

By: Senator(s) Tollison

To: Education;
Appropriations

SENATE BILL NO. 2441

1 AN ACT TO AMEND SECTIONS 37-151-5 AND 37-151-7, MISSISSIPPI
2 CODE OF 1972, TO REVISE CERTAIN COMPONENTS OF THE MISSISSIPPI
3 ADEQUATE EDUCATION PROGRAM FORMULA, TO REVISE CERTAIN DEFINITIONS
4 UNDER THE FORMULA, TO REVISE THE FORMULA FOR COMPUTING AVERAGE
5 DAILY ATTENDANCE OF STUDENTS FOR PURPOSES OF THE ADEQUATE
6 EDUCATION PROGRAM, TO REVISE THE DETERMINATION OF BASE STUDENT
7 COST UNDER THE FORMULA BY PROVIDING FOR THE SELECTION OF SCHOOL
8 DISTRICTS FOR THE INSTRUCTIONAL COST COMPONENT, FOR THE
9 ADMINISTRATIVE COST COMPONENT, FOR THE PLANT AND MAINTENANCE COST
10 COMPONENT AND FOR THE ANCILLARY SUPPORT COST COMPONENT, TO PROVIDE
11 FOR THE PROCEDURE FOR ALLOCATING ADEQUATE EDUCATION PROGRAM FUNDS
12 IN ANY YEAR IN WHICH THE FORMULA IS NOT FULLY FUNDED BY THE
13 LEGISLATURE, TO DELETE THE AUTHORITY FOR A SUPPLEMENTAL GRANT TO
14 SCHOOL DISTRICTS, TO PROVIDE THAT ANY FEES RECEIVED IN LIEU OF
15 TAXES SHALL BE INCLUDED IN THE AMOUNT OF REQUIRED LOCAL
16 CONTRIBUTION TO THE SUPPORT OF THE ADEQUATE EDUCATION PROGRAM AND
17 TO DELETE THE CALCULATION FOR GRANTS TO CERTAIN HIGH GROWTH SCHOOL
18 DISTRICTS; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** Section 37-151-5, Mississippi Code of 1972, is
21 amended as follows:

22 37-151-5. As used in Sections * * * 37-151-5 and 37-151-7:

23 (a) "Adequate program" or "adequate education program"
24 or "Mississippi Adequate Education Program (MAEP)" shall mean the
25 program to establish adequate current operation funding levels
26 necessary for the programs of such school district to meet at
27 least a successful Level III rating of the accreditation system as
28 established by the State Board of Education using current
29 statistically relevant state assessment data.

30 (b) "Educational programs or elements of programs not
31 included in the adequate education program calculations, but which
32 may be included in appropriations and transfers to school
33 districts" shall mean:

34 (i) "Capital outlay" shall mean those funds used
35 for the constructing, improving, equipping, renovating or major

36 repairing of school buildings or other school facilities, or the
37 cost of acquisition of land whereon to construct or establish such
38 school facilities.

39 (ii) "Pilot programs" shall mean programs of a
40 pilot or experimental nature usually designed for special purposes
41 and for a specified period of time other than those included in
42 the adequate education program.

43 (iii) "Adult education" shall mean public
44 education dealing primarily with students above eighteen (18)
45 years of age not enrolled as full-time public school students and
46 not classified as students of technical schools, colleges or
47 universities of the state.

48 (iv) "Food service programs" shall mean those
49 programs dealing directly with the nutritional welfare of the
50 student, such as the school lunch and school breakfast programs.

51 (c) "Base student" shall mean that student
52 classification that represents the most economically educated
53 pupil in a school system meeting the definition of successful, as
54 determined by the State Board of Education.

55 (d) "Base student cost" shall mean the funding level
56 necessary for providing an adequate education program for one (1)
57 base student, subject to any minimum amounts prescribed in Section
58 37-151-7(1).

59 (e) "Add-on program costs" shall mean those items which
60 are included in the adequate education program appropriations and
61 are outside of the program calculations:

62 (i) "Transportation" shall mean transportation to
63 and from public schools for the students of Mississippi's public
64 schools provided for under law and funded from state funds.

65 (ii) "Vocational or technical education program"
66 shall mean a secondary vocational or technical program approved by
67 the State Department of Education and provided for from state
68 funds.

69 (iii) "Special education program" shall mean a
70 program for exceptional children as defined and authorized by
71 Sections 37-23-1 through 37-23-9, and approved by the State
72 Department of Education and provided from state funds.

73 (iv) "Gifted education program" shall mean those
74 programs for the instruction of intellectually or academically
75 gifted children as defined and provided for in Section 37-23-175
76 et seq.

77 (v) "Alternative school program" shall mean those
78 programs for certain compulsory-school-age students as defined and
79 provided for in Sections 37-13-92 and 37-19-22.

80 (vi) "Extended school year programs" shall mean
81 those programs authorized by law which extend beyond the normal
82 school year.

83 (vii) "University-based programs" shall mean those
84 university-based programs for handicapped children as defined and
85 provided for in Section 37-23-131 et seq.

86 (viii) "Bus driver training" programs shall mean
87 those driver training programs as provided for in Section 37-41-1.

88 (f) "Teacher" shall include any employee of a local
89 school who is required by law to obtain a teacher's license from
90 the State Board of Education and who is assigned to an
91 instructional area of work as defined by the State Department of
92 Education.

93 (g) "Principal" shall mean the head of an attendance
94 center or division thereof.

95 (h) "Superintendent" shall mean the head of a school
96 district.

97 (i) "School district" shall mean any type of school
98 district in the State of Mississippi, and shall include
99 agricultural high schools.

100 (j) "Minimum school term" shall mean a term of at least
101 one hundred eighty (180) days of school in which both teachers and

102 pupils are in regular attendance for scheduled classroom
103 instruction for not less than sixty percent (60%) of the normal
104 school day. It is the intent of the Legislature that any tax
105 levies generated to produce additional local funds required by any
106 school district to operate school terms in excess of one hundred
107 seventy-five (175) days shall not be construed to constitute a new
108 program for the purposes of exemption from the limitation on tax
109 revenues as allowed under Sections 27-39-321 and 37-57-107 for new
110 programs mandated by the Legislature.

111 (k) The term "transportation density" shall mean the
112 number of transported children in average daily attendance per
113 square mile of area served in a school district, as determined by
114 the State Department of Education.

115 (l) The term "transported children" shall mean children
116 being transported to school who live within legal limits for
117 transportation and who are otherwise qualified for being
118 transported to school at public expense as fixed by Mississippi
119 state law.

120 (m) The term "year of teaching experience" shall mean
121 nine (9) months of actual teaching in the public or private
122 schools. In no case shall more than one (1) year of teaching
123 experience be given for all services in one (1) calendar or school
124 year. In determining a teacher's experience, no deduction shall
125 be made because of the temporary absence of the teacher because of
126 illness or other good cause, and the teacher shall be given credit
127 therefor. Beginning with the 2003-2004 school year, the State
128 Board of Education shall fix a number of days, not to exceed
129 forty-five (45) consecutive school days, during which a teacher
130 may not be under contract of employment during any school year and
131 still be considered to have been in full-time employment for a
132 regular scholastic term. If a teacher exceeds the number of days
133 established by the State Board of Education that a teacher may not
134 be under contract but may still be employed, that teacher shall

135 not be credited with a year of teaching experience. In
136 determining the experience of school librarians, each complete
137 year of continuous, full-time employment as a professional
138 librarian in a public library in this or some other state shall be
139 considered a year of teaching experience. If a full-time school
140 administrator returns to actual teaching in the public schools,
141 the term "year of teaching experience" shall include the period of
142 time he or she served as a school administrator. In determining
143 the salaries of teachers who have experience in any branch of the
144 military, the term "year of teaching experience" shall include
145 each complete year of actual classroom instruction while serving
146 in the military. In determining the experience of speech-language
147 pathologists and audiologists, each complete year of continuous
148 full-time post master's degree employment in an educational
149 setting in this or some other state shall be considered a year of
150 teaching experience.

151 (n) The term "average daily attendance" shall be the
152 figure which results when the total aggregate attendance during
153 the period or months counted is divided by the number of days
154 during the period or months counted upon which both teachers and
155 pupils are in regular attendance for scheduled classroom
156 instruction less the average daily attendance for self-contained
157 special education classes and, prior to full implementation of the
158 adequate education program the department shall deduct the average
159 daily attendance for the alternative school program provided for
160 in Section 37-19-22.

161 (o) The term "local supplement" shall mean the amount
162 paid to an individual teacher over and above the adequate
163 education program salary schedule for regular teaching duties.

164 (p) The term "aggregate amount of support from ad
165 valorem taxation" shall mean the amounts produced by the
166 district's total tax levies for operations.

167 (q) The term "adequate education program funds" shall
168 mean all funds, both state and local, constituting the
169 requirements for meeting the cost of the adequate program as
170 provided for in Section 37-151-7.

171 (r) "Department" shall mean the State Department of
172 Education.

173 (s) "Commission" shall mean the Mississippi Commission
174 on School Accreditation created under Section 37-17-3.

175 (t) The term "successful school district" shall mean a
176 Level III school district as designated by the State Board of
177 Education using current statistically relevant state assessment
178 data.

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

181 37-151-7. The annual allocation to each school district for
182 the operation of the adequate education program shall be
183 determined as follows:

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

188 (a) **Determination of average daily attendance.** The
189 State Department of Education shall determine the percentage
190 change from the prior year of each year of each school districts
191 average of months two (2) and three (3) average daily attendance
192 (ADA) for the three (3) immediately preceding school years of the
193 year for which funds are being appropriated. For any school
194 district that experiences a positive growth in the average of
195 months two (2) and three (3) ADA each year of the three (3) years,
196 the average percentage growth over the three-year period shall be
197 multiplied times the school district's average of months two (2)
198 and three (3) ADA for the year immediately preceding the year for
199 which MAEP funds are being appropriated. The resulting amount

200 shall be added to the school district's average of months two (2)
201 and three (3) ADA for the year immediately preceding the year for
202 which MAEP funds are being appropriated to arrive at the ADA to be
203 used in determining a school district's MAEP allocation.
204 Otherwise months two (2) and three (3) ADA for the year
205 immediately preceding the year for which MAEP funds are being
206 appropriated will be used in determining a school district's MAEP
207 allocation. In any fiscal year prior to 2009 in which the MAEP
208 formula is not fully funded, for those districts that do not
209 demonstrate a three-year positive growth in months two (2) and
210 three (3) average ADA, months one (1) through nine (9) ADA of the
211 second preceding year for which funds are being appropriated or
212 months two (2) and three (3) ADA of the preceding year for which
213 funds are being appropriated, whichever is greater, shall be used
214 to calculate the district's MAEP allocation. The district's
215 average daily attendance shall be computed and currently
216 maintained in accordance with regulations promulgated by the State
217 Board of Education.

218 (b) **Determination of base student cost.** The State
219 Board of Education, on or before August 1, with adjusted estimate
220 no later than January 2, shall annually submit to the Legislative
221 Budget Office and the Governor a proposed base student cost
222 adequate to provide the following cost components of educating a
223 pupil in a successful school district: (i) Instructional Cost;
224 (ii) Administrative Cost; (iii) Operation and Maintenance of
225 Plant; and (iv) Ancillary Support Cost. For purposes of these
226 calculations, the Department of Education shall utilize financial
227 data from the second preceding year of the year for which funds
228 are being appropriated.

229 For the instructional cost component, the Department of
230 Education shall select districts that have been identified as
231 instructionally successful and have a ratio of a number of
232 teachers per one thousand (1,000) students that is between one

233 standard deviation above the mean and two standard deviations
234 below the mean of the statewide average of teachers per one
235 thousand (1,000) students. The instructional cost component shall
236 be calculated by dividing the latest available months 1-9 ADA into
237 the instructional expenditures of these selected districts. For
238 the purpose of this calculation, the Department of Education shall
239 use the following funds, functions and objects:

240 Fund 1120 Functions 1110-1199 Objects 100-999, Functions
241 1210, 1220, 2150-2159 Objects 210 and 215;

242 Fund 1130 All Functions, Object Code 210 and 215;

243 Fund 2001 Functions 1110-1199 Objects 100-999;

244 Fund 2070 Functions 1110-1199 Objects 100-999;

245 Fund 2420 Functions 1110-1199 Objects 100-999;

246 Fund 2711 All Functions, Object Code 210 and 215.

247 Prior to the calculation of the instructional cost component,
248 there shall be subtracted from the above expenditures any revenue
249 received for Chickasaw Cession payments, Master Teacher
250 Certification payments and the district's portion of state revenue
251 received from the MAEP at-risk allocation.

252 For the administrative cost component, the Department of
253 Education shall select districts that have been identified as
254 instructionally successful and have a ratio of an administrative
255 staff to nonadministrative staff between one standard deviation
256 above the mean and two standard deviations below the mean of the
257 statewide average administrative staff to nonadministrative staff.
258 The administrative cost component shall be calculated by dividing
259 the latest available months 1-9 ADA of the selected districts into
260 the administrative expenditures of these selected districts. For
261 the purpose of this calculation, the Department of Education shall
262 use the following funds, functions and objects:

263 Fund 1120 Functions 2300-2599, Functions 2800-2899,
264 Objects 100-999;

265 Fund 2711 Functions 2300-2599, Functions 2800-2899,

266 Objects 100-999.

267 For the plant and maintenance cost component, the Department
268 of Education shall select districts that have been identified as
269 instructionally successful and have a ratio of plant and
270 maintenance expenditures per one hundred thousand (100,000) square
271 feet of building space and a ratio of maintenance workers per one
272 hundred thousand (100,000) square feet of building space that are
273 both between one standard deviation above the mean and two
274 standard deviations below the mean of the statewide average. The
275 plant and maintenance cost component shall be calculated by
276 dividing the latest available months 1-9 ADA of the selected
277 districts into the plant and maintenance expenditures of these
278 selected districts. For the purpose of this calculation the
279 Department of Education shall use the following funds, functions
280 and objects:

281 Fund 1120 Functions 2600-2699, Objects 100-699
282 and Objects 800-999;
283 Fund 2711 Functions 2600-2699, Objects 100-699
284 and Objects 800-999;
285 Fund 2430 Functions 2600-2699, Objects 100-699
286 and Objects 800-999.

287 For the ancillary support cost component, the Department of
288 Education shall select districts that have been identified as
289 instructionally successful and have a ratio of a number of
290 librarians, media specialist, guidance counselors and psychologist
291 per one thousand (1,000) students that is between one standard
292 deviation above the mean and two standard deviations below the
293 mean of the statewide average of librarians, media specialist,
294 guidance counselors and psychologist per one thousand (1,000)
295 students. The ancillary cost component shall be calculated by
296 dividing the latest available months 1-9 ADA into the ancillary
297 expenditures instructional expenditures of these selected

298 districts. For the purpose of this calculation, the Department of
299 Education shall use the following funds, functions and objects:

300 Fund 1120 Functions 2110-2129, Objects 100-999;

301 Fund 1120 Functions 2140-2149, Objects 100-999;

302 Fund 1120 Functions 2220-2229, Objects 100-999;

303 Fund 2001 Functions 2100-2299, Objects 100-999;

304 Fund 2001 Functions 2140-2149, Objects 100-999;

305 Fund 2001 Functions 2220-2229, Objects 100-999.

306 The total base cost for each year shall be the sum of the
307 instructional cost component, administrative cost component, plant
308 and maintenance cost component and ancillary support cost
309 component, and any estimated adjustments for additional state
310 requirements as determined by the State Board of Education.

311 Provided, however, that the base student cost in fiscal year 1998
312 shall be Two Thousand Six Hundred Sixty-four Dollars (\$2,664.00).

313 (c) **Determination of the basic adequate education**

314 **program cost.** The basic amount for current operation to be
315 included in the Mississippi Adequate Education Program for each
316 school district shall be computed as follows:

317 Multiply the average daily attendance of the district by the
318 base student cost as established by the Legislature, which yields
319 the total base program cost for each school district.

320 (d) **Adjustment to the base student cost for at-risk**

321 **pupils.** The amount to be included for at-risk pupil programs for
322 each school district shall be computed as follows: Multiply the
323 base student cost for the appropriate fiscal year as determined
324 under paragraph (b) by five percent (5%), and multiply that
325 product by the number of pupils participating in the federal free
326 school lunch program in such school district, which yields the
327 total adjustment for at-risk pupil programs for such school
328 district.

329 (e) **Add-on program cost.** The amount to be allocated to
330 school districts in addition to the adequate education program

331 cost for add-on programs for each school district shall be
332 computed as follows:

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

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

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

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

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

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

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

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

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

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

364 The total Mississippi Adequate Education Program cost shall be the
365 sum of the total basic adequate education program cost (paragraph
366 (c)), and the adjustment to the base student cost for at-risk
367 pupils (paragraph (d)) for each school district. In any year in
368 which the MAEP is not fully funded, the Legislature shall direct
369 the Department of Education in the K-12 appropriation bill as to
370 how to allocate MAEP funds to school districts for that year.

371 * * *

372 (g) The State Auditor shall annually verify the State
373 Board of Education's estimated calculations for the Mississippi
374 Adequate Education Program that are submitted each year to the
375 Legislative Budget Office on August 1 and the final calculation
376 that is submitted on January 2.

377 (2) **Computation of the required local revenue in support of**
378 **the adequate education program.** The amount that each district
379 shall provide toward the cost of the adequate education program
380 shall be calculated as follows:

381 (a) The State Department of Education shall certify to
382 each school district that twenty-eight (28) mills, less the
383 estimated amount of the yield of the School Ad Valorem Tax
384 Reduction Fund grants as determined by the State Department of
385 Education, is the millage rate required to provide the district
386 required local effort for that year, or twenty-seven percent (27%)
387 of the basic adequate education program cost for such school
388 district as determined under paragraph (c), whichever is a lesser
389 amount. In the case of an agricultural high school the millage
390 requirement shall be set at a level which generates an equitable
391 amount per pupil to be determined by the State Board of Education.

392 (b) The State Department of Education shall determine
393 (i) the total assessed valuation of nonexempt property for school
394 purposes in each school district; (ii) assessed value of exempt
395 property owned by homeowners aged sixty-five (65) or older or

396 disabled as defined in Section 27-33-67(2), Mississippi Code of
397 1972; (iii) the school district's tax loss from exemptions
398 provided to applicants under the age of sixty-five (65) and not
399 disabled as defined in Section 27-33-67(1), Mississippi Code of
400 1972; and (iv) the school district's homestead reimbursement
401 revenues.

402 (c) The amount of the total adequate education program
403 funding which shall be contributed by each school district shall
404 be the sum of the ad valorem receipts generated by the millage
405 required under this subsection plus the following local revenue
406 sources for the appropriate fiscal year which are or may be
407 available for current expenditure by the school district:

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

410 One hundred percent (100%) of any fees in lieu of taxes as
411 prescribed in Section 27-31-104.

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

414 (a) The required state effort in support of the
415 adequate education program shall be determined by subtracting the
416 sum of the required local tax effort as set forth in subsection
417 (2)(a) of this section and the other local revenue sources as set
418 forth in subsection (2)(c) of this section in an amount not to
419 exceed twenty-seven percent (27%) of the total projected adequate
420 education program cost as set forth in subsection (1)(f) of this
421 section from the total projected adequate education program cost
422 as set forth in subsection (1)(f) of this section.

423 (b) Provided, however, that in fiscal year 1998 and in
424 the fiscal year in which the adequate education program is fully
425 funded by the Legislature, any increase in the said state
426 contribution * * * to any district calculated under this section
427 shall be not less than eight percent (8%) in excess of the amount
428 received by said district from state funds for the fiscal year

429 immediately preceding. For purposes of this paragraph (b), state
430 funds shall include minimum program funds less the add-on
431 programs, State Uniform Millage Assistance Grant Funds, Education
432 Enhancement Funds appropriated for Uniform Millage Assistance
433 Grants and state textbook allocations, and State General Funds
434 allocated for textbooks.

435 * * *

436 (c) If the school board of any school district shall
437 determine that it is not economically feasible or practicable to
438 operate any school within the district for the full one hundred
439 eighty (180) days required for a school term of a scholastic year
440 as required in Section 37-13-63, Mississippi Code of 1972, due to
441 an enemy attack, a man-made, technological or natural disaster in
442 which the Governor has declared a disaster emergency under the
443 laws of this state or the President of the United States has
444 declared an emergency or major disaster to exist in this state,
445 said school board may notify the State Department of Education of
446 such disaster and submit a plan for altering the school term. If
447 the State Board of Education finds such disaster to be the cause
448 of the school not operating for the contemplated school term and
449 that such school was in a school district covered by the
450 Governor's or President's disaster declaration, it may permit said
451 school board to operate the schools in its district for less than
452 one hundred eighty (180) days and, in such case, the State
453 Department of Education shall not reduce the state contributions
454 to the adequate education program allotment for such district,
455 because of the failure to operate said schools for one hundred
456 eighty (180) days.

457 * * *

458 (4) The Interim School District Capital Expenditure Fund is
459 hereby established in the State Treasury which shall be used to
460 distribute any funds specifically appropriated by the Legislature
461 to such fund to school districts entitled to increased allocations

462 of state funds under the adequate education program funding
463 formula prescribed in Sections 37-151-3 through 37-151-7,
464 Mississippi Code of 1972, until such time as the said adequate
465 education program is fully funded by the Legislature. The
466 following percentages of the total state cost of increased
467 allocations of funds under the adequate education program funding
468 formula shall be appropriated by the Legislature into the Interim
469 School District Capital Expenditure Fund to be distributed to all
470 school districts under the formula: Nine and two-tenths percent
471 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
472 (20%) shall be appropriated in fiscal year 1999, forty percent
473 (40%) shall be appropriated in fiscal year 2000, sixty percent
474 (60%) shall be appropriated in fiscal year 2001, eighty percent
475 (80%) shall be appropriated in fiscal year 2002, and one hundred
476 percent (100%) shall be appropriated in fiscal year 2003 into the
477 State Adequate Education Program Fund * * *. Until July 1, 2002,
478 such money shall be used by school districts for the following
479 purposes:

480 (a) Purchasing, erecting, repairing, equipping,
481 remodeling and enlarging school buildings and related facilities,
482 including gymnasiums, auditoriums, lunchrooms, vocational training
483 buildings, libraries, school barns and garages for transportation
484 vehicles, school athletic fields and necessary facilities
485 connected therewith, and purchasing land therefor. Any such
486 capital improvement project by a school district shall be approved
487 by the State Board of Education, and based on an approved
488 long-range plan. The State Board of Education shall promulgate
489 minimum requirements for the approval of school district capital
490 expenditure plans.

491 (b) Providing necessary water, light, heating, air
492 conditioning, and sewerage facilities for school buildings, and
493 purchasing land therefor.

494 (c) Paying debt service on existing capital improvement
495 debt of the district or refinancing outstanding debt of a district
496 if such refinancing will result in an interest cost savings to the
497 district.

498 (d) From and after October 1, 1997, through June 30,
499 1998, pursuant to a school district capital expenditure plan
500 approved by the State Department of Education, a school district
501 may pledge such funds until July 1, 2002, plus funds provided for
502 in paragraph (e) of this subsection (4) that are not otherwise
503 permanently pledged under such paragraph (e) to pay all or a
504 portion of the debt service on debt issued by the school district
505 under Sections 37-59-1 through 37-59-45, 37-59-101 through
506 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
507 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
508 issued by boards of supervisors for agricultural high schools
509 pursuant to Section 37-27-65, Mississippi Code of 1972, or
510 lease-purchase contracts entered into pursuant to Section 31-7-13,
511 Mississippi Code of 1972, or to retire or refinance outstanding
512 debt of a district, if such pledge is accomplished pursuant to a
513 written contract or resolution approved and spread upon the
514 minutes of an official meeting of the district's school board or
515 board of supervisors. It is the intent of this provision to allow
516 school districts to irrevocably pledge their Interim School
517 District Capital Expenditure Fund allotments as a constant stream
518 of revenue to secure a debt issued under the foregoing code
519 sections. To allow school districts to make such an irrevocable
520 pledge, the state shall take all action necessary to ensure that
521 the amount of a district's Interim School District Capital
522 Expenditure Fund allotments shall not be reduced below the amount
523 certified by the department or the district's total allotment
524 under the Interim Capital Expenditure Fund if fully funded, so
525 long as such debt remains outstanding.

526 (e) From and after October 1, 1997, through June 30,
527 1998, in addition to any other authority a school district may
528 have, any school district may issue State Aid Capital Improvement
529 Bonds secured in whole by a continuing annual pledge of any
530 Mississippi Adequate Education Program funds available to the
531 district, in an amount not to exceed One Hundred Sixty Dollars
532 (\$160.00) per pupil based on the latest completed average daily
533 attendance count certified by the department prior to the issuance
534 of the bonds. Such State Aid Capital Improvement Bonds may be
535 issued for the purposes enumerated in paragraphs (a), (b), (c) and
536 (g) of this section. Prior to issuing such bonds, the school
537 board of the district shall adopt a resolution declaring the
538 necessity for and its intention of issuing such bonds and
539 borrowing such money, specifying the approximate amount to be so
540 borrowed, how such money is to be used and how such indebtedness
541 is to be evidenced. Any capital improvement project financed with
542 State Aid Capital Improvement Bonds shall be approved by the
543 department, and based on an approved long-range plan. The State
544 Board of Education shall promulgate minimum requirements for the
545 approval of such school district capital expenditure plans. The
546 State Board of Education shall not approve any capital expenditure
547 plan for a pledge of funds under this paragraph unless it
548 determines (i) that the quality of instruction in such district
549 will not be reduced as a result of this pledge, and (ii) the
550 district has other revenue available to attain and maintain at
551 least Level III accreditation.

552 A district issuing State Aid Capital Improvement Bonds may
553 pledge for the repayment of such bonds all funds received by the
554 district from the state, in an amount not to exceed One Hundred
555 Sixty Dollars (\$160.00) per pupil in average daily attendance in
556 the school district as set forth above, and not otherwise
557 permanently pledged under paragraph (d) of this subsection or
558 under Section 37-61-33(2)(d), Mississippi Code of 1972. The

559 district's school board shall specify by resolution the amount of
560 state funds, which are being pledged by the district for the
561 repayment of the State Aid Capital Improvement Bonds. Once such a
562 pledge is made to secure the bonds, the district shall notify the
563 department of such pledge. Upon making such a pledge, the school
564 district may request the department which may agree to irrevocably
565 transfer a specified amount or percentage of the district's state
566 revenue pledged to repay the district's State Aid Capital
567 Improvement Bonds directly to a state or federally chartered bank
568 serving as a trustee or paying agent on such bonds for the payment
569 of all or portion of such State Aid Capital Improvement Bonds.
570 Such instructions shall be incorporated into a resolution by the
571 school board for the benefit of holders of the bonds and may
572 provide that such withholding and transfer of such other available
573 funds shall be made only upon notification by a trustee or paying
574 agent on such bonds that the amounts available to pay such bonds
575 on any payment date will not be sufficient. It is the intent of
576 this provision to allow school districts to irrevocably pledge a
577 certain, constant stream of revenue as security for State Aid
578 Capital Improvement Bonds issued hereunder. To allow school
579 districts to make such an irrevocable pledge, the state shall take
580 all action necessary to ensure that the amount of a district's
581 state revenues up to an amount equal to One Hundred Sixty Dollars
582 (\$160.00) per pupil as set forth above which have been pledged to
583 repay debt as set forth herein shall not be reduced so long as any
584 State Aid Capital Improvement Bonds are outstanding.

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

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

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

601 This paragraph (e) shall stand repealed from and after June
602 30, 1998.

603 (f) As an alternative to the authority granted under
604 paragraph (e), a school district, in its discretion, may authorize
605 the State Board of Education to withhold an amount of the
606 district's adequate education program allotment equal to up to One
607 Hundred Sixty Dollars (\$160.00) per student in average daily
608 attendance in the district to be allocated to the State Public
609 School Building Fund to the credit of such school district. A
610 school district may choose the option provided under this
611 paragraph (e) or paragraph (f), but not both. In addition to the
612 grants made by the state pursuant to Section 37-47-9, a school
613 district shall be entitled to grants based on the allotments to
614 the State Public School Building Fund credited to such school
615 district under this paragraph. This paragraph (f) shall stand
616 repealed from and after June 30, 1998.

617 (g) The State Board of Education may authorize the
618 school district to expend not more than twenty percent (20%) of
619 its annual allotment of such funds or Twenty Thousand Dollars
620 (\$20,000.00), whichever is greater, for technology needs of the
621 school district, including computers, software,
622 telecommunications, cable television, interactive video, film,
623 low-power television, satellite communications, microwave
624 communications, technology-based equipment installation and

625 maintenance, and the training of staff in the use of such
626 technology-based instruction. Any such technology expenditure
627 shall be reflected in the local district technology plan approved
628 by the State Board of Education under Section 37-151-17,
629 Mississippi Code of 1972.

630 (h) To the extent a school district has not utilized
631 twenty percent (20%) of its annual allotment for technology
632 purposes under paragraph (g), a school district may expend not
633 more than twenty percent (20%) of its annual allotment or Twenty
634 Thousand Dollars (\$20,000.00), whichever is greater, for
635 instructional purposes. The State Board of Education may
636 authorize a school district to expend more than said twenty
637 percent (20%) of its annual allotment for instructional purposes
638 if it determines that such expenditures are needed for
639 accreditation purposes.

640 (i) The State Department of Education or the State
641 Board of Education may require that any project commenced under
642 this section with an estimated project cost of not less than Five
643 Million Dollars (\$5,000,000.00) shall be done only pursuant to
644 program management of the process with respect to design and
645 construction. Any individuals, partnerships, companies or other
646 entities acting as a program manager on behalf of a local school
647 district and performing program management services for projects
648 covered under this subsection shall be approved by the State
649 Department of Education.

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

654 The provisions of this subsection (4) shall be cumulative and
655 supplemental to any existing funding programs or other authority
656 conferred upon school districts or school boards.

657 **SECTION 3.** This act shall take effect and be in force from
658 and after its passage.