

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 2604**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

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

25           37-151-5. As used in Sections \* \* \* 37-151-5 and 37-151-7:

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

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

37           (i) "Capital outlay" shall mean those funds used  
38 for the constructing, improving, equipping, renovating or major  
39 repairing of school buildings or other school facilities, or the  
40 cost of acquisition of land whereon to construct or establish such  
41 school facilities.

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

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

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

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

58                   (d) "Base student cost" shall mean the funding level  
59 necessary for providing an adequate education program for one (1)  
60 base student, subject to any minimum amounts prescribed in Section  
61 37-151-7(1).

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

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

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

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

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

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

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

83 (vi) "Extended school year programs" shall mean  
84 those programs authorized by law which extend beyond the normal  
85 school year.

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

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

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

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

98 (h) "Superintendent" shall mean the head of a school  
99 district.

100 (i) "School district" shall mean any type of school  
101 district in the State of Mississippi, and shall include  
102 agricultural high schools.

103 (j) "Minimum school term" shall mean a term of at least  
104 one hundred eighty (180) days of school in which both teachers and  
105 pupils are in regular attendance for scheduled classroom

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

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

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

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

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

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

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

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

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

174 (r) "Department" shall mean the State Department of  
175 Education.

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

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

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

184 37-151-7. The annual allocation to each school district for  
185 the operation of the adequate education program shall be  
186 determined as follows:

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

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

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

221 (b) **Determination of base student cost.** For fiscal  
222 year 2006 and every fourth fiscal year thereafter, the State Board  
223 of Education, on or before August 1, with adjusted estimate no  
224 later than January 2, shall \* \* \* submit to the Legislative Budget  
225 Office and the Governor a proposed base student cost adequate to  
226 provide the following cost components of educating a pupil in a  
227 successful school district: (i) Instructional Cost; (ii)  
228 Administrative Cost; (iii) Operation and Maintenance of Plant; and  
229 (iv) Ancillary Support Cost. For purposes of these calculations,  
230 the Department of Education shall utilize financial data from the  
231 second preceding year of the year for which funds are being  
232 appropriated.

233           For the instructional cost component, the Department of  
234 Education shall select districts that have been identified as  
235 instructionally successful and have a ratio of a number of  
236 teachers per one thousand (1,000) students that is between one  
237 standard deviation above the mean and two standard deviations  
238 below the mean of the statewide average of teachers per one  
239 thousand (1,000) students. The instructional cost component shall  
240 be calculated by dividing the latest available months 1-9 ADA into  
241 the instructional expenditures of these selected districts. For  
242 the purpose of this calculation, the Department of Education shall  
243 use the following funds, functions and objects:

244           Fund 1120 Functions 1110-1199 Objects 100-999, Functions  
245           1210, 1220, 2150-2159 Objects 210 and 215;

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

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

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

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

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

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

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



265 the purpose of this calculation, the Department of Education shall  
266 use the following funds, functions and objects:

267 Fund 1120 Functions 2300-2599, Functions 2800-2899,  
268 Objects 100-999;

269 Fund 2711 Functions 2300-2599, Functions 2800-2899,  
270 Objects 100-999.

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

285 Fund 1120 Functions 2600-2699, Objects 100-699  
286 and Objects 800-999;

287 Fund 2711 Functions 2600-2699, Objects 100-699  
288 and Objects 800-999;

289 Fund 2430 Functions 2600-2699, Objects 100-699  
290 and Objects 800-999.

291 For the ancillary support cost component, the Department of  
292 Education shall select districts that have been identified as  
293 instructionally successful and have a ratio of a number of  
294 librarians, media specialists, guidance counselors and  
295 psychologists per one thousand (1,000) students that is between  
296 one standard deviation above the mean and two standard deviations

297 below the mean of the statewide average of librarians, media  
298 specialists, guidance counselors and psychologists per one  
299 thousand (1,000) students. The ancillary cost component shall be  
300 calculated by dividing the latest available months 1-9 ADA into  
301 the ancillary expenditures instructional expenditures of these  
302 selected districts. For the purpose of this calculation, the  
303 Department of Education shall use the following funds, functions  
304 and objects:

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

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

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

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

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

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

311 The total base cost for each year shall be the sum of the  
312 instructional cost component, administrative cost component, plant  
313 and maintenance cost component and ancillary support cost  
314 component, and any estimated adjustments for additional state  
315 requirements as determined by the State Board of Education.

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

318 For each of the fiscal years between the recalculation of the  
319 base student cost under the provisions of this paragraph (b), the  
320 base student cost shall be increased by an amount equal to forty  
321 percent (40%) of the base student cost for the previous fiscal  
322 year, multiplied by the latest annual rate of inflation for the  
323 State of Mississippi as determined by the State Economist, plus  
324 any adjustments for additional state requirements such as, but not  
325 limited to, teacher pay raises and health insurance premium  
326 increases.

327 (c) **Determination of the basic adequate education**  
328 **program cost.** The basic amount for current operation to be

329 included in the Mississippi Adequate Education Program for each  
330 school district shall be computed as follows:

331 Multiply the average daily attendance of the district by the  
332 base student cost as established by the Legislature, which yields  
333 the total base program cost for each school district.

334 (d) **Adjustment to the base student cost for at-risk**  
335 **pupils.** The amount to be included for at-risk pupil programs for  
336 each school district shall be computed as follows: Multiply the  
337 base student cost for the appropriate fiscal year as determined  
338 under paragraph (b) by five percent (5%), and multiply that  
339 product by the number of pupils participating in the federal free  
340 school lunch program in such school district, which yields the  
341 total adjustment for at-risk pupil programs for such school  
342 district.

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

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

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

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

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

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

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

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

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

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

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

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

385 \* \* \*

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

391           (2) **Computation of the required local revenue in support of**  
392 **the adequate education program.** The amount that each district  
393 shall provide toward the cost of the adequate education program  
394 shall be calculated as follows:

395           (a) The State Department of Education shall certify to  
396 each school district that twenty-eight (28) mills, less the  
397 estimated amount of the yield of the School Ad Valorem Tax  
398 Reduction Fund grants as determined by the State Department of  
399 Education, is the millage rate required to provide the district  
400 required local effort for that year, or twenty-seven percent (27%)  
401 of the basic adequate education program cost for such school  
402 district as determined under paragraph (c), whichever is a lesser  
403 amount. In the case of an agricultural high school the millage  
404 requirement shall be set at a level which generates an equitable  
405 amount per pupil to be determined by the State Board of Education.

406           (b) The State Department of Education shall determine  
407 (i) the total assessed valuation of nonexempt property for school  
408 purposes in each school district; (ii) assessed value of exempt  
409 property owned by homeowners aged sixty-five (65) or older or  
410 disabled as defined in Section 27-33-67(2), Mississippi Code of  
411 1972; (iii) the school district's tax loss from exemptions  
412 provided to applicants under the age of sixty-five (65) and not  
413 disabled as defined in Section 27-33-67(1), Mississippi Code of  
414 1972; and (iv) the school district's homestead reimbursement  
415 revenues.

416           (c) The amount of the total adequate education program  
417 funding which shall be contributed by each school district shall  
418 be the sum of the ad valorem receipts generated by the millage  
419 required under this subsection plus the following local revenue  
420 sources for the appropriate fiscal year which are or may be  
421 available for current expenditure by the school district:

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

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

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

428 (a) The required state effort in support of the  
429 adequate education program shall be determined by subtracting the  
430 sum of the required local tax effort as set forth in subsection  
431 (2)(a) of this section and the other local revenue sources as set  
432 forth in subsection (2)(c) of this section in an amount not to  
433 exceed twenty-seven percent (27%) of the total projected adequate  
434 education program cost as set forth in subsection (1)(f) of this  
435 section from the total projected adequate education program cost  
436 as set forth in subsection (1)(f) of this section.

437 (b) Provided, however, that in fiscal year 1998 and in  
438 the fiscal year in which the adequate education program is fully  
439 funded by the Legislature, any increase in the said state  
440 contribution \* \* \* to any district calculated under this section  
441 shall be not less than eight percent (8%) in excess of the amount  
442 received by said district from state funds for the fiscal year  
443 immediately preceding. For purposes of this paragraph (b), state  
444 funds shall include minimum program funds less the add-on  
445 programs, State Uniform Millage Assistance Grant Funds, Education  
446 Enhancement Funds appropriated for Uniform Millage Assistance  
447 Grants and state textbook allocations, and State General Funds  
448 allocated for textbooks.

449 \* \* \*

450 (c) If the school board of any school district shall  
451 determine that it is not economically feasible or practicable to  
452 operate any school within the district for the full one hundred  
453 eighty (180) days required for a school term of a scholastic year

454 as required in Section 37-13-63, Mississippi Code of 1972, due to  
455 an enemy attack, a man-made, technological or natural disaster in  
456 which the Governor has declared a disaster emergency under the  
457 laws of this state or the President of the United States has  
458 declared an emergency or major disaster to exist in this state,  
459 said school board may notify the State Department of Education of  
460 such disaster and submit a plan for altering the school term. If  
461 the State Board of Education finds such disaster to be the cause  
462 of the school not operating for the contemplated school term and  
463 that such school was in a school district covered by the  
464 Governor's or President's disaster declaration, it may permit said  
465 school board to operate the schools in its district for less than  
466 one hundred eighty (180) days and, in such case, the State  
467 Department of Education shall not reduce the state contributions  
468 to the adequate education program allotment for such district,  
469 because of the failure to operate said schools for one hundred  
470 eighty (180) days.

471 \* \* \*

472 (4) The Interim School District Capital Expenditure Fund is  
473 hereby established in the State Treasury which shall be used to  
474 distribute any funds specifically appropriated by the Legislature  
475 to such fund to school districts entitled to increased allocations  
476 of state funds under the adequate education program funding  
477 formula prescribed in Sections 37-151-3 through 37-151-7,  
478 Mississippi Code of 1972, until such time as the said adequate  
479 education program is fully funded by the Legislature. The  
480 following percentages of the total state cost of increased  
481 allocations of funds under the adequate education program funding  
482 formula shall be appropriated by the Legislature into the Interim  
483 School District Capital Expenditure Fund to be distributed to all  
484 school districts under the formula: Nine and two-tenths percent  
485 (9.2%) shall be appropriated in fiscal year 1998, twenty percent

486 (20%) shall be appropriated in fiscal year 1999, forty percent  
487 (40%) shall be appropriated in fiscal year 2000, sixty percent  
488 (60%) shall be appropriated in fiscal year 2001, eighty percent  
489 (80%) shall be appropriated in fiscal year 2002, and one hundred  
490 percent (100%) shall be appropriated in fiscal year 2003 into the  
491 State Adequate Education Program Fund \* \* \*. Until July 1, 2002,  
492 such money shall be used by school districts for the following  
493 purposes:

494 (a) Purchasing, erecting, repairing, equipping,  
495 remodeling and enlarging school buildings and related facilities,  
496 including gymnasiums, auditoriums, lunchrooms, vocational training  
497 buildings, libraries, school barns and garages for transportation  
498 vehicles, school athletic fields and necessary facilities  
499 connected therewith, and purchasing land therefor. Any such  
500 capital improvement project by a school district shall be approved  
501 by the State Board of Education, and based on an approved  
502 long-range plan. The State Board of Education shall promulgate  
503 minimum requirements for the approval of school district capital  
504 expenditure plans.

505 (b) Providing necessary water, light, heating, air  
506 conditioning, and sewerage facilities for school buildings, and  
507 purchasing land therefor.

508 (c) Paying debt service on existing capital improvement  
509 debt of the district or refinancing outstanding debt of a district  
510 if such refinancing will result in an interest cost savings to the  
511 district.

512 (d) From and after October 1, 1997, through June 30,  
513 1998, pursuant to a school district capital expenditure plan  
514 approved by the State Department of Education, a school district  
515 may pledge such funds until July 1, 2002, plus funds provided for  
516 in paragraph (e) of this subsection (4) that are not otherwise  
517 permanently pledged under such paragraph (e) to pay all or a



518 portion of the debt service on debt issued by the school district  
519 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
520 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,  
521 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
522 issued by boards of supervisors for agricultural high schools  
523 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
524 lease-purchase contracts entered into pursuant to Section 31-7-13,  
525 Mississippi Code of 1972, or to retire or refinance outstanding  
526 debt of a district, if such pledge is accomplished pursuant to a  
527 written contract or resolution approved and spread upon the  
528 minutes of an official meeting of the district's school board or  
529 board of supervisors. It is the intent of this provision to allow  
530 school districts to irrevocably pledge their Interim School  
531 District Capital Expenditure Fund allotments as a constant stream  
532 of revenue to secure a debt issued under the foregoing code  
533 sections. To allow school districts to make such an irrevocable  
534 pledge, the state shall take all action necessary to ensure that  
535 the amount of a district's Interim School District Capital  
536 Expenditure Fund allotments shall not be reduced below the amount  
537 certified by the department or the district's total allotment  
538 under the Interim Capital Expenditure Fund if fully funded, so  
539 long as such debt remains outstanding.

540 (e) From and after October 1, 1997, through June 30,  
541 1998, in addition to any other authority a school district may  
542 have, any school district may issue State Aid Capital Improvement  
543 Bonds secured in whole by a continuing annual pledge of any  
544 Mississippi Adequate Education Program funds available to the  
545 district, in an amount not to exceed One Hundred Sixty Dollars  
546 (\$160.00) per pupil based on the latest completed average daily  
547 attendance count certified by the department prior to the issuance  
548 of the bonds. Such State Aid Capital Improvement Bonds may be  
549 issued for the purposes enumerated in paragraphs (a), (b), (c) and

550 (g) of this section. Prior to issuing such bonds, the school  
551 board of the district shall adopt a resolution declaring the  
552 necessity for and its intention of issuing such bonds and  
553 borrowing such money, specifying the approximate amount to be so  
554 borrowed, how such money is to be used and how such indebtedness  
555 is to be evidenced. Any capital improvement project financed with  
556 State Aid Capital Improvement Bonds shall be approved by the  
557 department, and based on an approved long-range plan. The State  
558 Board of Education shall promulgate minimum requirements for the  
559 approval of such school district capital expenditure plans. The  
560 State Board of Education shall not approve any capital expenditure  
561 plan for a pledge of funds under this paragraph unless it  
562 determines (i) that the quality of instruction in such district  
563 will not be reduced as a result of this pledge, and (ii) the  
564 district has other revenue available to attain and maintain at  
565 least Level III accreditation.

566 A district issuing State Aid Capital Improvement Bonds may  
567 pledge for the repayment of such bonds all funds received by the  
568 district from the state, in an amount not to exceed One Hundred  
569 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
570 the school district as set forth above, and not otherwise  
571 permanently pledged under paragraph (d) of this subsection or  
572 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
573 district's school board shall specify by resolution the amount of  
574 state funds, which are being pledged by the district for the  
575 repayment of the State Aid Capital Improvement Bonds. Once such a  
576 pledge is made to secure the bonds, the district shall notify the  
577 department of such pledge. Upon making such a pledge, the school  
578 district may request the department which may agree to irrevocably  
579 transfer a specified amount or percentage of the district's state  
580 revenue pledged to repay the district's State Aid Capital  
581 Improvement Bonds directly to a state or federally chartered bank

582 serving as a trustee or paying agent on such bonds for the payment  
583 of all or portion of such State Aid Capital Improvement Bonds.  
584 Such instructions shall be incorporated into a resolution by the  
585 school board for the benefit of holders of the bonds and may  
586 provide that such withholding and transfer of such other available  
587 funds shall be made only upon notification by a trustee or paying  
588 agent on such bonds that the amounts available to pay such bonds  
589 on any payment date will not be sufficient. It is the intent of  
590 this provision to allow school districts to irrevocably pledge a  
591 certain, constant stream of revenue as security for State Aid  
592 Capital Improvement Bonds issued hereunder. To allow school  
593 districts to make such an irrevocable pledge, the state shall take  
594 all action necessary to ensure that the amount of a district's  
595 state revenues up to an amount equal to One Hundred Sixty Dollars  
596 (\$160.00) per pupil as set forth above which have been pledged to  
597 repay debt as set forth herein shall not be reduced so long as any  
598 State Aid Capital Improvement Bonds are outstanding.

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

606 The provisions of this subsection shall be cumulative and  
607 supplemental to any existing funding programs or other authority  
608 conferred upon school districts or school boards. Debt of a  
609 school district secured in whole by a pledge of revenue pursuant  
610 to this section shall not be subject to any debt limitation.

611 For purposes of this paragraph (e), "State Aid Capital  
612 Improvement Bond" shall mean any bond, note, or other certificate

613 of indebtedness issued by a school district under the provisions  
614 hereof.

615 This paragraph (e) shall stand repealed from and after June  
616 30, 1998.

617 (f) As an alternative to the authority granted under  
618 paragraph (e), a school district, in its discretion, may authorize  
619 the State Board of Education to withhold an amount of the  
620 district's adequate education program allotment equal to up to One  
621 Hundred Sixty Dollars (\$160.00) per student in average daily  
622 attendance in the district to be allocated to the State Public  
623 School Building Fund to the credit of such school district. A  
624 school district may choose the option provided under this  
625 paragraph (e) or paragraph (f), but not both. In addition to the  
626 grants made by the state pursuant to Section 37-47-9, a school  
627 district shall be entitled to grants based on the allotments to  
628 the State Public School Building Fund credited to such school  
629 district under this paragraph. This paragraph (f) shall stand  
630 repealed from and after June 30, 1998.

631 (g) The State Board of Education may authorize the  
632 school district to expend not more than twenty percent (20%) of  
633 its annual allotment of such funds or Twenty Thousand Dollars  
634 (\$20,000.00), whichever is greater, for technology needs of the  
635 school district, including computers, software,  
636 telecommunications, cable television, interactive video, film,  
637 low-power television, satellite communications, microwave  
638 communications, technology-based equipment installation and  
639 maintenance, and the training of staff in the use of such  
640 technology-based instruction. Any such technology expenditure  
641 shall be reflected in the local district technology plan approved  
642 by the State Board of Education under Section 37-151-17,  
643 Mississippi Code of 1972.

644 (h) To the extent a school district has not utilized  
645 twenty percent (20%) of its annual allotment for technology  
646 purposes under paragraph (g), a school district may expend not  
647 more than twenty percent (20%) of its annual allotment or Twenty  
648 Thousand Dollars (\$20,000.00), whichever is greater, for  
649 instructional purposes. The State Board of Education may  
650 authorize a school district to expend more than said twenty  
651 percent (20%) of its annual allotment for instructional purposes  
652 if it determines that such expenditures are needed for  
653 accreditation purposes.

654 (i) The State Department of Education or the State  
655 Board of Education may require that any project commenced under  
656 this section with an estimated project cost of not less than Five  
657 Million Dollars (\$5,000,000.00) shall be done only pursuant to  
658 program management of the process with respect to design and  
659 construction. Any individuals, partnerships, companies or other  
660 entities acting as a program manager on behalf of a local school  
661 district and performing program management services for projects  
662 covered under this subsection shall be approved by the State  
663 Department of Education.

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

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

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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