

By: Senator(s) Tollison

To: Education; Finance

SENATE BILL NO. 2347

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE LOCAL CONTRIBUTION REQUIRED BY SCHOOL
3 DISTRICTS UNDER THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM FORMULA
4 SHALL INCLUDE ANY AMOUNTS PAID IN LIEU OF TAXES BY CERTAIN TAX
5 EXEMPT ENTITIES; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 37-151-7, Mississippi Code of 1972, is
8 amended as follows:

9 37-151-7. The annual allocation to each school district for
10 the operation of the adequate education program shall be
11 determined as follows:

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

16 (a) **Determination of average daily attendance.** During
17 months two and three of the current school year, the average daily
18 attendance of a school district shall be computed, or the average
19 daily attendance for the prior school year shall be used,
20 whichever is greater. The district's average daily attendance
21 shall be computed and currently maintained in accordance with
22 regulations promulgated by the State Board of Education.

23 (b) **Determination of base student cost.** The State
24 Board of Education, on or before August 1, with adjusted estimate
25 no later than January 2, shall annually submit to the Legislative
26 Budget Office and the Governor a proposed base student cost
27 adequate to provide the following cost components of educating a
28 pupil in an average school district meeting Level III

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

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

62 districts. The plant and maintenance cost is then totaled and
63 divided by the total average daily attendance for the selected
64 school districts to yield the plant and maintenance cost
65 component. For the ancillary support cost component, the
66 department shall determine the ancillary support cost of each of
67 the representative school districts selected above, excluding
68 ancillary support cost of self-contained special education
69 programs and vocational education programs, and the average daily
70 attendance in the selected school districts. The ancillary
71 support cost is then totaled and divided by the total average
72 daily attendance for the selected school districts to yield the
73 ancillary support cost component. The total base cost for each
74 year shall be the sum of the instructional cost component,
75 administrative cost component, plant and maintenance cost
76 component and ancillary support cost component, and any estimated
77 adjustments for additional state requirements as determined by the
78 State Board of Education. Provided, however, that the base
79 student cost in fiscal year 1998 shall be Two Thousand Six Hundred
80 Sixty-four Dollars (\$2,664.00).

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

85 Multiply the average daily attendance of the district by the
86 base student cost as established by the Legislature, which yields
87 the total base program cost for each school district.

88 (d) **Adjustment to the base student cost for at-risk**
89 **pupils.** The amount to be included for at-risk pupil programs for
90 each school district shall be computed as follows: Multiply the
91 base student cost for the appropriate fiscal year as determined
92 under paragraph (b) by five percent (5%), and multiply that
93 product by the number of pupils participating in the federal free
94 school lunch program in such school district, which yields the

95 total adjustment for at-risk pupil programs for such school
96 district.

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

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

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

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

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

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

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

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

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

126 The sum of the items listed above (i) transportation, (ii)
127 vocational or technical education, (iii) special education, (iv)

128 gifted education, (v) alternative school, (vi) extended school
129 year, (vii) university-based, and (viii) bus driver training shall
130 yield the add-on cost for each school district.

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

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

136 (g) **Supplemental grant to school districts.** In
137 addition to the adequate education program grant, the State
138 Department of Education shall annually distribute an additional
139 amount as follows: Multiply the base student cost for the
140 appropriate fiscal year as determined under paragraph (b) by
141 thirteen one-hundredths percent (.13%) and multiply that product
142 by the average daily attendance of each school district. Such
143 grant shall not be subject to the local revenue requirement
144 provided in subsection (2).

145 (h) The State Auditor shall annually verify the State
146 Board of Education's estimated calculations for the Mississippi
147 Adequate Education Program that are submitted each year to the
148 Legislative Budget Office on August 1 and the final calculation
149 that is submitted on January 2.

150 (2) **Computation of the required local revenue in support of**
151 **the adequate education program.** The amount that each district
152 shall provide toward the cost of the adequate education program
153 shall be calculated as follows:

154 (a) The State Board of Education shall certify to each
155 school district that twenty-eight (28) mills, less the estimated
156 amount of the yield of the School Ad Valorem Tax Reduction Fund
157 grants as determined by the State Department of Education, is the
158 millage rate required to provide the district required local
159 effort for that year, or twenty-seven percent (27%) of the basic
160 adequate education program cost for such school district as

161 determined under paragraph (c), whichever is a lesser amount. In
162 the case of an agricultural high school the millage requirement
163 shall be set at a level which generates an equitable amount per
164 pupil to be determined by the State Board of Education.

165 (b) The State Board of Education shall determine (i)
166 the total assessed valuation of nonexempt property for school
167 purposes in each school district; (ii) assessed value of exempt
168 property owned by homeowners aged sixty-five (65) or older or
169 disabled as defined in Section 27-33-67(2), Mississippi Code of
170 1972; (iii) the school district's tax loss from exemptions
171 provided to applicants under the age of sixty-five (65) and not
172 disabled as defined in Section 27-33-67(1), Mississippi Code of
173 1972; and (iv) the school district's homestead reimbursement
174 revenues.

175 (c) The amount of the total adequate education program
176 funding which shall be contributed by each school district shall
177 be the sum of the ad valorem receipts generated by the millage
178 required under this subsection plus the following local revenue
179 sources for the appropriate fiscal year which are or may be
180 available for current expenditure by the school district:

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

183 Any in lieu payments to the school district made by any
184 entity qualified under Section 27-31-104, Mississippi Code of
185 1972, to pay fees in lieu of ad valorem taxes.

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

188 (a) The required state effort in support of the
189 adequate education program shall be determined by subtracting the
190 sum of the required local tax effort as set forth in subsection
191 (2)(a) of this section and the other local revenue sources as set
192 forth in subsection (2)(c) of this section in an amount not to
193 exceed twenty-seven percent (27%) of the total projected adequate

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

197 (b) Provided, however, that in fiscal year 1998 and in
198 the fiscal year in which the adequate education program is fully
199 funded by the Legislature, any increase in the said state
200 contribution, including the supplemental grant to school districts
201 provided under subsection (1)(g), to any district calculated under
202 this section shall be not less than eight percent (8%) in excess
203 of the amount received by said district from state funds for the
204 fiscal year immediately preceding. For purposes of this paragraph
205 (b), state funds shall include minimum program funds less the
206 add-on programs, State Uniform Millage Assistance Grant Funds,
207 Education Enhancement Funds appropriated for Uniform Millage
208 Assistance Grants and state textbook allocations, and State
209 General Funds allocated for textbooks.

210 (c) If the appropriation is less than full funding for
211 fiscal year 2003, allocations for state contributions to school
212 districts in support of the adequate education program will be
213 determined by the State Department of Education in the following
214 manner:

215 (i) Calculation of the full funding amount under
216 this chapter, with proportionate reductions as required by the
217 appropriation level.

218 (ii) Calculation of the amount equal to the state
219 funds allocated to school districts for fiscal year 2002 plus the
220 estimated amount to fund the adequate education program salary
221 schedule for fiscal year 2003. For purposes of this item (ii),
222 state funds shall be those described in paragraph (b) and an
223 amount equal to the allocation for the adequate education program
224 in fiscal year 2002, plus any additional amount required to
225 satisfy fiscal year 2003 pledges in accordance with paragraphs
226 (d), (e) and (f) of subsection (5) of this section. If a school

227 district's fiscal year 2003 pledge is different than the pledge
228 amount for fiscal year 2002, the district shall receive an amount
229 equal to the fiscal year 2003 pledge or the amount of funds
230 calculated under the adequate education formula for fiscal year
231 2002 before any pledge guarantee for fiscal year 2002, whichever
232 is greater. If the pledge is no longer in effect, the district
233 shall receive the amount of funds calculated under the formula for
234 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

235 (iii) The portion of any district's allocation
236 calculated in item (i) of this paragraph which exceeds amounts as
237 calculated in item (ii) shall be reduced by an amount not to
238 exceed twenty-one percent (21%). The amount of funds generated by
239 this reduction of funds shall be redistributed proportionately
240 among those districts receiving insufficient funds to meet the
241 amount calculated in item (ii). In no case may any district
242 receive funds in an amount greater than the amount that the
243 district would have received under full funding of the program for
244 fiscal year 2003.

245 (d) If the school board of any school district shall
246 determine that it is not economically feasible or practicable to
247 operate any school within the district for the full one hundred
248 eighty (180) days required for a school term of a scholastic year
249 as required in Section 37-13-63, Mississippi Code of 1972, due to
250 an enemy attack, a man-made, technological or natural disaster in
251 which the Governor has declared a disaster emergency under the
252 laws of this state or the President of the United States has
253 declared an emergency or major disaster to exist in this state,
254 said school board may notify the State Department of Education of
255 such disaster and submit a plan for altering the school term. If
256 the State Board of Education finds such disaster to be the cause
257 of the school not operating for the contemplated school term and
258 that such school was in a school district covered by the
259 Governor's or President's disaster declaration, it may permit said

260 school board to operate the schools in its district for less than
261 one hundred eighty (180) days and, in such case, the State
262 Department of Education shall not reduce the state contributions
263 to the adequate education program allotment for such district,
264 because of the failure to operate said schools for one hundred
265 eighty (180) days.

266 (4) If during the year for which adequate education program
267 funds are appropriated, any school district experiences a three
268 percent (3%) or greater increase in average daily attendance
269 during the second and third month over the preceding year's second
270 and third month and the school district has requested a minimum
271 increase of four percent (4%) in local ad valorem revenues over
272 the previous year as authorized in Sections 37-57-104 and
273 37-57-105, an additional allocation of adequate education program
274 funds calculated in the following manner shall be granted to that
275 district, using any additional funds available to the Department
276 of Education that exceed the amount of funds due to the school
277 districts under the basic adequate education program distribution
278 as provided for in this chapter:

279 (a) Determine the percentage increase in average daily
280 attendance for the second and third months of the year for which
281 adequate education program funds are appropriated over the
282 preceding year's second and third month average daily attendance.

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

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

293 remainder is the additional allocation in adequate education
294 program funds for that district.

295 If the funds available to the Department of Education are not
296 sufficient to fully fund the additional allocations to school
297 districts eligible for those allocations, then the department
298 shall prorate the available funds among the eligible school
299 districts, using the same percentage of the total funds that the
300 school district would have received if the allocations were fully
301 funded. The State Department of Education shall study and develop
302 a report to the Chairmen of the Senate and House Committees on
303 Education by January 1, 2005, with options for legislative
304 consideration that will insure that the Mississippi Adequate
305 Education funds are distributed to school districts based on
306 current year student attendance or enrollment.

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

308 (5) The Interim School District Capital Expenditure Fund is
309 hereby established in the State Treasury which shall be used to
310 distribute any funds specifically appropriated by the Legislature
311 to such fund to school districts entitled to increased allocations
312 of state funds under the adequate education program funding
313 formula prescribed in Sections 37-151-3 through 37-151-7,
314 Mississippi Code of 1972, until such time as the said adequate
315 education program is fully funded by the Legislature. The
316 following percentages of the total state cost of increased
317 allocations of funds under the adequate education program funding
318 formula shall be appropriated by the Legislature into the Interim
319 School District Capital Expenditure Fund to be distributed to all
320 school districts under the formula: Nine and two-tenths percent
321 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
322 (20%) shall be appropriated in fiscal year 1999, forty percent
323 (40%) shall be appropriated in fiscal year 2000, sixty percent
324 (60%) shall be appropriated in fiscal year 2001, eighty percent
325 (80%) shall be appropriated in fiscal year 2002, and one hundred

326 percent (100%) shall be appropriated in fiscal year 2003 into the
327 State Adequate Education Program Fund created in subsection (4).
328 Until July 1, 2002, such money shall be used by school districts
329 for the following purposes:

330 (a) Purchasing, erecting, repairing, equipping,
331 remodeling and enlarging school buildings and related facilities,
332 including gymnasiums, auditoriums, lunchrooms, vocational training
333 buildings, libraries, school barns and garages for transportation
334 vehicles, school athletic fields and necessary facilities
335 connected therewith, and purchasing land therefor. Any such
336 capital improvement project by a school district shall be approved
337 by the State Board of Education, and based on an approved
338 long-range plan. The State Board of Education shall promulgate
339 minimum requirements for the approval of school district capital
340 expenditure plans.

341 (b) Providing necessary water, light, heating, air
342 conditioning, and sewerage facilities for school buildings, and
343 purchasing land therefor.

344 (c) Paying debt service on existing capital improvement
345 debt of the district or refinancing outstanding debt of a district
346 if such refinancing will result in an interest cost savings to the
347 district.

348 (d) From and after October 1, 1997, through June 30,
349 1998, pursuant to a school district capital expenditure plan
350 approved by the State Department of Education, a school district
351 may pledge such funds until July 1, 2002, plus funds provided for
352 in paragraph (e) of this subsection (5) that are not otherwise
353 permanently pledged under such paragraph (e) to pay all or a
354 portion of the debt service on debt issued by the school district
355 under Sections 37-59-1 through 37-59-45, 37-59-101 through
356 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
357 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
358 issued by boards of supervisors for agricultural high schools

359 pursuant to Section 37-27-65, Mississippi Code of 1972, or
360 lease-purchase contracts entered into pursuant to Section 31-7-13,
361 Mississippi Code of 1972, or to retire or refinance outstanding
362 debt of a district, if such pledge is accomplished pursuant to a
363 written contract or resolution approved and spread upon the
364 minutes of an official meeting of the district's school board or
365 board of supervisors. It is the intent of this provision to allow
366 school districts to irrevocably pledge their Interim School
367 District Capital Expenditure Fund allotments as a constant stream
368 of revenue to secure a debt issued under the foregoing code
369 sections. To allow school districts to make such an irrevocable
370 pledge, the state shall take all action necessary to ensure that
371 the amount of a district's Interim School District Capital
372 Expenditure Fund allotments shall not be reduced below the amount
373 certified by the department or the district's total allotment
374 under the Interim Capital Expenditure Fund if fully funded, so
375 long as such debt remains outstanding.

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

392 State Aid Capital Improvement Bonds shall be approved by the
393 department, and based on an approved long-range plan. The State
394 Board of Education shall promulgate minimum requirements for the
395 approval of such school district capital expenditure plans. The
396 State Board of Education shall not approve any capital expenditure
397 plan for a pledge of funds under this paragraph unless it
398 determines (i) that the quality of instruction in such district
399 will not be reduced as a result of this pledge, and (ii) the
400 district has other revenue available to attain and maintain at
401 least Level III accreditation.

402 A district issuing State Aid Capital Improvement Bonds may
403 pledge for the repayment of such bonds all funds received by the
404 district from the state, in an amount not to exceed One Hundred
405 Sixty Dollars (\$160.00) per pupil in average daily attendance in
406 the school district as set forth above, and not otherwise
407 permanently pledged under paragraph (d) of this subsection or
408 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
409 district's school board shall specify by resolution the amount of
410 state funds, which are being pledged by the district for the
411 repayment of the State Aid Capital Improvement Bonds. Once such a
412 pledge is made to secure the bonds, the district shall notify the
413 department of such pledge. Upon making such a pledge, the school
414 district may request the department which may agree to irrevocably
415 transfer a specified amount or percentage of the district's state
416 revenue pledged to repay the district's State Aid Capital
417 Improvement Bonds directly to a state or federally chartered bank
418 serving as a trustee or paying agent on such bonds for the payment
419 of all or portion of such State Aid Capital Improvement Bonds.
420 Such instructions shall be incorporated into a resolution by the
421 school board for the benefit of holders of the bonds and may
422 provide that such withholding and transfer of such other available
423 funds shall be made only upon notification by a trustee or paying
424 agent on such bonds that the amounts available to pay such bonds

425 on any payment date will not be sufficient. It is the intent of
426 this provision to allow school districts to irrevocably pledge a
427 certain, constant stream of revenue as security for State Aid
428 Capital Improvement Bonds issued hereunder. To allow school
429 districts to make such an irrevocable pledge, the state shall take
430 all action necessary to ensure that the amount of a district's
431 state revenues up to an amount equal to One Hundred Sixty Dollars
432 (\$160.00) per pupil as set forth above which have been pledged to
433 repay debt as set forth herein shall not be reduced so long as any
434 State Aid Capital Improvement Bonds are outstanding.

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

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

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

451 This paragraph (e) shall stand repealed from and after June
452 30, 1998.

453 (f) As an alternative to the authority granted under
454 paragraph (e), a school district, in its discretion, may authorize
455 the State Board of Education to withhold an amount of the
456 district's adequate education program allotment equal to up to One
457 Hundred Sixty Dollars (\$160.00) per student in average daily

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

467 (g) The State Board of Education may authorize the
468 school district to expend not more than twenty percent (20%) of
469 its annual allotment of such funds or Twenty Thousand Dollars
470 (\$20,000.00), whichever is greater, for technology needs of the
471 school district, including computers, software,
472 telecommunications, cable television, interactive video, film,
473 low-power television, satellite communications, microwave
474 communications, technology-based equipment installation and
475 maintenance, and the training of staff in the use of such
476 technology-based instruction. Any such technology expenditure
477 shall be reflected in the local district technology plan approved
478 by the State Board of Education under Section 37-151-17,
479 Mississippi Code of 1972.

480 (h) To the extent a school district has not utilized
481 twenty percent (20%) of its annual allotment for technology
482 purposes under paragraph (g), a school district may expend not
483 more than twenty percent (20%) of its annual allotment or Twenty
484 Thousand Dollars (\$20,000.00), whichever is greater, for
485 instructional purposes. The State Board of Education may
486 authorize a school district to expend more than said twenty
487 percent (20%) of its annual allotment for instructional purposes
488 if it determines that such expenditures are needed for
489 accreditation purposes.

490 (i) The State Department of Education or the State
491 Board of Education may require that any project commenced under
492 this section with an estimated project cost of not less than Five
493 Million Dollars (\$5,000,000.00) shall be done only pursuant to
494 program management of the process with respect to design and
495 construction. Any individuals, partnerships, companies or other
496 entities acting as a program manager on behalf of a local school
497 district and performing program management services for projects
498 covered under this subsection shall be approved by the State
499 Department of Education.

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

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

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