

By: Representative Clark

To: Education;
Appropriations

HOUSE BILL NO. 444

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE ADJUSTMENT TO THE BASE STUDENT COST FOR AT-RISK
3 STUDENTS UNDER THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM; AND FOR
4 RELATED PURPOSES.

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

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

8 37-151-7. The annual allocation to each school district for
9 the operation of the Adequate Education Program shall be
10 determined as follows:

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

15 (a) **Determination of average daily attendance.**
16 Effective with fiscal year 2011, the State Department of Education
17 shall determine the percentage change from the prior year of each
18 year of each school district's average of months two (2) and three
19 (3) average daily attendance (ADA) for the three (3) immediately
20 preceding school years of the year for which funds are being
21 appropriated. For any school district that experiences a positive
22 growth in the average of months two (2) and three (3) ADA each
23 year of the three (3) years, the average percentage growth over
24 the three-year period shall be multiplied times the school
25 district's average of months two (2) and three (3) ADA for the
26 year immediately preceding the year for which MAEP funds are being
27 appropriated. The resulting amount shall be added to the school
28 district's average of months two (2) and three (3) ADA for the

29 year immediately preceding the year for which MAEP funds are being
30 appropriated to arrive at the ADA to be used in determining a
31 school district's MAEP allocation. Otherwise, months two (2) and
32 three (3) ADA for the year immediately preceding the year for
33 which MAEP funds are being appropriated will be used in
34 determining a school district's MAEP allocation. In any fiscal
35 year prior to 2010 in which the MAEP formula is not fully funded,
36 for those districts that do not demonstrate a three-year positive
37 growth in months two (2) and three (3) ADA, months one (1) through
38 nine (9) ADA of the second preceding year for which funds are
39 being appropriated or months two (2) and three (3) ADA of the
40 preceding year for which funds are being appropriated, whichever
41 is greater, shall be used to calculate the district's MAEP
42 allocation. The district's average daily attendance shall be
43 computed and currently maintained in accordance with regulations
44 promulgated by the State Board of Education.

45 (b) **Determination of base student cost.** Effective with
46 fiscal year 2011 and every fourth fiscal year thereafter, the
47 State Board of Education, on or before August 1, with adjusted
48 estimate no later than January 2, shall submit to the Legislative
49 Budget Office and the Governor a proposed base student cost
50 adequate to provide the following cost components of educating a
51 pupil in a successful school district: (i) Instructional Cost;
52 (ii) Administrative Cost; (iii) Operation and Maintenance of
53 Plant; and (iv) Ancillary Support Cost. For purposes of these
54 calculations, the Department of Education shall utilize financial
55 data from the second preceding year of the year for which funds
56 are being appropriated.

57 For the instructional cost component, the Department of
58 Education shall select districts that have been identified as
59 instructionally successful and have a ratio of a number of
60 teachers per one thousand (1,000) students that is between one (1)
61 standard deviation above the mean and two (2) standard deviations

62 below the mean of the statewide average of teachers per one
63 thousand (1,000) students. The instructional cost component shall
64 be calculated by dividing the latest available months one (1)
65 through nine (9) ADA into the instructional expenditures of these
66 selected districts. For the purpose of this calculation, the
67 Department of Education shall use the following funds, functions
68 and objects:

69 Fund 1120 Functions 1110-1199 Objects 100-999, Functions
70 1210, 1220, 2150-2159 Objects 210 and 215;

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

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

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

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

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

76 Prior to the calculation of the instructional cost component,
77 there shall be subtracted from the above expenditures any revenue
78 received for Chickasaw Cession payments, Master Teacher
79 Certification payments and the district's portion of state revenue
80 received from the MAEP at-risk allocation.

81 For the administrative cost component, the Department of
82 Education shall select districts that have been identified as
83 instructionally successful and have a ratio of an administrative
84 staff to nonadministrative staff between one (1) standard
85 deviation above the mean and two (2) standard deviations below the
86 mean of the statewide average administrative staff to
87 nonadministrative staff. The administrative cost component shall
88 be calculated by dividing the latest available months one (1)
89 through nine (9) ADA of the selected districts into the
90 administrative expenditures of these selected districts. For the
91 purpose of this calculation, the Department of Education shall use
92 the following funds, functions and objects:

93 Fund 1120 Functions 2300-2599, Functions 2800-2899,
94 Objects 100-999;

95 Fund 2711 Functions 2300-2599, Functions 2800-2899,
96 Objects 100-999.

97 For the plant and maintenance cost component, the Department
98 of Education shall select districts that have been identified as
99 instructionally successful and have a ratio of plant and
100 maintenance expenditures per one hundred thousand (100,000) square
101 feet of building space and a ratio of maintenance workers per one
102 hundred thousand (100,000) square feet of building space that are
103 both between one (1) standard deviation above the mean and two (2)
104 standard deviations below the mean of the statewide average. The
105 plant and maintenance cost component shall be calculated by
106 dividing the latest available months one (1) through nine (9) ADA
107 of the selected districts into the plant and maintenance
108 expenditures of these selected districts. For the purpose of this
109 calculation, the Department of Education shall use the following
110 funds, functions and objects:

111 Fund 1120 Functions 2600-2699, Objects 100-699
112 and Objects 800-999;

113 Fund 2711 Functions 2600-2699, Objects 100-699
114 and Objects 800-999;

115 Fund 2430 Functions 2600-2699, Objects 100-699
116 and Objects 800-999.

117 For the ancillary support cost component, the Department of
118 Education shall select districts that have been identified as
119 instructionally successful and have a ratio of a number of
120 librarians, media specialists, guidance counselors and
121 psychologists per one thousand (1,000) students that is between
122 one (1) standard deviation above the mean and two (2) standard
123 deviations below the mean of the statewide average of librarians,
124 media specialists, guidance counselors and psychologists per one
125 thousand (1,000) students. The ancillary cost component shall be
126 calculated by dividing the latest available months one (1) through
127 nine (9) ADA into the ancillary expenditures instructional

128 expenditures of these selected districts. For the purpose of this
129 calculation, the Department of Education shall use the following
130 funds, functions and objects:

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

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

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

134 Fund 2001 Functions 2100-2129, Objects 100-999;

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

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

137 The total base cost for each year shall be the sum of the
138 instructional cost component, administrative cost component, plant
139 and maintenance cost component and ancillary support cost
140 component, and any estimated adjustments for additional state
141 requirements as determined by the State Board of Education.

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

144 For each of the fiscal years between the recalculation of the
145 base student cost under the provisions of this paragraph (b), the
146 base student cost shall be increased by an amount equal to forty
147 percent (40%) of the base student cost for the previous fiscal
148 year, multiplied by the latest annual rate of inflation for the
149 State of Mississippi as determined by the State Economist, plus
150 any adjustments for additional state requirements such as, but not
151 limited to, teacher pay raises and health insurance premium
152 increases.

153 (c) **Determination of the basic Adequate Education**

154 **Program cost.** The basic amount for current operation to be
155 included in the Mississippi Adequate Education Program for each
156 school district shall be computed as follows:

157 Multiply the average daily attendance of the district by the
158 base student cost as established by the Legislature, which yields
159 the total base program cost for each school district.

160 (d) **Adjustment to the base student cost for at-risk**
161 **pupils.** The amount to be included for at-risk pupil programs for
162 each school district shall be computed as follows: Multiply the
163 base student cost for the appropriate fiscal year as determined
164 under paragraph (b) by fifty percent (50%), and multiply that
165 product by the number of pupils participating in the federal free
166 school lunch program in such school district, which yields the
167 total adjustment for at-risk pupil programs for such school
168 district.

169 (e) **Add-on program cost.** The amount to be allocated to
170 school districts in addition to the Adequate Education Program
171 cost for add-on programs for each school district shall be
172 computed as follows:

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

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

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

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

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

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

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

193 programs for handicapped children as defined and provided for in
194 Section 37-23-131 et seq.

195 (viii) Bus driver training programs shall be the
196 amount provided for those driver training programs as provided for
197 in Section 37-41-1.

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

203 (f) **Total projected Adequate Education Program cost.**

204 The total Mississippi Adequate Education Program cost shall be the
205 sum of the total basic Adequate Education Program cost (paragraph
206 (c)), and the adjustment to the base student cost for at-risk
207 pupils (paragraph (d)) for each school district. In any year in
208 which the MAEP is not fully funded, the Legislature shall direct
209 the State Department of Education in the K-12 appropriation bill
210 as to how to allocate MAEP funds to school districts for that
211 year.

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

217 (2) **Computation of the required local revenue in support of**
218 **the Adequate Education Program.** The amount that each district
219 shall provide toward the cost of the Adequate Education Program
220 shall be calculated as follows:

221 (a) The State Department of Education shall certify to
222 each school district that twenty-eight (28) mills, less the
223 estimated amount of the yield of the School Ad Valorem Tax
224 Reduction Fund grants as determined by the State Department of
225 Education, is the millage rate required to provide the district

226 required local effort for that year, or twenty-seven percent (27%)
227 of the basic Adequate Education Program cost for such school
228 district as determined under paragraph (c), whichever is a lesser
229 amount. In the case of an agricultural high school, the millage
230 requirement shall be set at a level which generates an equitable
231 amount per pupil to be determined by the State Board of Education.

232 (b) The State Department of Education shall determine
233 (i) the total assessed valuation of nonexempt property for school
234 purposes in each school district; (ii) assessed value of exempt
235 property owned by homeowners aged sixty-five (65) or older or
236 disabled as defined in Section 27-33-67(2); (iii) the school
237 district's tax loss from exemptions provided to applicants under
238 the age of sixty-five (65) and not disabled as defined in Section
239 27-33-67(1); and (iv) the school district's homestead
240 reimbursement revenues.

241 (c) The amount of the total Adequate Education Program
242 funding which shall be contributed by each school district shall
243 be the sum of the ad valorem receipts generated by the millage
244 required under this subsection plus the following local revenue
245 sources for the appropriate fiscal year which are or may be
246 available for current expenditure by the school district:

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

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

251 (3) **Computation of the required state effort in support of**
252 **the Adequate Education Program.**

253 (a) The required state effort in support of the
254 Adequate Education Program shall be determined by subtracting the
255 sum of the required local tax effort as set forth in subsection
256 (2)(a) of this section and the other local revenue sources as set
257 forth in subsection (2)(c) of this section in an amount not to
258 exceed twenty-seven percent (27%) of the total projected Adequate

259 Education Program cost as set forth in subsection (1)(f) of this
260 section from the total projected Adequate Education Program cost
261 as set forth in subsection (1)(f) of this section.

262 (b) * * * However, * * * in fiscal year 1998 and in the
263 fiscal year in which the Adequate Education Program is fully
264 funded by the Legislature, any increase in the * * * state
265 contribution to any district calculated under this section shall
266 be not less than eight percent (8%) in excess of the amount
267 received by the district from state funds for the fiscal year
268 immediately preceding. For purposes of this paragraph (b), state
269 funds shall include minimum program funds less the add-on
270 programs, State Uniform Millage Assistance Grant Funds, Education
271 Enhancement Funds appropriated for Uniform Millage Assistance
272 Grants and state textbook allocations, and State General Funds
273 allocated for textbooks.

274 (c) If the school board of any school district shall
275 determine that it is not economically feasible or practicable to
276 operate any school within the district for the full one hundred
277 eighty (180) days required for a school term of a scholastic year
278 as required in Section 37-13-63, due to an enemy attack, a
279 man-made, technological or natural disaster in which the Governor
280 has declared a disaster emergency under the laws of this state or
281 the President of the United States has declared an emergency or
282 major disaster to exist in this state, said school board may
283 notify the State Department of Education of such disaster and
284 submit a plan for altering the school term. If the State Board of
285 Education finds such disaster to be the cause of the school not
286 operating for the contemplated school term and that such school
287 was in a school district covered by the Governor's or President's
288 disaster declaration, it may permit said school board to operate
289 the schools in its district for less than one hundred eighty (180)
290 days and, in such case, the State Department of Education shall
291 not reduce the state contributions to the Adequate Education

292 Program allotment for such district because of the failure to
293 operate the schools for one hundred eighty (180) days.

294 (4) The Interim School District Capital Expenditure Fund is
295 hereby established in the State Treasury which shall be used to
296 distribute any funds specifically appropriated by the Legislature
297 to such fund to school districts entitled to increased allocations
298 of state funds under the Adequate Education Program funding
299 formula prescribed in Sections 37-151-3 through 37-151-7 until
300 such time as the * * * Adequate Education Program is fully funded
301 by the Legislature. The following percentages of the total state
302 cost of increased allocations of funds under the Adequate
303 Education Program funding formula shall be appropriated by the
304 Legislature into the Interim School District Capital Expenditure
305 Fund to be distributed to all school districts under the formula:
306 Nine and two-tenths percent (9.2%) shall be appropriated in fiscal
307 year 1998, twenty percent (20%) shall be appropriated in fiscal
308 year 1999, forty percent (40%) shall be appropriated in fiscal
309 year 2000, sixty percent (60%) shall be appropriated in fiscal
310 year 2001, eighty percent (80%) shall be appropriated in fiscal
311 year 2002, and one hundred percent (100%) shall be appropriated in
312 fiscal year 2003 into the State Adequate Education Program Fund.
313 Until July 1, 2002, such money shall be used by school districts
314 for the following purposes:

315 (a) Purchasing, erecting, repairing, equipping,
316 remodeling and enlarging school buildings and related facilities,
317 including gymnasiums, auditoriums, lunchrooms, vocational training
318 buildings, libraries, school barns and garages for transportation
319 vehicles, school athletic fields and necessary facilities
320 connected therewith, and purchasing land therefor. Any such
321 capital improvement project by a school district shall be approved
322 by the State Board of Education, and based on an approved
323 long-range plan. The State Board of Education shall promulgate

324 minimum requirements for the approval of school district capital
325 expenditure plans.

326 (b) Providing necessary water, light, heating, air
327 conditioning, and sewerage facilities for school buildings, and
328 purchasing land therefor.

329 (c) Paying debt service on existing capital improvement
330 debt of the district or refinancing outstanding debt of a district
331 if such refinancing will result in an interest cost savings to the
332 district.

333 (d) [Deleted]

334 (e) [Repealed]

335 (f) [Repealed]

336 (g) The State Board of Education may authorize the
337 school district to expend not more than twenty percent (20%) of
338 its annual allotment of such funds or Twenty Thousand Dollars
339 (\$20,000.00), whichever is greater, for technology needs of the
340 school district, including computers, software,
341 telecommunications, cable television, interactive video, film,
342 low-power television, satellite communications, microwave
343 communications, technology-based equipment installation and
344 maintenance, and the training of staff in the use of such
345 technology-based instruction. Any such technology expenditure
346 shall be reflected in the local district technology plan approved
347 by the State Board of Education under Section 37-151-17.

348 (h) To the extent a school district has not utilized
349 twenty percent (20%) of its annual allotment for technology
350 purposes under paragraph (g), a school district may expend not
351 more than twenty percent (20%) of its annual allotment or Twenty
352 Thousand Dollars (\$20,000.00), whichever is greater, for
353 instructional purposes. The State Board of Education may
354 authorize a school district to expend more than said twenty
355 percent (20%) of its annual allotment for instructional purposes

356 if it determines that such expenditures are needed for
357 accreditation purposes.

358 (i) The State Department of Education or the State
359 Board of Education may require that any project commenced under
360 this section with an estimated project cost of not less than Five
361 Million Dollars (\$5,000,000.00) shall be done only pursuant to
362 program management of the process with respect to design and
363 construction. Any individuals, partnerships, companies or other
364 entities acting as a program manager on behalf of a local school
365 district and performing program management services for projects
366 covered under this subsection shall be approved by the State
367 Department of Education.

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

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

375 **SECTION 2.** This act shall take effect and be in force from
376 and after July 1, 2007.