

By: Senator(s) Chaney, Flowers, Michel,
White

To: Education;
Appropriations

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2604

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 TO REMOVE CERTAIN ALLOCATIONS FROM
8 INSTRUCTIONAL COMPONENT EXPENDITURES, TO DELETE THE AUTHORITY FOR
9 A SUPPLEMENTAL GRANT TO SCHOOL DISTRICTS, TO PROVIDE THAT ANY FEES
10 RECEIVED IN LIEU OF TAXES SHALL BE INCLUDED IN THE AMOUNT OF
11 REQUIRED LOCAL CONTRIBUTION TO THE SUPPORT OF THE ADEQUATE
12 EDUCATION PROGRAM AND TO DELETE THE CALCULATION FOR GRANTS TO
13 CERTAIN HIGH GROWTH SCHOOL DISTRICTS; AND FOR RELATED PURPOSES.

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

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

17 37-151-5. As used in Sections * * * 37-151-5 and 37-151-7:

18 (a) "Adequate program" or "adequate education program"
19 or "Mississippi Adequate Education Program (MAEP)" shall mean the
20 program to establish adequate current operation funding levels
21 necessary for the programs of public school districts in
22 Mississippi * * *.

23 (b) "Educational programs or elements of programs not
24 included in the adequate education program calculations, but which
25 may be included in appropriations and transfers to school
26 districts" shall mean:

27 (i) "Capital outlay" shall mean those funds used
28 for the constructing, improving, equipping, renovating or major
29 repairing of school buildings or other school facilities, or the
30 cost of acquisition of land whereon to construct or establish such
31 school facilities.

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

36 (iii) "Adult education" shall mean public
37 education dealing primarily with students above eighteen (18)
38 years of age not enrolled as full-time public school students and
39 not classified as students of technical schools, colleges or
40 universities of the state.

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

44 (c) "Base student" shall mean that student
45 classification that represents the most economically educated
46 pupil in a school system which is adequate, as determined by the
47 State Board of Education.

48 (d) "Base student cost" shall mean the funding level
49 necessary for providing an adequate education program for one (1)
50 base student, subject to any minimum amounts prescribed in Section
51 37-151-7(1).

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

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

58 (ii) "Vocational or technical education program"
59 shall mean a secondary vocational or technical program approved by
60 the State Department of Education and provided for from state
61 funds.

62 (iii) "Special education program" shall mean a
63 program for exceptional children as defined and authorized by

64 Sections 37-23-1 through 37-23-9, and approved by the State
65 Department of Education and provided from state funds.

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

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

73 (vi) "Extended school year programs" shall mean
74 those programs authorized by law which extend beyond the normal
75 school year.

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

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

81 (f) "Teacher" shall include any employee of a local
82 school who is required by law to obtain a teacher's license from
83 the State Board of Education and who is assigned to an
84 instructional area of work as defined by the State Department of
85 Education.

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

88 (h) "Superintendent" shall mean the head of a school
89 district.

90 (i) "School district" shall mean any type of school
91 district in the State of Mississippi, and shall include
92 agricultural high schools.

93 (j) "Minimum school term" shall mean a term of at least
94 one hundred eighty (180) days of school in which both teachers and
95 pupils are in regular attendance for scheduled classroom
96 instruction for not less than sixty percent (60%) of the normal

97 school day. It is the intent of the Legislature that any tax
98 levies generated to produce additional local funds required by any
99 school district to operate school terms in excess of one hundred
100 seventy-five (175) days shall not be construed to constitute a new
101 program for the purposes of exemption from the limitation on tax
102 revenues as allowed under Sections 27-39-321 and 37-57-107 for new
103 programs mandated by the Legislature.

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

108 (l) The term "transported children" shall mean children
109 being transported to school who live within legal limits for
110 transportation and who are otherwise qualified for being
111 transported to school at public expense as fixed by Mississippi
112 state law.

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

130 year of continuous, full-time employment as a professional
131 librarian in a public library in this or some other state shall be
132 considered a year of teaching experience. If a full-time school
133 administrator returns to actual teaching in the public schools,
134 the term "year of teaching experience" shall include the period of
135 time he or she served as a school administrator. In determining
136 the salaries of teachers who have experience in any branch of the
137 military, the term "year of teaching experience" shall include
138 each complete year of actual classroom instruction while serving
139 in the military. In determining the experience of speech-language
140 pathologists and audiologists, each complete year of continuous
141 full-time post master's degree employment in an educational
142 setting in this or some other state shall be considered a year of
143 teaching experience.

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

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

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

160 (q) The term "adequate education program funds" shall
161 mean all funds, both state and local, constituting the

162 requirements for meeting the cost of the adequate program as
163 provided for in Section 37-151-7.

164 (r) "Department" shall mean the State Department of
165 Education.

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

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

170 37-151-7. The annual allocation to each school district for
171 the operation of the adequate education program shall be
172 determined as follows:

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

177 (a) **Determination of average daily attendance.** The
178 State Department of Education shall determine the percentage
179 change from the prior year of each year of each school district's
180 average of months two (2) and three (3) average daily attendance
181 (ADA) for the three (3) immediately preceding school years of the
182 year for which funds are being appropriated. For any school
183 district that experiences an average two percent (2%) growth or
184 higher during this time shall have that average percentage
185 multiplied times the preceding year's months two (2) and three (3)
186 average daily attendance (ADA) for which MAEP funds are being
187 appropriated and added together to arrive at the ADA used in
188 determining a school district's MAEP allocation. For any school
189 district that experiences an average two percent (2%) decline or
190 higher during this time shall have that average percentage
191 multiplied times the preceding year's months two (2) and three (3)
192 average daily attendance (ADA) for which MAEP funds are being
193 appropriated and subtracted to arrive at the ADA used in
194 determining a school district's MAEP allocation. The district's

195 average daily attendance shall be computed and currently
196 maintained in accordance with regulations promulgated by the State
197 Board of Education.

198 (b) **Determination of base student cost.** The State
199 Board of Education, beginning on * * * August 1, 2005, with
200 adjusted estimate no later than January 2, 2006, shall * * *
201 submit every four (4) years to the Legislative Budget Office and
202 the Governor a proposed base student cost adequate to provide the
203 following cost components of educating a pupil: (i) Instructional
204 Cost; (ii) Administrative Cost; (iii) Operation and Maintenance of
205 Plant; and (iv) Ancillary Support Cost. For purposes of these
206 calculations, the Department of Education shall utilize financial
207 data from the second preceding year of the year for which funds
208 are being appropriated.

209 * * *

210 Prior to the calculation of the instructional cost component,
211 there shall be subtracted from the above expenditures any revenue
212 received for Chickasaw Cession payments, Master Teacher
213 Certification payments and the district's portion of state revenue
214 received from the MAEP at-risk allocation.

215 * * *

216 The total base cost for each year shall be the sum of the
217 instructional cost component, administrative cost component, plant
218 and maintenance cost component and ancillary support cost
219 component, and any estimated adjustments for additional state
220 requirements as determined by the State Board of Education. * * *

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

225 Multiply the average daily attendance of the district by the
226 base student cost as established by the Legislature, which yields
227 the total base program cost for each school district.

228 (d) **Adjustment to the base student cost for at-risk**
229 **pupils.** The amount to be included for at-risk pupil programs for
230 each school district shall be computed as follows: Multiply the
231 base student cost for the appropriate fiscal year as determined
232 under paragraph (b) by five percent (5%), and multiply that
233 product by the number of pupils participating in the federal free
234 school lunch program in such school district, which yields the
235 total adjustment for at-risk pupil programs for such school
236 district.

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

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

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

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

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

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

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

259 (vii) University-based programs shall be the
260 amount allocated to school districts for those university-based

261 programs for handicapped children as defined and provided for in
262 Section 37-23-131 et seq., Mississippi Code of 1972.

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

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

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

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

276 * * *

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

282 (2) **Computation of the required local revenue in support of**
283 **the adequate education program.** The amount that each district
284 shall provide toward the cost of the adequate education program
285 shall be calculated as follows:

286 (a) The State Department of Education shall certify to
287 each school district that twenty-eight (28) mills, less the
288 estimated amount of the yield of the School Ad Valorem Tax
289 Reduction Fund grants as determined by the State Department of
290 Education, is the millage rate required to provide the district
291 required local effort for that year, or twenty-seven percent (27%)
292 of the basic adequate education program cost for such school
293 district as determined under paragraph (c), whichever is a lesser

294 amount. In the case of an agricultural high school the millage
295 requirement shall be set at a level which generates an equitable
296 amount per pupil to be determined by the State Board of Education.

297 (b) The State Department of Education shall determine
298 (i) the total assessed valuation of nonexempt property for school
299 purposes in each school district; (ii) assessed value of exempt
300 property owned by homeowners aged sixty-five (65) or older or
301 disabled as defined in Section 27-33-67(2), Mississippi Code of
302 1972; (iii) the school district's tax loss from exemptions
303 provided to applicants under the age of sixty-five (65) and not
304 disabled as defined in Section 27-33-67(1), Mississippi Code of
305 1972; and (iv) the school district's homestead reimbursement
306 revenues.

307 (c) The amount of the total adequate education program
308 funding which shall be contributed by each school district shall
309 be the sum of the ad valorem receipts generated by the millage
310 required under this subsection plus the following local revenue
311 sources for the appropriate fiscal year which are or may be
312 available for current expenditure by the school district:

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

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

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

319 (a) The required state effort in support of the
320 adequate education program shall be determined by subtracting the
321 sum of the required local tax effort as set forth in subsection
322 (2)(a) of this section and the other local revenue sources as set
323 forth in subsection (2)(c) of this section in an amount not to
324 exceed twenty-seven percent (27%) of the total projected adequate
325 education program cost as set forth in subsection (1)(f) of this

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

328 (b) Provided, however, that in fiscal year 1998 and in
329 the fiscal year in which the adequate education program is fully
330 funded by the Legislature, any increase in the said state
331 contribution * * * to any district calculated under this section
332 shall be not less than eight percent (8%) in excess of the amount
333 received by said district from state funds for the fiscal year
334 immediately preceding. For purposes of this paragraph (b), state
335 funds shall include minimum program funds less the add-on
336 programs, State Uniform Millage Assistance Grant Funds, Education
337 Enhancement Funds appropriated for Uniform Millage Assistance
338 Grants and state textbook allocations, and State General Funds
339 allocated for textbooks.

340 * * *

341 (c) If the school board of any school district shall
342 determine that it is not economically feasible or practicable to
343 operate any school within the district for the full one hundred
344 eighty (180) days required for a school term of a scholastic year
345 as required in Section 37-13-63, Mississippi Code of 1972, due to
346 an enemy attack, a man-made, technological or natural disaster in
347 which the Governor has declared a disaster emergency under the
348 laws of this state or the President of the United States has
349 declared an emergency or major disaster to exist in this state,
350 said school board may notify the State Department of Education of
351 such disaster and submit a plan for altering the school term. If
352 the State Board of Education finds such disaster to be the cause
353 of the school not operating for the contemplated school term and
354 that such school was in a school district covered by the
355 Governor's or President's disaster declaration, it may permit said
356 school board to operate the schools in its district for less than
357 one hundred eighty (180) days and, in such case, the State
358 Department of Education shall not reduce the state contributions

359 to the adequate education program allotment for such district,
360 because of the failure to operate said schools for one hundred
361 eighty (180) days.

362 * * *

363 (4) The Interim School District Capital Expenditure Fund is
364 hereby established in the State Treasury which shall be used to
365 distribute any funds specifically appropriated by the Legislature
366 to such fund to school districts entitled to increased allocations
367 of state funds under the adequate education program funding
368 formula prescribed in Sections 37-151-3 through 37-151-7,
369 Mississippi Code of 1972, until such time as the said adequate
370 education program is fully funded by the Legislature. The
371 following percentages of the total state cost of increased
372 allocations of funds under the adequate education program funding
373 formula shall be appropriated by the Legislature into the Interim
374 School District Capital Expenditure Fund to be distributed to all
375 school districts under the formula: Nine and two-tenths percent
376 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
377 (20%) shall be appropriated in fiscal year 1999, forty percent
378 (40%) shall be appropriated in fiscal year 2000, sixty percent
379 (60%) shall be appropriated in fiscal year 2001, eighty percent
380 (80%) shall be appropriated in fiscal year 2002, and one hundred
381 percent (100%) shall be appropriated in fiscal year 2003 into the
382 State Adequate Education Program Fund * * *. Until July 1, 2002,
383 such money shall be used by school districts for the following
384 purposes:

385 (a) Purchasing, erecting, repairing, equipping,
386 remodeling and enlarging school buildings and related facilities,
387 including gymnasiums, auditoriums, lunchrooms, vocational training
388 buildings, libraries, school barns and garages for transportation
389 vehicles, school athletic fields and necessary facilities
390 connected therewith, and purchasing land therefor. Any such
391 capital improvement project by a school district shall be approved

392 by the State Board of Education, and based on an approved
393 long-range plan. The State Board of Education shall promulgate
394 minimum requirements for the approval of school district capital
395 expenditure plans.

396 (b) Providing necessary water, light, heating, air
397 conditioning, and sewerage facilities for school buildings, and
398 purchasing land therefor.

399 (c) Paying debt service on existing capital improvement
400 debt of the district or refinancing outstanding debt of a district
401 if such refinancing will result in an interest cost savings to the
402 district.

403 (d) From and after October 1, 1997, through June 30,
404 1998, pursuant to a school district capital expenditure plan
405 approved by the State Department of Education, a school district
406 may pledge such funds until July 1, 2002, plus funds provided for
407 in paragraph (e) of this subsection (4) that are not otherwise
408 permanently pledged under such paragraph (e) to pay all or a
409 portion of the debt service on debt issued by the school district
410 under Sections 37-59-1 through 37-59-45, 37-59-101 through
411 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
412 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
413 issued by boards of supervisors for agricultural high schools
414 pursuant to Section 37-27-65, Mississippi Code of 1972, or
415 lease-purchase contracts entered into pursuant to Section 31-7-13,
416 Mississippi Code of 1972, or to retire or refinance outstanding
417 debt of a district, if such pledge is accomplished pursuant to a
418 written contract or resolution approved and spread upon the
419 minutes of an official meeting of the district's school board or
420 board of supervisors. It is the intent of this provision to allow
421 school districts to irrevocably pledge their Interim School
422 District Capital Expenditure Fund allotments as a constant stream
423 of revenue to secure a debt issued under the foregoing code
424 sections. To allow school districts to make such an irrevocable

425 pledge, the state shall take all action necessary to ensure that
426 the amount of a district's Interim School District Capital
427 Expenditure Fund allotments shall not be reduced below the amount
428 certified by the department or the district's total allotment
429 under the Interim Capital Expenditure Fund if fully funded, so
430 long as such debt remains outstanding.

431 (e) From and after October 1, 1997, through June 30,
432 1998, in addition to any other authority a school district may
433 have, any school district may issue State Aid Capital Improvement
434 Bonds secured in whole by a continuing annual pledge of any
435 Mississippi Adequate Education Program funds available to the
436 district, in an amount not to exceed One Hundred Sixty Dollars
437 (\$160.00) per pupil based on the latest completed average daily
438 attendance count certified by the department prior to the issuance
439 of the bonds. Such State Aid Capital Improvement Bonds may be
440 issued for the purposes enumerated in paragraphs (a), (b), (c) and
441 (g) of this section. Prior to issuing such bonds, the school
442 board of the district shall adopt a resolution declaring the
443 necessity for and its intention of issuing such bonds and
444 borrowing such money, specifying the approximate amount to be so
445 borrowed, how such money is to be used and how such indebtedness
446 is to be evidenced. Any capital improvement project financed with
447 State Aid Capital Improvement Bonds shall be approved by the
448 department, and based on an approved long-range plan. The State
449 Board of Education shall promulgate minimum requirements for the
450 approval of such school district capital expenditure plans. The
451 State Board of Education shall not approve any capital expenditure
452 plan for a pledge of funds under this paragraph unless it
453 determines (i) that the quality of instruction in such district
454 will not be reduced as a result of this pledge, and (ii) the
455 district has other revenue available to attain and maintain at
456 least Level III accreditation.

457 A district issuing State Aid Capital Improvement Bonds may
458 pledge for the repayment of such bonds all funds received by the
459 district from the state, in an amount not to exceed One Hundred
460 Sixty Dollars (\$160.00) per pupil in average daily attendance in
461 the school district as set forth above, and not otherwise
462 permanently pledged under paragraph (d) of this subsection or
463 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
464 district's school board shall specify by resolution the amount of
465 state funds, which are being pledged by the district for the
466 repayment of the State Aid Capital Improvement Bonds. Once such a
467 pledge is made to secure the bonds, the district shall notify the
468 department of such pledge. Upon making such a pledge, the school
469 district may request the department which may agree to irrevocably
470 transfer a specified amount or percentage of the district's state
471 revenue pledged to repay the district's State Aid Capital
472 Improvement Bonds directly to a state or federally chartered bank
473 serving as a trustee or paying agent on such bonds for the payment
474 of all or portion of such State Aid Capital Improvement Bonds.
475 Such instructions shall be incorporated into a resolution by the
476 school board for the benefit of holders of the bonds and may
477 provide that such withholding and transfer of such other available
478 funds shall be made only upon notification by a trustee or paying
479 agent on such bonds that the amounts available to pay such bonds
480 on any payment date will not be sufficient. It is the intent of
481 this provision to allow school districts to irrevocably pledge a
482 certain, constant stream of revenue as security for State Aid
483 Capital Improvement Bonds issued hereunder. To allow school
484 districts to make such an irrevocable pledge, the state shall take
485 all action necessary to ensure that the amount of a district's
486 state revenues up to an amount equal to One Hundred Sixty Dollars
487 (\$160.00) per pupil as set forth above which have been pledged to
488 repay debt as set forth herein shall not be reduced so long as any
489 State Aid Capital Improvement Bonds are outstanding.

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

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

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

506 This paragraph (e) shall stand repealed from and after June
507 30, 1998.

508 (f) As an alternative to the authority granted under
509 paragraph (e), a school district, in its discretion, may authorize
510 the State Board of Education to withhold an amount of the
511 district's adequate education program allotment equal to up to One
512 Hundred Sixty Dollars (\$160.00) per student in average daily
513 attendance in the district to be allocated to the State Public
514 School Building Fund to the credit of such school district. A
515 school district may choose the option provided under this
516 paragraph (e) or paragraph (f), but not both. In addition to the
517 grants made by the state pursuant to Section 37-47-9, a school
518 district shall be entitled to grants based on the allotments to
519 the State Public School Building Fund credited to such school
520 district under this paragraph. This paragraph (f) shall stand
521 repealed from and after June 30, 1998.

522 (g) The State Board of Education may authorize the
523 school district to expend not more than twenty percent (20%) of
524 its annual allotment of such funds or Twenty Thousand Dollars
525 (\$20,000.00), whichever is greater, for technology needs of the
526 school district, including computers, software,
527 telecommunications, cable television, interactive video, film,
528 low-power television, satellite communications, microwave
529 communications, technology-based equipment installation and
530 maintenance, and the training of staff in the use of such
531 technology-based instruction. Any such technology expenditure
532 shall be reflected in the local district technology plan approved
533 by the State Board of Education under Section 37-151-17,
534 Mississippi Code of 1972.

535 (h) To the extent a school district has not utilized
536 twenty percent (20%) of its annual allotment for technology
537 purposes under paragraph (g), a school district may expend not
538 more than twenty percent (20%) of its annual allotment or Twenty
539 Thousand Dollars (\$20,000.00), whichever is greater, for
540 instructional purposes. The State Board of Education may
541 authorize a school district to expend more than said twenty
542 percent (20%) of its annual allotment for instructional purposes
543 if it determines that such expenditures are needed for
544 accreditation purposes.

545 (i) The State Department of Education or the State
546 Board of Education may require that any project commenced under
547 this section with an estimated project cost of not less than Five
548 Million Dollars (\$5,000,000.00) shall be done only pursuant to
549 program management of the process with respect to design and
550 construction. Any individuals, partnerships, companies or other
551 entities acting as a program manager on behalf of a local school
552 district and performing program management services for projects
553 covered under this subsection shall be approved by the State
554 Department of Education.

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

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

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