By: Representative Warren

To: Education;
Appropriations

HOUSE BILL NO. 563

1	Z\ T \T	Δ CT	ТΟ	ZMEND	SECTION	37-151-7	MISSISSIPPI	CODE	ΟE	1972
⊥	ΔTA	ACI	10	AMEND	SECTION	3/-131-1	MIDDIDDIBLI	CODE	OF	$\perp \supset I \supset I$

- 2 TO EXTEND THE REPEALER ON THE PROVISIONS OF THE MISSISSIPPI
- 3 ADEQUATE EDUCATION PROGRAM WHICH PROVIDE FOR ADDITIONAL FUNDING IN 4 HIGH GROWTH SCHOOL DISTRICTS; AND FOR RELATED PURPOSES.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 6 **SECTION 1.** Section 37-151-7, Mississippi Code of 1972, is
- 7 amended as follows:
- 8 37-151-7. The annual allocation to each school district for
- 9 the operation of the adequate education program shall be
- 10 determined as follows:
- 11 (1) Computation of the basic amount to be included for
- 12 current operation in the adequate education program. The
- 13 following procedure shall be followed in determining the annual
- 14 allocation to each school district:
- 15 (a) Determination of average daily attendance. During
- 16 months two and three of the current school year, the average daily
- 17 attendance of a school district shall be computed, or the average
- 18 daily attendance for the prior school year shall be used,
- 19 whichever is greater. The district's average daily attendance
- 20 shall be computed and currently maintained in accordance with
- 21 regulations promulgated by the State Board of Education.
- 22 (b) Determination of base student cost. The State
- 23 Board of Education, on or before August 1, with adjusted estimate
- 24 no later than January 2, shall annually submit to the Legislative
- 25 Budget Office and the Governor a proposed base student cost
- 26 adequate to provide the following cost components of educating a
- 27 pupil in an average school district meeting Level III
- 28 accreditation standards required by the Commission on School

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Accreditation: (i) Instructional Cost; (ii) Administrative Cost;
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    (iii) Operation and Maintenance of Plant; and (iv) Ancillary
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    Support Cost. The department shall utilize a statistical
    methodology which considers such factors as, but not limited to,
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    (i) school size; (ii) assessed valuation per pupil; (iii) the
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    percentage of students receiving free lunch; (iv) the local
    district maintenance tax levy; (v) other local school district
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    revenues; and (vi) the district's accreditation level, in the
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    selection of the representative Mississippi school districts for
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    which cost information shall be obtained for each of the above
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    listed cost areas.
         For the instructional cost component, the department shall
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    determine the instructional cost of each of the representative
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    school districts selected above, excluding instructional cost of
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    self-contained special education programs and vocational education
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    programs, and the average daily attendance in the selected school
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    districts. The instructional cost is then totaled and divided by
    the total average daily attendance for the selected school
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    districts to yield the instructional cost component. For the
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    administrative cost component, the department shall determine the
    administrative cost of each of the representative school districts
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    selected above, excluding administrative cost of self-contained
    special education programs and vocational education programs, and
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    the average daily attendance in the selected school districts.
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    The administrative cost is then totaled and divided by the total
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    average daily attendance for the selected school districts to
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    yield the administrative cost component. For the plant and
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    maintenance cost component, the department shall determine the
    plant and maintenance cost of each of the representative school
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    districts selected above, excluding plant and maintenance cost of
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    self-contained special education programs and vocational education
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    programs, and the average daily attendance in the selected school
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    districts.
               The plant and maintenance cost is then totaled and
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- 62 divided by the total average daily attendance for the selected
- 63 school districts to yield the plant and maintenance cost
- 64 component. For the ancillary support cost component, the
- 65 department shall determine the ancillary support cost of each of
- 66 the representative school districts selected above, excluding
- 67 ancillary support cost of self-contained special education
- 68 programs and vocational education programs, and the average daily
- 69 attendance in the selected school districts. The ancillary
- 70 support cost is then totaled and divided by the total average
- 71 daily attendance for the selected school districts to yield the
- 72 ancillary support cost component. The total base cost for each
- 73 year shall be the sum of the instructional cost component,
- 74 administrative cost component, plant and maintenance cost
- 75 component and ancillary support cost component, and any estimated
- 76 adjustments for additional state requirements as determined by the
- 77 State Board of Education. Provided, however, that the base
- 78 student cost in fiscal year 1998 shall be Two Thousand Six Hundred
- 79 Sixty-four Dollars (\$2,664.00).
- 80 (c) Determination of the basic adequate education
- 81 **program cost.** The basic amount for current operation to be
- 82 included in the Mississippi Adequate Education Program for each
- 83 school district shall be computed as follows:
- Multiply the average daily attendance of the district by the
- 85 base student cost as established by the Legislature, which yields
- 86 the total base program cost for each school district.
- 87 (d) Adjustment to the base student cost for at-risk
- 88 pupils. The amount to be included for at-risk pupil programs for
- 89 each school district shall be computed as follows: Multiply the
- 90 base student cost for the appropriate fiscal year as determined
- 91 under paragraph (b) by five percent (5%), and multiply that
- 92 product by the number of pupils participating in the federal free
- 93 school lunch program in such school district, which yields the

- 94 total adjustment for at-risk pupil programs for such school
- 95 district.
- 96 (e) Add-on program cost. The amount to be allocated to
- 97 school districts in addition to the adequate education program
- 98 cost for add-on programs for each school district shall be
- 99 computed as follows:
- 100 (i) Transportation cost shall be the amount
- 101 allocated to such school district for the operational support of
- 102 the district transportation system from state funds.
- 103 (ii) Vocational or technical education program
- 104 cost shall be the amount allocated to such school district from
- 105 state funds for the operational support of such programs.
- 106 (iii) Special education program cost shall be the
- 107 amount allocated to such school district from state funds for the
- 108 operational support of such programs.
- 109 (iv) Gifted education program cost shall be the
- 110 amount allocated to such school district from state funds for the
- 111 operational support of such programs.
- 112 (v) Alternative school program cost shall be the
- 113 amount allocated to such school district from state funds for the
- 114 operational support of such programs.
- 115 (vi) Extended school year programs shall be the
- 116 amount allocated to school districts for those programs authorized
- 117 by law which extend beyond the normal school year.
- 118 (vii) University-based programs shall be the
- 119 amount allocated to school districts for those university-based
- 120 programs for handicapped children as defined and provided for in
- 121 Section 37-23-131 et seq., Mississippi Code of 1972.
- 122 (viii) Bus driver training programs shall be the
- 123 amount provided for those driver training programs as provided for
- in Section 37-41-1, Mississippi Code of 1972.
- The sum of the items listed above (i) transportation, (ii)
- 126 vocational or technical education, (iii) special education, (iv)

- 127 gifted education, (v) alternative school, (vi) extended school
- 128 year, (vii) university-based, and (viii) bus driver training shall
- 129 yield the add-on cost for each school district.
- 130 (f) Total projected adequate education program cost.
- 131 The total Mississippi Adequate Education Program cost shall be the
- 132 sum of the total basic adequate education program cost (paragraph
- 133 (c)), and the adjustment to the base student cost for at-risk
- 134 pupils (paragraph (d)) for each school district.
- 135 (g) Supplemental grant to school districts. In
- 136 addition to the adequate education program grant, the State
- 137 Department of Education shall annually distribute an additional
- 138 amount as follows: Multiply the base student cost for the
- 139 appropriate fiscal year as determined under paragraph (b) by
- 140 thirteen one-hundredths percent (.13%) and multiply that product
- 141 by the average daily attendance of each school district. Such
- 142 grant shall not be subject to the local revenue requirement
- 143 provided in subsection (2).
- 144 (h) The State Auditor shall annually verify the State
- 145 Board of Education's estimated calculations for the Mississippi
- 146 Adequate Education Program that are submitted each year to the
- 147 Legislative Budget Office on August 1 and the final calculation
- 148 that is submitted on January 2.
- 149 (2) Computation of the required local revenue in support of
- 150 the adequate education program. The amount that each district
- 151 shall provide toward the cost of the adequate education program
- 152 shall be calculated as follows:
- 153 (a) The State Board of Education shall certify to each
- 154 school district that twenty-eight (28) mills, less the estimated
- 155 amount of the yield of the School Ad Valorem Tax Reduction Fund
- 156 grants as determined by the State Department of Education, is the
- 157 millage rate required to provide the district required local
- 158 effort for that year, or twenty-seven percent (27%) of the basic
- 159 adequate education program cost for such school district as

- 160 determined under paragraph (c), whichever is a lesser amount. In
- 161 the case of an agricultural high school the millage requirement
- 162 shall be set at a level which generates an equitable amount per
- 163 pupil to be determined by the State Board of Education.
- (b) The State Board of Education shall determine (i)
- 165 the total assessed valuation of nonexempt property for school
- 166 purposes in each school district; (ii) assessed value of exempt
- 167 property owned by homeowners aged sixty-five (65) or older or
- 168 disabled as defined in Section 27-33-67(2), Mississippi Code of
- 169 1972; (iii) the school district's tax loss from exemptions
- 170 provided to applicants under the age of sixty-five (65) and not
- 171 disabled as defined in Section 27-33-67(1), Mississippi Code of
- 172 1972; and (iv) the school district's homestead reimbursement
- 173 revenues.
- 174 (c) The amount of the total adequate education program
- 175 funding which shall be contributed by each school district shall
- 176 be the sum of the ad valorem receipts generated by the millage
- 177 required under this subsection plus the following local revenue
- 178 sources for the appropriate fiscal year which are or may be
- 179 available for current expenditure by the school district:
- One hundred percent (100%) of Grand Gulf income as prescribed
- 181 in Section 27-35-309.
- 182 (3) Computation of the required state effort in support of
- 183 the adequate education program.
- 184 (a) The required state effort in support of the
- 185 adequate education program shall be determined by subtracting the
- 186 sum of the required local tax effort as set forth in subsection
- 187 (2)(a) of this section and the other local revenue sources as set
- 188 forth in subsection (2)(c) of this section in an amount not to
- 189 exceed twenty-seven percent (27%) of the total projected adequate
- 190 education program cost as set forth in subsection (1)(f) of this
- 191 section from the total projected adequate education program cost
- 192 as set forth in subsection (1)(f) of this section.

Provided, however, that in fiscal year 1998 and in 193 194 the fiscal year in which the adequate education program is fully 195 funded by the Legislature, any increase in the said state 196 contribution, including the supplemental grant to school districts 197 provided under subsection (1)(g), to any district calculated under 198 this section shall be not less than eight percent (8%) in excess of the amount received by said district from state funds for the 199 200 fiscal year immediately preceding. For purposes of this paragraph 201 (b), state funds shall include minimum program funds less the 202 add-on programs, State Uniform Millage Assistance Grant Funds, 203 Education Enhancement Funds appropriated for Uniform Millage 204 Assistance Grants and state textbook allocations, and State 205 General Funds allocated for textbooks. 206 If the appropriation is less than full funding for (C) 207 fiscal year 2003, allocations for state contributions to school 208 districts in support of the adequate education program will be 209 determined by the State Department of Education in the following 210 manner: Calculation of the full funding amount under 211 212 this chapter, with proportionate reductions as required by the 213 appropriation level. (ii) Calculation of the amount equal to the state 214 215 funds allocated to school districts for fiscal year 2002 plus the 216 estimated amount to fund the adequate education program salary 217 schedule for fiscal year 2003. For purposes of this item (ii), state funds shall be those described in paragraph (b) and an 218 219 amount equal to the allocation for the adequate education program in fiscal year 2002, plus any additional amount required to 220 satisfy fiscal year 2003 pledges in accordance with paragraphs 221

equal to the fiscal year 2003 pledge or the amount of funds H. B. No. 563 *HRO3/R944* 06/HR03/R944 PAGE 7 (RKM\LH)

district's fiscal year 2003 pledge is different than the pledge

amount for fiscal year 2002, the district shall receive an amount

If a school

(d), (e) and (f) of subsection (5) of this section.

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226 calculated under the adequate education formula for fiscal year 227 2002 before any pledge guarantee for fiscal year 2002, whichever 228 is greater. If the pledge is no longer in effect, the district 229 shall receive the amount of funds calculated under the formula for 230 fiscal year 2002 before any pledge guarantee for fiscal year 2002. 231 (iii) The portion of any district's allocation 232 calculated in item (i) of this paragraph which exceeds amounts as calculated in item (ii) shall be reduced by an amount not to 233 exceed twenty-one percent (21%). The amount of funds generated by 234 235 this reduction of funds shall be redistributed proportionately 236 among those districts receiving insufficient funds to meet the amount calculated in item (ii). In no case may any district 237 238 receive funds in an amount greater than the amount that the 239 district would have received under full funding of the program for fiscal year 2003. 240 241 (d) If the school board of any school district shall 242 determine that it is not economically feasible or practicable to 243 operate any school within the district for the full one hundred eighty (180) days required for a school term of a scholastic year 244 245 as required in Section 37-13-63, Mississippi Code of 1972, due to 246 an enemy attack, a man-made, technological or natural disaster in which the Governor has declared a disaster emergency under the 247 248 laws of this state or the President of the United States has 249 declared an emergency or major disaster to exist in this state, 250 said school board may notify the State Department of Education of such disaster and submit a plan for altering the school term. 251 252 the State Board of Education finds such disaster to be the cause 253 of the school not operating for the contemplated school term and 254 that such school was in a school district covered by the 255 Governor's or President's disaster declaration, it may permit said 256 school board to operate the schools in its district for less than 257 one hundred eighty (180) days and, in such case, the State 258 Department of Education shall not reduce the state contributions *HR03/R944*

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- 259 to the adequate education program allotment for such district,
- 260 because of the failure to operate said schools for one hundred
- 261 eighty (180) days.
- 262 (4) If during the year for which adequate education program
- 263 funds are appropriated, any school district experiences a three
- 264 percent (3%) or greater increase in average daily attendance
- 265 during the second and third month over the preceding year's second
- 266 and third month and the school district has requested a minimum
- 267 increase of four percent (4%) in local ad valorem revenues over
- 268 the previous year as authorized in Sections 37-57-104 and
- 269 37-57-105, an additional allocation of adequate education program
- 270 funds calculated in the following manner shall be granted to that
- 271 district, using any additional funds available to the Department
- 272 of Education that exceed the amount of funds due to the school
- 273 districts under the basic adequate education program distribution
- 274 as provided for in this chapter:
- 275 (a) Determine the percentage increase in average daily
- 276 attendance for the second and third months of the year for which
- 277 adequate education program funds are appropriated over the
- 278 preceding year's second and third month average daily attendance.
- (b) For those districts that have a three percent (3%)
- 280 or greater increase as calculated in paragraph (a) of this
- 281 subsection, multiply the total increase in students in average
- 282 daily attendance for the second and third months of the year for
- 283 which adequate education program funds are appropriated over the
- 284 preceding year's second and third month average daily attendance
- 285 times the base student cost used in the appropriation.
- 286 (c) Subtract the percentage of the district's local
- 287 contribution arrived at in subsection (2) of this section from the
- 288 amount calculated in paragraph (b) of this subsection. The
- 289 remainder is the additional allocation in adequate education
- 290 program funds for that district.

291 If the funds available to the Department of Education are not 292 sufficient to fully fund the additional allocations to school 293 districts eligible for those allocations, then the department 294 shall prorate the available funds among the eligible school 295 districts, using the same percentage of the total funds that the 296 school district would have received if the allocations were fully 297 The State Department of Education shall study and develop funded. a report to the Chairmen of the Senate and House Committees on 298 299 Education by January 1, 2005, with options for legislative 300 consideration that will insure that the Mississippi Adequate 301 Education funds are distributed to school districts based on current year student attendance or enrollment. 302 303 This subsection (4) shall stand repealed on July 1, 2008. 304 (5) The Interim School District Capital Expenditure Fund is * * * established in the State Treasury which shall be used to 305 306 distribute any funds specifically appropriated by the Legislature 307 to such fund to school districts entitled to increased allocations 308 of state funds under the adequate education program funding 309 formula prescribed in Sections 37-151-3 through 37-151-7, until 310 such time as the * * * adequate education program is fully funded 311 by the Legislature. The following percentages of the total state 312 cost of increased allocations of funds under the adequate education program funding formula shall be appropriated by the 313 314 Legislature into the Interim School District Capital Expenditure 315 Fund to be distributed to all school districts under the formula: Nine and two-tenths percent (9.2%) shall be appropriated in fiscal 316 317 year 1998, twenty percent (20%) shall be appropriated in fiscal 318 year 1999, forty percent (40%) shall be appropriated in fiscal year 2000, sixty percent (60%) shall be appropriated in fiscal 319 320 year 2001, eighty percent (80%) shall be appropriated in fiscal 321 year 2002, and one hundred percent (100%) shall be appropriated in 322 fiscal year 2003 into the State Adequate Education Program Fund

- 323 created in subsection (4). Until July 1, 2002, such money shall
- 324 be used by school districts for the following purposes:
- 325 (a) Purchasing, erecting, repairing, equipping,
- 326 remodeling and enlarging school buildings and related facilities,
- 327 including gymnasiums, auditoriums, lunchrooms, vocational training
- 328 buildings, libraries, school barns and garages for transportation
- 329 vehicles, school athletic fields and necessary facilities
- 330 connected therewith, and purchasing land therefor. Any such
- 331 capital improvement project by a school district shall be approved
- 332 by the State Board of Education, and based on an approved
- 333 long-range plan. The State Board of Education shall promulgate
- 334 minimum requirements for the approval of school district capital
- 335 expenditure plans.
- 336 (b) Providing necessary water, light, heating, air
- 337 conditioning, and sewerage facilities for school buildings, and
- 338 purchasing land therefor.
- 339 (c) Paying debt service on existing capital improvement
- 340 debt of the district or refinancing outstanding debt of a district
- 341 if such refinancing will result in an interest cost savings to the
- 342 district.
- 343 (d) From and after October 1, 1997, through June 30,
- 344 1998, pursuant to a school district capital expenditure plan
- 345 approved by the State Department of Education, a school district
- 346 may pledge such funds until July 1, 2002, plus funds provided for
- 347 in paragraph (e) of this subsection (5) that are not otherwise
- 348 permanently pledged under such paragraph (e) to pay all or a
- 349 portion of the debt service on debt issued by the school district
- 350 under Sections 37-59-1 through 37-59-45, 37-59-101 through
- 351 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
- 352 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
- 353 issued by boards of supervisors for agricultural high schools
- 354 pursuant to Section 37-27-65, Mississippi Code of 1972, or
- 355 lease-purchase contracts entered into pursuant to Section 31-7-13,

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Mississippi Code of 1972, or to retire or refinance outstanding
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     debt of a district, if such pledge is accomplished pursuant to a
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     written contract or resolution approved and spread upon the
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     minutes of an official meeting of the district's school board or
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     board of supervisors. It is the intent of this provision to allow
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     school districts to irrevocably pledge their Interim School
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     District Capital Expenditure Fund allotments as a constant stream
     of revenue to secure a debt issued under the foregoing code
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     sections. To allow school districts to make such an irrevocable
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     pledge, the state shall take all action necessary to ensure that
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     the amount of a district's Interim School District Capital
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     Expenditure Fund allotments shall not be reduced below the amount
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     certified by the department or the district's total allotment
     under the Interim Capital Expenditure Fund if fully funded, so
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     long as such debt remains outstanding.
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                    From and after October 1, 1997, through June 30,
               (e)
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     1998, in addition to any other authority a school district may
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     have, any school district may issue State Aid Capital Improvement
     Bonds secured in whole by a continuing annual pledge of any
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     Mississippi Adequate Education Program funds available to the
     district, in an amount not to exceed One Hundred Sixty Dollars
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     ($160.00) per pupil based on the latest completed average daily
     attendance count certified by the department prior to the issuance
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     of the bonds. Such State Aid Capital Improvement Bonds may be
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     issued for the purposes enumerated in paragraphs (a), (b), (c) and
     (g) of this section. Prior to issuing such bonds, the school
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     board of the district shall adopt a resolution declaring the
     necessity for and its intention of issuing such bonds and
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     borrowing such money, specifying the approximate amount to be so
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     borrowed, how such money is to be used and how such indebtedness
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     is to be evidenced. Any capital improvement project financed with
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     State Aid Capital Improvement Bonds shall be approved by the
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     department, and based on an approved long-range plan. The State
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389 Board of Education shall promulgate minimum requirements for the 390 approval of such school district capital expenditure plans. 391 State Board of Education shall not approve any capital expenditure 392 plan for a pledge of funds under this paragraph unless it 393 determines (i) that the quality of instruction in such district 394 will not be reduced as a result of this pledge, and (ii) the 395 district has other revenue available to attain and maintain at least Level III accreditation. 396 397 A district issuing State Aid Capital Improvement Bonds may 398 pledge for the repayment of such bonds all funds received by the 399 district from the state, in an amount not to exceed One Hundred Sixty Dollars (\$160.00) per pupil in average daily attendance in 400 401 the school district as set forth above, and not otherwise permanently pledged under paragraph (d) of this subsection or 402 403 under Section 37-61-33(2)(d), Mississippi Code of 1972. 404 district's school board shall specify by resolution the amount of 405 state funds, which are being pledged by the district for the 406 repayment of the State Aid Capital Improvement Bonds. Once such a 407 pledge is made to secure the bonds, the district shall notify the 408 department of such pledge. Upon making such a pledge, the school 409 district may request the department which may agree to irrevocably 410 transfer a specified amount or percentage of the district's state revenue pledged to repay the district's State Aid Capital 411 412 Improvement Bonds directly to a state or federally chartered bank 413 serving as a trustee or paying agent on such bonds for the payment of all or portion of such State Aid Capital Improvement Bonds. 414 415 Such instructions shall be incorporated into a resolution by the school board for the benefit of holders of the bonds and may 416 provide that such withholding and transfer of such other available 417 418 funds shall be made only upon notification by a trustee or paying 419 agent on such bonds that the amounts available to pay such bonds 420 on any payment date will not be sufficient. It is the intent of 421 this provision to allow school districts to irrevocably pledge a

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H. B. No. 06/HR03/R944 PAGE 13 (RKM\LH) 422 certain, constant stream of revenue as security for State Aid 423 Capital Improvement Bonds issued hereunder. To allow school districts to make such an irrevocable pledge, the state shall take 424 425 all action necessary to ensure that the amount of a district's 426 state revenues up to an amount equal to One Hundred Sixty Dollars 427 (\$160.00) per pupil as set forth above which have been pledged to repay debt as set forth herein shall not be reduced so long as any 428 429 State Aid Capital Improvement Bonds are outstanding. 430 Any such State Aid Capital Improvement Bonds shall mature as determined by the district's school bond over a period not to 431 432 exceed twenty (20) years. Such bonds shall not bear a greater

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

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

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

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

(f) As an alternative to the authority granted under
paragraph (e), a school district, in its discretion, may authorize
the State Board of Education to withhold an amount of the
district's adequate education program allotment equal to up to One
Hundred Sixty Dollars (\$160.00) per student in average daily
attendance in the district to be allocated to the State Public
School Building Fund to the credit of such school district. A

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- school district may choose the option provided under this

 paragraph (e) or paragraph (f), but not both. In addition to the

 grants made by the state pursuant to Section 37-47-9, a school

 district shall be entitled to grants based on the allotments to

 the State Public School Building Fund credited to such school

 district under this paragraph. This paragraph (f) shall stand
- 461 repealed from and after June 30, 1998.
- school district to expend not more than twenty percent (20%) of its annual allotment of such funds or Twenty Thousand Dollars (\$20,000.00), whichever is greater, for technology needs of the

The State Board of Education may authorize the

- 466 school district, including computers, software,
- 467 telecommunications, cable television, interactive video, film,
- 168 low-power television, satellite communications, microwave
- 469 communications, technology-based equipment installation and
- 470 maintenance, and the training of staff in the use of such
- 471 technology-based instruction. Any such technology expenditure
- 472 shall be reflected in the local district technology plan approved
- 473 by the State Board of Education under Section 37-151-17,
- 474 Mississippi Code of 1972.

(g)

- 475 (h) To the extent a school district has not utilized
- 476 twenty percent (20%) of its annual allotment for technology
- 477 purposes under paragraph (g), a school district may expend not
- 478 more than twenty percent (20%) of its annual allotment or Twenty
- 479 Thousand Dollars (\$20,000.00), whichever is greater, for
- 480 instructional purposes. The State Board of Education may
- 481 authorize a school district to expend more than said twenty
- 482 percent (20%) of its annual allotment for instructional purposes
- 483 if it determines that such expenditures are needed for
- 484 accreditation purposes.
- 485 (i) The State Department of Education or the State
- 486 Board of Education may require that any project commenced under
- 487 this section with an estimated project cost of not less than Five

488	Million Dollars (\$5,000,000.00) shall be done only pursuant to
489	program management of the process with respect to design and
490	construction. Any individuals, partnerships, companies or other
491	entities acting as a program manager on behalf of a local school
492	district and performing program management services for projects
493	covered under this subsection shall be approved by the State
494	Department of Education.
495	Any interest accruing on any unexpended balance in the
496	Interim School District Capital Expenditure Fund shall be invested
497	by the State Treasurer and placed to the credit of each school
498	district participating in such fund in its proportionate share.
499	The provisions of this subsection (5) shall be cumulative and
500	supplemental to any existing funding programs or other authority

SECTION 2. This act shall take effect and be in force from

conferred upon school districts or school boards.

and after July 1, 2006.

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