

By: Representative Moore

To: Education;
Appropriations

HOUSE BILL NO. 776

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
 2 TO REENACT AND AMEND THE PROVISION OF LAW AUTHORIZING SCHOOL
 3 DISTRICTS TO ISSUE STATE AID CAPITAL IMPROVEMENT BONDS SECURED BY
 4 A CONTINUING ANNUAL PLEDGE OF ANY MAEP FUNDS AVAILABLE TO THE
 5 SCHOOL DISTRICT, WHICH WAS REPEALED BY OPERATION OF LAW ON JUNE
 6 30, 1998; TO PROVIDE THAT THE BONDS ISSUED IN THE REENACTED
 7 PROVISION SHALL NOT EXCEED \$195.00 PER PUPIL BASED ON THE LATEST
 8 COMPLETED AVERAGE DAILY ATTENDANCE COUNT CERTIFIED BY THE STATE
 9 DEPARTMENT OF EDUCATION; TO PRESCRIBE THE PURPOSES FOR WHICH THE
 10 BONDS MAY BE ISSUED; TO PRESCRIBE THE CONDITIONS UNDER WHICH THE
 11 STATE BOARD OF EDUCATION SHALL APPROVE ANY CAPITAL EXPENDITURE
 12 PLAN FOR A PLEDGE OF FUNDS; TO AUTHORIZE SCHOOL DISTRICTS TO REPAY
 13 THE BONDS ISSUED WITH FUNDS RECEIVED BY THE DISTRICT FROM THE
 14 STATE; TO AUTHORIZE THE SCHOOL DISTRICT TO IRREVOCABLY PLEDGE
 15 CERTAIN REVENUE AS SECURITY FOR BONDS ISSUED UNDER THIS ACT; TO
 16 PROVIDE FOR THE REPEAL OF THIS REENACTED PROVISION ON JUNE 30,
 17 2018; AND FOR RELATED PURPOSES.

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

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

21 37-151-7. The annual allocation to each school district for
 22 the operation of the adequate education program shall be
 23 determined as follows:

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

28 (a) **Determination of average daily attendance.**
 29 Effective with fiscal year 2011, the State Department of Education
 30 shall determine the percentage change from the prior year of each
 31 year of each school district's average of months two (2) and three
 32 (3) average daily attendance (ADA) for the three (3) immediately
 33 preceding school years of the year for which funds are being



34 appropriated. For any school district that experiences a positive
35 growth in the average of months two (2) and three (3) ADA each
36 year of the three (3) years, the average percentage growth over
37 the three-year period shall be multiplied times the school
38 district's average of months two (2) and three (3) ADA for the
39 year immediately preceding the year for which MAEP funds are being
40 appropriated. The resulting amount shall be added to the school
41 district's average of months two (2) and three (3) ADA for the
42 year immediately preceding the year for which MAEP funds are being
43 appropriated to arrive at the ADA to be used in determining a
44 school district's MAEP allocation. Otherwise, months two (2) and
45 three (3) ADA for the year immediately preceding the year for
46 which MAEP funds are being appropriated will be used in
47 determining a school district's MAEP allocation. In any fiscal
48 year prior to 2010 in which the MAEP formula is not fully funded,
49 for those districts that do not demonstrate a three-year positive
50 growth in months two (2) and three (3) ADA, months one (1) through
51 nine (9) ADA of the second preceding year for which funds are
52 being appropriated or months two (2) and three (3) ADA of the
53 preceding year for which funds are being appropriated, whichever
54 is greater, shall be used to calculate the district's MAEP
55 allocation. The district's average daily attendance shall be
56 computed and currently maintained in accordance with regulations
57 promulgated by the State Board of Education.

58 (b) **Determination of base student cost.** Effective with
59 fiscal year 2011 and every fourth fiscal year thereafter, the
60 State Board of Education, on or before August 1, with adjusted
61 estimate no later than January 2, shall submit to the Legislative
62 Budget Office and the Governor a proposed base student cost
63 adequate to provide the following cost components of educating a
64 pupil in a successful school district: (i) Instructional Cost;
65 (ii) Administrative Cost; (iii) Operation and Maintenance of
66 Plant; and (iv) Ancillary Support Cost. For purposes of these



67 calculations, the Department of Education shall utilize financial
68 data from the second preceding year of the year for which funds
69 are being appropriated.

70 For the instructional cost component, the Department of
71 Education shall select districts that have been identified as
72 instructionally successful and have a ratio of a number of
73 teachers per one thousand (1,000) students that is between one (1)
74 standard deviation above the mean and two (2) standard deviations
75 below the mean of the statewide average of teachers per one
76 thousand (1,000) students. The instructional cost component shall
77 be calculated by dividing the latest available months one (1)
78 through nine (9) ADA into the instructional expenditures of these
79 selected districts. For the purpose of this calculation, the
80 Department of Education shall use the following funds, functions
81 and objects:

82 Fund 1120 Functions 1110-1199 Objects 100-999, Functions
83 1210, 1220, 2150-2159 Objects 210 and 215;

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

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

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

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

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

89 Prior to the calculation of the instructional cost component,
90 there shall be subtracted from the above expenditures any revenue
91 received for Chickasaw Cession payments, Master Teacher
92 Certification payments and the district's portion of state revenue
93 received from the MAEP at-risk allocation.

94 For the administrative cost component, the Department of
95 Education shall select districts that have been identified as
96 instructionally successful and have a ratio of an administrative
97 staff to nonadministrative staff between one (1) standard
98 deviation above the mean and two (2) standard deviations below the
99 mean of the statewide average administrative staff to



100 nonadministrative staff. The administrative cost component shall
101 be calculated by dividing the latest available months one (1)
102 through nine (9) ADA of the selected districts into the
103 administrative expenditures of these selected districts. For the
104 purpose of this calculation, the Department of Education shall use
105 the following funds, functions and objects:

106 Fund 1120 Functions 2300-2599, Functions 2800-2899,
107 Objects 100-999;
108 Fund 2711 Functions 2300-2599, Functions 2800-2899,
109 Objects 100-999.

110 For the plant and maintenance cost component, the Department
111 of Education shall select districts that have been identified as
112 instructionally successful and have a ratio of plant and
113 maintenance expenditures per one hundred thousand (100,000) square
114 feet of building space and a ratio of maintenance workers per one
115 hundred thousand (100,000) square feet of building space that are
116 both between one (1) standard deviation above the mean and two (2)
117 standard deviations below the mean of the statewide average. The
118 plant and maintenance cost component shall be calculated by
119 dividing the latest available months one (1) through nine (9) ADA
120 of the selected districts into the plant and maintenance
121 expenditures of these selected districts. For the purpose of this
122 calculation, the Department of Education shall use the following
123 funds, functions and objects:

124 Fund 1120 Functions 2600-2699, Objects 100-699
125 and Objects 800-999;
126 Fund 2711 Functions 2600-2699, Objects 100-699
127 and Objects 800-999;
128 Fund 2430 Functions 2600-2699, Objects 100-699
129 and Objects 800-999.

130 For the ancillary support cost component, the Department of
131 Education shall select districts that have been identified as
132 instructionally successful and have a ratio of a number of



133 librarians, media specialists, guidance counselors and
134 psychologists per one thousand (1,000) students that is between
135 one (1) standard deviation above the mean and two (2) standard
136 deviations below the mean of the statewide average of librarians,
137 media specialists, guidance counselors and psychologists per one
138 thousand (1,000) students. The ancillary cost component shall be
139 calculated by dividing the latest available months one (1) through
140 nine (9) ADA into the ancillary expenditures instructional
141 expenditures of these selected districts. For the purpose of this
142 calculation, the Department of Education shall use the following
143 funds, functions and objects:

144 Fund 1120 Functions 2110-2129, Objects 100-999;
145 Fund 1120 Functions 2140-2149, Objects 100-999;
146 Fund 1120 Functions 2220-2229, Objects 100-999;
147 Fund 2001 Functions 2100-2129, Objects 100-999;
148 Fund 2001 Functions 2140-2149, Objects 100-999;
149 Fund 2001 Functions 2220-2229, Objects 100-999.

150 The total base cost for each year shall be the sum of the
151 instructional cost component, administrative cost component, plant
152 and maintenance cost component and ancillary support cost
153 component, and any estimated adjustments for additional state
154 requirements as determined by the State Board of Education.

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

157 For each of the fiscal years between the recalculation of the
158 base student cost under the provisions of this paragraph (b), the
159 base student cost shall be increased by an amount equal to forty
160 percent (40%) of the base student cost for the previous fiscal
161 year, multiplied by the latest annual rate of inflation for the
162 State of Mississippi as determined by the State Economist, plus
163 any adjustments for additional state requirements such as, but not
164 limited to, teacher pay raises and health insurance premium
165 increases.



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

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

170 Multiply the average daily attendance of the district by the
171 base student cost as established by the Legislature, which yields
172 the total base program cost for each school district.

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

174 **pupils.** The amount to be included for at-risk pupil programs for
175 each school district shall be computed as follows: Multiply the
176 base student cost for the appropriate fiscal year as determined
177 under paragraph (b) by five percent (5%), and multiply that
178 product by the number of pupils participating in the federal free
179 school lunch program in such school district, which yields the
180 total adjustment for at-risk pupil programs for such school
181 district.

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

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

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

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

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



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

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

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

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

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

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

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

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

229 (2) **Computation of the required local revenue in support of**
230 **the adequate education program.** The amount that each district



231 shall provide toward the cost of the adequate education program
232 shall be calculated as follows:

233 (a) The State Department of Education shall certify to
234 each school district that twenty-eight (28) mills, less the
235 estimated amount of the yield of the School Ad Valorem Tax
236 Reduction Fund grants as determined by the State Department of
237 Education, is the millage rate required to provide the district
238 required local effort for that year, or twenty-seven percent (27%)
239 of the basic adequate education program cost for such school
240 district as determined under paragraph (c), whichever is a lesser
241 amount. In the case of an agricultural high school, the millage
242 requirement shall be set at a level which generates an equitable
243 amount per pupil to be determined by the State Board of Education.

244 (b) The State Department of Education shall determine
245 (i) the total assessed valuation of nonexempt property for school
246 purposes in each school district; (ii) assessed value of exempt
247 property owned by homeowners aged sixty-five (65) or older or
248 disabled as defined in Section 27-33-67(2), Mississippi Code of
249 1972; (iii) the school district's tax loss from exemptions
250 provided to applicants under the age of sixty-five (65) and not
251 disabled as defined in Section 27-33-67(1), Mississippi Code of
252 1972; and (iv) the school district's homestead reimbursement
253 revenues.

254 (c) The amount of the total adequate education program
255 funding which shall be contributed by each school district shall
256 be the sum of the ad valorem receipts generated by the millage
257 required under this subsection plus the following local revenue
258 sources for the appropriate fiscal year which are or may be
259 available for current expenditure by the school district:

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

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



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

266 (a) The required state effort in support of the
267 adequate education program shall be determined by subtracting the
268 sum of the required local tax effort as set forth in subsection
269 (2) (a) of this section and the other local revenue sources as set
270 forth in subsection (2) (c) of this section in an amount not to
271 exceed twenty-seven percent (27%) of the total projected adequate
272 education program cost as set forth in subsection (1) (f) of this
273 section from the total projected adequate education program cost
274 as set forth in subsection (1) (f) of this section.

275 (b) Provided, however, that in fiscal year 1998 and in
276 the fiscal year in which the adequate education program is fully
277 funded by the Legislature, any increase in the said state
278 contribution to any district calculated under this section shall
279 be not less than eight percent (8%) in excess of the amount
280 received by said district from state funds for the fiscal year
281 immediately preceding. For purposes of this paragraph (b), state
282 funds shall include minimum program funds less the add-on
283 programs, State Uniform Millage Assistance Grant Funds, Education
284 Enhancement Funds appropriated for Uniform Millage Assistance
285 Grants and state textbook allocations, and State General Funds
286 allocated for textbooks.

287 (c) If the school board of any school district shall
288 determine that it is not economically feasible or practicable to
289 operate any school within the district for the full one hundred
290 eighty (180) days required for a school term of a scholastic year
291 as required in Section 37-13-63, Mississippi Code of 1972, due to
292 an enemy attack, a man-made, technological or natural disaster in
293 which the Governor has declared a disaster emergency under the
294 laws of this state or the President of the United States has
295 declared an emergency or major disaster to exist in this state,
296 said school board may notify the State Department of Education of



297 such disaster and submit a plan for altering the school term. If
298 the State Board of Education finds such disaster to be the cause
299 of the school not operating for the contemplated school term and
300 that such school was in a school district covered by the
301 Governor's or President's disaster declaration, it may permit said
302 school board to operate the schools in its district for less than
303 one hundred eighty (180) days and, in such case, the State
304 Department of Education shall not reduce the state contributions
305 to the adequate education program allotment for such district,
306 because of the failure to operate said schools for one hundred
307 eighty (180) days.

308 (4) The Interim School District Capital Expenditure Fund is
309 hereby established in the State Treasury which shall be used to
310 distribute any funds specifically appropriated by the Legislature
311 to such fund to school districts entitled to increased allocations
312 of state funds under the adequate education program funding
313 formula prescribed in Sections 37-151-3 through 37-151-7,
314 Mississippi Code of 1972, until such time as the said adequate
315 education program is fully funded by the Legislature. The
316 following percentages of the total state cost of increased
317 allocations of funds under the adequate education program funding
318 formula shall be appropriated by the Legislature into the Interim
319 School District Capital Expenditure Fund to be distributed to all
320 school districts under the formula: Nine and two-tenths percent
321 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
322 (20%) shall be appropriated in fiscal year 1999, forty percent
323 (40%) shall be appropriated in fiscal year 2000, sixty percent
324 (60%) shall be appropriated in fiscal year 2001, eighty percent
325 (80%) shall be appropriated in fiscal year 2002, and one hundred
326 percent (100%) shall be appropriated in fiscal year 2003 into the
327 State Adequate Education Program Fund. Until July 1, 2002, such
328 money shall be used by school districts for the following
329 purposes:



330 (a) Purchasing, erecting, repairing, equipping,
331 remodeling and enlarging school buildings and related facilities,
332 including gymnasiums, auditoriums, lunchrooms, vocational training
333 buildings, libraries, school barns and garages for transportation
334 vehicles, school athletic fields and necessary facilities
335 connected therewith, and purchasing land therefor. Any such
336 capital improvement project by a school district shall be approved
337 by the State Board of Education, and based on an approved
338 long-range plan. The State Board of Education shall promulgate
339 minimum requirements for the approval of school district capital
340 expenditure plans.

341 (b) Providing necessary water, light, heating, air
342 conditioning, and sewerage facilities for school buildings, and
343 purchasing land therefor.

344 (c) Paying debt service on existing capital improvement
345 debt of the district or refinancing outstanding debt of a district
346 if such refinancing will result in an interest cost savings to the
347 district.

348 (d) From and after October 1, 1997, through June 30,
349 1998, pursuant to a school district capital expenditure plan
350 approved by the State Department of Education, a school district
351 may pledge such funds until July 1, 2002, plus funds provided for
352 in paragraph (e) of this subsection (4) that are not otherwise
353 permanently pledged under such paragraph (e) to pay all or a
354 portion of the debt service on debt issued by the school district
355 under Sections 37-59-1 through 37-59-45, 37-59-101 through
356 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
357 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
358 issued by boards of supervisors for agricultural high schools
359 pursuant to Section 37-27-65, Mississippi Code of 1972, or
360 lease-purchase contracts entered into pursuant to Section 31-7-13,
361 Mississippi Code of 1972, or to retire or refinance outstanding
362 debt of a district, if such pledge is accomplished pursuant to a



363 written contract or resolution approved and spread upon the
364 minutes of an official meeting of the district's school board or
365 board of supervisors. It is the intent of this provision to allow
366 school districts to irrevocably pledge their Interim School
367 District Capital Expenditure Fund allotments as a constant stream
368 of revenue to secure a debt issued under the foregoing code
369 sections. To allow school districts to make such an irrevocable
370 pledge, the state shall take all action necessary to ensure that
371 the amount of a district's Interim School District Capital
372 Expenditure Fund allotments shall not be reduced below the amount
373 certified by the department or the district's total allotment
374 under the Interim Capital Expenditure Fund if fully funded, so
375 long as such debt remains outstanding.

376 (e) From and after October 1, 2012, through June 30,
377 2018, in addition to any other authority a school district may
378 have, any school district may issue State Aid Capital Improvement
379 Bonds secured in whole by a continuing annual pledge of any
380 Mississippi Adequate Education Program funds available to the
381 district, in an amount not to exceed One Hundred Ninety-five
382 Dollars (\$195.00) per pupil based on the latest completed average
383 daily attendance count certified by the department before the
384 issuance of the bonds. Such State Aid Capital Improvement Bonds
385 may be issued for the purposes enumerated in paragraphs (a), (b),
386 (c) and (g) of this subsection, for any technology infrastructure
387 and hardware, or to provide matching funds for loans and grants
388 for purposes enumerated in paragraphs (a), (b), (c) and (g) of
389 this subsection. Before issuing the bonds, the school board of
390 the district shall adopt a resolution declaring the necessity for
391 and its intention of issuing such bonds and borrowing such money,
392 specifying the approximate amount to be so borrowed, how such
393 money is to be used and how such indebtedness is to be evidenced.
394 Any capital improvement project financed with State Aid Capital
395 Improvement Bonds shall be approved by the department, and based



396 on an approved long-range plan. The State Board of Education
397 shall promulgate minimum requirements for the approval of such
398 school district capital expenditure plans. The State Board of
399 Education shall not approve any capital expenditure plan for a
400 pledge of funds under this paragraph unless it determines (i) that
401 the quality of instruction in such district will not be reduced as
402 a result of this pledge, and (ii) the district has other revenue
403 available to attain and maintain at least Level III accreditation.

404 A district issuing State Aid Capital Improvement Bonds may
405 pledge for the repayment of such bonds all funds received by the
406 district from the state, in an amount not to exceed One Hundred
407 Ninety-five Dollars (\$195.00) per pupil in average daily
408 attendance in the school district as set forth above, and not
409 otherwise permanently pledged under paragraph (d) of this
410 subsection or under Section 37-61-33(2) (d), Mississippi Code of
411 1972. The district's school board shall specify by resolution the
412 amount of state funds, which are being pledged by the district for
413 the repayment of the State Aid Capital Improvement Bonds. Once
414 such a pledge is made to secure the bonds, the district shall
415 notify the department of such pledge. Upon making such a pledge,
416 the school district may request the department which may agree to
417 irrevocably transfer a specified amount or percentage of the
418 district's state revenue pledged to repay the district's State Aid
419 Capital Improvement Bonds directly to a state or federally
420 chartered bank serving as a trustee or paying agent on such bonds
421 for the payment of all or portion of such State Aid Capital
422 Improvement Bonds. Such instructions shall be incorporated into a
423 resolution by the school board for the benefit of holders of the
424 bonds and may provide that such withholding and transfer of such
425 other available funds shall be made only upon notification by a
426 trustee or paying agent on such bonds that the amounts available
427 to pay such bonds on any payment date will not be sufficient. It
428 is the intent of this provision to allow school districts to



429 irrevocably pledge a certain, constant stream of revenue as
430 security for State Aid Capital Improvement Bonds issued hereunder.
431 To allow school districts to make such an irrevocable pledge, the
432 state shall take all action necessary to ensure that the amount of
433 a district's state revenues up to an amount equal to One Hundred
434 Ninety-five Dollars (\$195.00) per pupil as set forth above which
435 have been pledged to repay debt as set forth herein shall not be
436 reduced so long as any State Aid Capital Improvement Bonds are
437 outstanding.

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

445 The provisions of this subsection shall be cumulative and
446 supplemental to any existing funding programs or other authority
447 conferred upon school districts or school boards. Debt of a
448 school district secured in whole by a pledge of revenue pursuant
449 to this section shall not be subject to any debt limitation.

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

454 This paragraph (e) shall stand repealed from and after June
455 30, 2018.

456 (f) [Repealed]

457 (g) The State Board of Education may authorize the
458 school district to expend not more than twenty percent (20%) of
459 its annual allotment of such funds or Twenty Thousand Dollars
460 (\$20,000.00), whichever is greater, for technology needs of the
461 school district, including computers, software,



462 telecommunications, cable television, interactive video, film,
463 low-power television, satellite communications, microwave
464 communications, technology-based equipment installation and
465 maintenance, and the training of staff in the use of such
466 technology-based instruction. Any such technology expenditure
467 shall be reflected in the local district technology plan approved
468 by the State Board of Education under Section 37-151-17,
469 Mississippi Code of 1972.

470 (h) To the extent a school district has not utilized
471 twenty percent (20%) of its annual allotment for technology
472 purposes under paragraph (g), a school district may expend not
473 more than twenty percent (20%) of its annual allotment or Twenty
474 Thousand Dollars (\$20,000.00), whichever is greater, for
475 instructional purposes. The State Board of Education may
476 authorize a school district to expend more than said twenty
477 percent (20%) of its annual allotment for instructional purposes
478 if it determines that such expenditures are needed for
479 accreditation purposes.

480 (i) The State Department of Education or the State
481 Board of Education may require that any project commenced under
482 this section with an estimated project cost of not less than Five
483 Million Dollars (\$5,000,000.00) shall be done only pursuant to
484 program management of the process with respect to design and
485 construction. Any individuals, partnerships, companies or other
486 entities acting as a program manager on behalf of a local school
487 district and performing program management services for projects
488 covered under this subsection shall be approved by the State
489 Department of Education.

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



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

497 **SECTION 2.** This act shall take effect and be in force from
498 and after July 1, 2012.

