

By: Representatives Jennings, Brown,
Hamilton (6th), Markham, Mayhall, Mayo,
Moore, Rogers (14th), Rogers (61st), Smith
(59th), Weathersby, Woods, Zuber

To: Education;
Appropriations

HOUSE BILL NO. 724

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
2 TO DELETE 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

29 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;
30 (iii) Operation and Maintenance of Plant; and (iv) Ancillary
31 Support Cost. The department shall utilize a statistical
32 methodology which considers such factors as, but not limited to,
33 (i) school size; (ii) assessed valuation per pupil; (iii) the
34 percentage of students receiving free lunch; (iv) the local
35 district maintenance tax levy; (v) other local school district
36 revenues; and (vi) the district's accreditation level, in the
37 selection of the representative Mississippi school districts for
38 which cost information shall be obtained for each of the above
39 listed cost areas.

40 For the instructional cost component, the department shall
41 determine the instructional cost of each of the representative
42 school districts selected above, excluding instructional cost of
43 self-contained special education programs and vocational education
44 programs, and the average daily attendance in the selected school
45 districts. The instructional cost is then totaled and divided by
46 the total average daily attendance for the selected school
47 districts to yield the instructional cost component. For the
48 administrative cost component, the department shall determine the
49 administrative cost of each of the representative school districts
50 selected above, excluding administrative cost of self-contained
51 special education programs and vocational education programs, and
52 the average daily attendance in the selected school districts.
53 The administrative cost is then totaled and divided by the total
54 average daily attendance for the selected school districts to
55 yield the administrative cost component. For the plant and
56 maintenance cost component, the department shall determine the
57 plant and maintenance cost of each of the representative school
58 districts selected above, excluding plant and maintenance cost of
59 self-contained special education programs and vocational education
60 programs, and the average daily attendance in the selected school
61 districts. The plant and maintenance cost is then totaled and

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:

84 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
124 in Section 37-41-1, Mississippi Code of 1972.

125 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.

164 (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:

180 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.

193 (b) Provided, however, that in fiscal year 1998 and in
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
199 of the amount received by said district from state funds for the
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 (c) If the appropriation is less than full funding for
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:

211 (i) Calculation of the full funding amount under
212 this chapter, with proportionate reductions as required by the
213 appropriation level.

214 (ii) Calculation of the amount equal to the state
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),
218 state funds shall be those described in paragraph (b) and an
219 amount equal to the allocation for the adequate education program
220 in fiscal year 2002, plus any additional amount required to
221 satisfy fiscal year 2003 pledges in accordance with paragraphs
222 (d), (e) and (f) of subsection (5) of this section. If a school
223 district's fiscal year 2003 pledge is different than the pledge
224 amount for fiscal year 2002, the district shall receive an amount
225 equal to the fiscal year 2003 pledge or the amount of funds

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
233 calculated in item (ii) shall be reduced by an amount not to
234 exceed twenty-one percent (21%). The amount of funds generated by
235 this reduction of funds shall be redistributed proportionately
236 among those districts receiving insufficient funds to meet the
237 amount calculated in item (ii). In no case may any district
238 receive funds in an amount greater than the amount that the
239 district would have received under full funding of the program for
240 fiscal year 2003.

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
244 eighty (180) days required for a school term of a scholastic year
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
247 which the Governor has declared a disaster emergency under the
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
251 such disaster and submit a plan for altering the school term. If
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

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.

279 (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 funded. The State Department of Education shall study and develop
298 a report to the Chairmen of the Senate and House Committees on
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
302 current year student attendance or enrollment.

303 * * *

304 (5) The Interim School District Capital Expenditure Fund
305 is * * * established in the State Treasury which shall be used to
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
313 education program funding formula shall be appropriated by the
314 Legislature into the Interim School District Capital Expenditure
315 Fund to be distributed to all school districts under the formula:
316 Nine and two-tenths percent (9.2%) shall be appropriated in fiscal
317 year 1998, twenty percent (20%) shall be appropriated in fiscal
318 year 1999, forty percent (40%) shall be appropriated in fiscal
319 year 2000, sixty percent (60%) shall be appropriated in fiscal
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,

356 Mississippi Code of 1972, or to retire or refinance outstanding
357 debt of a district, if such pledge is accomplished pursuant to a
358 written contract or resolution approved and spread upon the
359 minutes of an official meeting of the district's school board or
360 board of supervisors. It is the intent of this provision to allow
361 school districts to irrevocably pledge their Interim School
362 District Capital Expenditure Fund allotments as a constant stream
363 of revenue to secure a debt issued under the foregoing code
364 sections. To allow school districts to make such an irrevocable
365 pledge, the state shall take all action necessary to ensure that
366 the amount of a district's Interim School District Capital
367 Expenditure Fund allotments shall not be reduced below the amount
368 certified by the department or the district's total allotment
369 under the Interim Capital Expenditure Fund if fully funded, so
370 long as such debt remains outstanding.

371 (e) From and after October 1, 1997, through June 30,
372 1998, in addition to any other authority a school district may
373 have, any school district may issue State Aid Capital Improvement
374 Bonds secured in whole by a continuing annual pledge of any
375 Mississippi Adequate Education Program funds available to the
376 district, in an amount not to exceed One Hundred Sixty Dollars
377 (\$160.00) per pupil based on the latest completed average daily
378 attendance count certified by the department prior to the issuance
379 of the bonds. Such State Aid Capital Improvement Bonds may be
380 issued for the purposes enumerated in paragraphs (a), (b), (c) and
381 (g) of this section. Prior to issuing such bonds, the school
382 board of the district shall adopt a resolution declaring the
383 necessity for and its intention of issuing such bonds and
384 borrowing such money, specifying the approximate amount to be so
385 borrowed, how such money is to be used and how such indebtedness
386 is to be evidenced. Any capital improvement project financed with
387 State Aid Capital Improvement Bonds shall be approved by the
388 department, and based on an approved long-range plan. The State

389 Board of Education shall promulgate minimum requirements for the
390 approval of such school district capital expenditure plans. The
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
396 least Level III accreditation.

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
400 Sixty Dollars (\$160.00) per pupil in average daily attendance in
401 the school district as set forth above, and not otherwise
402 permanently pledged under paragraph (d) of this subsection or
403 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
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
411 revenue pledged to repay the district's State Aid Capital
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
414 of all or portion of such State Aid Capital Improvement Bonds.
415 Such instructions shall be incorporated into a resolution by the
416 school board for the benefit of holders of the bonds and may
417 provide that such withholding and transfer of such other available
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

422 certain, constant stream of revenue as security for State Aid
423 Capital Improvement Bonds issued hereunder. To allow school
424 districts to make such an irrevocable pledge, the state shall take
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
428 repay debt as set forth herein shall not be reduced so long as any
429 State Aid Capital Improvement Bonds are outstanding.

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

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

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

446 This paragraph (e) shall stand repealed from and after June
447 30, 1998.

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

455 school district may choose the option provided under this
456 paragraph (e) or paragraph (f), but not both. In addition to the
457 grants made by the state pursuant to Section 37-47-9, a school
458 district shall be entitled to grants based on the allotments to
459 the State Public School Building Fund credited to such school
460 district under this paragraph. This paragraph (f) shall stand
461 repealed from and after June 30, 1998.

462 (g) The State Board of Education may authorize the
463 school district to expend not more than twenty percent (20%) of
464 its annual allotment of such funds or Twenty Thousand Dollars
465 (\$20,000.00), whichever is greater, for technology needs of the
466 school district, including computers, software,
467 telecommunications, cable television, interactive video, film,
468 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.

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
501 conferred upon school districts or school boards.

502 **SECTION 2.** This act shall take effect and be in force from
503 and after July 1, 2006.