

By: Senator(s) Chaney, Tollison

To: Education;  
Appropriations

SENATE BILL NO. 2639

1 AN ACT TO AMEND SECTION 37-3-11, MISSISSIPPI CODE OF 1972, TO  
 2 REQUIRE THE STATEWIDE FINANCIAL REPORT BY THE STATE DEPARTMENT OF  
 3 EDUCATION TO COMPLY WITH THE STANDARD THAT AT LEAST 65% OF TOTAL  
 4 CURRENT OPERATIONAL EXPENDITURES SHALL BE EXPENDED FOR DIRECT  
 5 STUDENT INSTRUCTION AND TO PROVIDE THAT SAID FINANCIAL REPORT  
 6 SHALL BE PREPARED ON A SCHOOL DISTRICT BASIS; TO AMEND SECTIONS  
 7 37-9-18 AND 37-61-9, MISSISSIPPI CODE OF 1972, TO REQUIRE SCHOOL  
 8 DISTRICTS TO COMPLY WITH APPROPRIATE FUNCTIONAL LEVEL EXPENDITURE  
 9 CODES, TO REQUIRE AN ANNUAL AUDIT OF SUCH COMPLIANCE; TO AMEND  
 10 SECTION 37-61-21, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR  
 11 YEAR-END FINANCIAL DATA BY SCHOOL DISTRICTS; TO AMEND SECTIONS  
 12 37-7-301, 37-37-1, 37-37-7 AND 37-61-23, MISSISSIPPI CODE OF 1972,  
 13 TO PROVIDE THAT THE STATE DEPARTMENT OF EDUCATION SHALL PRESCRIBE  
 14 THE FINANCIAL ACCOUNTING MANUAL FOR SCHOOL DISTRICTS; TO AMEND  
 15 SECTION 37-61-33, MISSISSIPPI CODE OF 1972, TO AUTHORIZE TEACHERS  
 16 TO CARRY FORWARD APPROVED CLASSROOM SUPPLY EXPENDITURES INTO  
 17 SUBSEQUENT FISCAL YEARS; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** Section 37-3-11, Mississippi Code of 1972, is  
 20 amended as follows:

21 37-3-11. (1) Until July 1, 1984, the State Superintendent  
 22 of Public Education shall have the power and it shall be his duty:

23 (a) To supervise in the manner provided by law the  
 24 public free schools, agricultural high schools and junior colleges  
 25 of the state and to prescribe such rules and regulations for the  
 26 efficient organization and conduct of same, as he may deem  
 27 necessary.

28 (b) To preside over all meetings of the State Board of  
 29 Education.

30 (c) To collect data for determining the proper  
 31 distribution of the state common school funds.

32 (d) To have bound and preserved in his office, as the  
 33 property of the state, all such school documents from other states  
 34 and governments, books and pamphlets on educational subjects,

35 school books, apparatus, maps, charts and the like, as shall be or  
36 have been purchased or donated for the use of his office.

37 (e) To keep a complete record of all his official acts  
38 and the acts of the State Board of Education.

39 (f) To prepare, have printed and furnish all officers  
40 charged with the administration of the laws pertaining to the  
41 public schools, such blank forms and books as may be necessary to  
42 the proper discharge of their duties; all of this printing shall  
43 be paid for out of funds provided by the Legislature.

44 (g) To have printed in pamphlet form the laws  
45 pertaining to the public schools and publish therein forms for  
46 conducting school business, the rules and regulations for the  
47 government of schools that he or the board of education may  
48 recommend, and such other matters as may be deemed worthy of  
49 public interest pertaining to the public schools; all of this  
50 printing shall be paid for out of funds provided by the  
51 Legislature.

52 (h) To meet the county superintendents annually at such  
53 time and place as he shall appoint for the purpose of accumulating  
54 facts relative to schools, to review the educational progress made  
55 in the various sections of the state, to compare views, discuss  
56 problems, hear discussions and suggestions relative to  
57 examinations and qualifications of teachers, methods of  
58 instruction, textbooks, summer schools for teachers, visitation of  
59 schools, consolidation of schools, health work in the schools,  
60 vocational education and other matters pertaining to the public  
61 school system.

62 (i) To advise the county superintendents upon all  
63 matters involving the welfare of the schools, and at the request  
64 of any county superintendent to give his opinion upon a written  
65 statement of facts on all questions and controversies arising out  
66 of the interpretation and construction of the school laws, in  
67 regard to rights, powers and duties of school officers and county

68 superintendents, and to keep a record of all such decisions.  
69 Before giving any opinion, the superintendent may submit the  
70 statement of facts to the Attorney General for his advice thereon,  
71 and it shall be the duty of the Attorney General forthwith to  
72 examine such statement, and suggest the proper decision to be made  
73 upon such facts.

74 (j) To require annually, and as often as he may deem  
75 proper, of county superintendents, detailed reports on the  
76 educational business of the various counties.

77 (k) To make reports concerning agricultural high  
78 schools and serve on various committees and boards as provided by  
79 law.

80 (l) On or before January 10 in each year in which the  
81 Legislature meets in regular session, to prepare, and have printed  
82 a report to the Legislature showing:

83 (i) The receipts and disbursements of all school  
84 funds officially handled by him;

85 (ii) The number of school districts, school  
86 teachers employed, and pupils taught therein, and the attendance  
87 of pupils;

88 (iii) County and district levies for common  
89 schools, high schools, agricultural high schools, consolidated  
90 schools and junior colleges;

91 (iv) The conditions of vocational education in the  
92 State of Mississippi, a list of schools to which federal and state  
93 aid has been given, and a detailed statement of the expenditures  
94 of federal funds and the state funds that may be provided;

95 (v) Such general matters, information and  
96 recommendations as relate, in his opinion, to the educational  
97 interests of the state.

98 (m) To determine the number of educable children in the  
99 several school districts of the state under rules and regulations  
100 to be prescribed by the State Board of Education.

101           (n) To perform such other duties in the administration  
102 of the public schools as may be required by law.

103           (2) From and after July 1, 1984, the State Superintendent of  
104 Public Education shall perform the duties assigned to him by the  
105 State Board of Education, and he shall have the following duties:

106           (a) To serve as Secretary for the State Board of  
107 Education;

108           (b) To be the chief administrative officer of the State  
109 Department of Education;

110           (c) To recommend to the State Board of Education for  
111 its consideration rules and regulations for the supervision of the  
112 public free schools and agricultural high schools of the state and  
113 for the efficient organization and conduct of the same;

114           (d) To collect data and make it available to the State  
115 Board for determining the proper distribution of the state common  
116 school funds;

117           (e) To keep a complete record of all official acts of  
118 the State Superintendent and the acts of the State Board of  
119 Education;

120           (f) To prepare, have printed and furnish all officers  
121 charged with the administration of the laws pertaining to the  
122 public schools, such blank forms and books as may be necessary to  
123 the proper discharge of their duties, said printing to be paid for  
124 out of funds provided by the Legislature;

125           (g) To have printed in pamphlet form the laws  
126 pertaining to the public schools and publish therein forms for  
127 conducting school business, the rules and regulations for the  
128 government of schools that the State Superintendent or the Board  
129 of Education may recommend, and such other matters as may be  
130 deemed worthy of public interest pertaining to the public schools,  
131 said printing to be paid for out of funds provided by the  
132 Legislature;

133           (h) To meet all superintendents annually at such time  
134 and place as the State Superintendent shall appoint for the  
135 purpose of accumulating facts relative to schools, to review the  
136 educational progress made in the various sections of the state, to  
137 compare views, discuss problems, hear discussions and suggestions  
138 relative to examinations and qualifications of teachers, methods  
139 of instruction, textbooks, summer schools for teachers, visitation  
140 of schools, consolidation of schools, health work in the schools,  
141 vocational education and other matters pertaining to the public  
142 school system;

143           (i) To advise all superintendents upon all matters  
144 involving the welfare of the schools, and at the request of any  
145 superintendent to give an opinion upon a written statement of  
146 facts on all questions and controversies arising out of the  
147 interpretation and construction of the school laws, in regard to  
148 rights, powers and duties of school officers and superintendents,  
149 and to keep a record of all such decisions. Before giving any  
150 opinion, the superintendent may submit the statement of facts to  
151 the Attorney General, and it shall be the duty of the Attorney  
152 General forthwith to examine such statement and suggest the proper  
153 decision to be made upon such fact;

154           (j) To require annually, and as often as the State  
155 Superintendent may deem proper, of all superintendents, detailed  
156 reports on the educational business of the various districts;

157           (k) On or before January 10 in each year to prepare  
158 under the direction of the State Board of Education and have  
159 printed the annual report of the board to the Legislature showing:

160                 (i) The receipts and disbursements of all school  
161 funds handled by the board;

162                 (ii) The number of school districts, school  
163 teachers employed, school administrators employed, pupils taught  
164 and the attendance record of pupils therein;

165                    (iii) County and district levies for each school  
166 district and agricultural high school;

167                    (iv) The condition of vocational education, a list  
168 of schools to which federal and state aid has been given, and a  
169 detailed statement of the expenditures of federal funds and the  
170 state funds that may be provided, and the ranking of subjects  
171 taught as compared with the state's needs;

172                    (v) Reports of Expenditures for public schools  
173 shall be divided into the following categories and function codes,  
174 shall show the same level of detail as reports completed prior to  
175 FY2006 and Total Student Expenditures shall be at least sixty-five  
176 percent (65%) of Total Current Operational Expenditures, exclusive  
177 of Fixed Assets Expenditures in the other expenditures categories.  
178 This sixty-five percent (65%) requirement shall not be in effect  
179 in fiscal years when a natural disaster or state of emergency has  
180 been declared by the Governor in counties in which more than  
181 one-fifth (1/5) of school districts in the State of Mississippi  
182 are located. These reports shall be made available by district  
183 from the State Department of Education upon request.

184                    Total Student Expenditures

185                    Instruction (1000s);

186                    Other Student Instructional Expenditures (2100s,  
187 2200s);

188                    General Administration (2300s and 2500s);

189                    School Administration (2400s);

190                    Other Expenditures (2600s, 2700s, 2800s, 3100s, 3200s);

191                    Non-Operational Expenditures (4000s, 5000s, 6000s).

192                    (vi) Such general matters, information and  
193 recommendations as relate, in the board's opinion, to the  
194 educational interests of the state;

195                    (1) To determine the number of educable children in the  
196 several school districts under rules and regulations prescribed by  
197 the State Board of Education;

198 (m) To perform such other duties as may be prescribed  
199 by the State Board of Education.

200 **SECTION 2.** Section 37-61-9, Mississippi Code of 1972, is  
201 amended as follows:

202 37-61-9. (1) On or before the fifteenth day of August of  
203 each year, the local school board of each school district, with  
204 the assistance of the superintendent of schools, shall prepare and  
205 file with the levying authority for the school district, as  
206 defined in Section 37-57-1, Mississippi Code of 1972, at least two  
207 (2) copies of a budget of estimated expenditures for the support,  
208 maintenance and operation of the public schools of the school  
209 district for the fiscal year commencing on July 1 of such year.  
210 Such budget shall be prepared on forms prescribed and provided by  
211 the State Auditor and shall contain such information as the State  
212 Auditor may require.

213 (2) In addition, on or before the fifteenth day of August of  
214 each year, the local school board of each school district, with  
215 the assistance of the superintendent of schools, shall prepare and  
216 file with the State Department of Education such budgetary  
217 information as the State Board of Education may require. The  
218 State Board of Education shall prescribe and provide forms to each  
219 school district for this purpose.

220 (3) Prior to the adoption of a budget pursuant to this  
221 section, the school board of each school district shall hold at  
222 least one (1) public hearing to provide the general public with an  
223 opportunity to comment on the taxing and spending plan  
224 incorporated in the proposed budget. The public hearing shall be  
225 held at least one (1) week prior to the adoption of the budget  
226 with advance notice. After final adoption of the budget, a  
227 synopsis of such budget in a form prescribed by the State  
228 Department of Audit shall be published in a newspaper having  
229 general circulation in the school district on a date different

230 from the date on which the county or any municipality therein may  
231 publish its budget.

232 (4) Beginning with the fiscal year 1995-1996, there shall be  
233 imposed limitations on budgeted expenditures for certain  
234 administration costs, as defined hereinafter, in an amount not  
235 greater than One Hundred Fifty Thousand Dollars (\$150,000.00) plus  
236 four percent (4%) of the expenditures of all school districts each  
237 year. For purposes of this subsection, "administration costs"  
238 shall be defined as expenditures for salaries and fringe benefits  
239 paid for central administration costs from all sources of revenue  
240 in the following expenditure functions as defined in the  
241 MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

- 242 2300 = Support Services - General Administration
- 243 2310 = Board of Education Services
- 244 2320 = Executive Administration Services
- 245 2330 = Special Area Administration Services
- 246 2500 = Business Services
- 247 2510 = Fiscal Services
- 248 2520 = Purchasing Services
- 249 2530 = Warehousing and Distributing Services
- 250 2540 = Printing, Publishing and Duplicating Services
- 251 2590 = Other Support Services - Business

252 \* \* \*

253 Any costs classified as "administration costs" for purposes  
254 of this subsection which can be demonstrated by the local school  
255 district to be an expenditure that results in a net cost savings  
256 to the district that may otherwise require budget expenditures for  
257 functions not covered under the definition of administration costs  
258 herein may be excluded from the limitations imposed herein. The  
259 local school board shall make a specific finding of such costs and  
260 spread such finding upon its minutes, which shall be subject to  
261 the approval of the Office of Educational Accountability of the  
262 State Department of Education. Any school district required to



263 make expenditure cuts, as a result of application of this  
264 subsection, shall not be required to reduce such expenditures more  
265 than twenty-five percent (25%) in any year in order to comply with  
266 this mandate.

267 The State Auditor shall ensure that functions in all  
268 expenditure categories to which this administrative limitation  
269 applies shall be properly classified.

270 This section shall not apply to central administration with  
271 five (5) or less full-time employees, or to those school districts  
272 which can substantiate that comparable reductions have occurred in  
273 administrative costs for the five-year period immediately prior to  
274 school year 1993-1994. In the event the application of this  
275 section may jeopardize the fiscal integrity or operations of the  
276 school district, have an adverse impact on the ability of the  
277 district to deliver educational services, or otherwise restrict  
278 the district from achieving or maintaining a quality education  
279 program, the State Board of Education shall be authorized to  
280 exempt the application of this section to such school district  
281 pursuant to rules and regulations of the State Board of Education  
282 consistent with the intent of this section.

283 **SECTION 3.** Section 37-9-18, Mississippi Code of 1972, is  
284 amended as follows:

285 37-9-18. (1) The superintendent of schools shall furnish to  
286 the school board a financial statement of receipts and  
287 disbursements, by funds, on or before the last working day of the  
288 following month covering the prior month. The school board shall  
289 be authorized to investigate and audit all financial records of  
290 the superintendent of schools at any and all times.

291 (2) The State Auditor, in his discretion, shall audit the  
292 financial records of school districts. The State Auditor shall  
293 give reasonable notice to school districts regarding the times  
294 during which he will perform such audits. In any fiscal year in  
295 which the State Auditor is not scheduled to perform an audit, the

296 school board shall cause all the financial records of the  
297 superintendent of schools to be audited by a certified public  
298 accountant licensed to practice accounting in the State of  
299 Mississippi. If the school board so elects by resolution adopted  
300 each year, the audit shall be performed by the State Auditor.  
301 Contracts for the audit of public school districts shall be let by  
302 the school board in the manner prescribed by the State Auditor.  
303 The audit shall be conducted in accordance with generally accepted  
304 auditing standards and generally accepted accounting principles,  
305 and the report presented thereon shall be in accordance with  
306 generally accepted accounting principles. If the Auditor's  
307 opinion on the general purpose financial statements is a  
308 disclaimer, as that term is defined by generally accepted auditing  
309 standards, or if the State Auditor determines the existence of  
310 serious financial conditions in the district, the State Auditor  
311 shall immediately notify the State Board of Education. Upon  
312 receiving the notice, the State Superintendent of Public Education  
313 shall direct the school district to immediately cease all  
314 expenditures until a financial advisor is appointed by the state  
315 superintendent. However, if the disclaimer is a result of  
316 conditions caused by Hurricane Katrina 2005 and applies to fiscal  
317 years 2005 and/or 2006, then the Superintendent of Education may  
318 appoint a financial advisor, and may direct the school district to  
319 immediately cease all expenditures until a financial advisor is  
320 appointed. The financial advisor shall be an agent of the State  
321 Board of Education and shall be a certified public accountant or a  
322 qualified business officer. The financial advisor shall, with the  
323 approval of the State Board of Education:

324 (a) Approve or disapprove all expenditures and all  
325 financial obligations of the district;

326 (b) Ensure compliance with any statutes and State Board  
327 of Education rules or regulations concerning expenditures by  
328 school districts;

329           (c) Review salaries and the number of all district  
330 personnel and make recommendations to the local school board of  
331 any needed adjustments. Should such recommendations necessitate  
332 the reduction in local salary supplement, such recommended  
333 reductions shall be only to the extent which will result in the  
334 salaries being comparable to districts similarly situated, as  
335 determined by the State Board of Education. The local school  
336 board, in considering either a reduction in personnel or a  
337 reduction in local supplements, shall not be required to comply  
338 with the time limitations prescribed in Sections 37-9-15 and  
339 37-9-105 and, further, shall not be required to comply with  
340 Sections 37-19-11 and 37-19-7(1) in regard to reducing local  
341 supplements and the number of personnel;

342           (d) Work with the school district's business office to  
343 correct all inappropriate accounting procedures and/or uses of  
344 school district funds and to prepare the school district's budget  
345 for the next fiscal year; and

346           (e) Report frequently to the State Board of Education  
347 on the corrective actions being taken and the progress being made  
348 in the school district. The financial advisor shall serve until  
349 such time as corrective action and progress is being made in such  
350 school district as determined by the State Board of Education with  
351 the concurrence of the State Auditor, or until such time as an  
352 interim conservator is assigned to such district by the State  
353 Board of Education under Section 37-17-6. The school district  
354 shall be responsible for all expenses associated with the use of  
355 the financial advisor. If the audit report reflects a failure by  
356 the school district to meet accreditation standards, the State  
357 Board of Education shall proceed under Section 37-17-6.

358           (3) When conducting an audit of a public school district,  
359 the Auditor shall test to insure that the school district is  
360 complying with the requirements of Section 37-61-33(3)(a)(iii)  
361 relating to classroom supply funds. The audit must include a

362 report of all classroom supply funds carried over from previous  
363 years. Based upon the audit report, the State Auditor shall  
364 compile a report on the compliance or noncompliance by all school  
365 districts with the requirements of Section 37-61-33(3)(a)(iii),  
366 which report must be submitted to the Chairmen of the Education  
367 and Appropriations Committees of the House of Representatives and  
368 Senate.

369 (4) When conducting an audit of a public school district the  
370 State Auditor shall test to ensure correct and appropriate coding  
371 at the function level. The audit must include a report showing  
372 correct and appropriate functional level expenditure codes in both  
373 budgeting and expenditures by school district. Based upon the  
374 audit report, the State Auditor shall compile a report on the  
375 compliance or noncompliance by all public school districts with  
376 correct and appropriate coding at the function level, which report  
377 must be submitted to the Chairman of the Education and  
378 Appropriations Committees of the Senate and the House of  
379 Representatives.

380 (5) In the event the State Auditor does not perform the  
381 audit examination, then the audit report of the school district  
382 shall be reviewed by the State Auditor for compliance with  
383 applicable state laws before final payment is made on the audit by  
384 the school board. All financial records, books, vouchers,  
385 cancelled checks and other financial records required by law to be  
386 kept and maintained in the case of municipalities shall be  
387 faithfully kept and maintained in the office of the superintendent  
388 of schools under the same provisions and penalties provided by law  
389 in the case of municipal officials.

390 **SECTION 4.** Section 37-61-21, Mississippi Code of 1972, is  
391 amended as follows:

392 37-61-21. (1) If it should appear to the superintendent of  
393 schools or the school board of any school district that the  
394 amounts to be received from state appropriations, taxation or any

395 other source will be more than the amount estimated in the budget  
396 filed and approved, or if it should appear that such amounts shall  
397 be less than the amount estimated, the school board of the school  
398 district, with assistance from the superintendent, may revise the  
399 budget at any time during the fiscal year by increasing or  
400 decreasing the fund budget, in proportion to the increase or  
401 decrease in the estimated amounts. If it should appear to the  
402 superintendent of schools or the school board of a school district  
403 that some function of the budget as filed is in excess of the  
404 requirement of that function and that the entire amount budgeted  
405 for such function will not be needed for expenditures therefor  
406 during the fiscal year, the school board of the school district,  
407 with assistance from the superintendent, may transfer resources to  
408 and from functions and funds within the budget when and where  
409 needed; however, no such transfer shall be made from fund to fund  
410 or from function to function which will result in the expenditure  
411 of any money for any purpose different from that for which the  
412 money was appropriated, allotted, collected or otherwise made  
413 available or for a purpose which is not authorized by law. No  
414 revision of any budget under the provisions hereof shall be made  
415 which will permit a fund expenditure in excess of the resources  
416 available for such purpose. The revised portions of the budgets  
417 shall be incorporated in the minutes of the school board by  
418 spreading them on the minutes or by attaching them as an addendum.  
419 Final budget revisions, pertinent to a fiscal year, shall be  
420 approved on or before the date set by the State Board of Education  
421 for the school district to submit its financial information for  
422 that fiscal year.

423 (2) In addition, on or before the fifteenth day of October  
424 of each year, the local school board of each school district, with  
425 the assistance of the superintendent of schools, shall prepare and  
426 file with the State Department of Education year-end financial  
427 statements and such budgetary information as the State Board of

428 Education may require. The State Board of Education shall  
429 prescribe and provide forms to each school district for this  
430 purpose. No additional changes shall be made to said financial  
431 statements after October 15 of each year.

432 **SECTION 5.** Section 37-7-301, Mississippi Code of 1972, is  
433 amended as follows:

434 37-7-301. The school boards of all school districts shall  
435 have the following powers, authority and duties in addition to all  
436 others imposed or granted by law, to wit:

437 (a) To organize and operate the schools of the district  
438 and to make such division between the high school grades and  
439 elementary grades as, in their judgment, will serve the best  
440 interests of the school;

441 (b) To introduce public school music, art, manual  
442 training and other special subjects into either the elementary or  
443 high school grades, as the board shall deem proper;

444 (c) To be the custodians of real and personal school  
445 property and to manage, control and care for same, both during the  
446 school term and during vacation;

447 (d) To have responsibility for the erection, repairing  
448 and equipping of school facilities and the making of necessary  
449 school improvements;

450 (e) To suspend or to expel a pupil or to change the  
451 placement of a pupil to the school district's alternative school  
452 or home-bound program for misconduct in the school or on school  
453 property, as defined in Section 37-11-29, on the road to and from  
454 school, or at any school-related activity or event, or for conduct  
455 occurring on property other than school property or other than at  
456 a school-related activity or event when such conduct by a pupil,  
457 in the determination of the school superintendent or principal,  
458 renders that pupil's presence in the classroom a disruption to the  
459 educational environment of the school or a detriment to the best  
460 interest and welfare of the pupils and teacher of such class as a

461 whole, and to delegate such authority to the appropriate officials  
462 of the school district;

463 (f) To visit schools in the district, in their  
464 discretion, in a body for the purpose of determining what can be  
465 done for the improvement of the school in a general way;

466 (g) To support, within reasonable limits, the  
467 superintendent, principal and teachers where necessary for the  
468 proper discipline of the school;

469 (h) To exclude from the schools students with what  
470 appears to be infectious or contagious diseases; provided,  
471 however, such student may be allowed to return to school upon  
472 presenting a certificate from a public health officer, duly  
473 licensed physician or nurse practitioner that the student is free  
474 from such disease;

475 (i) To require those vaccinations specified by the  
476 State Health Officer as provided in Section 41-23-37, Mississippi  
477 Code of 1972;

478 (j) To see that all necessary utilities and services  
479 are provided in the schools at all times when same are needed;

480 (k) To authorize the use of the school buildings and  
481 grounds for the holding of public meetings and gatherings of the  
482 people under such regulations as may be prescribed by said board;

483 (l) To prescribe and enforce rules and regulations not  
484 inconsistent with law or with the regulations of the State Board  
485 of Education for their own government and for the government of  
486 the schools, and to transact their business at regular and special  
487 meetings called and held in the manner provided by law;

488 (m) To maintain and operate all of the schools under  
489 their control for such length of time during the year as may be  
490 required;

491 (n) To enforce in the schools the courses of study and  
492 the use of the textbooks prescribed by the proper authorities;

493           (o) To make orders directed to the superintendent of  
494 schools for the issuance of pay certificates for lawful purposes  
495 on any available funds of the district and to have full control of  
496 the receipt, distribution, allotment and disbursement of all funds  
497 provided for the support and operation of the schools of such  
498 school district whether such funds be derived from state  
499 appropriations, local ad valorem tax collections, or otherwise.  
500 The local school board shall be authorized and empowered to  
501 promulgate rules and regulations that specify the types of claims  
502 and set limits of the dollar amount for payment of claims by the  
503 superintendent of schools to be ratified by the board at the next  
504 regularly scheduled meeting after payment has been made;

505           (p) To select all school district personnel in the  
506 manner provided by law, and to provide for such employee fringe  
507 benefit programs, including accident reimbursement plans, as may  
508 be deemed necessary and appropriate by the board;

509           (q) To provide athletic programs and other school  
510 activities and to regulate the establishment and operation of such  
511 programs and activities;

512           (r) To join, in their discretion, any association of  
513 school boards and other public school-related organizations, and  
514 to pay from local funds other than minimum foundation funds, any  
515 membership dues;

516           (s) To expend local school activity funds, or other  
517 available school district funds, other than minimum education  
518 program funds, for the purposes prescribed under this paragraph.  
519 "Activity funds" shall mean all funds received by school officials  
520 in all school districts paid or collected to participate in any  
521 school activity, such activity being part of the school program  
522 and partially financed with public funds or supplemented by public  
523 funds. The term "activity funds" shall not include any funds  
524 raised and/or expended by any organization unless commingled in a  
525 bank account with existing activity funds, regardless of whether



526 the funds were raised by school employees or received by school  
527 employees during school hours or using school facilities, and  
528 regardless of whether a school employee exercises influence over  
529 the expenditure or disposition of such funds. Organizations shall  
530 not be required to make any payment to any school for the use of  
531 any school facility if, in the discretion of the local school  
532 governing board, the organization's function shall be deemed to be  
533 beneficial to the official or extracurricular programs of the  
534 school. For the purposes of this provision, the term  
535 "organization" shall not include any organization subject to the  
536 control of the local school governing board. Activity funds may  
537 only be expended for any necessary expenses or travel costs,  
538 including advances, incurred by students and their chaperons in  
539 attending any in-state or out-of-state school-related programs,  
540 conventions or seminars and/or any commodities, equipment, travel  
541 expenses, purchased services or school supplies which the local  
542 school governing board, in its discretion, shall deem beneficial  
543 to the official or extracurricular programs of the district,  
544 including items which may subsequently become the personal  
545 property of individuals, including yearbooks, athletic apparel,  
546 book covers and trophies. Activity funds may be used to pay  
547 travel expenses of school district personnel. The local school  
548 governing board shall be authorized and empowered to promulgate  
549 rules and regulations specifically designating for what purposes  
550 school activity funds may be expended. The local school governing  
551 board shall provide (i) that such school activity funds shall be  
552 maintained and expended by the principal of the school generating  
553 the funds in individual bank accounts, or (ii) that such school  
554 activity funds shall be maintained and expended by the  
555 superintendent of schools in a central depository approved by the  
556 board. The local school governing board shall provide that such  
557 school activity funds be audited as part of the annual audit  
558 required in Section 37-9-18. The State Department of Education

559 shall prescribe a uniform system of accounting and financial  
560 reporting for all school activity fund transactions;

561 (t) To contract, on a shared savings, lease or  
562 lease-purchase basis, for energy efficiency services and/or  
563 equipment as provided for in Section 31-7-14, not to exceed ten  
564 (10) years;

565 (u) To maintain accounts and issue pay certificates on  
566 school food service bank accounts;

567 (v) (i) To lease a school building from an individual,  
568 partnership, nonprofit corporation or a private for-profit  
569 corporation for the use of such school district, and to expend  
570 funds therefor as may be available from any nonminimum program  
571 sources. The school board of the school district desiring to  
572 lease a school building shall declare by resolution that a need  
573 exists for a school building and that the school district cannot  
574 provide the necessary funds to pay the cost or its proportionate  
575 share of the cost of a school building required to meet the  
576 present needs. The resolution so adopted by the school board  
577 shall be published once each week for three (3) consecutive weeks  
578 in a newspaper having a general circulation in the school district  
579 involved, with the first publication thereof to be made not less  
580 than thirty (30) days prior to the date upon which the school  
581 board is to act on the question of leasing a school building. If  
582 no petition requesting an election is filed prior to such meeting  
583 as hereinafter provided, then the school board may, by resolution  
584 spread upon its minutes, proceed to lease a school building. If  
585 at any time prior to said meeting a petition signed by not less  
586 than twenty percent (20%) or fifteen hundred (1500), whichever is  
587 less, of the qualified electors of the school district involved  
588 shall be filed with the school board requesting that an election  
589 be called on the question, then the school board shall, not later  
590 than the next regular meeting, adopt a resolution calling an  
591 election to be held within such school district upon the question

592 of authorizing the school board to lease a school building. Such  
593 election shall be called and held, and notice thereof shall be  
594 given, in the same manner for elections upon the questions of the  
595 issuance of the bonds of school districts, and the results thereof  
596 shall be certified to the school board. If at least three-fifths  
597 (3/5) of the qualified electors of the school district who voted  
598 in such election shall vote in favor of the leasing of a school  
599 building, then the school board shall proceed to lease a school  
600 building. The term of the lease contract shall not exceed twenty  
601 (20) years, and the total cost of such lease shall be either the  
602 amount of the lowest and best bid accepted by the school board  
603 after advertisement for bids or an amount not to exceed the  
604 current fair market value of the lease as determined by the  
605 averaging of at least two (2) appraisals by certified general  
606 appraisers licensed by the State of Mississippi. The term "school  
607 building" as used in this paragraph (v)(i) shall be construed to  
608 mean any building or buildings used for classroom purposes in  
609 connection with the operation of schools and shall include the  
610 site therefor, necessary support facilities, and the equipment  
611 thereof and appurtenances thereto such as heating facilities,  
612 water supply, sewage disposal, landscaping, walks, drives and  
613 playgrounds. The term "lease" as used in this paragraph (v)(i)  
614 may include a lease/purchase contract;

615 (ii) If two (2) or more school districts propose  
616 to enter into a lease contract jointly, then joint meetings of the  
617 school boards having control may be held but no action taken shall  
618 be binding on any such school district unless the question of  
619 leasing a school building is approved in each participating school  
620 district under the procedure hereinabove set forth in paragraph  
621 (v)(i). All of the provisions of paragraph (v)(i) regarding the  
622 term and amount of the lease contract shall apply to the school  
623 boards of school districts acting jointly. Any lease contract  
624 executed by two (2) or more school districts as joint lessees

625 shall set out the amount of the aggregate lease rental to be paid  
626 by each, which may be agreed upon, but there shall be no right of  
627 occupancy by any lessee unless the aggregate rental is paid as  
628 stipulated in the lease contract. All rights of joint lessees  
629 under the lease contract shall be in proportion to the amount of  
630 lease rental paid by each;

631 (w) To employ all noninstructional and noncertificated  
632 employees and fix the duties and compensation of such personnel  
633 deemed necessary pursuant to the recommendation of the  
634 superintendent of schools;

635 (x) To employ and fix the duties and compensation of  
636 such legal counsel as deemed necessary;

637 (y) Subject to rules and regulations of the State Board  
638 of Education, to purchase, own and operate trucks, vans and other  
639 motor vehicles, which shall bear the proper identification  
640 required by law;

641 (z) To expend funds for the payment of substitute  
642 teachers and to adopt reasonable regulations for the employment  
643 and compensation of such substitute teachers;

644 (aa) To acquire in its own name by purchase all real  
645 property which shall be necessary and desirable in connection with  
646 the construction, renovation or improvement of any public school  
647 building or structure. Whenever the purchase price for such real  
648 property is greater than Fifty Thousand Dollars (\$50,000.00), the  
649 school board shall not purchase the property for an amount  
650 exceeding the fair market value of such property as determined by  
651 the average of at least two (2) independent appraisals by  
652 certified general appraisers licensed by the State of Mississippi.  
653 If the board shall be unable to agree with the owner of any such  
654 real property in connection with any such project, the board shall  
655 have the power and authority to acquire any such real property by  
656 condemnation proceedings pursuant to Section 11-27-1 et seq.,  
657 Mississippi Code of 1972, and for such purpose, the right of

658 eminent domain is hereby conferred upon and vested in said board.  
659 Provided further, that the local school board is authorized to  
660 grant an easement for ingress and egress over sixteenth section  
661 land or lieu land in exchange for a similar easement upon  
662 adjoining land where the exchange of easements affords substantial  
663 benefit to the sixteenth section land; provided, however, the  
664 exchange must be based upon values as determined by a competent  
665 appraiser, with any differential in value to be adjusted by cash  
666 payment. Any easement rights granted over sixteenth section land  
667 under such authority shall terminate when the easement ceases to  
668 be used for its stated purpose. No sixteenth section or lieu land  
669 which is subject to an existing lease shall be burdened by any  
670 such easement except by consent of the lessee or unless the school  
671 district shall acquire the unexpired leasehold interest affected  
672 by the easement;

673 (bb) To charge reasonable fees related to the  
674 educational programs of the district, in the manner prescribed in  
675 Section 37-7-335;

676 (cc) Subject to rules and regulations of the State  
677 Board of Education, to purchase relocatable classrooms for the use  
678 of such school district, in the manner prescribed in Section  
679 37-1-13;

680 (dd) Enter into contracts or agreements with other  
681 school districts, political subdivisions or governmental entities  
682 to carry out one or more of the powers or duties of the school  
683 board, or to allow more efficient utilization of limited resources  
684 for providing services to the public;

685 (ee) To provide for in-service training for employees  
686 of the district. Until June 30, 1994, the school boards may  
687 designate two (2) days of the minimum school term, as defined in  
688 Section 37-19-1, for employee in-service training for  
689 implementation of the new statewide testing system as developed by  
690 the State Board of Education. Such designation shall be subject

691 to approval by the State Board of Education pursuant to uniform  
692 rules and regulations;

693 (ff) As part of their duties to prescribe the use of  
694 textbooks, to provide that parents and legal guardians shall be  
695 responsible for the textbooks and for the compensation to the  
696 school district for any books which are not returned to the proper  
697 schools upon the withdrawal of their dependent child. If a  
698 textbook is lost or not returned by any student who drops out of  
699 the public school district, the parent or legal guardian shall  
700 also compensate the school district for the fair market value of  
701 the textbooks;

702 (gg) To conduct fund-raising activities on behalf of  
703 the school district that the local school board, in its  
704 discretion, deems appropriate or beneficial to the official or  
705 extracurricular programs of the district; provided that:

706 (i) Any proceeds of the fund-raising activities  
707 shall be treated as "activity funds" and shall be accounted for as  
708 are other activity funds under this section; and

709 (ii) Fund-raising activities conducted or  
710 authorized by the board for the sale of school pictures, the  
711 rental of caps and gowns or the sale of graduation invitations for  
712 which the school board receives a commission, rebate or fee shall  
713 contain a disclosure statement advising that a portion of the  
714 proceeds of the sales or rentals shall be contributed to the  
715 student activity fund;

716 (hh) To allow individual lessons for music, art and  
717 other curriculum-related activities for academic credit or  
718 nonacademic credit during school hours and using school equipment  
719 and facilities, subject to uniform rules and regulations adopted  
720 by the school board;

721 (ii) To charge reasonable fees for participating in an  
722 extracurricular activity for academic or nonacademic credit for

723 necessary and required equipment such as safety equipment, band  
724 instruments and uniforms;

725 (jj) To conduct or participate in any fund-raising  
726 activities on behalf of or in connection with a tax-exempt  
727 charitable organization;

728 (kk) To exercise such powers as may be reasonably  
729 necessary to carry out the provisions of this section;

730 (ll) To expend funds for the services of nonprofit arts  
731 organizations or other such nonprofit organizations who provide  
732 performances or other services for the students of the school  
733 district;

734 (mm) To expend federal No Child Left Behind Act funds,  
735 or any other available funds that are expressly designated and  
736 authorized for that use, to pay training, educational expenses,  
737 salary incentives and salary supplements to employees of local  
738 school districts; except that incentives shall not be considered  
739 part of the local supplement as defined in Section 37-151-5(o),  
740 nor shall incentives be considered part of the local supplement  
741 paid to an individual teacher for the purposes of Section  
742 37-19-7(1). Mississippi Adequate Education Program funds or any  
743 other state funds may not be used for salary incentives or salary  
744 supplements as provided in this paragraph (mm);

745 (nn) To use any available funds, not appropriated or  
746 designated for any other purpose, for reimbursement to the  
747 state-licensed employees from both in-state and out-of-state, who  
748 enter into a contract for employment in a school district, for the  
749 expense of moving when the employment necessitates the relocation  
750 of the licensed employee to a different geographical area than  
751 that in which the licensed employee resides before entering into  
752 the contract. The reimbursement shall not exceed One Thousand  
753 Dollars (\$1,000.00) for the documented actual expenses incurred in  
754 the course of relocating, including the expense of any  
755 professional moving company or persons employed to assist with the

756 move, rented moving vehicles or equipment, mileage in the amount  
757 authorized for county and municipal employees under Section  
758 25-3-41 if the licensed employee used his personal vehicle or  
759 vehicles for the move, meals and such other expenses associated  
760 with the relocation. No licensed employee may be reimbursed for  
761 moving expenses under this section on more than one (1) occasion  
762 by the same school district. Nothing in this section shall be  
763 construed to require the actual residence to which the licensed  
764 employee relocates to be within the boundaries of the school  
765 district that has executed a contract for employment in order for  
766 the licensed employee to be eligible for reimbursement for the  
767 moving expenses. However, the licensed employee must relocate  
768 within the boundaries of the State of Mississippi. Any individual  
769 receiving relocation assistance through the Critical Teacher  
770 Shortage Act as provided in Section 37-159-5 shall not be eligible  
771 to receive additional relocation funds as authorized in this  
772 paragraph;

773           (oo) To use any available funds, not appropriated or  
774 designated for any other purpose, to reimburse persons who  
775 interview for employment as a licensed employee with the district  
776 for the mileage and other actual expenses incurred in the course  
777 of travel to and from the interview at the rate authorized for  
778 county and municipal employees under Section 25-3-41;

779           (pp) Consistent with the report of the Task Force to  
780 Conduct a Best Financial Management Practices Review, to improve  
781 school district management and use of resources and identify cost  
782 savings as established in Section 8 of Chapter 610, Laws of 2002,  
783 local school boards are encouraged to conduct independent reviews  
784 of the management and efficiency of schools and school districts.  
785 Such management and efficiency reviews shall provide state and  
786 local officials and the public with the following:

787           (i) An assessment of a school district's  
788 governance and organizational structure;



789                   (ii) An assessment of the school district's  
790 financial and personnel management;  
791                   (iii) An assessment of revenue levels and sources;  
792                   (iv) An assessment of facilities utilization,  
793 planning and maintenance;  
794                   (v) An assessment of food services, transportation  
795 and safety/security systems;  
796                   (vi) An assessment of instructional and  
797 administrative technology;  
798                   (vii) A review of the instructional management and  
799 the efficiency and effectiveness of existing instructional  
800 programs; and  
801                   (viii) Recommended methods for increasing  
802 efficiency and effectiveness in providing educational services to  
803 the public;  
804                   (qq) To enter into agreements with other local school  
805 boards for the establishment of an educational service agency  
806 (ESA) to provide for the cooperative needs of the region in which  
807 the school district is located, as provided in Section 37-7-345.  
808 This paragraph shall repeal on July 1, 2007;  
809                   (rr) To implement a financial literacy program for  
810 students in Grades 10 and 11. The board may review the national  
811 programs and obtain free literature from various nationally  
812 recognized programs. After review of the different programs, the  
813 board may certify a program that is most appropriate for the  
814 school districts' needs. If a district implements a financial  
815 literacy program, then any student in Grade 10 or 11 may  
816 participate in the program. The financial literacy program shall  
817 include, but is not limited to, instruction in the same areas of  
818 personal business and finance as required under Section  
819 37-1-3(2)(b). The school board may coordinate with volunteer  
820 teachers from local community organizations, including, but not  
821 limited to, the following: United States Department of

822 Agriculture Rural Development, United States Department of Housing  
823 and Urban Development, Junior Achievement, bankers and other  
824 nonprofit organizations. Nothing in this paragraph shall be  
825 construed as to require school boards to implement a financial  
826 literacy program;

827           (ss) To collaborate with the State Board of Education,  
828 Community Action Agencies or the Department of Human Services to  
829 develop and implement a voluntary program to provide services for  
830 a full-day prekindergarten program that addresses the cognitive,  
831 social, and emotional needs of four-year-old and three-year-old  
832 children. The school board may utilize nonstate source special  
833 funds, grants, donations or gifts to fund the voluntary program;

834           (tt) With respect to any lawful, written obligation of  
835 a school district, including, but not limited to, leases  
836 (excluding leases of sixteenth section public school trust land),  
837 bonds, notes, or other agreement, to agree in writing with the  
838 obligee that the State Tax Commission or any state agency,  
839 department or commission created under state law may:

840           (i) Withhold all or any part (as agreed by the  
841 school board) of any monies which such local school board is  
842 entitled to receive from time to time under any law and which is  
843 in the possession of the State Tax Commission, or any state  
844 agency, department or commission created under state law; and

845           (ii) Pay the same over to any financial  
846 institution, trustee or other obligee, as directed in writing by  
847 the school board, to satisfy all or part of such obligation of the  
848 school district.

849           The school board may make such written agreement to withhold  
850 and transfer funds irrevocable for the term of the written  
851 obligation and may include in the written agreement any other  
852 terms and provisions acceptable to the school board. If the  
853 school board files a copy of such written agreement with the State  
854 Tax Commission, or any state agency, department or commission

855 created under state law then the State Tax Commission or any state  
856 agency, department or commission created under state law shall  
857 immediately make the withholdings provided in such agreement from  
858 the amounts due the local school board and shall continue to pay  
859 the same over to such financial institution, trustee or obligee  
860 for the term of the agreement.

861 This paragraph (tt) shall not grant any extra authority to a  
862 school board to issue debt in any amount exceeding statutory  
863 limitations on assessed value of taxable property within such  
864 school district or the statutory limitations on debt maturities,  
865 and shall not grant any extra authority to impose, levy or collect  
866 a tax which is not otherwise expressly provided for, and shall not  
867 be construed to apply to sixteenth section public school trust  
868 land;

869 (uu) With respect to any matter or transaction that is  
870 competitively bid by a school district, to accept from any bidder  
871 as a good faith deposit or bid bond or bid surety, the same type  
872 of good faith deposit or bid bond or bid surety that may be  
873 accepted by the state or any other political subdivision on  
874 similar competitively bid matters or transactions. This paragraph  
875 (uu) shall not be construed to apply to sixteenth section public  
876 school trust land. The school board may authorize the investment  
877 of any school district funds in the same kind and manner of  
878 investments, including pooled investments, as any other political  
879 subdivision, including community hospitals; and

880 (vv) To utilize the alternate method for the conveyance  
881 or exchange of unused school buildings and/or land, reserving a  
882 partial or other undivided interest in the property, as  
883 specifically authorized and provided in Section 37-7-485,  
884 Mississippi Code of 1972.

885 **SECTION 6.** Section 37-37-1, Mississippi Code of 1972, is  
886 amended as follows:

887           37-37-1. The State Department of Education is hereby  
888 authorized and directed to prescribe and formulate for use by all  
889 school districts of this state, including municipal separate  
890 school districts, adequate accounting systems and other essential  
891 financial records which shall be uniform for all of the school  
892 districts of this state. Such uniform system shall include a  
893 method of accounting for and keeping records of all funds  
894 received, handled and disbursed by such school district, whether  
895 derived from taxation or otherwise, including funds derived from  
896 donations, athletic events and other special activities of the  
897 school district. The uniform system of accounts so prescribed and  
898 formulated by the State Department of Education shall be  
899 distributed and disseminated to all of the school districts of  
900 this state and it shall be mandatory that the boards of trustees  
901 of all such school districts install, utilize and follow said  
902 uniform system of accounts in keeping the financial records of the  
903 school district.

904           **SECTION 7.** Section 37-37-7, Mississippi Code of 1972, is  
905 amended as follows:

906           37-37-7. (1) In making audits under the provisions of this  
907 chapter, the examiners may call the attendance rolls at the  
908 schools, make field investigations and surveys, make checks of the  
909 number of students being transported upon publicly or privately  
910 owned buses, and make other and further examinations and  
911 investigations as may be necessary to determine whether or not the  
912 students reported are actually enrolled in and attending the  
913 public schools or are actually being transported or entitled to  
914 transportation to such public schools.

915           (2) In addition to the powers and duties of examiners in  
916 subsection (1), the State Department of Education may establish  
917 policies and procedures to ensure the accuracy and reliability of  
918 student data used to determine state funding for local school

919 districts, which may include, but are not limited to, the  
920 following:

921 (a) On-site audits;

922 (b) An auditing process that ensures the timeliness and  
923 accuracy of reports generated by school districts of this state  
924 regarding all student transactions;

925 (c) An auditing process that provides for the  
926 timeliness, process and accuracy of the electronic transmission of  
927 all student data to the Mississippi Department of Education,  
928 including, but not limited to, student enrollment, attendance,  
929 transportation, absenteeism, graduation and dropouts and other  
930 student data and administrative functions as deemed necessary;

931 (d) An audit of the accuracy and validity of all  
932 student transactions using the Mississippi Student Information  
933 System; and

934 (e) An audit process that ensures the timeliness and  
935 accuracy of reports, other than student data, required for  
936 submission in accordance with state law and/or State Board of  
937 Education policies.

938 Reviews and audits shall be conducted with advance notice,  
939 except that unannounced audits may be made upon the determination  
940 of the State Department of Education when they are necessary due  
941 to complaints or valid concerns. Examiners shall make every  
942 effort to work with school districts in scheduling audits in  
943 consideration of instructional activities such as statewide  
944 student testing days. The Department of Education and the school  
945 district shall cooperate fully with examiners in providing any  
946 related information requested in order to properly conduct the  
947 review or audit.

948 **SECTION 8.** Section 37-61-23, Mississippi Code of 1972, is  
949 amended as follows:

950 37-61-23. The superintendent of schools of each school  
951 district shall open and keep regular sets of books, as prescribed

952 by the State Department of Education, which shall be subject to  
953 inspection during office hours by any citizen so desiring to  
954 inspect the same. The books for each fiscal year shall be kept  
955 separately and same shall be safely preserved by the  
956 superintendent of schools.

957 **SECTION 9.** Section 37-61-33, Mississippi Code of 1972, is  
958 amended as follows:

959 37-61-33. (1) There is created within the State Treasury a  
960 special fund to be designated the "Education Enhancement Fund"  
961 into which shall be deposited all the revenues collected pursuant  
962 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

963 (2) Of the amount deposited into the Education Enhancement  
964 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be  
965 appropriated each fiscal year to the State Department of Education  
966 to be distributed to all school districts. Such money shall be  
967 distributed to all school districts in the proportion that the  
968 average daily attendance of each school district bears to the  
969 average daily attendance of all school districts within the state  
970 for the following purposes:

971 (a) Purchasing, erecting, repairing, equipping,  
972 remodeling and enlarging school buildings and related facilities,  
973 including gymnasiums, auditoriums, lunchrooms, vocational training  
974 buildings, libraries, teachers' homes, school barns,  
975 transportation vehicles (which shall include new and used  
976 transportation vehicles) and garages for transportation vehicles,  
977 and purchasing land therefor.

978 (b) Establishing and equipping school athletic fields  
979 and necessary facilities connected therewith, and purchasing land  
980 therefor.

981 (c) Providing necessary water, light, heating, air  
982 conditioning and sewerage facilities for school buildings, and  
983 purchasing land therefor.

984           (d) As a pledge to pay all or a portion of the debt  
985 service on debt issued by the school district under Sections  
986 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
987 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
988 and 37-41-81, or debt issued by boards of supervisors for  
989 agricultural high schools pursuant to Section 37-27-65, if such  
990 pledge is accomplished pursuant to a written contract or  
991 resolution approved and spread upon the minutes of an official  
992 meeting of the district's school board or board of supervisors.  
993 The annual grant to such district in any subsequent year during  
994 the term of the resolution or contract shall not be reduced below  
995 an amount equal to the district's grant amount for the year in  
996 which the contract or resolution was adopted. The intent of this  
997 provision is to allow school districts to irrevocably pledge a  
998 certain, constant stream of revenue as security for long-term  
999 obligations issued under the code sections enumerated in this  
1000 paragraph or as otherwise allowed by law. It is the intent of the  
1001 Legislature that the provisions of this paragraph shall be  
1002 cumulative and supplemental to any existing funding programs or  
1003 other authority conferred upon school districts or school boards.  
1004 Debt of a district secured by a pledge of sales tax revenue  
1005 pursuant to this paragraph shall not be subject to any debt  
1006 limitation contained in the foregoing enumerated code sections.

1007           (3) The remainder of the money deposited into the Education  
1008 Enhancement Fund shall be appropriated as follows:

1009           (a) To the State Department of Education as follows:

1010                   (i) Sixteen and sixty-one one-hundredths percent  
1011 (16.61%) to the cost of the adequate education program determined  
1012 under Section 37-151-7; of the funds generated by the percentage  
1013 set forth in this section for the support of the adequate  
1014 education program, one and one hundred seventy-eight  
1015 one-thousandths percent (1.178%) of the funds shall be  
1016 appropriated to be used by the State Department of Education for

1017 the purchase of textbooks to be loaned under Sections 37-43-1  
1018 through 37-43-59 to approved nonpublic schools, as described in  
1019 Section 37-43-1. The funds to be distributed to each nonpublic  
1020 school shall be in the proportion that the average daily  
1021 attendance of each nonpublic school bears to the total average  
1022 daily attendance of all nonpublic schools;

1023 (ii) Seven and ninety-seven one-hundredths percent  
1024 (7.97%) to assist the funding of transportation operations and  
1025 maintenance pursuant to Section 37-19-23; and

1026 (iii) Nine and sixty-one one-hundredths percent  
1027 (9.61%) for classroom supplies, instructional materials and  
1028 equipment, including computers and computer software, to be  
1029 distributed to all school districts in the proportion that the  
1030 average daily attendance of each school district bears to the  
1031 average daily attendance of all school districts within the state.  
1032 Classroom supply funds shall not be expended for administrative  
1033 purposes. Local school districts shall allocate classroom supply  
1034 funds equally among all classroom teachers in the school district.  
1035 For purposes of this subparagraph, "teacher" means any employee of  
1036 the school board of a school district who is required by law to  
1037 obtain a teacher's license from the State Department of Education  
1038 and who is assigned to an instructional area of work as defined by  
1039 the department, but shall not include a federally funded teacher.  
1040 Two (2) or more teachers may agree to pool their classroom supply  
1041 funds for the benefit of a school within the district. It is the  
1042 intent of the Legislature that all classroom teachers shall be  
1043 involved in the development of a spending plan that addresses  
1044 individual classroom needs and supports the overall goals of the  
1045 school regarding supplies, instructional materials, equipment,  
1046 computers or computer software under the provisions of this  
1047 subparagraph, including the type, quantity and quality of such  
1048 supplies, materials and equipment. This plan shall be submitted  
1049 in writing to the school principal for approval. Classroom supply



1050 funds allocated under this subparagraph shall supplement, not  
1051 replace, other local and state funds available for the same  
1052 purposes. School districts need not fully expend the funds  
1053 received under this subparagraph in the year in which they are  
1054 received, but such funds may be carried forward for expenditure in  
1055 any succeeding school year. Any individual teacher or group of  
1056 teachers with an approved spending plan that has not been fully  
1057 funded need not expend the funds allocated under this subparagraph  
1058 in the year in which they are received. Such funds may be carried  
1059 forward for expenditure in any subsequent school year in which  
1060 their plan is fully funded. However, beginning July 1, 2006, any  
1061 funds allocated under this subparagraph that remain unspent,  
1062 unless it is reserved in an approved spending plan, by March 31 of  
1063 the fiscal year in which they were allotted, shall be utilized by  
1064 the school where the teacher is employed for instructional supply  
1065 and equipment purposes. The State Board of Education shall  
1066 develop and promulgate rules and regulations for the  
1067 administration of this subparagraph consistent with the above  
1068 criteria, with particular emphasis on allowing the individual  
1069 teachers to expend funds as they deem appropriate;

1070 (b) Twenty-two and nine one-hundredths percent (22.09%)  
1071 to the Board of Trustees of State Institutions of Higher Learning  
1072 for the purpose of supporting institutions of higher learning; and

1073 (c) Fourteen and forty-one one-hundredths percent  
1074 (14.41%) to the State Board for Community and Junior Colleges for  
1075 the purpose of providing support to community and junior colleges.

1076 (4) The amount remaining in the Education Enhancement Fund  
1077 after funds are distributed as provided in subsections (2) and (3)  
1078 of this section shall be disbursed as follows:

1079 (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
1080 be deposited into the Working Cash-Stabilization Reserve Fund  
1081 created pursuant to Section 27-103-203(1), until the balance in  
1082 such fund reaches the maximum balance of seven and one-half

1083 percent (7-1/2%) of the General Fund appropriations in the  
1084 appropriate fiscal year. After the maximum balance in the Working  
1085 Cash-Stabilization Reserve Fund is reached, such money shall  
1086 remain in the Education Enhancement Fund to be appropriated in the  
1087 manner provided for in paragraph (b) of this subsection.

1088 (b) The remainder shall be appropriated for other  
1089 educational needs.

1090 (5) None of the funds appropriated pursuant to subsection  
1091 (3)(a) of this section shall be used to reduce the state's General  
1092 Fund appropriation for the categories listed in an amount below  
1093 the following amounts:

1094 (a) For subsection (3)(a)(ii) of this section,  
1095 Thirty-six Million Seven Hundred Thousand Dollars  
1096 (\$36,700,000.00);

1097 (b) For the aggregate of minimum program allotments in  
1098 the 1997 fiscal year, formerly provided for in Chapter 19, Title  
1099 37, Mississippi Code of 1972, as amended, excluding those funds  
1100 for transportation as provided for in subsection (5)(a) in this  
1101 section.

1102 **SECTION 10.** This act shall take effect and be in force from  
1103 and after July 1, 2006.