and who is employed by a local
762 school board. Such licensed speech-language pathologist and
763 audiologist shall submit documentation to the State Department of

764 Education that the certificate or endorsement was received prior
765 to October 15 in order to be eligible for the full salary
766 supplement in the current school year, or the licensed
767 speech-language pathologist and audiologist shall submit such
768 documentation to the State Department of Education prior to
769 February 15 in order to be eligible for a prorated salary
770 supplement beginning with the second term of the school year.

771 (b) An employee shall be reimbursed one (1) time for
772 the actual cost of completing the process of acquiring the
773 certificate or endorsement, excluding any costs incurred for
774 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)
775 for a school counselor or speech-language pathologist and
776 audiologist, regardless of whether or not the process resulted in
777 the award of the certificate or endorsement. A local school
778 district or any private individual or entity may pay the cost of
779 completing the process of acquiring the certificate or endorsement
780 for any employee of the school district described under paragraph
781 (a), and the State Department of Education shall reimburse the
782 school district for such cost, regardless of whether or not the
783 process resulted in the award of the certificate or endorsement.
784 If a private individual or entity has paid the cost of completing
785 the process of acquiring the certificate or endorsement for an
786 employee, the local school district may agree to directly
787 reimburse the individual or entity for such cost on behalf of the
788 employee.

789 (c) All salary supplements, fringe benefits and process
790 reimbursement authorized under this subsection shall be paid
791 directly by the State Department of Education to the local school
792 district and shall be in addition to its minimum education program
793 allotments and not a part thereof in accordance with regulations
794 promulgated by the State Board of Education, and subject to
795 appropriation by the Legislature. Local school districts shall

796 not reduce the local supplement paid to any employee receiving
797 such salary supplement, and the employee shall receive any local
798 supplement to which employees with similar training and experience
799 otherwise are entitled.

800 (d) The State Department of Education may not pay any
801 process reimbursement to a school district for an employee who
802 does not complete the certification or endorsement process
803 required to be eligible for the certificate or endorsement. If an
804 employee for whom such cost has been paid in full or in part by a
805 local school district or private individual or entity fails to
806 complete the certification or endorsement process, the employee
807 shall be liable to the school district or individual or entity for
808 all amounts paid by the school district or individual or entity on
809 behalf of that employee toward his or her certificate or
810 endorsement.

811 **SECTION 4.** This act shall take effect and be in force from
812 and after July 1, 2005.

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

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 AUTHORIZE CERTAIN COST
8 SAVINGS TO THE FORMULA TO BE EXPENDED FOR HIGH GROWTH SCHOOL
9 DISTRICTS; TO BRING FORWARD SECTION 37-19-7, MISSISSIPPI CODE OF
10 1972, RELATING TO THE TEACHER SALARY SCALE UNDER THE ADEQUATE
11 EDUCATION PROGRAM; AND FOR RELATED PURPOSES.